SUBSIDIARY LEGISLATION 123.221

INDIVIDUAL TAX PROGRAMME RULES

*

LEGAL NOTICE 195 of 2026.

Citation and commencement.

1. (1) The title of these rules is the Individual Tax Programme Rules.

(2) These rules shall come into force on 1st January 2027.

Interpretation.

2. In these rules, unless the context otherwise requires:

Cap. 123.

"Act" means the Income Tax Act;

"appointed day" means the date on which the Commissioner for Tax and Customs shall determine in writing that an individual is granted special tax status under these rules;

"application" means an application submitted in accordance with rule 3(1);

"authorised mandatary" means a person who is:

Cap. 12.

(a) in possession of a warrant to practice as an advocate under the Code of Organization and Civil Procedure;

Cap. 12.

(b) a person who holds a warrant to practice as a legal procurator under the Code of Organization and Civil Procedure;

Cap. 55.

(c) a person who has been appointed notary public in accordance with the provisions of the Notarial Profession and Notarial Archives Act; or

Cap. 281.

(d) a person who holds a warrant to practice the profession of accountant under the Accountancy Profession Act:

Provided that a person that is not an individual, having at least seventy-five per cent (75%), directly or indirectly, of its shareholders, partners or other members, as the case may be, who are persons in possession of the above-mentioned warrants shall also be considered to be an authorised mandatary;

"authorised registered mandatary" means an authorised

*Not yet in force.

mandatary who is registered with the Commissioner for Tax and Customs under these rules;

"beneficiary" means an individual who has been granted special tax status in accordance with rule 3;

"Commissioner" means the Commissioner for Tax and Customs;

"dependant" means:

(a) the beneficiary's spouse or person with whom the beneficiary is in a stable and durable relationship;

(b) minor children including adopted minor children and children who are in the care and custody of the beneficiary or the person mentioned in paragraph (a);

(c) children who are under the age of twenty-five (25), including adopted children and children who are in the care and custody of the beneficiary or the person mentioned in paragraph (a), provided that such children are not economically independent; and

(d) children including adopted children and children who are in the care and custody of the beneficiary or the person mentioned in paragraph (a), who are not minors but who because of circumstances of illness or disability of a serious gravity, are unable to maintain themselves and in any case:

S.L. 123.79.
S.L. 123.129.
S.L. 123.130.
S.L. 123.141.
S.L. 123.126.
S.L. 123.218.
S.L. 123.219.
S.L. 123.168.
S.L. 123.182.

(i) is not a beneficiary under the Residents Scheme Regulations, the High Net Worth Individuals - EU/EEA/Swiss Nationals Rules, the High Net Worth Individuals - Non-EU/EEA/Swiss Nationals Rules, the Qualifying Employment in Innovation and Creativity (Personal Tax) Rules, the Highly Qualified Persons Rules, the Senior Employees of Family Offices, Back Offices and Treasury Management Operations Tax Rules, or the Tax Treatment of Highly Skilled Individuals Rules, Qualifying Employment in Aviation (Personal Tax) Rules and Qualifying Employment in Maritime Activities and the Servicing of Offshore Oil and Gas Industry Activities (Personal Tax) Rules; and

(ii) resides with the beneficiary in the qualifying property;

"EEA" means the members of the European Union, Iceland, Norway and Liechtenstein;

"Fund" means the United Nations Joint Staff Pension Fund;

"household staff" means an individual who has been providing services regulated by a contract of service to the beneficiary for at least two (2) years prior to an application for special tax status in terms of these rules provided that the Commissioner for Tax and Customs is satisfied that the service is required to be provided in whole or in part within the qualifying property;

"lease" includes sub-lease;

"long-term resident" means:

(a) a person who has long-term resident status in accordance with the Status of Long-term Residents (Third Country Nationals) Regulations; S.L. 217.05.

(b) a person who applies for long-term resident status under the Status of Long-term Residents (Third Country Nationals) Regulations; S.L. 217.05.

"Member organisation" means the United Nations and any specialised agency or other organisation admitted to membership in the Fund;

"Minister" means the Minister responsible for finance;

"minor" is an individual of either sex who has not yet attained the age of eighteen (18) years;

"not economically independent" means a person who is not able to financially support oneself without relying on the beneficiary;

"occupational retirement scheme" means a retirement scheme established for, or by, an employer or a number of employers or an association representing employers, jointly or separately, for the benefit of employees and includes an overseas retirement scheme;

"overseas retirement plan" means a *bona fide* scheme or arrangement, organised under the laws of a country outside of Malta, which govern the rights and responsibilities of the parties thereto, and under which payments are made to beneficiaries for the principal purpose of providing retirement benefits;

"overseas retirement scheme" means a scheme or arrangement, organised under the laws of a country outside Malta with the principal purpose of providing retirement benefits;

"pension" means periodic payments paid to a former employee in respect of past employment including where remunerations are paid in respect of services rendered to a State or a political subdivision or local authority thereof:

Provided that "pension" also includes remunerations paid as lifetime or temporary annuities, as well as regular income from an occupational retirement scheme, personal overseas retirement plan and insurance policies but does not include a pension in the form of a lump sum payment without periodic pension payments and any capital sum received by way of commutation of pension, retirement or death gratuity or received as consolidated compensation for death or injuries that are exempt under article 12(1)(h) of the Act;

"permanent resident of Malta" means:

(a) an individual who has the right of permanent residence in accordance with article 6 and is in possession of a permanent residence certificate issued in accordance with article 7 of the Free Movement of European Union Nationals and their Family Members Order; or

S.L. 460.17.

(b) an individual who applies for the right of permanent residence in accordance with article 6 of the Free Movement of European Union Nationals and their Family Members Order;

S.L. 460.17.

"primary residence" means the dwelling house in which an individual habitually resides as his principal place of abode worldwide;

"property" means any immovable property situated in Malta or Gozo and any right over such property;

"public interest" includes the interests of public safety, the protection of public order, national security, territorial integrity, public health or morals;

"qualifying property" means a qualifying owned property or a qualifying rented property, as the case may be;

"qualifying property holding" means a holding which

arises where a beneficiary:

(a) owns qualifying owned property; or

(b) rents qualifying rented property as lessee;

and in either case, occupies such property as his primary residence:

Provided that only the beneficiary and the persons qualifying as his dependants or household staff reside in the qualifying property, provided that the Commissioner has been duly notified of such dependants or household staff who shall so reside therein:

Provided further that persons who do not qualify as dependants in accordance with these rules but who are bound to live within the same matrimonial home may reside in the qualifying property together with the beneficiary, as long as the Commissioner has been notified that such financially independent persons shall so reside therein;

"qualifying owned property" means an immovable property purchased at a consideration of not less than seven hundred thousand euro (€700,000) for a property situated in Malta or Gozo:

Provided that the Commissioner or any officer, perit or surveyor authorised by him in writing, shall have full and free access to the qualifying owned property to the extent that such access is likely to assist in determining the value of the said property:

Provided further that an immovable property purchased by a beneficiary before or up to the date of the coming into force of these rules for a consideration which is less than the amount indicated above shall be considered to be a "qualifying owned property", as may be determined by the Commissioner in guidelines published under the provisions of article 96(2) of the Act;

"qualifying rented property" means a property taken on at lease of not less than fourteen thousand euro (€14,000) per year for a property situated in Malta or Gozo;

"rights acquired under this law" means the right to pay tax at the rate of tax provided in article 56(23) of the Act and these rules;

"special carer" means an individual who has been in an employment relationship with the beneficiary, as evidenced by

a contract of service, for at least two (2) years prior to the application in accordance with rule 3, provided that the Commissioner is satisfied that the service is required to be provided, whether in whole or in part, within the qualifying property;

"third-country national" means any person who is not a citizen of the European Union within the meaning of Article 20 of the Treaty on the European Union and the Treaty on the Functioning of the European Union;

"United Nations pension" means a pension paid out of the United Nations Joint Staff Pension Fund;

"Widows' and, or Widowers' Benefit" means the benefit payable to the surviving spouse of a participant who, at the date of death, was entitled to a retirement, early retirement, deferred retirement or disability benefit, or who died in service, provided that the surviving spouse was married to the participant at the date of death or, where separated prior to the death of the participant, was married to the participant at the date of separation and remained so married until the participant's death.

Special tax status.

3. (1) An individual, as duly represented by an authorised registered mandatary, may apply to the Commissioner for special tax status under these rules, in such form as the Commissioner may require and by paying a non-refundable administrative fee upon application. Special tax status shall be categorised as follows:

(a) global resident status;

(b) EU, EEA, Swiss resident status;

(c) retired pensioner status;

(d) UN pensioner status.

(2) The non-refundable administrative fee mentioned in sub-rule (1) shall amount to eight thousand and five hundred euro (€8,500) for special tax statuses granted in accordance with such rule.

(3) Where it is established that the individual mentioned in sub-rule (1) qualifies as a beneficiary, the Commissioner shall determine in writing that such individual is granted special tax status under these rules:

Provided that without prejudice to the powers of the Commissioner, including for the avoidance of doubt, that of determining at any time that any such special tax status is no longer

applicable in line with the provisions of regulation 6, such special tax status shall apply for a term of five (5) years:

Provided further that any granting of special tax status made before or up to 31st December 2026, including for the avoidance of doubt, any applications for the granting of such status received up to the same date, shall continue to apply until 31st December 2031:

Provided further that any special tax status granted in accordance with sub-rule (1) may, at the option of the applicant, be renewed for further periods of five (5) years. Any application for renewal shall be submitted to the Commissioner, in such form and accompanied by such documents as the Commissioner may require and by paying a non-refundable administrative fee of two thousand five hundred euro (€2,500) upon application and such renewal shall not be unreasonably withheld by the Commissioner.

(4) Following the death of a beneficiary, the special tax status granted in accordance with sub-rule (1) shall be granted to a dependant of such deceased beneficiary who has inherited the property that was the primary residence of such beneficiary, or who rents a qualifying rented property immediately after the death of the said beneficiary and satisfies all the other requirements established in rule 4. Such status shall only be transferred once the said dependant provides proof to the Commissioner that all the requirements of rule 4 are satisfied in such manner as the Minister may determine after consultation with the Commissioner.

(5) An individual who has been granted special tax status in accordance with sub-rule (1) shall notify the Commissioner through his authorised registered mandatary of a change in the dependants of such individual by not later than four (4) weeks from the date when the change occurs. Such notification is to be made on such form as may be required by the Commissioner:

Provided that where such notification is not made within the time specified, the person responsible for such event shall be charged an administrative penalty of five thousand euro (€5,000).

Beneficiary.

4. A beneficiary is an individual who proves to the satisfaction of the Commissioner that:

(a) he is a third country national and is not a long-term resident, Maltese, EEA or Swiss national, if such individual is applying for special tax status in accordance with rule 3(1)(a);

(b) he is an EU, EEA or Swiss national but is not a Maltese national or a permanent resident of Malta, if such individual is applying for special tax status in accordance with

rule 3(1)(b);

(c) he is not a Maltese national, a long-term resident or permanent resident of Malta, if such individual is applying for special tax status in accordance with rule 3(1)(c) or (d);

S.L. 123.79.
S.L. 123.129.
S.L. 123.130.
S.L. 123.141.
S.L. 123.126.
S.L. 123.218.
S.L. 123.219.
S.L. 123.168.
S.L. 123.182.

(d) he is not a person who benefits under the Residents Scheme Regulations, the High Net Worth Individuals - EU/EEA/Swiss Nationals Rules, the High Net Worth Individuals - Non-EU/EEA/Swiss Nationals Rules, the Qualifying Employment in Innovation and Creativity (Personal Tax) Rules, the Highly Qualified Persons Rules, the Senior Employees of Family Offices, Back Offices and Treasury Management Operations Tax Rules, or the Tax Treatment of Highly Skilled Individuals Rules, Qualifying Employment in Aviation (Personal Tax) Rules and Qualifying Employment in Maritime Activities and the Servicing of Offshore Oil and Gas Industry Activities (Personal Tax) Rules:

Provided that no individual shall benefit under multiple special tax status categories under rule 3(1);

(e) he holds a qualifying property holding;

(f) he is in receipt of stable and regular resources which are sufficient to maintain himself and his dependants without recourse to the social assistance system in Malta;

(g) he is in receipt of a pension, as supported by documentary evidence, all of which is received in Malta and constitutes at least seventy-five per cent (75%) of the beneficiary's chargeable income, if such individual is applying for special tax status in terms of rule 3(1)(c);

(h) he is in receipt of a United Nations pension or a Widows' and, or Widowers' Benefit, of which at least forty per cent (40%) is received in Malta, if such individual is applying for special tax status in accordance with rule 3(1)(d);

(i) he is in possession of a valid travel document;

(j) he is in possession of sickness insurance in respect of all risks across the whole of the European Union normally covered for Maltese nationals, for himself and his dependants;

(k) he is not domiciled in Malta and that he does not, within five (5) years from the date of application in place, intend to establish his domicile in Malta;

(l) he can adequately communicate in one of the

official languages of Malta; and

(m) he is a fit and proper person.

15% rate.

5. (1) In these rules and in article 56(23) of the Act, the rate of fifteen cents (0.15) for every euro shall apply to any income arising outside Malta, including income arising outside Malta and received in Malta during the whole of the year in which the special tax status was granted, in the year immediately preceding the year of assessment which is received in Malta by the beneficiary, the beneficiary's spouse and children referred to in paragraphs (b) and (d) of the definition of the term "dependant" in rule 2, with the possibility to claim relief of double taxation in accordance with article 74(a) and (b) of the Act:

Provided that the minimum amount of tax payable in terms of these rules and article 56(23) of the Act, in respect of the income arising outside Malta of the persons who have been granted special tax status in terms of rule 3(1)(a) and (b) shall be thirty-five thousand euro (€35,000) for any year of assessment. Such minimum amount is payable in full in both the year when the special tax status was granted and in the year when the individual ceases to possess the said special tax status:

Provided further that the minimum amount of tax payable in terms of these rules and article 56(23) of the Act in respect of any year of assessment by persons who have been granted special tax status in accordance with rule 3(1)(c) shall be fifteen thousand euro (€15,000) per year of assessment. Such minimum amounts are payable in full in both the year when the special tax status was granted and in the year when the individual ceases to possess the said special tax status.

(2) In the case of a beneficiary who has been granted special tax status in accordance with rule 3(1)(d), such beneficiary's United Nations pension income or Widows' and, or Widowers' Benefit, as the case may be, received in Malta following the granting of the special tax status, shall be exempt from income tax. Tax shall be charged at the rate of fifteen cents (0.15) for every euro on any income, excluding the United Nations pension or Widows' and, or Widowers' Benefit arising outside Malta in the year immediately preceding the year of assessment in which it is received in Malta by the beneficiary, the beneficiary's spouse and children referred to in paragraphs (b) and (d) of the definition of the term "dependant" in rule 2, following the granting of the special tax status, with the possibility to claim relief of double taxation under article 74(a) and (b) of the Act:

Provided that the minimum amount of tax payable in accordance with these rules and article 56(23) of the Act in respect of the income arising outside Malta, excluding United Nations pension

income or Widows' and, or Widowers' Benefit of the persons referred to in this sub-rule shall be twenty thousand euro (€20,000) in respect of the beneficiary.

(3) Income of a beneficiary, the beneficiary's spouse and children referred to in paragraphs (b) and (d) of the definition of the term "dependant" in rule 2 that is not chargeable to tax under these rules at the rate referred to in sub-rule (1) shall be charged as separate income at the rate of thirty-five cents (0.35) for every euro.

(4) Notwithstanding any provision of the Act:

(a) subject to the provisions of paragraph (b), the minimum tax referred to in the provisos to sub-rule (1) shall be payable by not later than the 30th April of the year immediately preceding the relevant year of assessment. Such payment shall be accompanied by a return submitted to the Commissioner that provides proof that all the requirements of rule 4 continue to be satisfied. The said return, which shall be in such form as the Commissioner may determine, does not need to be submitted in the year in which the special tax status is granted;

(b) in the case of the year in which the special tax status is granted, where it is evident that the special tax status shall not be granted before the 30th April, the minimum tax referred to in the provisos to sub-rule (1) is to be paid before the special tax status is granted;

(c) any tax paid in accordance with the provisions of sub-rule (1) shall not be refundable.

(5) (a) Notwithstanding any provision in the Act, an individual who falls under the definition of "long-term resident" or "permanent resident of Malta" as defined in rule 2 shall be taxable on any income accruing in or derived from Malta or otherwise, and whether received in Malta or otherwise in respect of income mentioned in article 4 of the Act and subject to tax at the rates mentioned in article 56 of the Act.

(b) In the case where the individual referred to in paragraph (a) is a beneficiary or dependant, the relevant authorised registered mandatary shall:

(i) enquire and obtain information from the relevant beneficiary as to whether such beneficiary or any of his dependants falls under the said definition of "long-term resident" or "permanent resident of Malta" as at the 31st December of each year from the year of the appointed date onwards; and

(ii) notify the Commissioner of any individual that is a beneficiary or dependant that falls under the said definition of "long-term resident" or "permanent resident of Malta" by not later than the 30th April following the 31st December referred to in sub-paragraph (i) on such form as the Commissioner may determine. Where the authorised registered mandatary shall not be able to obtain such information, he is to notify the Commissioner by the said 30th April of this state of affairs and provide proof that at least two (2) attempts at enquiry were made. Where such notifications shall not be made within the time specified, the authorised registered mandatary shall be charged an administrative penalty of ten thousand euro (€10,000).

Cessation of special tax status.

6. (1) An individual shall, with immediate effect from the beginning of the relative year of assessment, cease to possess special tax status under these rules:

(a) if the individual becomes a Maltese national;

(b) if at any time, after the appointed day, such individual does not hold a qualifying property holding, including in the case where the said individual lets or sublets the qualifying property holding;

(c) if at any time, after the appointed day, such individual becomes a long-term resident or permanent resident of Malta;

(d) in cases where a beneficiary was granted special tax status in terms of rule 3(1)(c), if the individual fails to receive in Malta all the pension indicated in the documentary evidence submitted to the Commissioner according to rule 4(g);

(e) in cases where a beneficiary was granted special tax status in terms of rule 3(1)(d), if the individual fails to receive in Malta at least forty percent (40%) of the United Nations pension or Widows' and, or Widowers' Benefit as indicated in the documentary evidence submitted to the Commissioner according to rule 4(h);

(f) if after the appointed day, the individual does not have private medical insurance in respect of all risks normally covered for Maltese nationals for himself and his dependants;

(g) if the individual's stay is not in the public interest;

(h) if the individual stays in any other jurisdiction for more than one hundred and eighty-three (183) days in a calendar year;

(i) if the individual ceases to be duly represented by an authorised registered mandatary;

(j) if any dependants, including additional dependants are determined to be not fit and proper;

(k) if the beneficiary fails to effect payment of the minimum amount of tax payable in terms of rule 5(1) or 5(2) or fails to effect payment within the time limit imposed in accordance with rule 5(4);

(l) if the beneficiary fails to submit the return in accordance with rule 5(5); or

(m) if the individual fails to possess any criteria required in accordance with rule 4.

(2) An individual who ceases to possess special tax status for any of the reasons specified in sub-rule (1) shall notify the Commissioner through his authorised registered mandatory of such fact by not later than four (4) weeks from the date when he becomes aware of such fact. This notification is to be made on such form as may be required by the Commissioner. Where such notification is not made within the time specified, the individual responsible under this paragraph shall be charged an administrative penalty of five thousand euro (€5,000).

(3) An individual shall with immediate effect, cease to possess special tax status from the relative year of assessment in accordance with these rules if he notifies the Commissioner through his authorised registered mandatory of his intention not to remain in possession of such special tax status on such form as the Commissioner may require.

(4) An individual shall, with effect from the beginning of the relative year of assessment, cease to possess special tax status under these rules if he is in breach of the Act and, or of the Income Tax Management Act.

Cap. 372.

(5) The Minister shall have the power to pardon any failure to satisfy any one of the conditions in sub-rule (1) if:

(a) such failure was due to unforeseen circumstances which are beyond the control of the individual;

(b) such individual notifies the Minister of such failure; and

(c) such individual has exercised his best efforts to remedy the failure.

Request for and exchange of information.

7. (1) For the purpose of ascertaining an individual's entitlement to rights acquired in accordance with these rules and ensuring the proper application of these rules, the Commissioner may require that individual or the relevant authorised registered mandatary to produce, within the time indicated by the Commissioner in such request, such information and documents as the Commissioner may consider necessary, including certifications and declarations.

(2) Notwithstanding any other provision in any other law, the Commissioner and the competent authority in relation to the Status of Long-term Residents (Third Country Nationals) Regulations or in relation to the Free Movement of European Union Nationals and their Family Members Order, as the case may be, may exchange information that is in their possession concerning an individual:

(a) who submits an application in accordance with rule 3; S.L. 217.05.

S.L. 460.17.

(b) that is a beneficiary; or

(c) that has long-term residence status in accordance with the Status of Long-term Residents (Third Country Nationals) Regulations or that has a right of permanent residence in terms of the Free Movement of European Union Nationals and their Family Members Order, as the case may be. S.L. 217.05. S.L. 460.17.

(3) The information referred to in sub-rule (2) may be exchanged for the purposes of these rules and for the purposes of the long-term residence status in accordance with the Status of Long-term Residents (Third Country Nationals) Regulations or for the purposes of the right of permanent residence in accordance with the Free Movement of European Union Nationals and their Family Members Order, as the case may be. S.L. 217.05. S.L. 460.17.

Production of information and documents.

8. For the purpose of ascertaining an individual's entitlement to rights acquired in accordance with these rules and ensuring the proper application of these rules, the Commissioner may require that individual or the relevant authorised registered mandatary to produce, within the time indicated by the Commissioner in that request, such information and documents as the Commissioner may consider necessary, including certifications and declarations.

Issue of an assessment.

9. If an individual benefits under these rules where such individual was not so entitled, the Commissioner may issue an assessment in terms of article 31 of the Income Tax Management Act. Cap. 372.

Return. Cap. 372.

10. The return required in terms of article 10 of the Income Tax Management Act shall, in the case of a beneficiary in accordance with these rules, include such form as the Commissioner may require.

Authorisation.

11. (1) An individual shall authorise a person who is an

authorised registered mandatary to act on his behalf in respect of all applications, correspondence, submissions, filings, declarations and notifications contemplated in accordance with these rules. Such acts shall be submitted by the said authorised registered mandatary.

(2) The authorisation referred to in sub-rule (1) shall be made in such form as the Commissioner may require.

(3) Unless the Commissioner specifically authorises in writing, a person may not authorise more than one (1) authorised mandatary.

(4) Registration as an authorised registered mandatary with the Commissioner shall be made by filling in and submitting to the Commissioner such form as the Commissioner may require.

(5) Registration as an authorised registered mandatary in accordance with these rules shall be subject to such terms and conditions as the Commissioner may impose from time to time.

(6) Acceptance of registration in accordance with these rules shall be notified by the Commissioner to the person requesting such registration.

(7) When a person who has been registered with the Commissioner desires to cancel such registration, he shall make a request in such form as the Commissioner may require.

Compliance monitoring.

12. The Commissioner may give notice in writing to any authorised registered mandatary to furnish him, within a reasonable time stated in such notice, not being less than twenty (20) days, such information as may be necessary in order to verify that such authorised registered mandatary is complying with the obligations established in these rules. Such requests shall be sent to that authorised registered mandatary either by electronic means to his verified email address or sent by post to the authorised registered mandatary's registered address. Where any of the information requested is not submitted to the Commissioner within the time limit specified in the notice, the authorised registered mandatary shall be liable to an administrative penalty of not less than five hundred euro (€500) and not exceeding nineteen thousand, two hundred and fifty euro (€19,250):

Provided that where the Commissioner is satisfied that the default in respect of which the administrative penalties have been imposed were justifiable, the Commissioner may remit such administrative penalties in whole or in part as he may think fit. In every case the Commissioner shall inform the said authorised registered mandatary in writing:

Provided further that where an authorised registered

mandatary repeatedly fails to carry out a function required under these rules, he shall cease to be an authorised registered mandatary, in such manner and form as the Commissioner may determine. For the purposes of this paragraph, "repeatedly" means more than two (2) failures of carrying out functions required under these rules.