

Foreign Clients

About Buying - Procedure

Once a property has been decided upon and price and conditions have been agreed, a preliminary agreement (written in English) is signed between the vendor and purchaser in the presence of a Public Notary. This agreement binds the buyer to purchase and the vendor to sell the immovable property under the terms and conditions agreed upon. The signing of the final deed (usually 3 to 4 months from the date of the preliminary agreement) is, however, always subject to good title being proved and the issue of any relative permits to purchase. On signing the preliminary agreement, a sum equivalent to 10% of the price is lodged with the agent or notary public as stake-holder. This deposit will be forfeited in favour of the vendor should the purchaser fail to complete the final deed of transfer for no valid reason at law. Also 1% of the stamp duty due, is payable on signing the preliminary agreement. The agreement is usually valid for three months or as mutually agreed by seller and buyer. During the period between the signing of the preliminary agreement and the signing of the final deed of sale, the Notary Public representing the purchaser will carry out the necessary researches into the property and verifies clear legal title, assuring there are no hypothecs or outstanding debts on the property being purchased as well as submit the application to purchase to the Ministry of Finance. Once the relative permit (A.I.P.) has been issued and researches have proved clear title to the property, the final contract of sale may be entered into the deed of sale being drawn by purchaser's Notary. The balance of the purchase price and Stamp Duty, plus legal expenses are paid on the signing of the contract when vacant possession to the property is handed to the purchaser. Conditions for the Purchase of a Holiday Home

- The value of the finished property being purchased must be not less than Euro 99,042 in the case of an apartment and Euro 165,024 in case of a house.
 - The property must be used solely for personal use by the purchaser and his/her immediate family, however, renting out the property purchased is possible, if worth over Euro 233,000, or has a pool and is registered as holiday accommodation with the Hotel and Catering Establishment.
 - A non-resident may sell his/her property to another non-resident, provided that efforts have been made to find a Maltese buyer. Proof of this has to satisfy the Ministry of Finance for approval.
 - Overseas buyers may only own one property in Malta and Gozo except in designated areas where the purchase of more than one property is allowed.
 - Listed or historical property may not be purchased by non-residents. Permanent Residency - Conditions Prospective permanent applicants must produce evidence of a minimum annual income of Euro 23,300, or capital assets of Euro 249,500 or over. In either case, the whole amount is not required to be brought over to Malta. The annual income remitted to Malta must not be less than Euro 13,980 for one person plus Euro 2,330 for each dependent. Investment in real estate, limited to one owner occupied residence is compulsory and the value of property purchased locally is considered as part of this capital requirement. Alternatively, applicants can also choose to rent or lease a property of not less than Euro 4,194 (plus 5% Vat) yearly. Concessions All EU citizens are exempt from Customs Duty and Vat on all their personal and household effects. Cars are subject to registration tax which may vary between 50% and 75% of the value of the car as ascertained by the Maltese Customs officials. Related Expenses
 - Duty on documents 5% on immovables
 - Notarial fees 1%
 - Searches and Registration approximately Euro 233
 - A.I.P. permit, Ministry of Finance Euro 233. Concessions Exemption from customs duty and Vat: Household furniture, personal effects, and other domestic effects, may be imported within 6 months from the date of arrival to Malta, to be exempted from Customs Duty and Vat - this applies to non EU applicants. Members of the Eu, have no time limit to get their goods into Malta - the six month rule in this case was abolished on the 1 May 2004, when Malta became a full member of the European Unity. Overseas clients who qualify to become permanent residents, are taxed at a flat rate of 15% on income remitted to Malta, subject to a minimum tax rate of Euro 4,194 yearly, after relief from double taxation.
- About Selling - Repatriation of Capital and Income Any amount of capital brought to Malta and any income there from accumulated during the resident's stay here in Malta may be repatriated. Proceeds from sale of property may also be repatriated, after tax on capital gains has been duly paid on the sale of the immovable property.