Key Employee Initiative - Fast-track Work Permit in Malta for Non-EU Highly-Skilled Workers

The Key Employee Initiative (KEI) provides a fast-track work permit for specialised Third-Country Nationals (TCNs), who are employed in Malta

By **Jonathan Vassallo**, 28th March 2024

What is the Key Employee Initiative?

The Key Employee Initiative (KEI) provides a fast-track work permit for highly specialised Third-Country Nationals (TCNs), who are employed in Malta.

The scheme enables work permits to be issued to key prospective employees, no longer than 5 working days from the date of application, under normal circumstances.

Third-Country Nationals

Third-Country Nationals require a single work permit to be able to obtain residence and be employed in Malta. This is because TCNs are not members of the EU or EFTA, and are therefore not able to move across borders, in the EU, without the proper documentation.

However, TCNs who are high-skilled workers, are provided with a fast-track work permit service by the Key Employee Initiative. Under normal circumstances, the scheme will issue work permits in not more than 5 days, as detailed above. In contrast non highly specialised TCNs must wait for at least a couple of months.

Who is Defined as a Highly Skilled Worker?

Highly-skilled workers include individuals who possess advanced technical, academic and interpersonal skills. They usually flourish in the areas of; problem-solving, leadership, system improvement and creativity. Examples of highly-skilled workers include; university professors, engineers, biotech scientists, business directors, and IT experts.

Criteria

Malta's Key Employee Initiative (KEI), is available to highly technical or managerial professionals with the relevant qualifications and experience for the job they are applying for.

Eligible highly-skilled workers are required to meet the following requirements:

- Have valid travel documents.
- Receive an annual gross salary of at least €45,000.
- Be in possession of certified copies of qualifications and necessary work experience.
- The employer must declare that the individual has the necessary credentials for the assigned role. Should the applicant wish to be employed by a Maltese company of which s/he is a shareholder or ultimate beneficial owner, s/he must have a fully paid up share capital of at least €500,000 **OR** must have made a capital expenditure of at least €500,000 to be used by the company (fixed assets only, rental contracts do not qualify).

Benefits:

The following benefits are available through Malta's Key Employee Initiative:

- The KEI is a fast-track version of the standard single work permit application, with applications being approved in just 5 days.

- Applications can be submitted online, without the applicant needing to be present in Malta.

- Approved applicants are issued with a residence permit valid for 1 year. This can be renewed, subject to the presentation of a valid definite or indefinite contract, and an original ‘annual tax declaration form’, stamped by the Maltese Inland Revenue Department.

- Visa-free travel within the 26 Schengen Area Countries, by virtue of the Maltese residence card. This is limited to a maximum of 90 days every 180 days.

Family Members of Work Permit Holders

Non-EU nationals who have been legally residing in Malta for over a year (in specific circumstances this may be reduced), are eligible to apply for the ‘reunification’ of family members. This includes spouses over the age of 21 and children under the age of 18.

Long-term Residents

Long-term residence status may be granted to persons legally residing in Malta for a continuous 5 year period.

A successful application requires; proof of continuous residence prior to the application date, and the ability to show stable and regular income of a stipulated amount. Dixcart can provide details of the other requirements, which include the need to have health insurance and attendance of a language and culture course.

Tax Treatment

- Tax is charged at progressive rates (capped at a maximum of 35%), on Malta sourced income and capital gains, and on foreign source income (excluding foreign source capital gains), that is remitted to Malta.

- No tax is chargeable on foreign sourced income that is not remitted to Malta.

- Capital gains are tax-exempt in Malta, even if they are remitted to Malta.
- Bank interest earned in Malta can be liable to withholding tax at 15%.
- Long term residence permit holders are not entitled to benefit from the remittance basis of taxation and will be taxed on their worldwide income in Malta.

Case Study

Dixcart Malta provided advice to a UK citizen who was still living in the UK. An important benefit of the Key Employee Initiative is that it is possible to start the process before the relevant individual has even arrived in Malta.

This highly-skilled professional, in the ICT industry, secured his position at a Maltese employer and decided to relocate to the island once he received the 'Approval in Principal Letter', confirming that his application met all of the requirements and had been successful.

After being provided with all of the essential documents, Dixcart Malta made the application, on behalf of the Employee and Employer and submitted all of the forms and evidence of experience, qualifications, and health insurance, to the Authorities. In addition, we even helped to find an apartment for the newcomer.

After receiving a final decision, the KEI had 90 days to relocate to Malta.

Another Set of Circumstances

Dixcart Malta can also provide support services, relating to the Key Employee Initiative, for TCN Employees and local Employers. There may be situations where positions cannot be filled by the local labour market and where suitable TCNs can fulfil the job in the EU with a fast-track Malta work permit, rather than the company remain with vacant positions.

Additional Information

For further information on the Key Employee Initiative, please do not hesitate to contact Jonathan Vassallo: advice.malta@dixcart.com at the Dixcart office, in Malta or your usual Dixcart contact.

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