

Mobility: Immigration alert

November 2022



Malta

New “Startup Residence Programme” for business founders and core employees

Executive summary

The Maltese authorities recently launched the “Startup Residence Programme” (SRP) for eligible business founders, co-founders and core employees who are nationals of countries located outside the EU and EEA (i.e., third-country nationals). Successful applicants will be issued residence permits that are valid for up to three years and permitted to sponsor dependents.

Overview

Business founders and co-founders who are issued residence permits under the SRP may renew their permits for up to five additional years, while core employees may renew their permits for up to three additional years. Qualifying dependents (i.e., married spouses, de facto partners, minor children and adult children who are financially dependent on their sponsors) will be issued residence permits with the same validity as that of their sponsors and can enroll in academic courses in Malta. However, they cannot undertake employment without first obtaining an appropriate work authorization document.

The SRP is the first immigration program of its kind in Malta. Prior to its introduction, with limited exceptions, third-country nationals were eligible to apply for Maltese residence permits only if they were self-employed, employed by Maltese companies, economically self-sufficient, or if they worked remotely from within Malta for non-Maltese companies (i.e., digital nomads).

Nationals of Afghanistan, North Korea, Iran, the Democratic Republic of Congo, Somalia, South Sudan, Syria, Yemen and

Venezuela, and those with close business or family ties to these countries, are not eligible to apply for the SRP. This list of restricted countries may be updated at the discretion of the Maltese authorities.

Eligibility criteria

In general, primary applicants must:

- ▶ Be a founder or co-founder of an enterprise that fulfils all program requirements and invest and/or have paid-up share capital of at least EUR 25,000 (or its equivalent in another currency) in the enterprise (for applicants who are founders/co-founders). A maximum of six co-founders may apply per enterprise. For enterprises with five or six co-founders, an additional investment of EUR 10,000 must be made for each co-founder.
- ▶ Have a full-time employment contract in Malta with an enterprise that is eligible for the SRP and earn at least EUR 30,000 (or its equivalent in another currency) annually (for core employees only).
- ▶ Be 18 years or older.
- ▶ Have health insurance that is valid in Malta and covers emergency expenses (including for dependents).
- ▶ Have sufficient financial resources to support themselves (and their dependents).
- ▶ Have no criminal record or pending criminal charges and not pose a threat to national security, public policy, public health or public interest (this also applies to dependents).

- ▶ Not have had any residence authorization applications rejected by other countries prior to applying under the SRP (this also applies to dependents).

Third-country nationals who participate in Maltese accelerator programs are also eligible to apply under the SRP upon completion of their accelerator programs, provided they meet all SRP requirements.

Enterprises may participate in the SRP if they:

- ▶ Have not been registered for more than seven years in or outside Malta, taken over the activity of another enterprise, distributed profits yet or been formed through a merger
- ▶ Achieve at least two of the following: produce products and/or deliver services that have the potential to generate income from various geographical markets; produce products and/or deliver services that are new, innovative or substantially improved compared to complementary products in the market; utilize processes that are new or substantially improved compared to those adopted in current complementary activities
- ▶ Are involved in one of the following sectors: manufacturing; software development; industrial services analogous to manufacturing; health, biotechnology, pharmaceuticals and life sciences; eco start-ups in blue, green and sustainable industries; other innovative economic activities that are enabled through knowledge and technology

Application requirements

Individuals must submit detailed business plans [online](#) to Malta Enterprise. Once their business plans are approved, they may apply under the SRP and will be required to pay application fees of EUR 750 per adult applicant/dependent and a fee of EUR 82.50 per individual applicant for the issuance of three-year residence permits. Third-country nationals who require visas to enter the Schengen Area and avail of the Premium Visa Service will be issued National D Visas along with SRP Residence Permits for an additional fee of EUR 300. Dependents must be included in the initial application, even if they do not intend to relocate to Malta at the time of filing the application. The beneficiary enterprise must be registered with the relevant authorities in Malta prior to the issuance of residence permits to its founders/co-founders, core employees and their dependents. During the validity period of their permits, holders will be required to maintain the conditions of their application and present proof of the same to Malta Enterprise upon request.

Impact on employers

The SRP is the first immigration program in Malta that caters to founders, co-founders and core employees of eligible enterprises who are third-country nationals and provides them the opportunity to enter the EU market through investing in the Maltese economy. No tax benefits have been announced yet in connection with the SRP.

Key steps

EY will continue to monitor these developments. Should you have any questions, we encourage you to contact one of our immigration professionals.

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