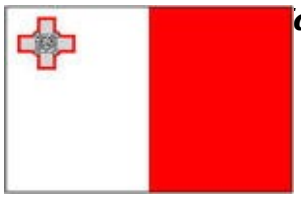

alta Country Correspondent

Mr Sergio Ebejer

Malta Retirement Programme Rules

This scheme aims at encouraging foreigners to take up residence and retire in Malta by allowing the beneficiaries to pay tax on their foreign source income received in Malta at a fixed rate of 15%. Each beneficiary is bound to pay a minimum tax of €7,500 per annum and an additional €500 for each dependent.

In order to qualify under this scheme, the applicant must be an individual who:

- Is not domiciled in Malta or does not intend to do so in the next 5 years
- Holds a qualifying property
- Is not a person who benefits under the Resident Scheme Regulations, High Net Worth Individuals Scheme or the Highly Qualified Persons Rules
- Is an EU, EEA or Swiss National
- Is in receipt of a pension which constitutes at least 75% of the beneficiary's chargeable income
- Is in possession of a health insurance which covers all risks across the EU.

Cooperation with Other Jurisdictions on Tax Matters

These Rules address issues of transperency, exchange of information and administrative cooperation in the field of taxation between states of the European Union. A competent Authority in an EU member state may forward information to the Maltese Inland Revenue and the Maltese tax department will communicate to the requesting authority any information it has in possession, which is relevant to to the request made by the member state.

As from the year 2014 there shall also be automatic exchange of information concerning residents in other member states on specific categories of income such as income from employment, pensions and ownership of and income from immovable property.

Where the Maltese Tax Authority has grounds that there may be a loss of tax in another member state it spontaneously may give such information to the other member state.

Enterprise Support Incentives (Amendment) (No 2) Regulation, 2012

A tax credit is being granted to an enterprise which performs restoration works on a building situated in an Urban Conservation Area with the intention to use the building for a commercial purpose.

The tax credit is to be calculated as a percentage of the eligible cost being 20% or 30% of the eligible cost depending on the area where the qualifying building is situated.

Double Taxation Treaties

Double tax treaty agreements have been enacted with Hong Kong and Saudi Arabia, while a Tax Information Exchange agreement has been reached with the Bahamas.