

Malta - An International Finance Centre



MALTA HEADLINE BENEFITS

- Full EU member since 2004
- Member of the Eurozone since 2008
- 70+ double taxation agreements
- Excellent legal/regulatory framework
- Attractive corporate tax regime
- Limited withholding tax
- Ability to re-domicile into Malta
- Strategic geographic location
- Well-developed infrastructure
- Political stability

WHY CHOOSE MALTA?

Companies with international interests are increasingly finding Malta an attractive place to be based. The Malta treaty network is of huge commercial advantage, providing withholding tax benefits across a range of international jurisdictions from Africa to the Middle East to the USA.

Being a full member of the EU brings with it the benefits of the EU Parent-Subsidiary Directive, allowing profits to flow between group members within the EU in a tax-neutral manner.

Malta excels in creating niche opportunities and has seen impressive growth in the numbers of yachts and aircraft on its registers. The Maltese VAT Lease Structure, launched by the Maltese Government in 2005, can, in certain circumstances, assist with mitigating the standard rate of VAT (18%) to an effective rate of 5.4%.

The ability to re-domicile a company to Malta is advantageous. This mechanism not only allows the company to change its residence and domicile but it also allows it to keep its name, retain its assets and maintain its existing contracts and other arrangements. There is a steady demand for such a change in the seat of a company and a flight to quality is under way.

Malta allows a company to split its residence and domicile. The benefits of this approach include access to a remittance basis for 'passive income' and a freedom from capital gains tax.

The beneficial regime for royalties means that companies holding intellectual property also see Malta as an attractive location.

TAXATION IN MALTA

Upon incorporation in Malta, a company is deemed to be both resident and domiciled in Malta. Companies which are not incorporated in Malta are deemed to be resident in Malta only if they are effectively managed and controlled in Malta.

Although the headline rate of tax is 35%, there are generous reliefs and exemptions available:

- The participation exemption provides for qualifying Maltese companies to receive dividends from non-Maltese subsidiaries without a charge to Maltese tax
- The imputation system ensures no double taxation on the payment of a dividend from a Maltese subsidiary to its Maltese parent
- The refundable tax credit system allows for refunds on the distribution of profits such that the effective rate of tax can often be reduced to 5%. The refund due from the Maltese Commissioner of Inland Revenue must be paid within 14 days from the end of the month in which the refund became due

Equiom

Equiom (Malta) Limited

ABOUT EQUIOM MALTA

Equiom (Malta) Limited was established in 2012 to expand Equiom's international offering for its wide variety of services. It has grown from strength to strength, providing a broad range of services and drawing on the expertise and heritage of the wider Group.

Being part of an international Group, Equiom Malta has access to an extensive global network of contacts. It also provides access to international solutions from different jurisdictions, enabling clients to benefit from the jurisdiction most appropriate to their needs.

Equiom's Malta team offers a comprehensive range of onshore EU opportunities relating to the establishment and administration of trusts, asset protection through appropriate structuring and a comprehensive range of corporate services, with a particular specialism in Maltese Yacht Leasing.

SERVICE LINES

- **Trust** - Equiom has earned an enviable reputation as a leading professional trustee and is authorised to act as a trustee or fiduciary by the Malta Financial Services Authority
- **Corporate** - Equiom provides a comprehensive range of corporate services comprising the setting up of companies, the provision of company secretary, directors and registered office, preparation of accounts, liaising with auditors and meeting tax compliance requirements
- **eBusiness** - Equiom's insight into regulatory requirements and compliant corporate structures has become an invaluable resource for many eBusiness clients
- **Yachting and Aviation** - Equiom manages a portfolio of ownership structures for some of the world's most prestigious and valuable superyachts and aircraft. This entails the setting up of structures tailored to a client's needs, giving particular attention to VAT/tax compliant and commercially efficient solutions, in addition to commercial/private registration and importation
- **Shipping** - Equiom's shipping team has substantial experience of ship registration in a variety of jurisdictions, both in and outside of the EU
- **Residency, Visa and Malta Individual Investor Programme** - Subject to meeting certain conditions, Equiom can help applicants through the process of applying for the right to reside in Malta or become a citizen of Malta

ADVICE

For further advice on doing business in Malta, speak to Equiom Malta today:

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