

SUBSIDIARY LEGISLATION 123.219**TAX TREATMENT OF HIGHLY SKILLED
INDIVIDUALS RULES**1st January, 2026*LEGAL NOTICE 20 of 2026.*

- 1.** The title of these rules is the Tax Treatment of Highly Skilled Individuals Rules. Citation.
- 2.** In these rules, unless the context otherwise requires: Interpretation.
- "Act" means the Income Tax Act; Cap. 123.
- "artificial arrangements" means arrangements the terms of which include:
- (a) a beneficiary who receives any benefit or payment, in whatever form, from a person who is related to his employer and such beneficiary does not declare for tax purposes such benefit or payment in Malta or is not liable to tax on such income in Malta;
- (b) arrangements of collusion between employer and employee to ensure that a contract which in substance does not fall within the scope of these rules and article 56(21) of the Act would be given a form which enables it to qualify for benefits referred to in these rules;
- "Commissioner" means the Commissioner for Tax and Customs;
- "competent authority" means the body, agency, authority, office or other person referred to in the Schedules;
- "eligible office" means an employment or office where the employment, office, employee or the employer, or any combination thereof, is regulated, licensed or recognised by a competent authority referred to in the Schedules;
- "professional qualifications" means relevant qualifications attested by evidence of education qualifications or, by way of derogation, when provided for by national law, attested by at least five (5) years of professional experience of a level comparable to education qualifications and which are relevant in the profession or sector specified in the work contract or binding job offer:

Provided that for the purpose of this definition:

"education qualification" means any evidence of formal qualifications issued by an educational establishment attesting the successful completion of a post-secondary education programme, namely a set of courses provided by an educational establishment recognised as an education institution by the jurisdiction in which it is situated. An education qualification shall be taken into account, on condition that the studies required to acquire it lasted at least three (3) years; and

"professional experience" means the actual and lawful pursuit of the profession concerned.

Qualifying
contracts and
eligible offices.

3. (1) Income from a qualifying contract of employment shall qualify under these rules when it is received by a beneficiary and consists in income subject to tax under article 4(1)(b) of the Act, exclusive of the annual value of any fringe benefits, of a minimum of sixty-five thousand euro (€65,000) and consists of emoluments from an eligible office:

Provided that the said minimum of sixty-five thousand euro (€65,000) shall be adjusted by an increase of ten thousand euro (€10,000) every five (5) years with effect from the year subsequent to the year in which these rules come into force:

Provided further that where the minimum income specified under the legislation listed in paragraphs (a) to (e) of rule 12(1) was below sixty-five thousand euro (€65,000), the minimum amount of income referred to in this sub-rule shall be as follows:

(a) for the first year in which these rules come into force, the minimum amount shall be the amount applicable to that beneficiary specified in the rules listed in paragraphs (a) to (e) of rule 12(1);

(b) for the second year in which these rules are in force, the minimum amount shall be the amount for the first year increased by ten thousand euro (€10,000); and

(c) for the third year in which these rules are in force, the minimum amount shall be the minimum amount referred to in sub-rule (1).

(2) A qualifying contract of employment shall be considered to be such if the employment activity contemplated in the contract of employment is an eligible office.

(3) The offices which are eligible for the reduced rate of tax are listed in the Schedules.

Beneficiaries under
these rules.

4. A beneficiary is an individual who satisfies all of the following conditions:

(a) he is an individual who derives income subject to tax under article 4(1)(b) of the Act, being emoluments payable under a qualifying contract of employment, and received in respect of work or duties carried out in Malta, or with regard to any period spent outside Malta in relation to such work or duties, or on leave during the carrying out of such work or duties;

(b) he is protected as an employee in accordance with Maltese law, irrespective of the legal relationship between the employee and the employer, for the purpose of exercising genuine and effective work for, or under the direction of, someone else, is paid, and has the required adequate and specific competence, as proven to the satisfaction of the competent authority;

(c) he proves to the satisfaction of the competent authority that he is in possession of professional qualifications;

(d) he is not an individual who has benefited under article 6 of the Act;

(e) he fully discloses for tax purposes and declares emoluments received in respect of income from a qualifying contract of employment and all income received from a person who is related to his employer in respect of an activity which is substantively derived from the employment covered by the qualifying contract of employment as are chargeable to tax in Malta;

(f) he proves to the satisfaction of the competent authority that he performs activities of an eligible office;

(g) he proves to the satisfaction of the competent authority that:

(i) he is in receipt of stable and regular resources which are sufficient to maintain himself and a family in Malta which are comparable to his, without recourse to the social assistance system in Malta;

(ii) he resides in accommodation regarded as normal in Malta for himself, and where he forms part of a family living in Malta, for a comparable family in Malta, and which satisfies the general health and safety standards in force in Malta;

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

(iv) he is in possession of private medical insurance in respect of all risks normally covered for

Maltese nationals for himself and the members of his family, irrespective of who is responsible for the cost of such insurance; and

(v) he is not domiciled in Malta; and

(h) such other conditions as may be deemed fit by the competent authority, including conditions in respect of training personnel in the field of expertise related to the relevant eligible office of the beneficiary.

Application for
eligibility.

5. (1) An application for a formal determination relating to eligibility under these rules and article 56(21) of the Act shall be made on such form or in such manner as the competent authority, in agreement with the Commissioner, may require and shall contain the information and documents therein requested:

Provided that such an application may be made between 1st January 2026 and 31st December 2035:

Provided further that no such application may be accepted by any competent authority after 31st December 2036.

(2) Such application shall be submitted to the relevant competent authority which shall process the application and issue a formal determination of eligibility under these rules and article 56(21) of the Act or a refusal of the application, as the case may be, within a period of ninety (90) days from receipt of the said application in such manner as the Commissioner shall determine.

(3) For the purpose of processing an application under these rules, the said competent authority may require the applicant to produce, within the time indicated by the competent authority in that request, such further information and documents as they may consider necessary, including certifications and declarations of the employer of that individual. Where such a request is made, the period of ninety (90) days referred to in sub-rule (2) shall commence to run from the date of receipt of the information requested.

(4) If an individual fails, without any valid reason, to fully comply with any request made by the competent authority under the provisions of sub-rule (3) within the time indicated, the competent authority shall refuse the application and inform the Commissioner of such refusal.

(5) Within the period referred to in sub-rule (2) or (3), as the case may be, the competent authority shall inform the Commissioner of such determination or refusal. The Commissioner shall endorse such determination or refusal and inform the applicant accordingly, in such manner as the Commissioner shall determine.

(6) The competent authority shall, on an annual basis, send a

list of applications received and their status to the Commissioner.

6. (1) Once a formal determination of eligibility has been issued by the competent authority under the provisions of rule 5, the option available under article 56(21) of the Act may be exercised:

Manner in which option is exercised.

Provided that such option available may not be exercised in respect of any year of assessment preceding the year of assessment 2027.

(2) The said option shall be exercised by means of a declaration signed by the beneficiary and endorsed by the competent authority that shall be made on such form publicly available on the apposite website or in such manner as the Commissioner may require. Such declaration shall specify the years of assessment in relation to which the exercise of the option relates.

(3) The said option shall not be deemed to have been validly exercised unless the income to which it applies has been fully and correctly declared in the said tax return and unless the said declaration and tax return are filed by not later than the relative tax return date.

7. (1) The benefits under these rules and article 56(21) of the Act shall apply in relation to employment income that is specified in rule 4 and that is earned during a period of five (5) years commencing to run from the year in relation to which a formal determination was issued under the provisions of these rules, and as determined under rule 5(2):

Time-frame during which benefits apply.

Provided that the option under article 56(21) of the Act shall be exercised as provided under the provisions of rule 6.

(2) Without prejudice to the provisions of sub-rule (3), any individual who benefits under the provisions of sub-rule (1), upon submitting an application on such form or in such manner as the competent authority, in agreement with the Commissioner, may require, shall be eligible to two (2) further extensions of five (5) years for his qualifying period, as subject to the continued adherence to the other provisions of these rules and article 56(21) of the Act. Such application shall be made during the year before the end of the relevant five (5) year qualifying period.

(3) Notwithstanding any stipulation to the contrary contained in these rules and article 56(21) of the Act, benefits under the provisions of these rules and article 56(21) of the Act shall not apply in relation to income earned after 31st December 2040.

8. When an individual exercises the option available under article 56(21) of the Act in respect of a year of assessment, the minimum amount of income which shall be chargeable to tax at the reduced rate provided for in the said article in respect of that year of assessment shall be deemed to be sixty-five thousand euro (€65,000):

Minimum amount chargeable to tax under these rules.

Provided that the minimum amount of income of sixty-five thousand euro (€65,000) shall be adjusted in accordance with the provisions of the provisos to rule 3(1):

Provided further that in the case of a beneficiary to whom the second proviso to rule 3(1) applies, the minimum amount of income which shall be chargeable to tax at the reduced rate shall be determined in accordance with the minimum amounts applicable for the first, second, and third years, as specified in the said proviso:

Provided further that the rate of fifteen percent (15%) shall apply without possibility to claim any relief, deduction, reduction, credit or set-off of any kind. Notwithstanding the generality of foregoing, a beneficiary shall be allowed deductions of tax in accordance with article 23 of the Income Tax Management Act.

Cap. 372.

Maximum amount of emoluments that may benefit under these rules.

9. When an individual exercises the option available under article 56(21) of the Act in respect of a year of assessment, the rate of fifteen percent (15%) shall apply on an amount of emoluments payable not exceeding seven million euro (€7,000,000). Any emoluments payable in excess of the said amount of seven million euro (€7,000,000) shall constitute remaining income for the purposes of paragraph (a) of the proviso to article 56(21) of the Act and consequently, the tax on such remaining income shall be calculated at the rates that would have been applicable to that remaining income had the option not been exercised.

Power to request information.

10. (1) For the purpose of ascertaining an individual's right to exercise the option referred to in article 56(21) of the Act and ensuring the proper application of these rules and article 56(21) of the Act, the Commissioner and, or the competent authority may require that individual to produce, within the time-frame indicated by the Commissioner and, or the competent authority in such request, any further information and documents as they may consider necessary, including certifications and declarations of the employer in connection with such individual.

(2) If an individual fails, without any valid reason, to comply with any request relating to his income made to him by the Commissioner and, or the competent authority in accordance with this rule, the Commissioner may order that article 56(21) of the Act shall not apply to such income. In such a case, the Commissioner may make an assessment and the tax on such income shall be calculated at the rates provided for in the Act without any reference to the said article. Where an individual fails to produce the information requested pursuant to a request made by the competent authority on its own, the said competent authority shall inform the Commissioner without delay and in any case not later than thirty (30) days of such failure.

Anti-abuse provisions.

11. (1) Where any person, in order to obtain benefits under these rules, makes use of artificial arrangements, the

Commissioner shall by order in writing, determine the liability to tax of the said person, for any year of assessment, in such manner and in such amount as may be necessary in the circumstances of the case to nullify benefits obtained under these rules.

(2) A person who disagrees with an order served upon him in accordance with sub-rule (1) shall have the same rights to object such order and to appeal from a decision of the Commissioner refusing that objection as if that order were an assessment issued in accordance with the Income Tax Management Act, and the relevant provisions of the said Act relating to objections and appeals shall apply *mutatis mutandis*.

Cap. 372.

12. (1) Individuals who, on the 31 December 2025 qualified as beneficiaries under the:

Transition to these rules.

(a) Highly Qualified Persons Rules;

S.L. 123.126.

(b) Qualifying Employment in Innovation and Creativity (Personal Tax) Rules;

S.L. 123.141.

(c) Qualifying Employment in Aviation (Personal Tax) Rules;

S.L. 123.168.

(d) Qualifying Employment in Maritime Activities and the Servicing of Offshore Oil and Gas Industry Activities (Personal Tax) Rules; or

S.L. 123.182.

(e) Senior Employees of Family Offices, Back Offices and Treasury Management Operations Tax Rules,

S.L. 123.218.

shall, where an application is made with the relevant competent authority, be considered to be a beneficiary under these rules. The competent authority shall issue a determination to this effect within sixty (60) days of submission of such application and inform the Commissioner thereof in such manner as the Commissioner may determine. Where a determination is issued under this rule, the individual shall be considered a beneficiary for a period of five (5) years commencing to run from the year of assessment in which the determination is issued, and the provisions of rule 7(2) shall apply *mutatis mutandis* to any individual benefiting from this rule:

Provided that such application shall be made not later than 31 December 2028, in such manner and as the Commissioner and the competent authority shall determine:

Provided further that notwithstanding any other provision to the contrary, the provisions of the second proviso to rule 5(1) of the Highly Qualified Persons Rules shall continue to apply under these rules and article 56(21) of the Act, for income earned in the year in which the application under this rule has been made by individuals that were beneficiaries under the said Highly Qualified

S.L. 123.126.

Person rules.

(2) Notwithstanding any provision in the Income Tax Acts and rules and regulations made thereunder:

(a) no determination shall be issued after 31st December 2025 for applications made after that said date; and

(b) no further benefit may be availed of after year of assessment 2030,

under the rules referred to in sub-rule (1)(a) to (e).

SCHEDULE I
(rules 2 and 3)

Competent authorities and eligible offices

Competent authorities:

Cap. 330. (a) the Malta Financial Services Authority established by the Malta Financial Services Authority in respect of any eligible office with any undertaking licensed and, or recognised by the said body;

Cap. 583. (b) the Malta Gaming Authority established by article 5 of the Gaming Act, in respect of any eligible office with any undertaking licensed and, or recognised by the said body;

Cap. 499. (c) the Authority for Transport in Malta established by article 5 of the Authority for Transport in Malta Act in relation to the following:

Cap. 641. (i) any undertaking holding an air operators' certificate issued in accordance with article 35 of the Air Navigation Act, or an aerodrome license issued in accordance with article 75 of the said Act;

(ii) any undertaking holding a Document of Compliance issued in terms of the International Safety Management (ISM) Code or a Seafarer Recruitment and Placement Services Licence issued in terms of the Maritime Labour Convention, 2006;

S.L. 499.23. (iii) any undertaking engaging the particular individual for work on board any ship, excluding ships operating on regular services as well as ships whose use or operation requires certification in accordance with the Commercial Vessels Regulations and which are berthed or anchored within the territorial waters of Malta or any port in Malta for at least a period of one (1) month over a calendar year, any undertaking

engaging in Shore Based Ship Management (Commercial Management) (hereinafter collectively referred to as "maritime activities"). For the purposes of this employment, the term "regular services" shall have the meaning assigned to it in Directive (EU) 2017/2110 of the European Parliament and of the Council of 15 November 2017 on a system of inspections for the safe operation of ro-ro passenger ships and high-speed passenger craft in regular service and amending Directive 2009/16/EC and repealing Council Directive 1999/35/EC; or

(iv) any undertaking which carries on mainly a trade or business consisting in the Servicing of the offshore oil and gas and ancillary services industry (hereinafter "Servicing of the offshore oil and gas and ancillary services activities");

(d) Office of the Chief Medical Officer to Government; and

(e) Malta Enterprise.

Eligible offices regulated, licensed or recognised by the above-mentioned 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)
 - . A Chief and, or Head Compliance and AML (Anti-Money Laundering) Officer
 - . Head of Marketing (including Head of Distribution Channels)
 - . Chief Information Officer
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SCHEDULE II
(rules 2 and 3)

Competent authority and eligible offices

Competent Authority:

Cap. 330. The Malta Financial Services Authority established by the Malta Financial Services Authority Act in respect of any eligible office with any undertaking licensed and, or recognised by the said body;

Eligible offices regulated, licensed or recognised by the above-mentioned competent authority

- . Portfolio Manager
- . Chief Investment Officer
- . Senior Trader
- . Senior Structuring Professional
- . Actuarial Professional
- . Chief Underwriting Officer
- . Chief Insurance Technical Officer
- . Head of Investor Relations
- . Private Equity Fund Manager

Eligible offices with Family Offices:

(i) eligible offices listed in this part of this Schedule held within the context of Single Family Offices and held with:

S.L. 370.02. (a) fund managers established in Malta which are exempt from the requirement for an investment services licence in accordance with regulation 3(1)(f) of the Investment Services Act (Exemption) Regulations, to the extent that the notified PIF they manage constitutes a family office vehicle which invests the private wealth of its investors without raising external capital;

S.L. 370.02. (b) fund managers established in Malta which are exempt from the requirement for an investment services licence in accordance with regulation 3(1)(t) of the Investment Services Act (Exemption) Regulations, to the extent that the notified PIF they manage constitutes a family office vehicle which invests the private wealth of its investors without raising external capital;

(c) registered trustees which invest, on behalf of a family trust, *inter alia* in a notified PIF which is managed by a fund manager which is exempt from the requirement for an investment services licence in accordance with regulation 3(1)(f) or regulation 3(1)(t) of the Investment Services Act (Exemption) Regulations, to the extent that the notified PIF they manage constitutes a family office vehicle which invests the private wealth of its investors without raising external capital; S.L. 370.02.

(d) licence holders which invest the private wealth of investors without raising external capital. For the purposes of this sub-paragraph (d), "licence holder" shall also include notified PIFs.

(ii) eligible offices listed in this part of this Schedule held within the context of Multi Family Offices and held with Licence Holders which invest the private wealth of investors without raising external capital.

(iii) eligible offices listed in this part of this Schedule held with companies and other undertakings carrying on Back Office Services to the undertakings referred to in paragraph (i) or (ii) in this part of this Schedule that is confirmed as such in writing by the competent authority for the purposes of these rules.

(iv) eligible offices listed in this part of this Schedule held with companies and other undertakings carrying on Treasury Management Operations to the undertakings referred to in paragraph (i) or (ii) in this part of this Schedule that is confirmed as such in writing by the competent authority for the purposes of these regulations.

(v) for the purposes of paragraphs (i) to (iv) of this part of this Schedule:

"eligible offices listed in this part of this Schedule" means:

. 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

"licence holder" means a person who holds a licence issued by the Malta Financial Services Authority;

"Multi Family Office" means a licence holder that exclusively manages the wealth of more than one (1) high-net-worth family;

S.L. 370.34. "Notified PIF" means a notified Professional Investor Fund established in accordance with the Investment Services Act (Notified CISs) Regulations;

Cap. 331. "registered trustee" means a trustee which is registered with the competent authority in terms of article 43B of the Trusts and Trustees Act;

"Single Family Office" means an undertaking that solely manages the wealth of a single high-net-worth family;

SCHEDULE III
(rules 2 and 3)**Competent authority and eligible offices****Competent Authority:**

The Authority for Transport in Malta established by article 5 of the Authority for Transport in Malta Act in relation to the following: Cap. 499.

(i) any undertaking holding an air operators' certificate issued in accordance with article 35 of the Air Navigation Act, or an aerodrome license issued in accordance with article 75 of the said Act; or Cap. 641.

(ii) any undertaking holding a Document of Compliance issued in terms of the International Safety Management (ISM) Code or a Seafarer Recruitment and Placement Services Licence issued in terms of the Maritime Labour Convention, 2006;

(iii) any undertaking engaging the particular individual for work on board any ship, excluding ships operating on regular services as well as ships whose use or operation requires certification in accordance with the Commercial Vessels Regulations and which are berthed or anchored within the territorial waters of Malta or any port in Malta for at least a period of one (1) month over a calendar year, any undertaking engaging in Shore Based Ship Management (Commercial Management) (hereinafter collectively referred to as "maritime activities"). For the purposes of this employment, the term "regular services" shall have the meaning assigned to it in Directive (EU) 2017/2110 of the European Parliament and of the Council of 15 November 2017 on a system of inspections for the safe operation of ro-ro passenger ships and high-speed passenger craft in regular service and amending Directive 2009/16/EC and repealing Council Directive 1999/35/EC; or S.L. 499.23.

(iv) any undertaking which carries on mainly a trade or business consisting in the Servicing of the offshore oil and gas and ancillary services industry (hereinafter "Servicing of the offshore oil and gas and ancillary services activities");

Eligible offices regulated, licensed or recognised by the above-mentioned competent authority:

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
- . 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
- . Key Aviation Specialist

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).

SCHEDULE IV
(rules 2 and 3)

Competent authority and eligible offices

Competent authority:

Office of the Chief Medical Officer to Government

Eligible offices in Assisted Reproductive Technology (ART) regulated, licensed or recognised by the above-mentioned competent authority:

- . Embryologist
- . Responsible Person
- . Lead Quality Manager

SCHEDULE V
(rules 2 and 3)

Competent authority and eligible offices

Competent authority:

Cap. 583. The Malta Gaming Authority established by article 5 of the Gaming Act, in respect of any eligible office with any undertaking licensed and, or recognised by the said body.

Eligible offices regulated, licensed or recognised by the above-mentioned competent authority:

- . 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

SCHEDULE VI
(rules 2 and 3)

Competent authority and eligible offices

Competent authority:

Malta Enterprise

Eligible offices in the area of STEM (Science, Technology, Engineering and Mathematics) regulated, licensed or recognised by the above-mentioned competent authority

Science:

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

Technology:

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

Engineering:

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

Mathematics:

- . Mathematician
- . Statistician

. Operations Research Analyst
