



Melita Marine Group

Acquisition of Immovable Property by Non-Residents

Reference is made to the **Immovable Property (Acquisition by Non-Residents) Act (Cap. 246 of the Laws of Malta)** (hereinafter referred to as the “Act “). European Union (hereinafter referred to as the “EU”) law allows EU citizens to purchase property in any EU country without imposing any restrictions. However, upon accession into the EU, Malta was allowed to maintain restrictions as delineated in the Act. The EU held that this may be retained on a non-discriminatory basis, taking into consideration the limited number of residences and land available for construction, which can only cover the basic needs of the present residents, in Malta.

Any citizen of the EU, who has resided in Malta for a continuous minimum period of five (5) years, may acquire immovable property in Malta by or under any title without the necessity of obtaining a permit under this Act. On the other hand, any EU citizen who is not a resident of Malta or has not resided in Malta for a continuous minimum period of five (5) years may only acquire immovable property for their primary residence purposes without the necessity of applying for a permit under this Act. Primary residence refers to a dwelling house in which an individual habitually resides in, or intends to habitually reside in, as his/ her principal place of abode, whether in Malta or elsewhere. In other words, EU citizens that have not resided in Malta for a continuous minimum period of five (5) years, and would like to acquire immovable property for the purposes of using it as their secondary residence, that is for purposes other than for primary residence, will be required to apply for a permit to be issued under the provisions of the Act.

It is important to note that when acquiring immovable property in Malta, such property may only be acquired on the basis that it is required solely for the purpose of carrying out the activity for which it was set up.

The Minister responsible for finance shall grant a permit in writing to a non-resident person allowing him/ her to acquire immovable property in Malta, provided that he is satisfied that:

- i. The immovable property is required for an industrial or touristic project approved by the Government of Malta or for any other project or purposes similarly approved in view of its contribution to the development of the economy of Malta;
- ii. In the case of a non-resident individual, the immovable property is a building of not less than eighteen thousand and five hundred Euro (€18,500) and which is intended to be used



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- iii. by the non-resident person as a residence for himself/ herself and his/ her family and such non-resident person does not own or hold under any title whatsoever any other immovable property in Malta other than immovable property the acquisition of which is exempted under the Act;
- iv. The immovable property is either:
 - (a) A garage situated within five hundred (500) metres from the applicant's previously acquired residence; or
 - (b) An adjoining parcel of land or building intended to serve as an extension to and be integrated with, the applicant's previously acquired residence;
- v. The immovable property is not of historical importance or situated in a historical locality.

It is interesting to note that the Act also indicates certain special designated areas. There are no restrictions on the acquisition of property in such areas, and therefore no permits would be required.

On the other hand, a body of persons, other than a commercial partnership, established in and operating within the EU, may freely acquire immovable property as long as it is acquired solely for the purpose for which it was set up and is directly controlled by citizens of the EU. Moreover, a commercial partnership established in and operating from an EU member state, may freely acquire immovable property that is acquired solely for the purpose for which it was set up and at least seventy-five *per cent* (75%) of its capital is held by a person/s who is/ are citizens of the EU.

For more information about the acquisition of immovable property by non-residents, please contact:

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