Expat Finance Guide to Malta

FORTH CAPITAL

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Introduction

Malta is increasingly becoming a destination of choice for internationally mobile executives, entrepreneurs, retirees, and affluent families seeking a stable European jurisdiction that combines an exceptional quality of life with attractive long-term wealth-planning opportunities.

Positioned strategically in the centre of the Mediterranean between Europe, the Middle East and North Africa, the island nation combines the lifestyle benefits of Mediterranean living with the stability, infrastructure, and connectivity of a modern European financial centre. For many expatriates, Malta offers a compelling balance that can be difficult to find elsewhere; a safe and welcoming environment, an English-speaking business culture, a favourable climate (with more than 300 days of sunshine), and strong transport links.

Although covering less than 320 square kilometres, Malta has developed into one of Europe's most internationally connected jurisdictions. The country is a full member of the European Union and the Schengen Area, operates within the Eurozone, and has built a sophisticated professional services sector that focuses on financial services, aviation, insurance, technology, gaming, investment management, and international business.

Malta is home to a resident population of approximately 519,000 people, of which around one in five is foreign-born. This international character is evident throughout daily life, particularly in areas such as Sliema, St Julian's, Madliena, Ta' Xbiex, and Valletta, where expatriates from across Europe, North America, the Middle East, and beyond have established vibrant international communities.

In recent years, changes elsewhere in Europe have further enhanced Malta's appeal. The gradual withdrawal of preferential tax regimes in some jurisdictions, increasing wealth taxes in others, and broader regulatory reforms affecting internationally mobile individuals have encouraged many expatriates to reassess where they choose to live, work, retire, and structure their wealth.

This guide explores the key financial considerations for expats relocating to Malta, including its tax residency framework, cross-border wealth structuring, and long-term financial planning.

Malta Tax Residency & Remittance Basis System

Malta's Tax Residency Framework

One of the principal reasons Malta has become increasingly attractive to internationally mobile individuals is the distinction the country makes between **residence** and **domicile**. Malta's system allows expats to become resident in Malta whilst remaining non-domiciled.

This distinction sits at the centre of Malta's international tax framework.

Typically, expatriates spending 183 days or more in Malta, become Malta tax resident, without automatically acquiring Maltese domicile status. Individuals who are resident but non-domiciled are generally taxed on a remittance basis, although the precise treatment depends on their circumstances and any applicable residence programme.

How the Remittance Basis Works

In practical terms, this means that Maltese-source income is taxable in Malta, whilst foreign income only becomes taxable if it is remitted into the country.

Crucially, foreign capital gains are typically not taxable in Malta, even if remitted.

For expatriates with investment portfolios, overseas assets and international business interests, this important difference between the tax treatment of **income** and **capital** presents significant planning opportunities.

Malta's Double Tax Treaty Network

Malta has negotiated an extensive network of double taxation agreements with countries around the world, designed to prevent the same income, pensions, dividends, interest and capital gains from being taxed twice. They do not eliminate tax liabilities but determine which country has primary taxing rights, how relief is claimed, and what reporting obligations remain. Understanding how a double taxation treaty applies to your specific circumstances in relation to your income and assets is therefore essential.

Avoiding costly mistakes

Maintaining clear segregation between capital accounts, income-producing assets and realised gains is extremely important, as poorly structured arrangements can lead to avoidable and costly taxable remittances - particularly where investment accounts contain mixed capital and income, or where assets have been accumulated without cross-border tax planning.

Forth Capital's international financial planners and cross-border tax specialist help their clients structure their assets efficiently to minimise unnecessary tax exposure and reporting complexity.

To book an initial consultation **click here**.

How Malta Taxes Your Wealth

Dividend Income

Dividend income can arise from a wide variety of sources, including listed investment portfolios, privately owned companies, family businesses, and international investment funds.

For individuals who are resident but not domiciled in Malta, foreign dividend income that remains outside Malta is generally not taxable in Malta.

However, foreign dividend income that is remitted into Malta may become taxable.

This distinction can be particularly important for internationally mobile investors whose portfolios generate substantial income and it's important therefore to review portfolio structure before relocation to understand the tax exposure of future investment returns.

Interest Income

As with dividends, the treatment of foreign interest income arising from bank deposits, fixed-term savings accounts, corporate bonds, government bonds, structured deposits, and cash management solutions depends upon whether that income is remitted into Malta.

Rental Income

Rental income generated from overseas property is generally treated as income rather than capital and therefore requires careful consideration within the context of Malta's tax framework and any applicable double taxation agreements.

This can be particularly relevant for individuals who retain former family homes, own buy-to-let property portfolios, hold commercial property investments, and/or own holiday homes abroad.

As property ownership often spans multiple jurisdictions, it's important to seek specialist advice to understand how local tax rules, treaty provisions, and future succession planning arrangements interact.

Capital Gains

Typically, foreign capital gains realised by individuals who are resident but not domiciled in Malta are not taxable in Malta, even if the proceeds are subsequently remitted.

For internationally mobile investors, entrepreneurs and business owners anticipating future liquidity events, this distinction can be extremely valuable. Examples may include; sale of privately owned businesses; sale of overseas property, and realisation of international investment holdings.

Forth Capital's international financial planners and cross-border tax-specialist work with their clients to coordinate investment structures, residency planning, tax considerations, succession strategies, and long-term wealth planning objectives within a single integrated financial strategy. To book a consultation **click here**.

Residence & Tax Programmes

Rather than offering a single pathway to residency, Malta has developed a range of residence and tax frameworks designed to accommodate professionals, entrepreneurs, retirees, remote workers, and affluent individuals with differing objectives.

Highly Skilled Persons Initiative (HSI)

Flagship programme for senior professionals

The HSI Rules are intended to attract senior talent to Malta's financial services, insurance, aviation, gaming, fintech and technology sectors. For qualifying individuals, **employment income is taxed at a flat rate of 15%, subject to eligibility criteria** and minimum remuneration thresholds.

The programme applies to a range of senior executive and specialist positions within approved sectors and licensed organisations [listed in full here].

The regime can be particularly attractive when combined with Malta's wider tax and residency framework.

Malta Retirement Programme (MRP)

Dedicated residency framework for retirees

The MRP has been designed specifically for individuals seeking to retire to Malta. To qualify, applicants must generally receive a pension as their principal source of income; maintain health insurance; and satisfy minimum residence requirements, and hold qualifying property in Malta: a purchased property to a minimum value of €275,000 (€220,000 in Gozo or the South of Malta) or a rental property with a minimum annual rent of €9,600 (€8,750 in Gozo or the South of Malta).

The programme applies a **preferential 15% rate of tax to foreign-source income remitted to Malta** [e.g., foreign private pension income] subject to a minimum annual tax liability of €7,500, together with an additional €500 for each dependant. This minimum tax must generally be paid each year regardless of the level of remitted income.

Global Residence Programme (GRP)

A popular route for non-EU nationals

The GRP is primarily designed for non-EU, non-EEA, and non-Swiss nationals seeking residency in Malta. It **provides access to a preferential 15% tax rate on foreign-source income remitted to Malta**, subject to a minimum annual Malta tax liability of €15,000.

Applicants must either purchase a property with a minimum value of €275,000 (€220,000 in Gozo or the South of Malta) or rent a property with a minimum annual rent of €9,600 (€8,750 in Gozo or the South of Malta). Applicants must also maintain health insurance; demonstrate financial self-sufficiency; and not spend more than 183 days in any other single jurisdiction during the year.

Malta Permanent Residence Programme (MPRP)

Long-Term residency solution for HNW families

The MPRP has become one of the country's most popular residency pathways for high-net-worth families seeking permanent residency within a European Union jurisdiction.

The MPRP provides permanent residency rather than a temporary residence permit, and there is no minimum physical presence requirement to maintain status.

Applicants must either purchase a property with a minimum value of €375,000, (or rent a property with a minimum annual rent of €14,000), retained for at least five years.

Applicants must maintain qualifying health insurance and satisfy the following requirements:

▪ Government Contribution	€37,000
▪ Administration Fee	€60,000
▪ NGO Donation	€2,000
▪ Asset Test	€500,000 assets including €150,000 financial assets; or €650,000 assets including €75,000 financial assets.

Nomad Residence Permit

Solution for international remote workers

Malta's Nomad Residence Permit has been designed specifically for the growing number of internationally mobile professionals whose work is no longer tied to a particular location. The permit allows qualifying non-EU nationals to reside in Malta whilst continuing to work remotely for employers, clients, or businesses based outside the country.

Applicants must demonstrate a minimum gross annual income of approximately €42,000, maintain comprehensive private health insurance, and be able to perform their work remotely using telecommunications technology. Initially granted for one year, the permit may be renewed up to three times, subject to continuing eligibility, allowing a maximum total stay of four years.

Choosing the right programme

Whilst each programme offers distinct advantages, the most appropriate route depends upon a combination of personal, financial, professional, and family considerations.

Forth Capital's international financial planners help expatriates evaluate residency options within the context of their broader financial circumstances, ensuring that residency decisions support wider wealth-planning objectives both now and in the future. To book a consultation **click here**.

Financial Planning & Wealth Structuring

For expats relocating to Malta, the structures within which their investments are held can be just as important as the underlying investments themselves. This is particularly relevant in the context of Malta's remittance basis tax framework, where the distinction between capital and income can become critically important.

Wealth Structuring

For expatriates with internationally diversified portfolios, offshore assets, business interests, or future liquidity events anticipated, poorly structured arrangements can inadvertently create taxable remittances or unnecessary long-term reporting complexity.

Investment portfolios generating substantial dividend income through structures established before relocation may, for example, create additional remittance and reporting complexity. Alternative internationally structured arrangements may offer different treatment in relation to investment growth, withdrawals and international portability, depending on the individual's circumstances and applicable tax rules.

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Retirement Planning

If you are considering retiring in Malta, it's important to understand the opportunities afforded by the Malta Retirement Programme (MRP) [detailed on Page 4], and the requirements to qualify for this tax framework.

It's also important to review and structure your retirement assets, plan your drawdown strategy and the timing of pension withdrawals, manage currency risk, and consider any potential inheritance tax exposure, in order to support the lifestyle you wish to enjoy in retirement and the legacy you pass on to your loved ones.

Estate Planning

Malta does not impose inheritance tax in the same manner as many other jurisdictions, although duties may apply to certain inherited Maltese assets. Expatriates should not assume that relocating to Malta automatically removes exposure to inheritance or estate taxes in other jurisdictions where they are resident or domiciled, or hold assets.

Expats in Malta should also consider creating a separate Maltese will alongside wills in other jurisdictions where they hold assets or property, or have domicile, to simplify probate and succession administration across all jurisdictions.

The most effective international estate plans are created and implemented with clarity around residency intentions, family objectives, and intergenerational wealth transfer goals.

Mitigating Currency Risk

Living in the Eurozone while holding assets denominated in another currency creates significant exposure to exchange rate volatility.

With the Pound having fallen in value by 26% in relation to the Euro between January 2001 and June 2026[1], currency risk has the potential to significantly impact the value of your UK pension funds and investments held in Pounds Sterling (GBP), diminishing their purchasing power and the lifestyle they afford you, if you plan to retire in Malta.

At Forth Capital, we can help clients manage currency risk by considering the currencies in which their income and assets are held alongside their anticipated retirement expenditure. However, plans can change, and retirement abroad, family considerations or a return home may affect future currency requirements.

The most important thing therefore is to have flexibility and the option to save and invest in different currencies, with the expertise of an international financial planner to help you make the right decisions every step of the way.

[1] Source: OFX.com

Forth Capital's international financial planning team structure efficient cross-border wealth solutions for our clients, to reduce unnecessary tax exposure, simplify reporting, and create a resilient long-term structure for future generations. To book a consultation **click here**.

Key Considerations for UK Expats

Establishing and maintaining Non-UK Tax Residence

One of the most important questions facing any UK expatriate when they relocate to Malta is whether they have genuinely ceased to be UK tax resident. Many individuals assume that leaving the UK automatically ends UK tax residency, but it is the UK's Statutory Residence Test (SRT) that determines an individual's UK tax residency position.

UK tax residence and Malta tax residence are not mutually exclusive, and a failure to satisfy the SRT may result in an individual remaining UK tax resident despite spending substantial time overseas, meaning that in certain circumstances, an individual may be considered resident under the domestic legislation of both countries - and are then dependent upon the application of the UK-Malta Double Taxation Agreement to determine how their wealth is taxed, which may not result in an optimal outcome.

UK Tax Wrappers

One of the most common misconceptions amongst British expatriates is that tax-efficient UK investments automatically retain the same advantages overseas. This is typically not the case. As a UK resident, ISAs for example can provide valuable UK tax advantages, but the tax treatment of income and gains arising within an ISA typically differs once an individual becomes resident in another jurisdiction. Consequently, ISAs and UK investment structures should always be reviewed within the context of your wider international wealth structuring plan.

UK Property Ownership

Property remains one of the most common assets retained by British expatriates. Former family homes, investment properties, holiday properties, and buy-to-let portfolios can form part of an expatriate's wealth. Retaining UK property raises a number of considerations including UK tax reporting obligations, rental income taxation, UK capital gains tax (CGT) exposure, and UK inheritance tax (IHT) implications. UK property should be reviewed therefore within the context of a holistic cross-border wealth strategy.

UK Pension Considerations

Under the UK-Malta Double Taxation Agreement, most private pension income received by a resident of Malta are generally taxable in Malta rather than the UK. For retirees with substantial private pension assets, this can be beneficial given the significant benefit that the Malta Retirement Programme (MRP) offers [see Page 4].

Malta residence can also provide individuals with access to Qualifying Recognised Overseas Pension Schemes (QROPS), offering UK expats the opportunity to consolidate multiple pension arrangements with greater currency flexibility and broader international investment choice. QROPS can also be beneficial from an estate planning perspective, as the pension funds cease to be UK situs assets. However, suitability analysis is important, and any pension transfer must be assessed carefully in the context of the individual's broader financial planning strategy.

UK Inheritance Tax (IHT)

Since April 2025, when the UK moved from a domicile-based inheritance tax framework to a residence-based IHT regime, an individual's non-UK assets now fall outside the scope of IHT if the individual remains non-UK resident for ten consecutive years. However, UK situs assets including UK property and certain UK-based investments - remain exposed to IHT regardless of residency status.

It's important therefore that UK expats review their UK situs asset IHT exposure, ownership structures, trust arrangements, succession planning, and jurisdiction-specific wills as part of their holistic long-term wealth planning strategy.

Returning to the UK

International mobility is rarely a one-way journey. Many expatriates eventually return to the UK and a successful long-term international financial plan should therefore consider not only departure, but also the possibility of future return.

Considerations that need to be addressed include whether investment and wealth structures will then remain appropriate; the tax implications of returning to the UK, and the treatment of your pensions. For more information on repatriation, please download our dedicated guide.

Creating a holistic cross-border plan

The interaction between UK and Maltese legislation creates opportunity and complexity.

Forth Capital's international financial planners specialise in helping UK expatriates navigate these cross-border considerations, ensuring that decisions made today support long-term objectives, in Malta and beyond.

To book an initial consultation **click here**.

Cost of Living in Malta

When relocating to Malta, it's important to establish an understanding of the most significant living costs that will have a material impact on your long-term financial plan.

Accommodation and buying property in Malta

Premium residential areas including **Sliema**, **St Julian's Madliena**, **Ta' Xbiex**, and **Valletta** are especially popular amongst expatriates seeking proximity to international schools, restaurants, marinas, and business infrastructure.

Premium apartments typically range from €350,000 to €750,000 [Sotheby's International], whilst larger villas and luxury residences can exceed €1.5 million, depending upon location and sea frontage.

Unlike many European jurisdictions, Malta generally allows foreign nationals to acquire property, but attention should be paid to Acquisition of Immovable Property (AIP) permits, Special Designated Areas (SDAs), Stamp Duty costs, notarial fees, and ownership structures.

Many expatriates choose to rent initially before committing to a property purchase, allowing them to gain a clearer understanding of the different regions and lifestyles available. Rental costs in premium waterfront districts typically range between €1,500 and €4,000+ per month for modern apartments, with luxury residences commanding materially higher rents.

Education

For families relocating to Malta, education can become a significant long-term financial commitment. Malta offers a strong selection of international and private schools, many of which offer the British Curriculum and/or the International Baccalaureate (IB) framework.

Amongst Malta's best-known international schools are **Verdala International School**, **QSI International School of Malta**, **St Edward's College**, and **St Martin's College**.

Verdala International School, one of Malta's best known IB schools, currently charges annual tuition fees ranging from €10,300 to €15,700, dependent upon year group.

Health Care

Malta offers both public and private healthcare systems, but with private healthcare providing faster access and greater flexibility, affluent expats typically view this as a long-term planning cost. Annual premiums vary materially depending upon age, health profile, scope, and geographic coverage - and should be forecast and factored into your long-term financial planning.

Forth Capital's international financial planners use the latest cashflow modelling software to help clients visualise how key expenditure; such as education fees, health insurance, accommodation costs and property purchases interact with income projections and forecast investment growth over time.

By modelling different scenarios, these projections can help create a more robust and resilient long-term financial plan, aligned to your future goals.
To book a consultation **click here**.

Why Work with Us?

One of the advantages of working with Forth Capital is access to advisers who understand not only international financial planning, but also the realities of living and working in Malta.

Our Malta-based team combines local knowledge with international expertise, helping expatriates navigate the financial, tax, investment, and lifestyle considerations associated with relocation.

Whether you are planning a move to Malta, establishing residency, preparing for retirement, restructuring your wealth internationally and putting in place a holistic cross-border financial plan, having access to our advisors who understand both the local landscape and the international context can provide invaluable clarity and confidence.

- **20 years of experience across four continents**
  We are experienced in providing bespoke international financial planning solutions, helping you to manage your entire cross-border financial strategy to maximise opportunities and avoid costly pitfalls.
- **Client-Centric Approach**
  Our focus is on exploring the best solutions for our clients, based on their personal circumstances and objectives.
- **Advisors with First-Hand Expat Experience**
  All of our advisors are current or former expats, giving them unique insight into the challenges you face.

Mahé Dutruy
International Financial Planner

Mahé specialises in working with internationally mobile professionals, retirees, entrepreneurs, and expatriate families seeking to establish themselves in Malta.

With extensive experience advising clients across multiple jurisdictions, she helps individuals navigate the complexities of residency, retirement planning, wealth structuring, and cross-border financial planning.

Based in Malta, Mahé combines international financial planning expertise with a deep understanding of the practical realities of relocating to and living on the island.

Our dual-qualified international financial planners make the complex, simple.

To discuss how we can help you to grow and protect your wealth as an expat in Malta, book a consultation with one of Forth Capital's dual-qualified international financial planners.

FORTH CAPITAL

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Tax residence, domicile, long-term residence and the taxation of income, gains, pensions, estates and trusts depend on individual circumstances and the laws of each relevant jurisdiction. Tax rates, thresholds, residence programmes, eligibility requirements and treaty provisions may change. Specialist tax, legal and immigration advice should be obtained before taking action.

Financial planning and tax advice are separate services and may be provided by different professionals or entities under separate engagement terms. Tax, legal, immigration, accounting and property advice are not regulated by the Financial Conduct Authority. Where appropriate, Forth Capital's financial planners may work alongside separately engaged specialist advisers but do not replace their advice.

The availability, tax treatment and suitability of financial products and planning strategies vary according to the client's residence, nationality, circumstances and the jurisdiction in which the relevant service or product is provided. Services are offered only through the appropriate Forth Capital entity and where that entity is authorised or otherwise permitted to provide them. Applicable regulatory protections may differ between jurisdictions.

The value of investments and any income from them can fall as well as rise, and investors may receive back less than they invested. Currency movements may also increase or reduce investment values and income when converted into another currency. Past performance is not a reliable indicator of future results.

Any property values, rental costs, education fees, healthcare costs or other third-party figures are illustrative only, may change and should not be treated as quotations, valuations or guarantees of future costs.

Cashflow projections are illustrative, rely on assumptions and are not guaranteed. Actual investment returns, inflation, taxation, exchange rates and expenditure may differ from those modelled.

Transferring pension benefits may result in the loss of valuable guarantees or protections and may give rise to fees or tax charges. A transfer will not be suitable for everyone and should proceed only following a full assessment of the individual's circumstances.

While reasonable care has been taken in preparing this guide, the information is not exhaustive, and no guarantee is given that it remains complete or current after its stated publication date. Readers should obtain current, personalised advice before making any financial or relocation decision.

Information correct as at August 2026