

MALTA

Your EU Destination For Business Success

BASIC DATA



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LABOUR COSTS

The Employment & Industries Relations Act establishes the national minimum wages payable to personnel. However, it may vary depending on the sector the company operates in. The Act specifies the following bands:

Age	National Weekly Minimum Wage 2009
16	€136.85 / week
17	€139.69 / week
18+	€ 146.45 / week

Overtime is paid at one and a half times the normal rate and twice the normal rate on Sundays and public holidays. These rates are negotiable.

- Four bonuses payable to all employees:

March	€ 121.13
June	€ 135.10
September	€ 121.13
December	€ 135.10

- Social Security contributions are paid 10%¹ by the employer and employee respectively. Maximum contributions paid annually do not exceed € 1,650.
- 24 days of annual leave of which 4 days shall not form part of a factory shutdown (varies according to industrial sector)
- 14 public holidays per year
- sick leave (varies according to industrial sector)

¹ Persons whose basic weekly wage or the weekly equivalent of their basic monthly salary exceeds € 315.75, the weekly rate of contribution payable by the employee and employer respectively is € 31.56

The average annual expenditure per employee on the national minimum wage of €146.45 may be calculated as follows:

Basic Annual Average	€ 7,615.40
Statutory Bonuses	€ 512.46
Employers' share of National Insurance Contributions	€ 761.54
Total Annual Cost per Employee	€ 8,889.40

Income Tax payable by the employee

Single Rates or Married Couples opting for separate computation		
Chargeable Income (€)	Tax Rate	Subtract
0 - 8,500	0	0
8,501 - 14,500	15%	1,275
14,501 - 19,500	25%	2,725
19,501 & over	35%	4,675

Married Rates for couples opting for joint computation		
Chargeable Income (€)	Tax Rate	Subtract
0 - 11,900	0	0
11,901 - 21,200	15%	1,785
21,201 - 28,700	25%	3,905
28,701 & over	35%	6,775

Note : The above labour costs are guidelines. Further details may be obtained from the Department of Industrial and Employment Relations by phone (+356) 21224245/6 or visit www.industrialrelations.gov.mt and the Inland Revenue Department www.ird.gov.mt

Average Weekly Wages- September 2008 (€)					
Sector	Labourer	Skilled Tradesman	Clerical	Managerial	Weighted Average
Oil Drilling	220.71	221.88	213.72	234.69	220.81
Food	219.02	227.49	232.74	248.94	225.77
Beverages	234.71	268.92	252.84	309.19	255.13
Textiles, Footwear & Clothing	194.92	234.72	224.74	223.63	204.66
Furniture & fixtures	210.87	256.60	249.83	262.42	237.70
Paper and Printing	248.48	274.55	246.91	268.40	258.97
Leather & Leather Goods	154.44	174.36	-	214.89	154.86
Chemicals	223.83	272.85	264.72	292.32	240.16
Non-metallic products	185.19	230.61	-	239.34	201.16
Metal Products	234.24	221.59	223.65	263.37	230.70
Machinery	190.97	202.53	189.22	230.44	198.08
Electrical Machinery	189.58	247.61	214.79	280.78	216.58
Transport Equipment	205.75	233.90	234.12	279.42	244.22
Miscellaneous	222.09	276.49	257.42	280.90	240.97
Electricity & Gas Services	221.09	253.55	249.52	400.93	257.46
Construction	196.53	246.95	252.86	-	210.74
Wholesale & Retail Trade	204.82	226.58	222.17	281.19	227.33
Banking & Other Financial Institutions	263.42	280.96	330.38	466.76	349.97
Insurance & Real Estate	255.48	264.68	270.15	291.29	270.38
Transport	237.74	280.05	252.41	422.50	293.08
Storage & Warehousing	220.04	251.44	236.15	281.78	232.00
Communications	246.16	269.58	223.81	310.84	248.54
Community & Business	201.82	266.84	226.37	289.97	253.21
Recreation Services	224.05	236.81	246.30	273.28	235.35
Hotels & Catering Ests	222.32	243.81	235.33	241.15	230.31
All Firms	205.73	250.84	269.32	320.03	253.97
Direct Production	200.10	242.69	227.39	286.92	223.64
Market Services	221.05	264.26	274.34	336.56	280.21

Source: Economic Survey November 2008 (page 149, table 6.6)

ELECTRICITY

Non-Residential Tariffs

Connection Fee

Single Phase	€ 300
Triple Phase	€ 900

Service Charge (exclusive of 5% VAT)

Single Phase	€ 120
Triple Phase	€ 360

Maximum demand charge (exclusive of 5% VAT)

The following maximum demand charges are applicable to all 3-phase supplies exceeding 60 Amps per phase

kWh Billing	€ 20.50
KVah Billing	€ 19.20
kWh or KVah Billing on reduced rates	€ 17.20

Usage Tariffs - kWh (exclusive of 5% VAT)

Consumption Bands	Cumulative Consumption	Normal Rate (€)	Normal Day & Night Rates		Reduced Rate (€)	Reduced Day & Night Rates	
			'Day' Rate (€)	'Night' Rate (€)		'Day' Rate (€)	'Night' Rate (€)
Band 1	2,000	14c7	15c0	14c4	10c4	10c7	10c1
Band 2	6,000	15c5	15c8	15c2	11c2	11c5	10c9
Band 3	10,000	16c8	17c1	16c5	12c5	12c8	12c2
Band 4	20,000	18c3	18c6	18c0	14c0	14c3	13c7
Band 5	60,000	20c0	20c3	19c7	15c7	16c0	15c4
Band 6	100,000	18c5	18c8	18c2	14c2	14c5	13c9
Band 7	1,000,000	17c2	17c5	16c9	12c9	13c2	12c6
Band 8	5,000,000	16c0	16c3	15c7	11c7	12c0	11c4
Band 9	>5,000,000	13c4	13c7	13c1	9c1	9c4	8c8

Usage Tariffs - KVah (exclusive of 5% VAT)

Consumption Bands	Cumulative Consumption	Normal Rate (€)	Normal Day & Night Rates		Reduced Rate (€)	Reduced Day & Night Rates	
			'Day' Rate (€)	'Night' Rate (€)		'Day' Rate (€)	'Night' Rate (€)
Band 1	2,000	13c5	13c8	13c2	9c6	9c9	9c3
Band 2	6,000	14c3	14c5	14c0	10c3	10c6	10c0
Band 3	10,000	15c5	15c8	15c2	11c5	11c8	11c2
Band 4	20,000	16c8	17c1	16c5	12c9	13c2	12c6
Band 5	60,000	18c4	18c7	18c1	14c4	14c7	14c1
Band 6	100,000	17c0	17c3	16c7	13c1	13c3	12c8
Band 7	1,000,000	15c8	16c1	15c5	11c9	12c2	11c6
Band 8	5,000,000	14c7	15c0	14c4	10c8	11c1	10c5
Band 9	>5,000,000	12c3	12c6	12c0	8c4	8c7	8c1

Residential Tariffs

Connection Fee

Single Phase	€ 300
Triple Phase	€ 900

All requests for a service where the route lengths, passing through public roads, is greater than 150m from a suitable source of supply will be subject to a specific quote. All requests for a three phase supply greater than 60A will be subject to a specific quote.

Service Charge (inclusive of 5% VAT)

Single Phase	€ 65
Triple Phase	€ 195

Usage Tariffs (inclusive of 5% VAT)

Bands	Cumulate Consumption (kWh)	Full Rate (€)		
Band 1	2,000	16c1	First Tier 25% Eco Reduction	Second Tier 15% Eco Reduction
Band 2	6,000	17c3		
Band 3	10,000	18c9		
Band 4	20,000	20c9		
Band 5	>20,000	23c2		

Eco Reduction

Single Parent Households:

- First tier 25% discount on all consumption if less than 2,000 units are consumed per annum.

Households with two or more persons:

- First tier 25% discount on consumption if less than 1,000 units per person are consumed annually.
- Where more than 1,000 units but less than 1,750 units per person are consumed annually, the first tier 25% discount applies on consumption of the first 1,000 units while the second tier 15% discount applies on consumption between 1,001 and 1,750 units per person per annum.
- No discounts apply where more than 1,750 units per person per annum are consumed.

Other Tariffs

Modifications to Existing Installations

Shifting and re-testing	€ 165
Change in load:	
- to 40 Amps reduction	€ 163.06
- to 60 Amps	€ 900
- above 60 Amps	€ 900 + quote

Service Removal

Disconnection / Removal € 55

Gaiters Installation

Gaiters € 40
Switching € 300
Deviation € 40

PV Installations

Single Phase € 46.59
Three Phase € 104.82

Applications for Micro Wind Turbine

Single Phase € 46.59
Three Phase € 104.82

Refund of Solar Water Heater

On both Single Phase and 3-Phase € 163.06

Source : Enemalta Corporation www.enemalta.com.mt

WATER

Non-Residential Tariffs

Installation Charges	€760
Service Charge	€130 per annum
Usage Tariffs	
- < 168 m ³	€ 1.75 per m ³
- 168 - 40,000 m ³	€ 2.15 per m ³
- > 40,000 m ³	€ 1.40 per m ³

Residential Tariffs

Installation Charges	€345
Service Charge	€59 per annum
Usage Tariffs (NOP≥1)	
- ≤ 33 m ³ per person	€ 1.40 per m ³
- > 33 m ³ per person	€ 5.15 per m ³

Subsidy of 33m³ per person increases to reflect number of persons in the household without limitations.

For services without persons registered on the premises (NOP=0), tariff charges (certain rules may apply) are as follows:

- ≤ 33 m ³ per person	€ 2 per m ³
- > 33 m ³ per person	€ 5.15 per m ³

Source : Water Services Corporation www.wsc.com.mt

GAS

	Liquid Petroleum Gas	Propane Gas
10 kg cylinders	€ 4.80	€ 7.80
12 kg cylinders	€ 5.40	€ 9.36
15 kg cylinders	€ 6.73	€ 11.72
25 kg cylinders	€ 12	€ 19.45
Private	N/A	€ 0.89/kg
Bulk	€ 0.47/kg	€ 0.79/kg

Deposit on new gas cylinders

12kgs gas cylinder	€ 18.63
25kgs gas cylinder	€ 27.95

Tariffs for cylinders to be carried in flats / apartments

2 nd floor	€ 0.23
3 rd floor	€ 0.47
Above 3 rd floor	€ 0.12 for each additional floor in addition to the fee of €0.47

Source : Enemalta Corporation www.enemalta.com.mt

PETROLEUM

Petrol	€ 1.04 per litre
Unleaded Petrol	€ 0.97 per litre
Diesel	€ 0.94 per litre
Kerosene	€ 1 per litre
Thin Fuel Oil (950 sec)	€ 313 per metre ton
Thin Fuel Oil (450 sec)	€ 335 per metre ton
Thin Fuel Oil (200 sec)	€ 349 per metre ton
Light Heating Oil	€ 0.61 per litre

Further information can be obtained by contacting the Petroleum Division on Tel:+356 2220 8205 or by visiting www.enemalta.com.mt

Source : Enemalta Corporation www.enemalta.com.mt

COMMUNICATION COSTS

Fixed Line Telephony

Three companies offer fixed line telephony in Malta:

1. *Go Group*

Local Rates	Business	Residential
Connection Charge	€ 109.95	€ 54.97
Monthly Rental Charge	€ 15.58	€ 5.99
Free Pulses ²	N/A	20 monthly
<i>Monday – Friday (including Public Holidays)</i>		
Off Peak (0600 hrs – 0800 hrs)	€ 0.14 every 10 minutes or part thereof	€ 0.13 every 10 minutes or part thereof
Peak (0800 hrs – 1800 hrs)	€ 0.14 every 5 minutes or part thereof	€ 0.13 every 5 minutes or part thereof
Night (1800 hrs – 0600 hrs)	€ 0.14 every 30 minutes or part thereof	€ 0.13 every 30 minutes or part thereof
<i>Saturday & Sunday</i>		
Off Peak (0600 hrs – 1800 hrs)	€ 0.14 every 10 minutes or part thereof	€ 0.13 every 10 minutes or part thereof
Night (1800 hrs – 0600 hrs)	€ 0.14 every 30 minutes or part thereof	€ 0.13 every 30 minutes or part thereof

Charges inclusive of VAT

Go offers VoIP using Ten21 when calling internationally. Rates start as low as € 0.04 per minute when calling a fixed line and € 0.23 per minute when calling a mobile.

Source: Go Group www.go.com.mt

² Free pulses can be consumed only by local calls terminating on fixed lines made during the night time band (1800 hrs – 0600 hrs) and not for VoIP access.

2. *Melita Plc*

Business & Residential Rates				
Package 1: Telephony100				
Monthly Charge: € 5.99³				
Melita Telephony to	All day	Peak	Off-peak	Night
Melita Telephony	Free	Free	Free	Free
Other fixed line operators	N/A	€ 0.023 per minute	€ 0.016 per minute	€ 0.007 per minute
Local Mobile operators	€ 0.23 per minute	N/A	N/A	N/A

Peak: Mon – Fri: 0800 hrs – 1800 hrs

Off peak: Mon – Fri: 0600 hrs – 0759 hrs ; Sat – Sun: 0600 hrs – 1800 hrs

Night: Mon – Sun: 1801 hrs – 0559 hrs

All days above are inclusive of public holidays

All hello calls are charged on a per second basis

Business & Residential Rates			
Package 2: Telephonyflex⁴			
Monthly Charge: None			
Melita Telephony to	All day	Peak	Off-peak
Melita Telephony	Free	Free	Free
Other fixed line operators	N/A	€ 0.028 per minute	€ 0.012 per minute
Local Mobile operators	€ 0.29 per minute	N/A	N/A

Peak: Mon – Sun: 0800 hrs – 1800 hrs

Off peak: Mon – Sun: 1801 hrs – 0759 hrs

All days above are inclusive of public holidays

All hello calls are charged on a per second basis

International calls to most EU member states, Australia, Canada, USA and many others are charged at a low rate of €0.035 per minute.

Source: Melita Plc www.melita.com

³ This includes 100minutes of out-going calls to other local fixed line networks per month

⁴ Pre-paid service with pre-paid cards in denominations of € 5 and €12

3. SKY Telecom

Residential Rates		
	SKY Home Package	SKY Call Anytime Anywhere
Monthly Charge	€ 6.76	€ 9.95
Connection	Free	Free
Line Rental	Included	Included
Local Calls	Up to 100 minutes free	All calls to all fixed networks in Malta
Mobile Calls	€ 0.22/ minute	€ 0.22/ minute
Overseas (VoIP 1055)	From € 0.028 per minute	Up to 1 hour free (major destinations)

Charges inclusive of VAT.

Calls over and above SKY Home packages are charged at standard rates. Per minute billing applies for local fixed calls. Local mobile call rate is € 0.22/minute.

Business Rates	
Line rental	€4.50 per month
Local calls	€0.023/m
Mobile calls	€0.18/m
Overseas (VoIP 1055)	From € 0.02 per minute
On net	Free

Charges are exclusive of 18% VAT

Off peak: Mon – Fri: 0600 hrs – 0800 hrs; Sat. – Sun: 0600 hrs – 1800 hrs (10 minute pulse)
 Peak: Mon – Fri: 0800 hrs – 1800 hrs (5 minute pulse)
 Night: Mon – Sun: 1800 hrs. – 0600 hrs (30 minute pulse)
 Mobile: 24 hour (30 second pulse)

Source: SKY Telecom www.sky.com.mt

Mobile Telephony

Presently there are four operators offering mobile telephony in Malta. The companies (listed hereunder) are constantly coming up with new packages and deals. For the latest call rates please visit :

Go plc www.go.com.mt

Melita www.melita.com

Red Touch Fone www.redtouch.com.mt

Vodafone www.vodafone.com.mt

PROPERTY & RESIDENCE

PROPERTY	
COMMERCIAL RENTALS	
Top End	Portomaso: € 300 - € 420 per sq.m. per annum Ta' Xbiex Whitehall Mansions: € 190 - € 250 per sq.m. per annum
Mid End	Sliema / St Julians / Ta' Xbiex / Gzira Smart office blocks: € 60 - € 130 per sq.m. per annum
Bottom End	Central / North / South part of the island € 35 - € 70 per sq.m. per annum
RESIDENTIAL RENTALS	
Top End	Portomaso / Sliema / St Julians seafront: € 1,397 - € 3,400 monthly per apartment (designer finish)
Mid End	Sliema / St Julians / Ta' Xbiex seafront: € 580 - €1,200 monthly per apartment (non designer finish)
Bottom End	Central / North / South part of the island and basic apartments in Sliema / St Julians: € 230 - € 690 monthly per apartment

Source: Real Estate Agencies

Buying property in Malta

The Scheme is regulated by the Residents Scheme Regulations, 2004. An individual who satisfies the conditions stipulated under the scheme will be provided with a certificate issued by the Commissioner of Inland Revenue that entitles him/her for the benefits of the scheme.

Such certificate shall also be deemed to constitute a permit issued in terms of article 7 of the Immigration Act and the holder thereof shall be entitled to reside in Malta subject to such conditions as specified in the regulations.

An individual qualifying for the scheme will benefit from the flat of 15% on all income received in, or remitted to, Malta from either local or foreign sources as regulated by Article 56(10) of the Income Tax Act. This is subject to a minimum tax payment of €4,192 per annum.

Once an application is approved, the applicant is obliged to pay four thousand one hundred and ninety two euro (€4,192) - tax by not later than 30 days from such approval. The amount of tax paid will be held on account and credited in the first year of assessment for which a tax return is required.

A residence certificate shall be issued by the Commissioner, within 30 days from such payment. The certificate will entitle the holder to reside permanently or indefinitely in Malta but it does not entitle him/her to any of the rights mentioned in the Immigration Regulations, 2004.

The certificate shall be withdrawn if the applicant does not take up residence within 12 months from its date of issue. In these circumstances the applicant will be entitled to a refund not exceeding two thousand nine hundred and eighty five euro (€2,985) of the tax paid.

If the holder of a certificate is a Citizen of the Union as defined in the Immigration Regulations, 2004, he/she may at any time opt to renounce to such certificate and apply for a residence permit or a residence document under the Immigration Regulations, 2004 in which case the provisions of those Regulations shall apply. When such option is exercised, the applicant will still be liable to the minimum tax of Four thousand one hundred and fifty euro (€4,192) for that particular year.

The certificate shall be deemed to have been withdrawn with immediate effect if the holder of the certificate is issued with a residence permit or a residence document in terms of Regulation 9 of the Immigration Regulations, 2004.

The certificate shall be monitored annually and it shall be considered as having been withdrawn if the holder infringes any condition stipulated in the Regulations.

Further information can be obtained from The Expatriates Section, Inland Revenue Department, Floriana or by visiting www.ird.gov.mt

Source: Inland Revenue Department - www.ird.gov.mt

COMPANY FORMATION

The Registry of Companies, within the Malta Financial Services Authority, is responsible for the registration of companies in Malta. Hereunder are the fees charged for registering a company and submitting annual returns.

Company Registration whose authorised capital or total contributions, as the case may be:

i. Do not exceed €1,500	€245
ii. Exceed €1,500 but do not exceed €5,000	€245 with the addition of €15 for each €500 or part thereof in excess of €1,500
iii. Exceed €5,000 but do not exceed €10,000	€350 with the addition of €20 for each €1,000 or part thereof in excess of €5,000
iv. Exceed €10,000 but do not exceed €50,000	€450 with the addition of €20 for each €2,500 or part thereof in excess of €10,000
v. Exceed €50,000 but do not exceed €100,000	€770 with the addition of €20 for each €10,000 or part thereof in excess of €50,000
vi. Exceed €100,000 but do not exceed €250,000	€870 with the addition of €10 for each €15,000 or part thereof in excess of €100,000
vii. Exceed €250,000 but do not exceed €500,000	€970 with the addition of €10 for each €10,000 or part thereof in excess of €250,000
viii. Exceed €500,000 but do not exceed €1,000,000	€1,220 with the addition of €20 for each €20,000 or part thereof in excess of €500,000
ix. Exceed €1,000,000 but do not exceed €2,500,000	€1,720 with the addition of €10 for each €50,000 or part thereof in excess of €1,000,000
x. Exceed €2,500,000	€2,250

Registration of an increase in the authorised capital or total contributions of any commercial partnership, including the registered capital of an overseas company

An amount equal to the difference, if any, between the amount of fees which would have been payable on first registration by reference of the authorised capital or total contributions of the partnership as increased and the amount of fees which would have been so payable by reference to the authorised capital or total contributions of the partnership immediately before the increase.

Registration of an annual return of a company other than an investment company with variable share capital, in the case where the authorised share capital of the company

i. Does not exceed €1,500	€100
ii. Exceeds €1,500 but does not exceed €5,000	€140
iii. Exceeds €5,000 but does not exceed €10,000	€160
iv. Exceeds €10,000 but does not exceed €50,000	€350
v. Exceeds €50,000 but does not exceed €100,000	€400
vi. Exceeds €100,000 but does not exceed €250,000	€600
vii. Exceeds €250,000 but does not exceed €500,000	€800
viii. Exceeds €500,000 but does not exceed €1,000,000	€900
ix. Exceeds €1,000,000 but does not exceed €2,500,000	€1,200
x. Exceeds €2,500,000	€1,400

Source : Malta Financial Services Authority www.mfsa.com.mt

Other Costs

- Trading Licence

Manufacturing Companies

- **Malta** – The holder of a trading licence for premises used for manufacturing purposes must pay 5% of the rental value. This payment must not be less than € 46.59.
- **Gozo** – The holder of a trading licence for premises used for manufacturing purposes, must pay the equivalent of 3.75% of the rental value. This payment must not be less than € 34.94.

Commercial Premises

AREA sq.m.	MALTA Payment Due (€)	GOZO Payment Due (€)
0 -200	69.88	52.41
201 – 400	139.76	104.82
401 – 800	419.29	314.47
801 over	5% of rental value but not less than € 1,164.59 per annum	3.75% of rental value but not less than € 873.52 per annum

Source: Trade Department Tel: +356 21 243 071

- Malta Environment Planning Authority (MEPA) Development Permit Fees

New Development : per every 50 sq.m floor area of the building or part thereof, including the built up area	€ 128.12
New Development: per every 50 sq.m. floor area or part thereof, including the build up area	€ 128.12
Extensions and Alterations up to 50 sq.m. floor area	€ 34.94
Extensions and Alterations exceeding 50 sq.m., per every 50 sq.m. or part thereof	€ 139.76
Demolition	€ 116.47

Source: MEPA Tel: +356 2290 0000; www.mepa.org.mt

DOUBLE TAXATION AGREEMENTS

Malta has concluded tax treaties with a number of countries which enhance the incentives provided by Maltese domestic legislation. Most of these treaties ensure such profits generated in Malta are either exempt from tax in the country of residence of the investor, or that such a country will provide a tax credit for the Malta tax spared as a consequence of the incentives Malta provides.

Albania	Hungary	Poland
Australia	Iceland	Portugal
Austria	India	Romania
Barbados	Ireland	Russian Federation
Belgium	Italy	San Marino
Bulgaria	Korea Rep.	Singapore
Canada	Kuwait	Slovak Republic
China	Latvia	Slovenia
Croatia	Lebanon	South Africa
Cyprus	Libya	Spain
Czech Republic	Lithuania	Sweden
Denmark	Luxembourg	Syria
Egypt	Malaysia	Tunisia
Estonia	Morocco	United Arab Emirates
Finland	Montenegro	United Kingdom
France	Netherlands	United States of America
Germany	Norway	
Greece	Pakistan	

Double Taxation Agreements signed with Libya, Montenegro and USA are not yet ratified. Agreements with Russia and Ireland have been ratified by Malta but not by respective countries.

Source : Ministry of Foreign Affairs www.mfa.gov.mt