

Contact Us

Email: enquiry@papilioservices.com

Call Us: +356 8188 7553

Basics

Currency - Euro (€)

Double Taxation Agreements - 72

Corporate Tax Rate - 35%

VAT Rate - 18%

Capital Duty - No

Capital Acquisition Tax - No

Inheritance/Estate Tax - No

Wealth/Net Worth Tax - No

Corporate Taxation:

Corporate Tax Rate - 35%

Full Imputation System - Yes

A full imputation system means that dividends paid by a company resident in Malta carry a tax credit equivalent to the tax paid by the company on its profits out of which the dividends are distributed.

This may reduce the effective tax rate in Malta to either 0%, 5% or 10% depending on the companies activities.

Participation Exemption - When a Maltese company holds shares in another entity qualifying as a Participating Holding, consequently, the Maltese company may claim a Participating Exemption from Maltese tax on income and capital gains.

Incentives - Tax incentives can be granted to certain business activities. They can apply for:

- (i) Investment Aid
- (ii) Aid for Small Enterprises
- (iii) Aid for SME Start-Ups
- (iv) Aid for Research and Innovation
- (v) Enterprise Support Measures

Withholding Taxes

Dividends - 0%

Interest - 0%

Royalties - 0%

Technical Service Fees - 0%

Other Tax Considerations

Stamp Duty - 5% on the transfers on immovable property. 2% on the transfer of marketable securities in a partnership.

Transfer Tax - No

Real Property Tax - No

Payroll Tax - No

Anti-Avoidance Rules

Transfer Pricing - No

Thin Capitalisation - No, but rules based on EU Anti Tax Avoidance Directive (ATAD)

CFC Rules - Yes

Personal Taxation:

Basis - Progressive income tax rates

€0 - €9,100 = 0%

€9,101 - €14,500 = 15%

€14,501 - €60,000 = 25%

€60,001 and over = 35%

Residence - Tax liability can change depending on their domicile/residence status.

Residence Programmes - 15% taxation on any income remitted to Malta.

Retirement Programme - 15% taxation on any pension income remitted to Malta.

Highly Qualified Persons Rules - Flat rate of 15% tax on earned income.

Social Security - 10% of weekly wage

