



TAX & CUSTOMS
ADMINISTRATION

M A L T A

NOMAD RESIDENCE PERMITS

(INCOME TAX) RULES S.L.123.210

[The Nomad Residence Permits \(Income Tax\) Rules \(S.L. 123.210\)](#) (hereinafter referred to as ‘the Rules’) provides for the tax treatment of income derived from ‘authorised work’, as defined in the Rules (effective from 1st January 2024 onwards) , by individuals who have obtained a valid nomad residence permit in Malta. A valid nomad resident permit is issued in terms of the [Immigration Act](#) (CAP 217 of the Laws of Malta) which grants a third country national a licence to perform work in Malta limited exclusively to ‘authorised work’.

Rule 2 of the Rules, defines the term ‘authorised work’ as services provided by an eligible main applicant, the nomad, in accordance with a contract of employment or in a self-employed capacity when certain conditions are satisfied.

In terms of Rule 2 of the Rules, in relation to the definition of ‘authorised work’, when the services are provided in accordance with a contract of employment, the employer cannot be resident in Malta and cannot carry out business in Malta through a fixed place of business in Malta.

In addition, any service performed by an eligible applicant in a self-employed capacity must be for clients who do not reside in Malta and who do not carry on business in Malta through a fixed place of business, which services, in either case, are provided remotely by means of telecommunication technology as may be approved by Residency Malta Agency.

1. Registration

After receiving the Nomad Residence Card, eligible main applicants will be automatically registered for tax purposes with the Malta Tax and Customs Administration in terms of Rule 4(1) of the Rules.

For detailed information on the application process and registration, eligibility criteria and other relevant guidelines, please visit the official Nomad Residence Permit website¹.

2. Applicable Tax Rate

Eligible main applicants falling within the scope of the Rules are subject to a tax rate of 10% on income derived from authorised work. Any other income is subject to tax in Malta according to the applicable provisions of the Income Tax Act, and such other income shall constitute the last part of the person’s total chargeable income for that year.

Should the eligible main applicant no longer be eligible for nomad status, any income earned would be subject to the standard progressive tax rates. This for example, may arise should the eligible main applicant opt to seek employment with a person resident for tax purposes in Malta in which case the general rules for taxation of employment income in Malta would apply. Residency Malta Agency must be notified of any change in employment status that leads to employment with a person resident in Malta, and if the eligible main

¹ <https://nomad.residencymalta.gov.mt/>

applicant no longer holds the nomad residence permit for any reason, so that the correct amount of tax is charged on any income earned.

In terms of Rule 3(3) of the Rules, no tax shall be chargeable on income derived from authorised work before the end of 12 months from the later of:

- a. the date on which the nomad residence permit is issued; or
- b. the 1st of January 2024

However, an eligible main applicant may be subject to tax with immediate effect if he/she files a written declaration with Residency Malta Agency by the 31st January of the year immediately following the basis year, stating that their residence in Malta is not of a casual nature during the first 12 month period that they are residing in Malta. The declaration can be accessed via the following [link](#)². In this case, any income earned would be subject to tax in Malta even if the 12-month period has not elapsed.

3. Payment of Foreign Tax in respect of income arising from authorised work

In terms of Rule 4(3) of the Rules, an eligible main applicant who provides Residency Malta Agency with satisfactory official written documentation proving that they have paid foreign tax of at least 10% on income arising from authorised work will not be required to file a tax return for that year in Malta, unless the main applicant has other chargeable income or gains which is to be reported and charged to Maltese income tax. The tax due on such income shall thus be deemed to have been so settled. The relevant documentation must be submitted to Residency Malta Agency by not later than the 31st March of the year immediately following the basis year. The documentation accepted as proof that foreign tax has been paid includes:

1. A certificate from the relevant foreign tax authority confirming the amount of tax paid in that country, the nature of the tax, and the type and amount of income subject to that tax, or, in the case of employees, a certificate providing similar details issued by the employer;
2. If the certificate mentioned in point 1 is not obtainable, receipts issued by the relevant foreign tax authority demonstrating the amount of tax paid by the taxpayer may be submitted. These receipts must be accompanied by an explanation from an independent party in Malta (such as an accountant or tax adviser), detailing the type of tax paid based on such receipts and the amount and type of income on which it was paid;
3. If the documents mentioned in point 1 or 2 are not available by the stipulated deadline, the taxpayer may submit proof of payment made to the foreign tax authority, such as a credit or debit card statement or a copy of the cheque showing the payment transaction. This must be accompanied by an explanation from an independent party in Malta (such as an accountant or tax adviser), detailing the type of tax paid based on such documentation, as well as the amount and type of income in

²An applicant must first log in to the portal, linked [here](#)

respect of which the tax was paid. Once these become available, then either the certificate mentioned in point 1 or the receipts mentioned in point 2 must be provided to the Residency Malta Agency, by not later than the date of the expiry of the current Nomad Residence Permit;

4. If none of the aforementioned documents can be obtained (for instance, because the tax in the foreign country has not yet become due for payment) the taxpayer should provide an explanation from an independent party in Malta (such as an accountant or tax adviser). This explanation should clarify the type of tax to be paid and the amount and type of income on which it applies. Once the certificate mentioned in point 1 or the receipts mentioned in point 2 become available, they must be provided to Residency Malta Agency by not later than the date of the expiry of the current Nomad Residence Permit.

If the main applicant has other chargeable income or gains that needs to be reported for Maltese income tax purposes, or if the main applicant and their spouse opt for joint computation, the income derived from authorised work must be reported and double taxation relief should be applied accordingly.

In terms of Rule 3(2) of the Rules, the income from authorised work is treated as the first part of the person's total chargeable income. Declaring the income derived from authorised work in the instances mentioned above will ensure that the correct amount of tax is calculated on the remaining part of the chargeable income.

Where foreign tax has been paid which is less than 10% on the said income in line with Rule 4(3) of the Rules, relief for any foreign taxes paid on such income shall only be granted upon a submission of a valid Malta tax return in line with Rule 3(1) of the Rules. Where a tax return needs to be submitted, all supporting documentation showing foreign tax paid as would apply in any other set of circumstances, must be included with the tax return for a valid claim to be made.

4. Final Settlement System - FSS

Eligible applicants will not be subject to FSS payments, nor will their non-resident employer be required to fulfil any requirements related to the employment of the nomad resident permit holder. This is based on the understanding that an eligible applicant shall continue to work for their non-resident employer during their entire stay in Malta and such non-resident employer does not become resident for tax purposes in Malta.

In case of any changes to such employment position of a nomad resident permit holder, the said individual is required to duly inform Residency Malta Agency so that the correct amount of tax is charged on any income earned.

5. Compliance Requirements

Individuals granted a nomad residency permit must ensure full compliance with the requirements of the Income Tax Acts, including relevant and timely submission of tax returns, as well as payment of any tax due by the settlement date.

6. Tax Residency Certificate

Acceptance as a Nomad does not grant tax residency. For further information of what constitutes tax residency in Malta, please refer to the guidelines [here](#). Applications for a tax residency certificate are to be made by sending an email request to certificates.mtca@gov.mt.



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