

Crew Residence Programme – Malta

Introduction

The economic realities of today's global workplace impose on crew to depart from the traditional solutions adopted to ensure they can secure bank accounts and bank loans, be able to pay taxes and be entitled to receive social benefits in the various countries they residence through their career. To do so they need to organize their financial and tax position, in particular their obligations to pay income taxes and social security contributions.

In the international arena no single and simple solution can be identified and so we seized the opportunity to develop a programme for crews. We aim to provide a clear solution, which is in line with international obligations and maritime conventions, and which is also bankable.

The Legal Basis

The Crew Residence Programme is based on Legal Notice 140 of 2018 of the Laws of Malta.

The Crew Residence Programme

Our programme provides the applicant a special tax status by setting up a tax residence for him/her in Malta. The applicant will need to reside for a number of days a year in Malta (and importantly less than 183 days a year in any other country). Upon taking up residence the applicant will become subject to pay taxes in Malta. The Maltese authorities will tax him/her with a flat rate at 15% of the employment income, subject to a minimum annual tax payable of € 9.750.

Maltese law also for the payment of social security contributions. Contributions due on the basis of an employment contract (class 1) have to be paid up as follows: the Employer will be obliged to pay a contribution of 10% of the total income received by the crew member per year, while the employee will also be obliged to pay a contribution of 10% of the total income received by the crew member per year. The contributions are currently capped at circa € 2.300 for the Employer and circa € 2.300 for the employee, per year. The contribution covers the family member living in Malta.

Requirements

To qualify under the Crew Residence Program, the applicant has to satisfy the following requirements (subject to usual due diligence procedure):

- To work on board a yacht as a Master/Captain, Chief Mate, Second Officer, Chief Engineer, Second Engineer or Chef;
- To have an employment contract with a Malta Company and/or to work on a yacht registered under Malta flag;
- To earn a minimum salary of 65.000 Euro per year (in case you have a lower income get in touch as we may still have a different solution for you);
- To have appropriate qualifications;
- To be registered for Tax purposes in Malta;
- To have Private Health Insurance in Malta, the insurance has to cover family members living in Malta as well;
- To rent or own an appropriate accommodation, (for Singles it is possible to share an accommodation);
- To have a valid travel document.

Overview of the Programme

	Tax Treatment and Conditions
Basis of taxation (income remitted to Malta)	Taxed on any income arising or remitted to Malta.
Malta income tax rate (for yacht employment income)	Flat rate of 15%
Minimum annual remittance to Malta of foreign source income	No minimum is required to be remitted to Malta
Minimum annual Malta income tax	Minimum tax payable on foreign sourced income remitted to Malta is €9.750.
Minimum annual Malta income tax per dependent	There is no additional tax for every dependent
Social Security Contributions	The Employer 10% of the total income received by the crew member per year, while the Employee 10% of the total income received by the crew member per year. Currently capped at circa € 2.300 for the Employer and circa € 2.300 for the Employee, per year.
Health Insurance	Obligatory for crew and all dependents
Applicable to nationals of	The applicant needs to be an EU, EEA or Swiss national
Malta residence requirement	Crew must reside for some time each year in Malta, subject to work commitments. However, in order not to shift tax residency outside Malta, the applicant is required to reside not more than 183 days in any other jurisdiction.
Rental/Ownership	The accommodation has to be in line with the personal situation.
Statutory application cost	Application costs approx. € 6.000.

Contact

Please contact us for more information. We will be pleased to provide tailor-made solutions for you and your crew.

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