

# MALTA BUDGET

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# BUDGET OVERVIEW

The 2021 Malta budget speech, carried more weight, interest and value than any other budget in recent years. On the evening of Monday 19th October 2020, Malta's Minister of Finance, Profs. Edward Scicluna presented a comprehensive message focused on outlining a series of plans and measures that were aimed at stimulating economic regeneration, supporting social segments and promoting a future with more technology, enhanced environmental sustainability and good governance for 2021 and beyond.

As we all continue to adapt and react to unprecedented times and all that comes with it, the continual balancing act between medical and economic safeguards continue to develop.

This document provides a summarised overview of the salient points associated with Malta Budget 2021.

The information found herein is based on publicly available information up until 19th October 2020, Should any of the details found within this document be of interest to you or your organisation, please do not hesitate to contact us via email for further insights on [dean.micallef@firstbridge.com](mailto:dean.micallef@firstbridge.com)



# KEY HIGHLIGHTS

Social Measures

Property

Business Measures

Carbon Neutral  
Economy

Education

Other



**Vacation Leave shall be increased** by the equivalent of **1 day** per full time equivalent.



**Voluntary Organisations to be exempt from income tax** provided annual income does not exceed €50,000



Relevant to Senior Citizens,  
The **“Carer at Home” scheme** maximum subsidy shall be **increased to €6,000** from the current €5,291.



To compensate for the increase in the standard of living costs, the **Cost of Living Adjustment (COLA)** for 2021 shall be that of **€1.75 per week** and additionally, **Pensions** are set to increase by **€3.25 per week**.



**“Additional” Tax Refunds to be issued in 2021 ranging from €40 to €95** dependent on income and marital or parental status







**€100 in Government Spending Vouchers** to be issued in January of 2021 to be split €40 for **Retail Shops** and €60 for **Restaurants & Accommodation**



**New Community Centre for the LGBTIQ community** shall be founded



New Support measures linked to **Children's allowance benefits** to be provided



People hiring a **carer to look after a person with a disability** may now be eligible for a **€6,000 yearly grant**



**Children's Allowance : an increase of €70 per child** shall be applicable to all qualifying families earning less than €25,318 in household income, whilst a **€50 per child** increase shall be applicable to all other qualifying families





**First Time Buyer & Second Time Buyer Schemes** to be extended for another year



An additional one year extension shall apply on the **1.5% reduced rate of Stamp Duty** measure linked to transfers of family businesses



**Property transactions with a promise of sale agreement** entered into by 31st March 2021, where the final deed is signed by 31st December 2021, **shall carry a reduced rate of 1.5% in stamp duty** compared to 5% on the first €400,000 in value



As from 20th October 2020, **First Time Property buyers shall be exempt from tax on the first €200,000** rather than €175,000





**Attracting Startups:** More effort, time and resources aimed at supporting the establishment of **Malta as a start-up destination** are to be introduced and promoted, more details to follow.



The **VAT Exemption** threshold is to be raised from **€20,000** to **€30,000**



**Covid Wage Supplement** is to be extended to **March 2021** based on redesigned assessment criteria focused on revenue.



**Gozo:** Extension of **Employment Refund Scheme** as well as the **Teleworking Scheme**.



**Malta Enterprise** shall be extending its **Micro Invest Scheme** focused on workforce growth and capital investment.



**Royalties on sale of books** to be **taxed at flat 15% rate**

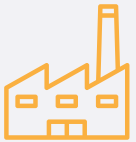




Bikes, e-bikes and e-scooters' **tax-free registration schemes** will be renewed



Schemes for solar panels, heat pump water heaters and batteries for the storage of renewable energy will be renewed



From 1st January 2021, **importation of single-use plastics will not be permitted**, whilst from 1st January 2022, selling of single-use plastics will be eliminated altogether.



The following schemes will be renewed: **Restoration of residential water reservoirs, updating of home appliances for vulnerable families, grant scheme for acquisition of reverse osmosis**



A new scheme will be implemented to **install green walls within residences and retail shops**



In 2021, **The Malta Stock Exchange will be issuing Green Bonds to finance projects** promoting renewable energy





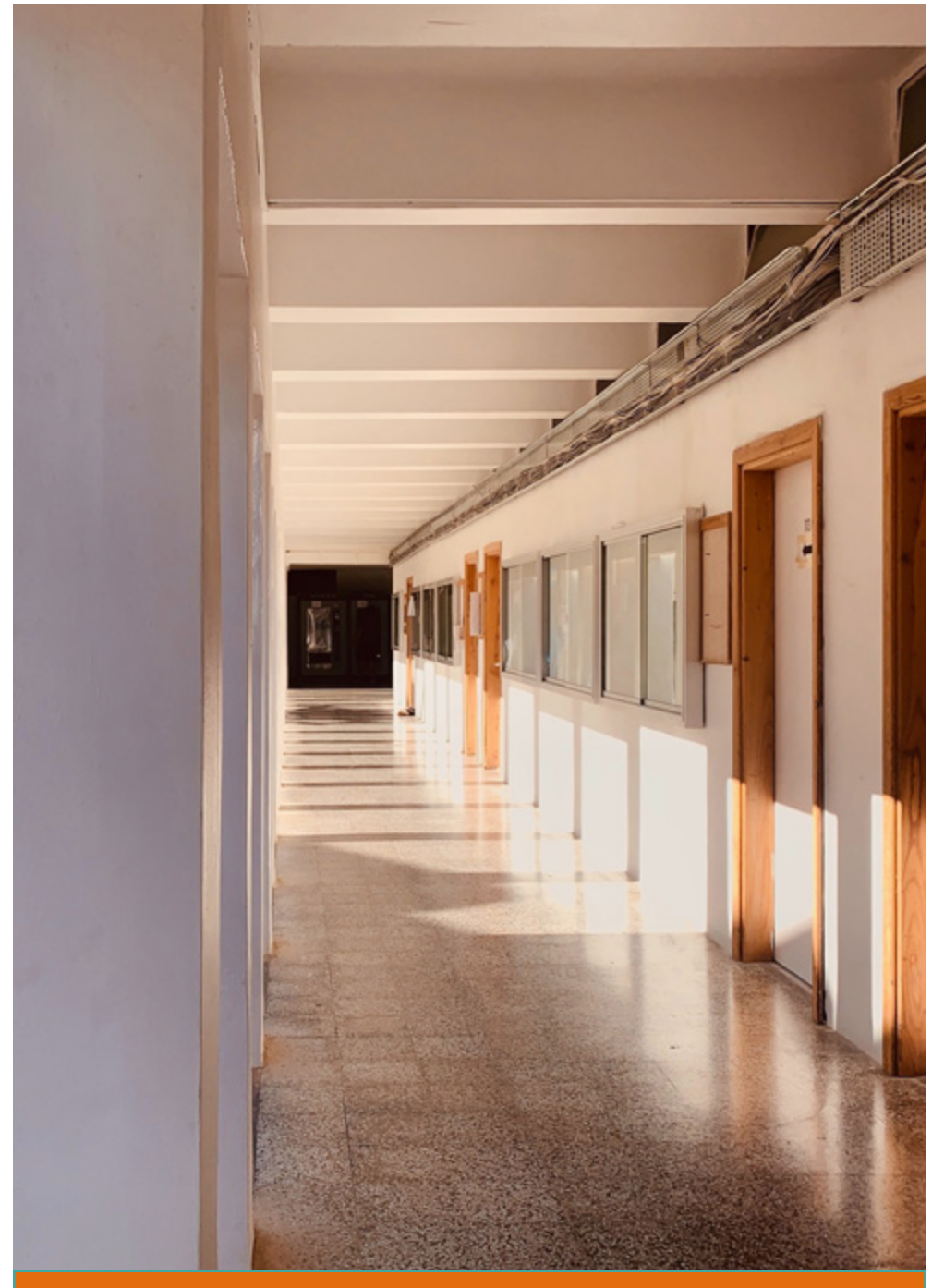
**Free internet for one year**  
**given to students** who choose  
to continue their studies after  
finishing secondary school



A new sports facility will be built at  
the **University of Malta** which will  
**include facilities for the performing**  
**arts, an indoor track, a full sized**  
**football pitch, an Olympic sized**  
**track and a new building** for the  
Institute of Physical Education



**€20 million in funding to**  
**ensure state schools adhere to**  
**COVID-19 protocols**







Investment in the modernisation  
of Healthcare Facilities in Malta



Roadworks on Hal Kirkop  
tunnel, Airport intersection  
project, Luqa junction project  
and Msida creek junction to  
begin



A Fund for Compensation for  
the Construction Industry will  
be introduced



New centre for palliative cancer  
care developed in conjunction  
with Hospice Malta to open



Workers or heirs of former  
dockyard workers who suffered  
asbestos poisoning are to  
receive an as-yet-undefined  
amount of compensation



# Contact us

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*This document aims to provide insightful information for the purpose of assessing the need to explore specific highlights in further detail, anything interpreted within this document should not be acted upon without further in depth analysis and prior consultation © 2020 Firstbridge, Malta*