

## Malta: New Consolidated Group Rules and New Patent Box Regime

By **Jonathan Vassallo**, 23rd September 2019

Malta is an attractive and progressive jurisdiction for company incorporations. Located within the EU, it is introducing new laws and regimes, on an on-going basis, to consolidate this position. New laws include 'New Consolidated Group Rules,' introduced in May 2019, and new 'Patent Box Regime Rules,' implemented in August 2019.

### **NEW CONSOLIDATED GROUP RULES**

#### **Malta Full Imputation Tax Regime**

Malta's competitive tax regime is based on a full imputation system. Tax on the profit paid, by the company distributing dividends, is made available to shareholder as a tax credit.

A non-Malta resident shareholder receiving profit dividends, can request a tax refund.

#### **New Consolidated Group Rules – Cash Flow Benefits**

Malta published new 'Consolidated Group Rules' on 31 May 2019. These come into effect for tax year 2020, relating to relevant organisations with accounting periods in calendar year 2019.

- One of the advantages of the new consolidation regime is that cash flow benefits can be enjoyed by eliminating the time lapse for the receipt of applicable tax refunds, once relevant tax returns have been filed.

Further details can be found in Article: [IN609 Malta Introduces Consolidated New Group Rules – Offering Cash Flow Advantages.](#)

## NEW PATENT BOX REGIME

### Malta's New Patent Box Regime

Malta published new Patent Box Regime (Deduction) Rules in August 2019 and the Patent Box Regime deduction is calculated using the following formula:



The resultant figure is the amount that can be deducted from the gross income of the company, that created and developed the IP in Malta, thereby reducing the income that is taxable.

Further details can be found in Article: [IN610: Malta's New Patent Box Regime](#).

### Additional Information

If you would like further information regarding The New Consolidated Group Rules or the New Patent Box Regime in Malta, please contact the Dixcart office in Malta: [advice.malta@dixcart.com](mailto:advice.malta@dixcart.com) or your usual Dixcart contact.