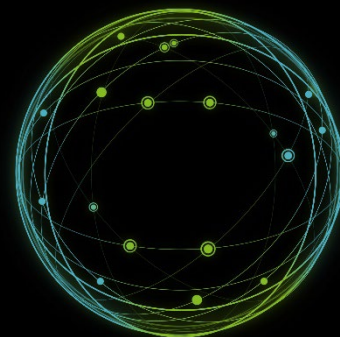


International Tax Malta Highlights 2026

Updated January 2026



Recent developments

For the latest tax developments relating to Malta, see [Deloitte tax@hand](#).

Investment basics

Currency: Euro (EUR)

Foreign exchange control: There are no foreign exchange controls.

Accounting principles/financial statements: IAS/IFRS/General Accounting Principles for Small and Medium-Sized Entities (GAPSME) apply. Financial statements must be prepared and filed annually.

Principal business entities: These are the public and private limited liability company, the partnership *en nom collectif*, and the partnership *en commandite* (the capital of which may or may not be divided into shares). Trusts and foundations also are available under Maltese law. A collective investment scheme (CIS) and a securitization vehicle may be set up under various forms.

Corporate taxation

Rates	
Corporate income tax rate	35% (standard); 15% (FITWI)
Branch tax rate	35% (standard); 15% (FITWI)
Capital gains tax rate	35% (standard); 15% (FITWI)

Residence: A company incorporated in Malta is considered both resident and domiciled in Malta. A company not incorporated in Malta is considered resident in Malta if the management and control of its business is exercised in Malta.

Basis: Companies resident and domiciled in Malta are subject to income tax on their worldwide income and chargeable gains. Companies that are ordinarily resident but not domiciled in Malta are taxable in Malta on a source and remittance basis, i.e., on income and chargeable gains arising in Malta and on income arising outside Malta that is received in Malta (such companies are not taxable in Malta on income arising outside Malta that is not received in Malta or on capital gains arising outside Malta, regardless of whether received in Malta). Companies that are neither incorporated nor resident in Malta are chargeable to tax in Malta only in respect of Malta-source income and chargeable gains, such as the income of a Malta permanent establishment (PE).

Taxable income: Taxable income includes gains or profits derived from a trade or business; dividends, premiums, interest, or discounts; rents, royalties, and other profits arising from property; any charge, annuity, or annual payment; and certain chargeable capital gains. Some categories of income are, subject to certain exceptions, exempt from tax (such as interest, royalties, and gains on the transfer of shares derived by nonresidents), as is income accruing to certain categories of persons (such as income of a CIS that has at least 15% of the value of its assets situated outside Malta, other than income from immovable property situated in Malta). Due to specific deductions available to securitization vehicles, any taxable income effectively may be eliminated at the level of such vehicles.

Rate

General

Companies are taxed at a flat rate of 35%. Relief for economic double taxation upon the distribution of taxed profits by companies is ensured by the application of the full imputation and refund system. This system grants a shareholder the right to claim a refund of all or a part of the Malta tax paid on the qualifying profits out of which the dividend was distributed and, as a result, may reduce the effective tax rate in Malta to 0%-10%. Certain categories of investment income are taxed at 10% or 15%; certain categories of rental income are taxed at 15%. Branches are taxed at the same rates as domestic companies.

As from 2 September 2025, companies, bodies of persons that elect to be treated as a company or are deemed to be a company, and trusts that have elected to be taxed in the same manner as a company have the option to apply a tax rate of 15% on chargeable income, with any tax liability being deemed “final” through the final income tax without imputation system (FITWI). For the purpose of FITWI, chargeable income excludes dividends received from profits that are not allocated to the final tax account of another company registered in Malta and income that has been subject to tax at a final rate of tax under any other provision and is allocated to the final tax account. FITWI taxes are not available as a credit or refund at shareholder level.

Surtax

There is no surtax.

Alternative minimum tax

There is no alternative minimum tax.

Global minimum tax (Pillar Two)

Malta has transposed into its domestic legislation the EU “Pillar Two” directive that is designed to ensure a global minimum level of taxation of 15% for multinational enterprise (MNE) groups and large-scale domestic groups within the EU with annual consolidated revenue of at least EUR 750 million in at least two of the previous four fiscal years. Governmental entities, international organizations, nonprofits, pension funds, investment funds, and real estate investment vehicles that are ultimate parent entities, are excluded.

Malta has elected to defer the IIR (income inclusion rule) and the UTPR (sometimes referred to as the undertaxed profit(s) rule or the undertaxed payments rule) for up to six years as from 31 December 2023. No announcements have been made concerning a qualified domestic top-up tax (sometimes referred to as a QDMTT), and it is not expected to be implemented in 2026. The transposed rules primarily cover general, administrative, and transitional provisions, with full implementation deferred until the earlier of the expiry of the six-year period, Malta rescinding the deferral, or Malta introducing a QDMTT.

In line with the government’s commitment in the 2025 Budget to develop fiscal measures aligned with the global minimum tax framework, work is underway on the introduction of qualified refundable tax credits. Discussions with the European Commission are ongoing to ensure that the proposed measures comply with EU law.

Taxation of dividends: Dividend income is taxable, with the possibility of relief for any underlying tax. The participation exemption may apply in respect of dividend income derived from a participating holding (see “Participation exemption,” below).

Capital gains: Gains on the transfer of capital assets are aggregated with a company’s other income, and the total of income and capital gains is charged to income tax. Capital gains generally arise upon a transfer of (i) immovable property; (ii) securities, business goodwill, business permits, copyrights, patents, trademarks, trade names, and any other intellectual property; (iii) interests in a partnership; and (iv) beneficial interests in trusts that hold property referred to above. However, where a company transfers immovable property situated in Malta, final income tax is payable at a rate of 8% on the transfer value (which is the higher of the consideration received or the market value); other rates (mainly 2%, 5%, 7%, 10%, 12%, or 15%) may apply in specific cases.

A participation exemption may apply in respect of gains derived from the disposal of a participating holding (see “Participation exemption,” below).

Nonresident companies are not subject to tax on gains or profits realized on a disposal of units in a CIS, units relating to long-term insurance policies, interests in a partnership, and shares or securities in a company, unless the partnership’s or company’s assets consist wholly or principally of immovable property situated in Malta.

Losses: Trade losses may be set off against income or capital gains of the relevant year and carried forward indefinitely to set off against income of subsequent years. Losses arising as a result of depreciation may be carried forward indefinitely and set off against the profits of the same and continuing activities. The carryback of losses is not permitted. Capital losses may be set off against capital gains of the current and subsequent years.

Foreign tax relief: An ordinary tax credit with per-jurisdiction and per-source limitations may apply, or a (notional) flat rate foreign tax credit of 25% may apply to companies that receive, and are specifically empowered to receive, foreign-source income.

Participation exemption: Dividend income or capital gains derived from a participating holding (usually an equity shareholding of at least 5%, although a number of alternative tests may apply), or from the disposal of such a holding, are exempt from tax in Malta (or alternatively may be taxed at 35% and the shareholder may, upon a subsequent distribution of the corresponding profits, claim a full refund of the Malta tax paid by the company). In the case of dividends derived from a participating holding, the entity also must (i) be incorporated or resident in the EU; (ii) derive less than 50% of its income from passive interest and royalties; or (iii) be subject to tax at a rate of at least 15%. If none of these conditions are satisfied, the participation exemption may apply if the holding does not qualify as a portfolio investment and the entity is taxed at a rate of at least 5%.

The participation exemption regime also is applicable to profits and gains derived by a Maltese company that are attributable to a PE situated outside Malta, or to the transfer thereof. The profits and gains are to be calculated as if the PE were an independent enterprise operating under similar conditions and at arm’s length.

The benefits of the participation exemption are limited by:

- The anti-hybrid mismatch rule (see “Anti-hybrid rules” under “Anti-avoidance rules,” below);
- The general anti-avoidance rule introduced into domestic law pursuant to the amendments to the EU parent-subsidiary directive; and
- The limitation to the participation exemption that states that the exemption will not apply to income derived from a participating holding in a body of persons resident for tax purposes in a jurisdiction that is included in the EU list of noncooperative jurisdictions.

Holding company regime: No specific holding company regime is available; however, the participation exemption may apply, as outlined above.

Incentives: Tax credits and other incentives are granted for activities such as manufacturing, information technology, research and development and innovative activities, environmental solutions, life sciences, pharmaceuticals, audiovisual productions, education and tuition, logistics, human inpatient and day care services, and hotel and guest house accommodation.

Incentives include the following: (i) investment aid for initial investment projects, which comprises investment tax credits, cash grants, loan interest subsidies, and loan guarantees; (ii) aid for micro-businesses and startups; (iii) aid for value-added projects, including new business initiatives, startups, and expansion and transformation activities; (iv) aid for research and development activities to resolve scientific or technological uncertainties; (v) aid for workforce skills development; (vi) aid for smart and sustainable investments and the optimization of resources; (vii) allocation of industrial land and support for rental or acquisition of industrial space; (viii) aid for digitalization of business processes; and (ix) aid to support advisory and mediation services required by family businesses.

Qualifying undertakings established in Malta are entitled to a notional interest deduction on their qualifying capital (e.g., share capital, share premium, interest-free debt, and positive retained earnings), which is capped at 90% of taxable income, with any excess able to be carried forward to be deducted against taxable income derived in future years.

Owners or holders of exclusive licenses in respect of qualifying intellectual property rights are entitled to a patent box deduction for the purpose of calculating their income tax liability. The patent box deduction is equal to a percentage of the income derived from qualifying intellectual property rights.

Compliance for corporations

Tax year: Companies are assessed to tax on income derived during the financial year (i.e., the basis year), which income is assessed to tax in the year following the basis year (i.e., the year of assessment). A company may use an accounting reference date other than 31 December if consent is granted by, and subject to conditions imposed by, the Malta Tax and Customs Administration (MTCA).

Consolidated returns: Generally, each company must file a separate return. However, a parent company may elect to form a fiscal unit with one or more qualifying subsidiaries, provided that the subsidiaries have the same accounting period as the parent company. Certain ownership/control thresholds must be satisfied to be classified as a qualifying subsidiary.

Members of the fiscal unit, other than the principal taxpayer, are transparent entities for income tax purposes. The principal taxpayer of a fiscal unit is a company within the fiscal unit that is not a transparent subsidiary and is the parent company of one or more transparent subsidiaries. Any income and gains derived by transparent subsidiaries are directly allocated to the principal taxpayer. Similarly, expenditure and capital allowances incurred by transparent subsidiaries are allocated directly to the principal taxpayer. Transactions between members of the fiscal unit are disregarded, except for transfers of immovable property situated in Malta and transfers of property companies.

The fiscal unity regime is optional. Where a fiscal unit is formed, the principal taxpayer is required to prepare a consolidated balance sheet and consolidated profit and loss account each year covering all companies within the fiscal unit. The principal taxpayer also is responsible for filing the tax return of the fiscal unit, with other members of the fiscal unit being exempt from filing their respective tax returns. The members of the fiscal unit are jointly and severally liable for the payment of tax. Apportionment mechanisms are in place for those instances where the transparent subsidiary is not wholly owned by the principal taxpayer or by a parent company.

Where the fiscal consolidation regime is not applied, group loss relief may nevertheless be available in certain circumstances.

Filing and payment: Companies are required to make advance payments of tax during the financial year (although certain exceptions from paying provisional tax may apply), and typically must file a tax return together with financial statements within nine months from the end of the financial year. A final tax payment is due by the tax return submission date. Certain exceptions may apply.

Penalties: Penalties may be imposed, including for filing late or incorrect returns.

Rulings: An application to the MTCA commissioner can be filed to obtain an advance ruling on the tax treatment of certain transactions. A ruling is binding for five years and may be subsequently renewed; however, if relevant changes are made to the law in question after the date of the ruling, the ruling will remain binding for two years as from the date the changes are made. In addition, Malta has implemented the EU directive requiring the automatic exchange of information in the field of taxation in relation to cross-border tax rulings and advance pricing agreements (DAC 3).

A taxpayer may apply for a unilateral transfer pricing ruling or an advance pricing agreement (APA) under the transfer pricing rules (see “Anti-avoidance rules,” below).

Individual taxation

Rates			
Individual income tax rate (single taxpayer, basis year 2026)	Taxable income (EUR)	Rate	Deduction
	Up to 12,000	0%	0
	12,001–16,000	15%	EUR 1,800
	16,001–60,000	25%	EUR 3,400
	Over 60,000	35%	EUR 9,400
Capital gains tax rate	Subject to individual income tax rate		

Residence: The extent of an individual’s tax liability will depend on the individual’s domicile and tax residence status in Malta, and a factual determination must be made to determine whether the person is ordinarily resident and domiciled in Malta, resident but not domiciled in Malta, not ordinarily resident but domiciled in Malta, etc.

An individual is resident in Malta if the individual resides in Malta, except for such temporary absences as may seem to the MTCA commissioner to be reasonable and not inconsistent with the claim of residence. An individual typically is considered resident in Malta if the individual is present in Malta for a period equal to six months in a given calendar year, with the intention to establish residence in Malta.

Basis: Individuals ordinarily resident and domiciled in Malta are liable to income tax in Malta on their worldwide income and chargeable gains. Individuals who are ordinarily resident but not domiciled in Malta are taxable in Malta on a source and remittance basis, i.e., on income and chargeable gains arising in Malta and on income arising outside Malta that is received in, or remitted to, Malta (such individuals are not taxable in Malta on income arising outside Malta that is not received in, or remitted to, Malta, or on capital gains arising outside Malta, regardless of whether received in, or remitted to, Malta).

Individuals who are (i) resident or domiciled in Malta and married to an individual who is ordinarily resident and domiciled in Malta; or (ii) long-term residents who hold a permanent residence certificate or a permanent residence card, are subject to tax in Malta on a worldwide basis (and not on a source and remittance basis).

Taxable income: Taxable income includes gains or profits derived from a trade or business, profession or vocation, or employment or office; dividends, interest, or discounts; pensions, annuities, or annual payments; rents, royalties, premiums, and any other profits arising from property; and certain chargeable capital gains.

Rates: The standard rates are progressive, ranging from 0% to 35%. The amount of taxable income is multiplied by the applicable rate, and a deduction (depending on the rate) is subtracted from the result. The progressive rates and deductions for a single taxpayer are shown in the table above.

A flat tax rate of 15% applies to emoluments derived by highly qualified individuals employed in certain defined roles within qualifying industries (such as family offices, financial services, gaming, aviation, maritime, and offshore oil and gas) under a qualifying contract of employment. Additionally, subject to conditions, a flat tax rate of 15% (subject to a minimum annual tax liability) applies to foreign-source income remitted to Malta by individuals benefiting under specific residence schemes. In certain circumstances, an individual ordinarily resident but not domiciled in Malta is liable to a minimum tax of EUR 5,000 per annum.

Other rates may be applicable, such as those applicable to qualifying part-time work (10% flat rate) and rental income (15% flat rate).

Capital gains: Gains on the transfer of capital assets are aggregated with an individual's other income, and the total of income and capital gains is charged to income tax. Capital gains generally arise upon a transfer of (i) immovable property; (ii) securities, business goodwill, business permits, copyrights, patents, trademarks, trade names, and any other intellectual property; (iii) interests in a partnership; and (iv) beneficial interests in trusts that hold property referred to above. However, when an individual transfers immovable property situated in Malta, final tax is payable at a rate of 8% on the transfer value (which is the higher of the consideration received or the market value); other rates (mainly 2%, 5%, 7%, 10%, 12%, or 15%) may apply in specific cases. Nonresidents are not subject to tax on gains or profits realized on a disposal of units in a CIS, units relating to long-term insurance policies, interests in a partnership, and shares or securities in a company, unless the partnership's or company's assets consist wholly or principally of immovable property situated in Malta or the nonresident person does not act on behalf of an individual or individuals who are ordinarily resident and domiciled in Malta.

Deductions and allowances: Specific and limited deductions are allowed, e.g., certain fees in connection with private schools, childcare, sports, creative and cultural activities for children, and homes for the elderly, and a general maintenance deduction against rental income. Interest paid on money borrowed is deductible from income generated by assets acquired through the application of the loaned funds. Alimony payments are deductible up to the amount of taxable income.

Foreign tax relief: Individuals may be entitled to claim double taxation relief, either under a relevant income tax treaty or under unilateral relief provisions.

Compliance for individuals

Tax year: Individuals are subject to tax on income arising in a calendar year (i.e., the basis year), which is assessed to tax in the year following the basis year (i.e., the year of assessment).

Filing status: In principle, an individual is required to file a tax return if they receive income or gains chargeable to tax, unless such income is entirely subject to tax at source, or when required to do so by the MTCA commissioner by way of a notice.

Spouses are, by default, jointly responsible for filing a joint tax return, whereby one of the spouses is considered to be the responsible spouse. Each spouse's income may be assessed either jointly at the "married" rates or assessed separately within the same return at the "single" or "parental" rates where applicable.

Spouses may opt to request and file separate tax returns, which option may be revoked at any time but will not be available again until five years have lapsed from revocation.

Filing and payment: Individuals may be requested to make provisional tax payments, which are paid in three installments in April, August, and December of the basis year. The balance of tax payable must be paid by 30 June of the year of assessment if issued with a tax return, or 31 December of the year of assessment if issued with a non-filer statement.

Tax on part-time work and qualifying rental income must be paid by 30 April of the year of assessment if the taxpayer opted for the respective final tax regime.

Penalties: Penalties may be imposed, including for filing late or incorrect returns.

Rulings: Rulings are not available for individual taxpayers.

Withholding tax

Rates				
Type of payment	Residents		Nonresidents	
	Company	Individual	Company	Individual
Dividends	0%	Generally 0% (15% where profits are distributed out of the payer's untaxed account)	0%	0%
Interest	0% (10%/15% if interest income qualifies as investment income)	0% (10%/15% if interest income qualifies as investment income)	0%	0%
Royalties	0%	0%	0%	0%

Dividends: Withholding tax generally does not apply to dividends paid to residents; however, a 15% withholding tax rate may apply where profits are distributed to a resident individual out of the payer company's "untaxed account." Malta does not impose withholding tax on dividends paid to nonresidents (except for certain untaxed dividends where a nonresident recipient is owned and controlled by, or acts on behalf of, an individual ordinarily resident and domiciled in Malta).

Interest: Withholding tax generally does not apply to interest paid to residents; however, 10% or 15% withholding tax rates may apply where the interest income qualifies as investment income. There is no withholding tax on interest paid to nonresidents, provided the recipient is not owned and controlled by, and does not act on behalf of, persons ordinarily resident and domiciled in Malta, and does not carry on a trade or business in Malta through a PE with which the interest income is effectively connected.

Royalties: There is no withholding tax on royalties paid to residents. There is no withholding tax on royalties paid to nonresidents, provided the recipient is not owned and controlled by, and does not act on behalf of, persons ordinarily resident and domiciled in Malta, and does not carry on a trade or business in Malta through a PE with which the royalty income is effectively connected.

Fees for technical services: There is no withholding tax on technical services fees paid to residents. There is no withholding tax on technical service fees paid to nonresidents, provided such fees are not sourced in Malta (e.g., are not attributable to a PE of a nonresident in Malta).

Branch remittance tax: There is no branch remittance tax.

Other: Non-final withholding tax may be imposed on certain taxable income paid to nonresident companies.

Anti-avoidance rules

Transfer pricing: Transfer pricing rules apply to basis years commencing on or after 1 January 2024 in relation to any arrangement entered into on or after that date; for arrangements entered into before that date, the transfer pricing rules apply to those arrangements that are materially altered on or after that date. In addition, the transfer pricing rules also apply for basis years commencing on or after 1 January 2027 in relation to any arrangements entered into before 1 January 2024 which were not materially altered on or after 1 January 2024.

The transfer pricing rules do not apply to micro, small, or medium-sized enterprises, i.e., enterprises that employ fewer than 250 persons and have an annual turnover not exceeding EUR 50 million or an annual balance sheet total not exceeding EUR 43 million. The transfer pricing rules do not apply where the aggregate arm's length value of all items of income and expenditure of a revenue nature forming part of cross-border arrangements in the year preceding the year of assessment is less than EUR 6 million and the aggregate arm's length value of all items of income and expenditure of a capital nature forming part of cross-

border arrangements in the year preceding the year of assessment is less than EUR 20 million. There is also an exception for certain securitization transactions.

For the purpose of ascertaining the total income of any company within scope of the transfer pricing rules:

- Where any amount incurred or due in the year preceding the year of assessment under any cross-border arrangement to which the rules apply differs from the arm's length amount, it is deemed that the arm's length amount was incurred or due instead of the actual amount; and
- Where any amount accrued or derived in the year preceding the year of assessment under any cross-border arrangement to which the rules apply differs from the arm's length amount, it is deemed that the arm's length amount was accrued or derived instead of the actual amount.

The transfer pricing rules also apply to notional dealings between a PE and its head office.

The transfer pricing rules have introduced a requirement for in-scope companies to prepare and maintain transfer pricing documentation in line with the requirements of the OECD transfer pricing guidelines. These rules also introduced formal processes for applying for unilateral rulings to provide certainty in relation to the application of the rules to a cross-border arrangement, as well as for bilateral or multilateral APAs with foreign competent authorities.

Interest deduction limitations: An interest deductibility limitation rule based on the EU anti-tax avoidance directive (ATAD) applies. The deductibility of a company's "exceeding borrowing costs" is limited to 30% of a taxpayer's earnings before interest, taxes, depreciation, and amortization (EBITDA) for the tax period. Any excess amount may be carried forward indefinitely. Unused interest capacity may be carried forward for a maximum of five years. There are some exclusions and derogations from the general rule.

Controlled foreign companies: Controlled foreign company (CFC) rules based on the EU ATAD apply where the following tests are met:

- Control test (in the case of an entity): The taxpayer by itself, or together with its associated enterprises, holds a direct or indirect participation of more than 50% of the voting rights of an entity, or owns directly or indirectly more than 50% of the capital or is entitled to receive more than 50% of the profits of that entity; and
- Low taxation test (in the case of an entity or a PE): The actual corporate tax paid by the entity or PE is less than 50% of the tax that would have been charged on the entity or PE under Malta's Income Tax Act.

If an entity or PE is treated as a CFC, certain undistributed income of the entity or PE arising from "nongenuine arrangements" (those that have been put in place for the essential purpose of obtaining a tax advantage) will be included in the tax base of a taxpayer that meets the control test. There are certain exclusions to the application of the rules.

Anti-hybrid rules: The anti-hybrid mismatch rules of the EU ATAD and additional rules regarding reverse hybrid mismatches apply to Malta taxpayers, including PEs of nonresident companies, and to all entities treated as transparent for tax purposes in Malta. Their aim is to correct "mismatch outcomes" that result from the implementation of "hybrid mismatch" arrangements. For the corrective mechanisms to apply, the rules require two factors to be present contemporaneously:

- A mismatch outcome; and
- A hybrid mismatch.

Furthermore, the mismatch outcome must be a direct result of the hybrid mismatch.

Corrective mechanisms where a hybrid mismatch results in a mismatch outcome comprise a primary rule and a secondary rule. The secondary rule is triggered only to the extent the primary rule is not applied. In addition, special corrective mechanisms apply where mismatch outcomes occur as a result of reverse hybrid mismatches and tax residency mismatches.

Economic substance requirements: There are no specific statutory rules on economic substance.

Disclosure requirements: Malta has adopted country-by-country (CbC) reporting. A Malta resident parent company of an MNE group must file an annual CbC report with the MTCA commissioner if the consolidated turnover of the group exceeds EUR 750 million. The report covers each jurisdiction in which the MNE group conducts business activities and must include such information as revenue, profit or loss before tax, income tax paid, number of employees, stated capital, and accumulated earnings. Malta has also introduced public CbC reporting, obliging certain undertakings or groups of undertakings with revenues or consolidated revenues exceeding EUR 750 million for two consecutive years, to draw up, publish, and make accessible, a report on income tax information, effective for accounting periods commencing on or after 22 June 2024. The income tax information report and statement must remain accessible on the relevant group website for a minimum of five consecutive years. Directors and designated branch representatives have collective responsibility for proper disclosure and must notify the registrar within 14 days of publication. Daily administrative penalties may apply in cases of noncompliance, and statutory auditors must confirm whether any reporting obligations applied, and whether they were fulfilled.

Malta has implemented the EU directive regarding mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements (DAC 6). In accordance with DAC 6, intermediaries are required to file information that is within their knowledge, possession, or control on reportable cross-border arrangements to the MTCA commissioner. A cross-border arrangement is considered reportable for the purpose of the rules if it contains at least one of the “hallmarks” listed in annex IV of the rules. A “hallmark” means certain characteristics or features that present an indication of a potential risk of tax avoidance.

In addition, Malta has implemented the EU directive regarding reporting obligations for platform operators (DAC 7). Under DAC 7, reporting platform operators are required to perform certain due diligence procedures and collect and report information with respect to suppliers of certain goods and services via their platform. The information to be reported includes cross-border and non-cross border activities, and extends to non-EU platform operators, subject to certain carve-outs.

Exit tax: A taxpayer is subject to tax on capital gains if Malta loses its taxing rights on the capital gains as a result of the taxpayer transferring:

- Assets from its head office in Malta to its PE in another jurisdiction;
- Assets from its PE in Malta to its head office or another PE in another jurisdiction;
- Its tax residence from Malta to another jurisdiction; or
- The business carried on by its PE from Malta to another jurisdiction.

A transfer of assets is a transaction where Malta loses the right to tax the transferred assets, while the assets remain under the legal or economic ownership of the same taxpayer.

General anti-avoidance rule: There are several general anti-avoidance provisions under domestic law. The MTCA commissioner is entitled to disregard for tax purposes any artificial or fictitious scheme that reduces the amount of Malta tax payable by a taxpayer, and to assess tax on the taxpayer to nullify or modify the scheme and the consequent tax advantage.

Under the EU’s general anti-abuse provision, as transposed into Malta’s domestic legislation, taxpayers must ignore any arrangements or series of arrangements that have been put into place for the main purpose or one of the main purposes of obtaining a tax advantage that defeats the object or purpose of the applicable tax law. An arrangement or series thereof will be regarded as nongenuine to the extent that it is not put into place for valid commercial reasons that reflect economic reality.

There are also other anti-abuse provisions targeting specific activities.

Value added tax

Rates	
Standard rate	18%
Reduced rate	0%/5%/7%/12%

Taxable transactions: VAT is imposed on the supply of goods and services in Malta, the intra-Community acquisition of goods (ICA) in Malta, and the import of goods into Malta from outside the EU.

Rates: The standard rate is 18%. Reduced rates of 0%, 5%, 7%, and 12% apply in certain cases. Some transactions are exempt (e.g., banking and insurance services, the sale and leasing of immovable property).

Registration: A taxable person established in Malta is required to register for VAT in Malta if, in the course of a trade or profession, they make supplies of goods or services in Malta that are VAT taxable or exempt with credit, or provide services to customers established in other EU member states for which VAT is payable solely by those customers under the reverse charge mechanism. A taxable person that is not established in Malta and is not registered for VAT in Malta is required to register when they become liable for the payment of Malta VAT on a supply (including VAT taxable ICAs and VAT taxable importations).

The following persons are required to register under a simplified registration regime: (i) an unregistered taxable person or a non-taxable legal person that intends to make ICAs in Malta when, on account of that acquisition, the value of such ICAs during the calendar year in which the acquisition is made exceeds the annual acquisition threshold of EUR 10,000; and (ii) a taxable person that is not registered for VAT in Malta and that receives services from outside Malta for which they are liable for the payment of Malta VAT. Such VAT-registered persons do not claim input VAT incurred on these purchases and are required to remit that input VAT to the Malta tax authorities.

Taxable persons established in Malta that qualify as small undertakings may opt to register under a simplified registration regime, under which such registered persons do not charge or reclaim VAT on their supplies and procurements.

Filing and payment: Input VAT is set off against output VAT, and the balance is accounted for through an entity's VAT returns. The return, and payment of any VAT due, must be filed and paid no later than the 22nd day of the second month following the month during which the tax period ends.

VAT-registered persons must maintain proper records for at least six years. Penalties and interest may apply for late registration, filing, or payment.

Other taxes on corporations and individuals

Unless otherwise stated, the taxes in this section apply both to companies and individuals.

Social contributions and payroll taxes: Individuals between the ages of 16 and 65 who are in insurable employment or who are self-employed or "self-occupied" are liable to make social security contributions. In the case of insurable employment, three contributions per week are payable: one by the employer, another by the employee, and a third out of the Government Consolidated Fund. Each contribution generally is equal to 10% of the employee's basic weekly wage for a full-time employee, subject to a minimum and maximum, that are updated annually based on the cost-of-living increase awarded by the government. In the case of self-employed and self-occupied individuals, two contributions are payable: one by the individual and another out of the Government Consolidated Fund.

Capital duty: There is no capital duty.

Real property tax: There is no real property tax.

Transfer tax: There is no transfer tax, but see "Stamp duty," below.

Stamp duty: Stamp duty generally is imposed on documents evidencing transfers of immovable property at a rate of 5% of the higher of the consideration or the real value. It also applies on a transfer of marketable securities and/or an interest in a partnership at a rate of 2% of the higher of the consideration or the real value; however, a 5% rate applies to transfers of marketable securities in a company and/or an interest in a partnership where 75% or more of the company's and/or the partnership's assets consist of immovable property. Certain transactions may be exempt. Stamp duty also is imposed on certain specified documents where no transfer of property takes place, such as insurance policies.

Net wealth/worth tax: There is no net wealth tax or net worth tax.

Inheritance/estate tax: There is no inheritance tax or estate tax.

Tax treaties: Malta has concluded around 80 income tax treaties. The Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (BEPS MLI) entered into force for Malta on 1 April 2019.

For information on Malta's tax treaty network, visit [Deloitte International Tax Source](#).

Tax authorities: Tax and Customs Administration

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