

Tax Treatment of Highly Skilled Individuals Rules

Established in 2011, the Highly Qualified Persons Rules (S.L. 123.126) (“HQP Rules”) in Malta were created to attract specialised professionals to sectors where local expertise is limited, such as financial services, gaming, aviation and assisted reproductive technology. The HQP Rules were set to terminate by 31 December 2030, and no new determinations could be issued under the HQP Rules after 31 December 2025.

Other similar Rules were in place being the Qualifying Employment in Innovation and Creativity (Personal Tax Rules), Qualifying Employment in Aviation (Personal Tax) Rules; Qualifying Employment in Maritime Activities and the Servicing of Offshore Oil and Gas Industry Activities (Personal Tax) Rules; and Senior Employees of Family Offices, Back Offices and Treasury Management Operations Tax Rules (“previous Rules”). The need to revise the above mentioned Rules was felt, and **consolidated Rules**, named **Tax Treatment of Highly Skilled Individuals Rules (L.N. 20 of 2026)** (“**HSI Rules**”), were issued. The HSI Rules came into force on 1st January 2026.

Tax Treatment

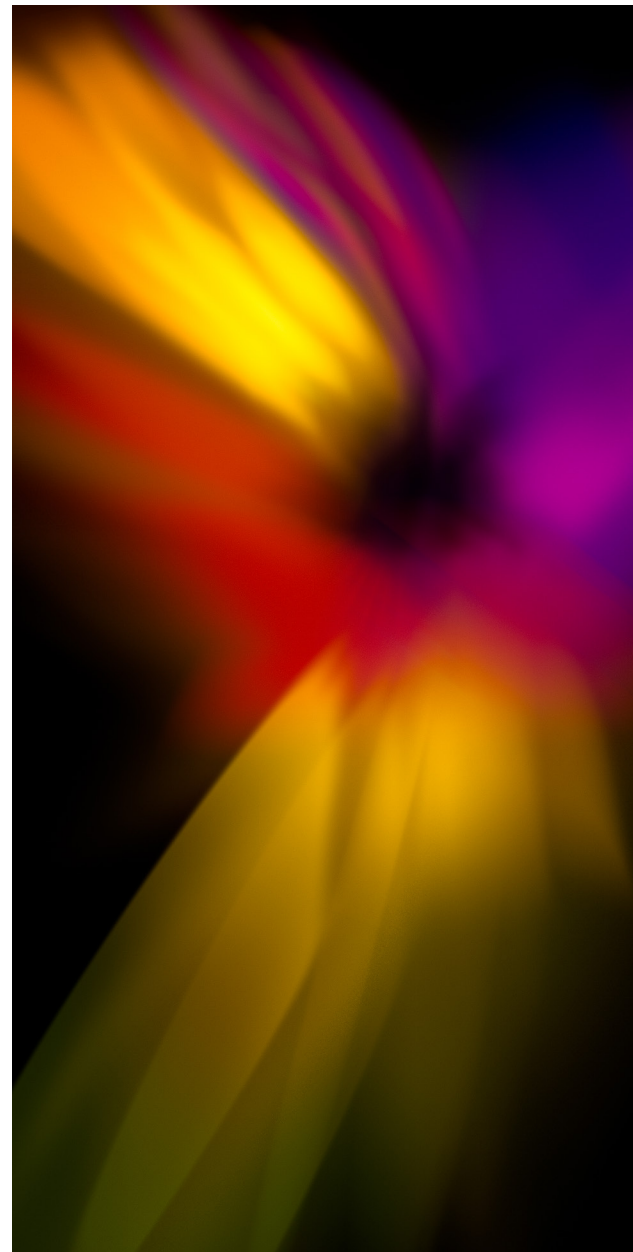
The HSI Rules provide for a flat **rate of 15%** on qualifying employment income earned by **non-Maltese domiciled** individuals who hold a **qualifying contract of employment** with an entity licensed or authorised by one of the relevant competent authorities.

Income from a qualifying contract of employment qualifies under the HSI Rules if it is **not less than €65,000** (exclusive of the annual value of any fringe benefits), consisting of emoluments from an **eligible office** and satisfies specific eligible criteria.

The said **minimum of €65,000** shall be adjusted by an **increase of €10,000 every 5 years** with effect from the year subsequent to the year in which the HSI Rules come into force.

The tax rate of 15% is applied at the option of the taxpayer. It is applicable in relation to income derived from any work or duties carried out in Malta and outside Malta in relation to such work or duties, or on leave during the carrying out of such work or duties.

Application must be submitted within the period between 1 January 2026 to 31 December 2035, and no determinations may be issued after 31 December 2036. Any approved benefit may only apply to income earned up to 31 December 2040.



Employment & Income

- **15% flat tax rate**; without the possibility of claiming any relief, deduction, reduction, credit, or set-off of any kind
- **Qualifying employment contract** governed by Maltese law
- Minimum income: **€65,000**; adjusted by an **increase of €10,000 every 5 years**
- Maximum capped at €7,000,000. Any excess emoluments will be taxed at progressive rates applicable to the remaining income
- The benefit applies for a consecutive period of **5 years** (as applicable), and shall be eligible to **2 further extensions** of 5 years subject to the continued adherence to the rules

Tax Compliance

- 15% tax rate may be exercised once formal determination of eligibility is issued
- **Full disclosure and declaration** of all emoluments from the qualifying contract and related-party income
- Option shall not be deemed to be validly exercised unless income is **declared in the tax return** and the tax return (and declaration) are **submitted by the due date**

Specific Requirements

- Performs activities of an **eligible office**
- In possession of **professional qualifications** attested by either: i. education qualifications (studies of at least 3 years) or, by ii. at least 5 years of professional experience of a level comparable to relevant education qualifications

Transition to these Rules

Where minimum income under the previous Rules was **less** than **€65,000**:

- For the **first year** these rules are in force, the minimum income **will remain the same** as was in the previous Rules
- For the **second year** these rules are in force, the minimum income will be the first year's amount **increased by €10,000**
- In the **third year**, the minimum income needs to be **€65,000**

Beneficiaries under the HQP Rules and the previous rules need to transition to the HSI Rules by 31 December 2028

Financial Stability & Residence

- In receipt of stable and regular resources sufficient to maintain self/family without social assistance
- Resides in Malta in suitable accommodation
- Holds valid travel document
- Maintains private medical insurance (also for family members)
- Not domiciled in Malta

Contacts



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