

Malta and the film industry

Setting the scene for fiscal incentives

While the Maltese islands are known within the global film industry for their excellent filming locations and specially built water tanks, film and television producers as well as, other investors, may also benefit from Malta's competitive fiscal regime.



Non-Malta residents and non-Malta domiciled individuals employed with a film production company or with a company which offers its services to such film production company are subject to **final tax at a maximum rate of 15% on any income** from employment exercised in Malta for a period not exceeding 183 days.



A maximum 10% final tax rate for non-Malta resident and non-Malta domiciled actors, front of camera performers and film directors.



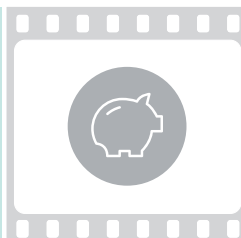
Expatriate employees who are present in Malta for a short period of time in connection with a film production are **exempt from payment of social security contributions**. Block applications are also possible.

Malta moreover offers an advantageous financial services environment that gives film and television producers and investors the possibility of procuring beneficial incentives

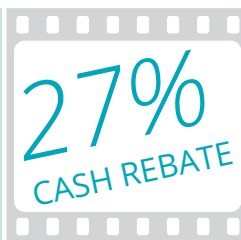


VAT is levied on the supply of goods and services in Malta at a **standard rate of 18%** with reduced rates of 7%, 5% and 0% applying in certain cases. However, any VAT incurred should be largely recoverable and should not represent a material cost.

Investment aid in the form of tax credits is granted to audio-visual facilities engaged in an initial investment project in terms of the Malta Enterprise Act.



Audio visual productions can benefit from a **cash rebate of 25%** of eligible expenditure once shooting has taken place. In addition, productions can benefit from an additional 2% if they feature Malta as Malta. A cultural test will determine the eligibility and percentage rebate that is granted to a production. The incentive applies to productions that are all or partially produced in Malta and that have spent a minimum of €100,000 in Malta. Eligible expenditure includes amongst others, accommodation, transport, leasing of offices and facilities, animals, and air travel and shipping.



OTHER INCENTIVES



The Malta Tourism Authority offers financial assistance to films and TV productions representing 'Malta' directly consisting of flights to and from Malta where there are direct routes served by Air Malta, transpiration of cargo where there are direct routes served by Air Malta, location fees in public areas that are administered by the Central Government or local councils, hotel accommodation for cast and crew, as well as transport costs of production vehicles.



Malta Co-Production Fund

The Maltese Government has established a fund which aims at encouraging collaboration between Maltese and foreign companies to produce films and TV series for international distribution. Funding is made through a loan guarantee not exceeding €200,000 over any period of three fiscal years, as well as equity finance typically not exceeding €350,000.



Malta joined the European Convention on Cinematographic Co-Production

in September 2001. European cinematographic works falling within the scope of this convention shall be entitled to the benefits granted to national films by the legislative and regulatory provisions in force in the jurisdiction of each party to the convention participating in the co-production concerned. Malta has also signed a similar bilateral co-production treaty with Canada.



Malta Film Fund

Films and script projects which aim to promote Maltese storytelling, Maltese stories and Maltese cinema may be entitled to writers' grants, development support and production support of up to €120,000 depending on the type of support given.



Malta's General Tax System

Malta's general tax system is a highly advantageous platform from which to exploit audio visual productions and secure nominal tax exposure.

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