

Make your move
Living and working in Malta



About Deloitte Malta



Deloitte Malta is a multidisciplinary firm that is strongly recognised as a leading provider of professional services, offering auditing, taxation, advisory and other related services to an extensive client base from large international and national clients to smaller family-owned businesses.

We have the largest international tax practice, a dedicated financial services practice and an experienced financial advisory arm, serving a range of clients that operate through Malta to take advantage of our skills, competitive cost base, regulatory environment, EU membership, and attractive tax system.

Mission statement

The firm's mission statement is "to be the Standard of Excellence - the first choice of the most sought-after clients and talent", and this underpins all that we do.

Ready to respond

The firm focuses on clients. We take great pride in our ability to provide quality services – whether they are owner-managed businesses or a large multinational corporation. We are a multiskilled, multidisciplinary firm and we offer clients a wide range of industry-focused business solutions.

Malta - Quick facts



316km²

Landmass



422,000

Total population
(2014 est.)



Maltese, English

Official languages



Joined the EU

1 May 2004



Joined the Euro

1 January 2008



**Mild winters, hot
summers**

The Maltese climate

Income and taxation

Value Added Tax

The standard Value Added Tax rate applicable to purchase most goods and services is 18%.

Income Tax

The rates of tax for an individual are progressive rates with a range of 0% to 35% (see table opposite). The higher the income, the higher the tax rate. Corporate tax is fixed at 35%. A person who is resident in Malta for more than 183 days a year will be taxed in Malta on his/her income earned in Malta, as well as on any income earned overseas that is received in Malta. The law stipulates that an employer is obliged to deduct at source, each month, the amount of tax payable on a salary. Certain payments are deductible from the taxable income of an individual that are allowable for tax purposes.

Employers and employees must also make weekly social security contributions which are generally equivalent to 10% of the employee's salary up to a maximum of €41.83 per week (if born after 1962); however the actual contribution would depend on the type of employment.

The employer must deduct the social security contribution in addition to the income tax deductions.

Malta residents are able to benefit from an extensive double tax treaty network that protects them from being taxed more than once, in different countries, on the same income. In a case where there is no double tax treaty in place, Malta has a system of unilateral relief whereby any taxes paid abroad may be used as a credit towards any income tax due in Malta on that same income.

Government bonuses

The Government grants an annual cost of living salary increase for all full-time employees. Government bonuses are payable to employees four times yearly as follows:

March:	€121.16
June:	€135.10
September:	€121.16
December:	€135.10



Tax Rates for Basis Year 2015			
Chargeable Income (€)			
From	To	Rate	Subtract
Single rates			
0	8,500	0%	0
8,501	14,500	15%	1,275
14,501	60,000	25%	2,725
60,001	and over	35%	8,725
Married rates			
0	11,900	0%	0
11,901	21,200	15%	1,785
21,201	60,000	25%	3,905
60,001	and over	35%	9,905

Tax Rates for Basis Year 2015			
Chargeable Income (€)			
From	To	Rate	Subtract
Parent rates			
0	9,800	0%	0
9,801	15,800	15%	1,470
15,801	60,000	25%	3,050
60,001	and over	35%	9,050

Standard of living



Image: © viewingmalta.com

Living standards in Malta are good and compare well with those of continental Europe. Life expectancy and infant mortality rates are comparable to those of advanced European economies. Education and health facilities are of very high standard and available to all. According to International Living magazine, Malta finds itself amongst the top 10 “all-around good pick” of countries to live in, together with the United States, New Zealand, France, Monaco, Belgium, Japan, United Kingdom, Austria, and Germany*.

Indices for Malta compare very well with other countries in terms of its cost of living, the environment, freedom, health, safety, and climate. Annual living costs in Malta are substantially lower than most of the developed European countries. Safety and security are outstanding. Children can play outside in absolute safety, and most areas are safe to walk or drive around at night. Also, Malta’s climate receives the highest possible rating in the survey conducted by International Living magazine.

Malta is a member of the European Economic and Monetary Union (EMU) and uses euro notes and coins. All major credit cards are widely accepted in main hotels, shops and restaurants.

*<http://internationalliving.com/2010/12/quality-of-life-2011/>

Accommodation

Rental

Rental accommodation is mostly privately owned. When looking for accommodation to rent, you will find that there are real estate agents specialising in rented accommodation. The local newspapers have extensive rental columns on a daily basis. There are also weekly newspapers which publish classified advertisements inserted by property-owners in search of potential tenants. You will also find that the main property agents have a rental section on their websites.

Image: © viewingmalta.com



Range of rent cost per month in central areas of Malta*

One bedroom apartment	€400 - €500
Two bedroom apartment	€450 - €550
Three bedroom apartment	€450 - €1,000

*Central areas in close proximity to the office include: Attard, Balzan, Birkirkara, Qormi, St. Venera.

The health system

Malta enjoys a high standard of medical care. Modern medical facilities are available through the regional health centres and three general hospitals. There are also a number of private clinics and private hospitals available.

Persons receiving medical treatment who may need to carry medicines into Malta or purchase their medication from Malta are advised to carry a letter of introduction from their family doctor. Medical insurance is advisable if seeking care in private clinics and private hospitals.

In Malta, the Government provides a free comprehensive health service to all residents. All residents have access to preventive, investigative, curative and rehabilitative services in Government health centres and hospitals.



The cultural and social life

2nd Safest Country Worldwide

World Risk Report 2012 by the UN Institute for Environment and Human Security

2nd Worldwide Ranking, alongside New Zealand, in Quality of Life Index

(International Living's Quality of Life Index 2011)

In Malta one enjoys a rich cultural and social life. During the summer the Maltese enjoy a great outdoor life due to the Mediterranean climate and the numerous beaches dotting the coastline. Al fresco dining is the order of the day. Promenades along the seafront are a meeting place and one can either stop for a chat or just have a brisk walk to get some exercise.

At a distance of a kilometre or two, you can try out a new sport, laze on a cruise around the islands, or tour the most important historic sites. And after that, you can still have time to enjoy the nightlife which can be as fast-paced in Malta as in any European city. Besides, there are cultural events, from theatre to street theatre and concerts, that take place all the year round.

The Maltese islands offer plenty of opportunities for those seeking to learn a new skill, discover history or get fit. If you're interested in sports, Malta caters as much for the seasoned enthusiast as well as for the novice, with fitness, spa and sports facilities around the island.

The Maltese islands also pride themselves in being voted as the second 'Best Diving Destination 2013' at two separate ceremonies, the Diver and Sport Diver Awards, held in London in February 2014.

Language

Maltese (*Malti*) is the national language of The Maltese Islands and a co-official language of the country alongside English, while also serving as an official language of the European Union, the only Semitic language so distinguished. Maltese is descended from Siculo-Arabic (the Arabic dialect that developed in Sicily and later in Malta, between the end of the ninth century and the end of the twelfth century). About half of the vocabulary is borrowed from standard Italian and Sicilian; English words make up between 6% and 20% of the Maltese vocabulary, according to different estimates. It is the only Semitic language written in the Latin script in its standard form. Through the ages, many foreign words, particularly English and Italian, have become part of the language. English is widely and fluently spoken and is the language of international business.

The Maltese climate

Malta's climate is typical of the Mediterranean and is strongly influenced by the sea. The Maltese Islands have a pleasantly sunny climate with a daily average of around 12 hours sunshine in summer going down to five to six hours in mid-winter. Summers are hot, dry, and very sunny. Daytime temperatures in summer are often mitigated by cooling sea breezes. Spring and autumn are cooler, except when the occasional Scirocco wind from Africa brings unseasonally high temperatures and humidity.

Winters are mild, with the occasional short cold spells brought about by the north and north-easterly winds from central Europe. Annual rainfall is low, averaging 568mm a year. Bathing in the sea is quite possible well into the 'winter' months, and the peak beach season can last until mid- to late October.



Image: © viewingmalta.com

Transport

Flights

The Maltese national airline is Air Malta, however several major and low cost airlines operate scheduled services to and from main European points, North Africa, the Eastern Mediterranean, and the Middle East.

Roads

Driving in Malta is on the left-hand side. Travelling by car is the easiest way to get around in Malta. Before driving, ensure that your driver's licence is valid in Malta. Non EU citizens may use a valid driver's licence issued in their country for 12 months from the date of arrival. Once this period lapses, a new licence must be issued through the Driver and Vehicle Licensing Unit. EU nationals may use the driver's licence issued in their country until its expiration.

Buses

Bus services on the Maltese islands generally operate 24 hours a day. There are a total of 80 different routes that link the different localities in Malta to either major hubs such as Valletta, Mater Dei Hospital and the Airport or to other destinations.

Ferry services

Crossings between the two major islands (Malta and Gozo) are run by the Gozo Channel Company's ferry services. The trip lasts about 30 minutes. One can also use a ferry service to travel between Valletta and Sliema, and a shuttle service from Valletta to Vittoriosa and Senglea which operates using traditional Maltese boats. There is also a ferry terminal at the Grand Harbour that connects Malta to Pozzallo in Sicily.

Taxis

There are three main types of taxis in Malta: white taxis, black taxis and yellow taxis. White taxis are run by Transport Malta, the local transport authority, while black and yellow taxis are privately operated. Both public and privately run taxis may operate to and from any location in Malta or Gozo. It is recommended that you enquire and agree on a fare before you book or enter a taxi.

Working in Malta

Employment contracts are full-time or part-time contracts for an indefinite period, sometimes called a permanent contract, or fixed term, temporary employment contracts. Latest trends in the employment market show that fixed term contracts are becoming more common in both higher managerial grades and in skilled labour for project contracts.

It is possible for an employer to offer several fixed term contracts in succession but there has to be an acceptable explanation for this. The full adoption of European directives implies that after a certain number of years (according to Maltese law, it shall not exceed four years) a temporary employment contract has to be converted to a fixed employment contract and therefore the employee would then be engaged on a permanent basis.

A trial period can be agreed upon at the beginning of the employment relationship. The trial period can be of six months at the maximum which can go up to one year for high profile jobs. During the first month of the trial period, either party can terminate the employment contract without giving notice. Subsequently one week's notice must be given to terminate the employment contract during the trial period.



Employment contracts

Conclusion of employment contracts

Employment in Malta always involves an employment contract whereby the employee agrees to perform specified work for an employer in return for agreed salaries. A written statement showing the conditions of employment shall be given to the employee not later than eight days after engagement. Employment may be for a fixed term or for an indefinite term and on a full time or part time basis. Whichever type of employment you are engaged in, carefully check the terms and conditions of employment in order to ensure that you fully understand your rights and obligations.

The frequency of salary payments varies with the nature of the job. Employees are likely to receive their salaries directly into a bank account.

If an employee's employment is terminated on grounds of redundancy, that employee will be entitled to re-employment if the post he/she formerly occupied is again available within a period of one year from the date of termination of employment. When an employer intends to terminate the employment of an employee on grounds of redundancy, the employer shall terminate the employment on the grounds of last in first out. Temporary and fixed term employment contracts expire when the specified period ends without a notice of termination being given. Any employee on a fixed term contract of service whose contract has expired and is retained by his/her employer shall be assumed to be retained on an indefinite period contract if the said employee is not given a new contract of service within the first 12 working days following the expiry of the previous contract.

Working time

Weekly working time

A full time employee in Malta is required to work 40 hours per week. According to legislation, every worker is entitled to a rest break when the working day is longer than six hours, a minimum daily rest period of 11 consecutive hours per 24 hour period, and a minimum uninterrupted weekly rest period of 24 hours.

Overtime, defined as working hours over and above the normal working time, must not on average exceed the maximum working time laid down by employment law which is of an average of 48 hours per week, unless the employee voluntarily consents to work for longer periods.

Actual working hours vary by sector.

Deloitte Malta working hours

September to June: 08:30 to 17:00, with a 30 minute lunch break

July and August: 08:30 to 15:00, with a 15 minute lunch break (being applied at Deloitte Malta's discretion)



Leave of absence

Annual leave

Employees in full-time employment on a 40 hour week are entitled to 192 hours of vacation leave per year. Vacation leave can be utilised as agreed with the employer.

Maternity leave

An employee may apply for maternity leave for an uninterrupted period of 18 weeks (14 weeks full pay; 4 weeks allowance). She has to notify the employer before the maternity leave begins, in so far as is reasonably practicable.

Parental leave

Parental leave is the individual right of both male and female workers to be granted unpaid parental leave on the grounds of birth, adoption or legal custody of a child to enable them to take care of that child for a period of four months until the child has attained the age of eight years. In the event that the parental leave was not availed of or there is still an existing balance of parental leave, an employee will not be entitled to such leave if there is a change in the employer or in the employment of the employee.

Sick leave

Employees must notify the employer as soon as possible when they fall ill. A doctor's certificate is required. Employees are entitled to salaries during illness according to Maltese law or applicable collective agreements. When the sick leave entitlement is exhausted the employer is no longer obliged to pay salaries. The employee is entitled to sickness benefits from the Social Security Department.

Other leave

Employers are bound by law to grant to every employee a minimum total of 15 hours with pay per year as time off from work for urgent family matters. The total number of hours availed of by the employee for urgent family reasons shall be deducted from the annual leave entitlement of the employee. The employer shall have the right to establish the maximum number of hours of time off from work in each particular case, save that the minimum time should not be less than one hour per case unless there is the specific agreement with the employee. The employer shall have the right to demand such evidence as may be necessary to verify and confirm the request for urgent leave by the employee.

End of employment



Employment may be terminated if the employer has a serious reason for ending an employment relationship. This reason may concern the individual staff member, or it may be collective, pertaining to financial or operational difficulties. These include reduction in workload for economic reasons or production-related causes. A company buyout does not entitle the employer to redundancies. Employment can be terminated due to serious misdemeanours.

The employer must inform the employee some time before the employment ends. Unless otherwise agreed, this period of notice depends on how long the employment has lasted.

The staff member may terminate employment at any time, and unless otherwise agreed the period of notice is from one week to twelve weeks, depending on the duration of employment.

Useful links

www.visitmalta.com

www.ird.gov.mt

www.embassypages.com/malta

www.publictransport.com.mt

www.expatsblog.com/en/directory/europe/malta/

Stay connected



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