

WHPARTNERS 20

TAX TREATMENT OF HIGHLY SKILLED INDIVIDUALS

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ON THE 1 JANUARY 2026, THE TAX TREATMENT OF HIGHLY SKILLED INDIVIDUALS RULES ("RULES") CAME INTO FORCE, WITH THE INTENTION TO CONSOLIDATE AND REPLACE SEVERAL EXISTING TAX REGIMES.

KEY POINTS

1. CONSOLIDATION OF MULTIPLE TAX REGIMES

The new Rules consolidate and replace various special tax regimes already in place:

- Highly Qualified Persons Rules
- Qualifying Employment in Innovation and Creativity (Personal Tax) Rules
- Qualifying Employment in Aviation (Personal Tax) Rules
- Qualifying Employment in Maritime Activities and Servicing of Offshore Oil and Gas Industry Activities (Personal Tax) Rules
- Senior Employees of Family Offices, Back Offices and Treasury Management Operations Tax Rules

("Old Rules")

2. TAX RATE AND CAPPING

Individuals benefitting from the Rules, will benefit from an attractive flat tax rate of 15% on employment income arising in Malta.
The 15% flat tax rate applies on employment income not exceeding €7,000,000. Any income in excess of €7,000,000 will be taxed at 35%.

3. ELIGIBLE OFFICES AND COMPETENT AUTHORITIES

An individual can benefit from the Rules if he proves to the satisfaction of the competent authority that he performs activities of an eligible office.

The competent authorities are:

Malta Financial Services Authority

Malta Gaming Authority

Authority for Transport in Malta

Office of the Chief Medical Officer to Government

Malta Enterprise

Refer to page 4 for the list of eligible offices.

4. PROFESSIONAL QUALIFICATIONS

An individual can benefit from the Rules if he is in possession of professional qualifications. This is evidenced by educational qualifications requiring at least 3 years of post-secondary education, or by way of derogation, at least 5 years of professional experience of a level comparable to education qualifications.

5. MINIMUM INCOME THRESHOLD

Income from a qualifying contract of employment must now amount to a minimum of €65,000 exclusive of fringe benefits. This threshold will be adjusted by an increase of €10,000 every 5 years with effect from the year 2027.

Transitional provisions: For individuals where the minimum income under the previous Old Rules was below €65,000, the minimum amount shall be the amount previously applicable for the first year, increased by €10,000 in the second year, and reach the full €65,000 minimum in the third year.

6. APPLICATION DEADLINE

Applications under these Rules may be made between 1 January 2026 and 31 December 2035.

7. BENEFIT DURATION

The individual may benefit from a flat tax rate of 15% for a period of 5 years commencing from the year in which a formal determination is issued by the competent authority. Individuals may apply for 2 further extensions of 5 years each, subject to continued compliance. However, benefits shall not apply to income earned after 31 December 2040.

8. TRANSITION FROM OLD RULES

Individuals already benefitting under the Old Rules may apply to the relevant competent authority to be considered beneficiaries under the new Rules by 31 December 2028.

No approvals shall be issued under the Old Rules for applications submitted after 31 December 2025, and no further benefits may be availed of after the year of assessment 2030 under the Old Rules.

9. ANTI-ABUSE PROVISIONS

The Rules introduce comprehensive anti-abuse provisions targeting artificial arrangements, including benefits received from related persons not declared for tax purposes and collusion arrangements between employer and employee.

Where artificial arrangements are identified, the Commissioner for Tax and Customs may determine the tax liability in a manner that nullifies benefits obtained under these Rules.

Eligible Offices



The following eligibile offices apply for any employment with any of the competent authorities:

- Chief Executive Officer
- Chief and, or Head Risk Officer (including Fraud and Investigations Officer)
- Chief Financial Officer
- Chief Operations Officer
- Chief Technology Officer/Chief Digital Officer
- Chief Information Officer
- Chief Customer Experience Officer
- Chief Commercial Officer, (CCO)
- Chief and, or Head Compliance and AML (Anti-Money Laundering) Officer
- Head of Marketing (including Head of Distribution Channels)

The following eligible offices apply for when the competent authority is Malta Financial Services Authority:

- Chief Executive Officer
- Chief and, or Head Risk Officer (including Fraud and Investigations Officer)
- Chief Financial Officer
- Chief Operations Officer
- Chief Technology Officer/Chief Digital Officer
- Chief Information Officer
- Chief Customer Experience Officer
- Chief Commercial Officer, (CCO)
- Chief and, or Head Compliance and AML (Anti-Money Laundering) Officer
- Head of Marketing (including Head of Distribution Channels)

In case of Family Offices, the eligible offices are:

1. Single Family Offices

Eligible offices held within the context of singe family offices and held with:

(a) Malta established fund managers exempt to obtain an investment services licence in accordance with regulation 3(1)(f) or 3(1)(t) of the Investment Services Act (Exemption) Regulations, managing notified professional investor fund ("NPIFs") that:

- operate as family office vehicles, and
- invest only private wealth without raising external capital.

(b) Registered trustees investing on behalf of family trusts in NPIFs that operate as family office vehicle and invest only private wealth of its investors without raising external capital.

(c) Licence holders (including NPIFs) investing private wealth without raising external capital.

2. Multi-Family Offices

Eligible offices held within the context of multi family offices and held with licence holders investing private wealth without raising external capital.

3. Back Office Service Providers

Eligible offices held with companies or undertakings providing back-office services to entities referred to in (1) or (2) above, as confirmed in writing by the competent authority.

4. Treasury Management Providers

Eligible offices held with companies or undertakings providing treasury management operations to entities referred to in (1) or (2) above, as confirmed in writing by the competent authority.

The eligible offices referred to above in points (1) to (4) are:

- Head of the Back Office and, or Chief Executive Officer, General Manager, Country Head, Managing Director or equivalent designation
- Chief and, or Head Risk Officer Chief and, or Head Compliance and Anti-Money Laundering Officer
- Portfolio Manager
- Chief/Head Investment Officer
- Senior Trader
- Senior Structuring Professional



The following eligible offices apply for when the competent authority is Malta Gaming Authority:

- Chief Executive Officer
- Chief and, or Head Risk Officer (including Fraud and Investigations Officer)
- Chief Financial Officer
- Chief Operations Officer
- Chief Technology Officer/Chief Digital Officer
- Chief Information Officer
- Chief Customer Experience Officer
- Chief Commercial Officer,
- Chief and, or Head Compliance and AML Officer
- Head of Marketing (including Head of Distribution Channels)
- Odds Compiler Specialist
- Head of Research and Development (including Search Engine Optimisation and Systems Architecture)
- Portfolio Manager
- Senior Analyst
- Senior Trader
- Head of Investment/Chief Investment Officer
- Head of Responsible Gaming
- Chief People Officer
- Chief Legal Officer

The following eligible offices apply for when the competent authority is the authority for Transport in Malta:

Aviation

- Chief Investment Officer
- Chief Insurance Officer
- Accountable Manager
- Deputy Accountable Manager
- General Manager
- Flight Operations Manager
- Nominated Person Flight Operations
- Training Manager
- Nominated Person Training
- Ground Operations
- Nominated Person Ground Operations
- Continuing Airworthiness Manager
- Nominated Person Continuing Airworthiness
- Compliance Manager
- Quality Systems Manager
- Key Aviation Specialist
- Safety Manager
- Flight Dispatch Manager
- Instructor Manager
- Head of Marketing
- Head of Public Relations
- Actuary
- Underwriting Manager
- Risk Management Officer
- Key account manager
- Product coordinator
- Material coordinator
- Engineering reporter
- Aeronautical engineer
- Head of Maintenance Operations
- Aviation Systems Developer

Maritime Activities

- Managing Director
- General Manager
- Crewing Manager
- Technical Manager
- Chartering Manager
- Operations Manager
- Commercial/Business Development Manager
- Manager responsible for ESG/Energy Transition
- Technical Ship Superintendent
- Designated Person Ashore
- Master
- Chief Mate
- Second Officer
- Company Security Officer
- Chief Engineer
- Second Engineer
- Chef

Servicing of the Offshore Oil and Gas and Ancillary Services Industry Activities:

- Head of Training Academy (which Academy shall be certified by an international accreditation institution).

The following eligible offices apply for when the competent authority is the office of the Chief Medical Officer to Government:

The following eligible offices are in relation to Assisted Reproductive Technology (ART):

- Embryologist
- Responsible Person
- Lead Quality Manager

The following eligible offices apply for when the competent authority is Malta Enterprise:

The following eligible offices are in relation to the area of STEM (Science, Technology, Engineering and Mathemtics):

Science

- Biologist
- Chemist
- Physicist
- Environmental Scientist
- Medical Researcher

Engineering

- Mechanical Engineer
- Civil Engineer
- Electrical Engineer
- Chemical Engineer
- Aerospace Engineer

Technology

- Software Developer/Engineer
- Data Scientist
- Cybersecurity Analyst
- Web Developer
- Artificial Intelligence Specialist

Mathematics

- Mathematician
- Statistician
- Operations Research Analyst

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