

Korpus Prava

LAW & TAX

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Malta

- The Republic of Malta consists of three inhabited islands in the central part of the Mediterranean, these islands being Malta, Gozo and Comino
- The total area is 316 000 sq. m.
- The population is around 380 000 people
- The capital is the city of Valletta
- The national currency is EURO
- The national languages are Maltese and English. Italian is also wide spread
- Malta is a parliamentary republic, the political regime is democracy
- It has been the member of the EU (since 2004) and the member of the Eurozone (since 2008), also the party to the Schengen agreement



The standard of living in Malta

- It takes the fifth place in the level of healthcare
- The University of Malta is one of the oldest and well-reputed universities in Europe
- Low crime level
- A developed entertainment sector
- The level of prices is lower than in the UK, Spain, Portugal, France, Italy and Cyprus



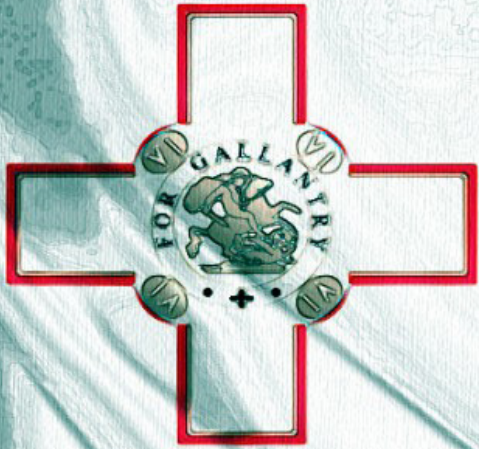
A respectable centre for international business

- Flexible taxation system
- The key sectors of the economy that attract investors are:
 - Tourism
 - Information and telecommunication services
 - Aviation
 - Yachting and shipping
 - Gambling and online industry
 - Pharmaceuticals
 - Intellectual property



Malta as a jurisdiction for corporate and tax planning

- It is outside any “black” or “grey” lists of the OECD and FATF
- A trustworthy banking system
- Sustainable corporate legislation
- A stable taxation system in accord with the EU requirements and the OECD standards
- No requirements to:
 - Thin capitalization
 - Controlled foreign corporations
 - Transfer pricing



Corporate legislation and taxation

- The legal system is based on the English law
- The Corporate Tax — 35%, however due to the tax refunds mechanism that is applied on the shareholders' level the effective tax burden is from 0% to 5%
- The withholding tax rates paid out of the Company to non-residents:
 - Dividends — 0%
 - Interest — 0%
 - Royalty — 0%
 - Capital gains — 0%
- Over 60 Double Tax Treaties



Incorporation of companies in Malta

- The beneficiary is not required to be present at the application for incorporation and preparation of the documents
- Prior name approval is required
- Company names must end in Limited or be abbreviated as LTD
- The minimum share capital is 1 164.69 EUR (the minimum paid up share capital is 20%). The most commonly used capital is 1 200 EUR
- The minimum of two shareholders (legal entities or natural persons). Nominee shareholder is permitted



Incorporation of companies in Malta

- The minimum of one director (legal entity or natural person)
- The secretary is a must (a local natural person)
- A registered office in Malta is a must
- Residency is defined by the place where the management and control of the company takes place
- The annual reporting is made fully in accordance with the IFRS
- The mandatory annual audit and submission of the audited financial statements to the tax authorities and the Registrar is made



Real estate in Malta

- Upon a purchase the cost of a property includes the 5% stamp duty and the notary fee of 1%
- No property tax applies



Residency permit in Malta

- It can be received not only with a purchase of real estate (over 275 000 EUR), but also with renting (annual rental fee must be no less than 9 600 EUR)
- A permanent resident of Malta is entitled to enter freely without visa to any country of the Schengen area for an unlimited period
- In order to be granted permanent residence permit the annual income must be over 23000 EUR (or its equivalent) or the total capital of 349 000 EUR (or its equivalent). It is not required to transfer this amount to Malta, except for the funds that are needed to purchase or rent the real estate (purchase of property may be considered as capital)
- There are no requirements or limitations on entry to Malta or the period of staying there



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