

MALTA BUDGET 2020



TRI·MER
SERVICES LTD.

14TH OCTOBER 2019

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General Overview

THE MINISTER FOR FINANCE HON. PROF. EDWARD SCICLUNA, PRESENTED THE BUDGET SPEECH FOR 2020 ON THE 14TH OF OCTOBER 2019. IN THIS DOCUMENT, YOU WILL FIND THE LATEST ECONOMIC FORECASTS, COMPARATIVES AND INDICATORS AS WELL AS THE MAIN MEASURES WHICH WILL BE IMPLEMENTED IN 2020.

HIGHLIGHTS OF MALTA BUDGET 2020

- No new taxes, tariffs or duties announced and no increase in existing ones
- COLA increase of €3.49 per week, given also to pensioners
- Additional bonus of €15 for single person households, €35 for families
- A tax rebate will be granted once again to all those in employment who earn less than €60,000
- First time and second time buyers' scheme enhanced and extended
- Pensioners to receive a further increase of €3.51 per week in addition to the COLA increase
- Overtime first 100 hours to be taxed at 15% for people earning less than €20,000 and in non-managerial positions
- Married couples to be able to file their tax return separately
- Individuals' tax refunds will be settled within 6 months
- Introduction of €10,000 maximum cash transactions on real estate, vehicle, yacht, precious metals and art purchases
- Addition day of vacation leave added to current entitlement
- Reduced transfer duty rate of 1.5% for family businesses has been extended
- €300 annual grant for 75year+ confirmed, grant for 80year+ to be increased to €350
- Free public transport for senior citizens over 75
- €300 bonus for birth or adoption of a new child
- Government Savings Bond 62+ with a higher interest rate to be re-issued
- Malta Stock Exchange to promote issue of Green Bonds as part of climate action strategy

Economic Indicators



Malta registered a 4.7% increase in economic growth in the first 6 months of 2019. An increase of 4.3% is projected for 2020



A surplus was registered for the fifth consecutive year. The size of the economy doubled to €14 billion in 7 years. A fiscal surplus of 1.4% is forecasted for 2020



Unemployment rate hit a new record low of 3.3%, with over 230,000 persons in employment



National debt to GDP ratio closing in at 43%

Fiscal and Other Measures

Property

First time buyer scheme extended to €175,000 and second time buyers' scheme extended;

15% tax on the profit on the transfer of a promise of sale agreement with a €100,000 cap

Government to provide qualifying under 40 year olds buying property with loan covering 10% down payment for mortgage up to €17,500 maximum. Loan repayable over 15years and Interest paid by Government

New rent laws to enter into effect next year.

VAT

No VAT on educational and vocational training, including distance learning, by recognised institutions

Grant to cover VAT for disability equipment to increase by €400 to €1,000

Extension of the full VAT refund scheme upon acquiring of bicycle, pedelec bicycles up to €400

Employment

Following implementation in the public sector, private sector to implement concept of equal pay for work of equal value

New Malta Enterprise programme to assist enterprises recruit more persons with disabilities above the legal requirement

Farmers and fishermen to benefit from Malta Enterprise Investment Aid and Innovation Aid incentives

Refund on salary for workers engaged in teleworking from Gozo and continuation of 30% salary refund, up to €6,000, for new jobs in Gozo.

Health and Education

Robotic surgery to be introduced in oncology

Disability benefit eligibility criteria to be widened for persons with hearing and visual impairments

Grant to cover VAT for disability equipment to increase by €400 to €1,000

A €850 grant will be given to all youths who will learn another language in a foreign country.

Environment

Ta' Qali National Park project to double the size of the open green area and will include the National Archives

Shops to be given a grant covering 50% of expenses, up to a maximum of €3,000 to establish Green Corners

Single use plastics to be banned from Malta. In a first phase, import and production of plastic bags, cutlery, straws, plates will be banned as from 1 January 2021, with their sale and distribution banned as from 1 January 2022

Changeover date to zero or low emission vehicles to be announced in 2020 as part of climate action strategy

Malta Enterprise to incentivise contractors to invest in environment friendly machinery that decreases pollution by granting up to a maximum of €200,000 as part of climate action strategy

Grant to cover 25% of cost (€1,000 maximum) for battery to store electricity for those whole feed in tariff contract has expired as part of climate action strategy

€130m investment in water infrastructure and a further €30m in new recycled water network extension.

Others

New economic niches will be explored such as Fintech, Regtech and Blockchain companies

A new Financial Organised Crime Agency to be setup to combat financial crime, money laundering and financing of terrorism.

About Us

TRI-MER SERVICES LIMITED OFFERS A COMPLETE RANGE OF SERVICES TO INTERNATIONAL CLIENTS WISHING TO RELOCATE TO MALTA OR SET-UP THEIR BUSINESS IN MALTA, FOCUSING INTENTLY ON PROVIDING SEVERAL CORPORATE AND PERSONAL TAX SOLUTIONS.

Established in 2005, and licensed by the Malta Financial Services Authority, we aspire to provide personalized, tailor-made full care services to all of our clients, and maintaining the highest professional and ethical standards.

Providing services to a list of prestigious clients, the firm enjoys an excellent reputation which stems from our dedication, professionalism and enthusiasm to serve our clients.

Tri-Mer Services Limited is a member of Finance Malta and the Institute for Financial Service Providers of Malta.

Tri-Mer Services Limited is a member of BKR International, a Global association of more than 130 independent accounting firms in 64 countries. At Tri-Mer we seek to provide tailor-made full care services, in order to cater for your requests, and exceed your expectations.

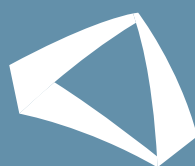
Our team put dedication into guiding clientele, through the numerous opportunities which Malta can offer.



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