The End of the UK's Non-Domiciled Regime: Why People are Considering Malta for Tax Residency

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By **Jonathan Vassallo**, 7th November 2024

Recent developments on the non-domiciled regimes in the UK led many individuals to reconsider their UK tax residency.

Chancellor of the Exchequer, Rachel Reeves, delivered the Autumn Budget on 30 October 2024, announcing several changes: from 6 April 2025, the existing Non-Dom regime will end and the concept of domicile as a relevant connecting factor in the current tax system will be replaced by a system based on tax residence.

The change, which reduces the period under which a resident, non-domiciled individual will benefit from the remittance basis only for 4 years, provided that s/he has been non-tax resident for the last 10 years, will impact a significant number of UK Non-Doms, who are now looking for an alternative.

Relocating to a new country is a life-changing decision that cannot be taken lightly, and individuals and families need to take into consideration many aspects of their lives, before deciding (please read this Dixcart article for more information). Malta represents a strong option for several reasons.

Key Strengths of Malta

Malta is a politically stable country, with a well-developed legal framework that protects foreign investments and ensures security to those seeking long-term tax residency.

The remittance basis of taxation is available in Malta. In fact, residents are taxed only on income remitted to Malta, while foreign-sourced income that is not remitted to the country remains tax-free. This regime applies to individuals who are residents of Malta but are not domiciled there. Foreign-sourced capital gains (profits from selling assets like real estate, stocks, or other investments abroad) are not taxed, even if remitted, making it attractive to investors and those with significant capital gains abroad.

Furthermore, Malta has an extensive network of Double Taxation Treaties (DTAs) with over 70 countries, including major trading partners in the European Union, Asia, the Middle East, and Africa.

Malta also has no inheritance or wealth taxes, which is a major attraction for high-net-worth individuals looking to protect and transfer their assets and maintain their fortune through future generations.

In addition to advantageous fiscal conditions, Malta has many features that are highly appreciated by individuals and families who are considering relocating: English is one of the official languages, and its geographical location, with a good climate throughout the year and a Mediterranean lifestyle, make the country particularly attractive.

To complete this appealing scenario, the island boasts an excellent healthcare system, a wide choice of international schools and a constantly growing foreign community, which reinforce the positioning of Malta as a sought-after destination in the global mobility sector.

Residency Options Available in Malta for Non-EU Individuals

Malta offers several residency routes for individuals considering moving to Malta: under the **Global Residence Program (GRP),** beneficiaries are subject to a 15% tax rate on remitted foreign income, with a minimum annual tax of only €15,000. The **Malta Permanent Residence Programme (MPRP)** offers non-Maltese individuals the option to acquire residency in an EU country and travel VISA-free within the Schengen area.

Should you wish to discover the details of all residency routes to Maltese residency, please click **here**.

How can Dixcart assist?

The Dixcart office in Malta has professionals that can assist in providing advice as to which route would be most appropriate for each individual or family.

We can also assist with visits to Malta, applying for the relevant Maltese residence option, assist with property searches for rentals and purchases, and provide a comprehensive range of individual and professional commercial services once relocation has taken place.

For further information, please contact Jonathan Vassallo at the Dixcart office in Malta: advice.malta@dixcart.com. Alternatively, please speak to your usual Dixcart contact.