

**FACT SHEET**
**Malta**
*October 2013*
**Introduction**

Malta is a group of seven islands in the Mediterranean Sea. Only the three largest islands - Malta, Gozo and Comino - are inhabited. Malta, in the heart of the Mediterranean, is a melting pot of civilisations with a history stretching back thousands of years.

The Maltese government is headed by the leader of the party with a majority of seats in the unicameral House of Representatives, known in Maltese as *Kamra tar-Rappreżentanti*. The national language is Maltese, which is part of the Semitic language family that includes Arabic. English is also recognised as an official language, and many Maltese also speak Italian.

Malta has an extensive double tax treaty network, unique tax system with significant refunds and tax credits available and a single, flexible regulator for financial services with a focus to attract the right kind of business. Coupled with the availability of a highly skilled, English speaking workforce and cost effective establishment costs make Malta an ideal jurisdiction.

**Basic Characteristics**

<b>Corporate requirements</b>	
Minimum Share Capital	EUR1,200, 20% paid up
Minimum Number of Shareholders	One (if an individual) – Two (if an entity)
Minimum Number of Directors	One
Non-resident Directors	Allowed
Bearer Shares	Not Allowed
Corporate Directors Permitted	Yes
Company Secretary	Yes – An Individual – no need to be resident of Malta
Possible Name Endings	Limited, Ltd
<b>Local Requirements</b>	
Registered Office/Agent	Yes
Local Directors	No
Local Secretary	No
Local Meetings	No
Government Register of Directors	Yes
Government Register of Shareholders	Yes
<b>Annual Requirements</b>	
Annual Return	Yes
Submit Audited Accounts	Yes
Financial records to be kept by the Director	Yes
Time to incorporate	3-4 days from submission of all relevant documents to the Registry
Shelf companies	No

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<p>Necessary Documents for the Incorporation</p>	<p><u>For each shareholder, UBO, director, secretary, bank account signatory – individuals/companies as applicable:</u>  certified passport copy, utility bill, bank (or professional) reference letter, signed CV, original/certified copy of Police Conduct certificate, certified copy of the Certificate of Incorporation, certified copy of the current Memorandum &amp; Articles of Association, current shareholders and directors register signed by the Director or Company Secretary of the Corporation</p>
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<p><b>Company Taxation</b></p>
<p>A Malta incorporated company is subject to Malta tax on its worldwide income. Foreign companies controlled and managed in or from Malta shall also be treated as resident in Malta for tax purposes and be subject to Malta tax on Malta-source income, foreign source income (to the extent that this is remitted to Malta and gains realized in Malta (foreign source gains are excluded).</p> <p>The Malta corporation tax is set at 35%, with a full imputation system being applicable. That is, shareholders, at the time of dividend distribution, may generally benefit from a credit equal to the amount of underlying Malta tax paid on the profits out of which dividends are distributed.</p> <p>Further, a refundable tax credit system applies, of up to 6/7 that can substantially reduce the effective tax burden of the company (i.e. effective rate of tax of around 5%).</p> <p>Double tax relief is available, either through the application of the provisions of a Double Tax Treaty concluded by Malta, or unilaterally pursuant to the laws of Malta or by way of a flat rate foreign tax credit.</p> <p>A participation exemption is also available, whereby dividends and capital gains of a Malta company from a qualifying 'participating holding' in a subsidiary are exempt from Malta tax.</p> <p>No Malta withholding tax generally applies on the payments of dividends, interest or royalties. Equally, gains from the sale of shares in a Malta Company are also generally exempt. Further, neither CFC, nor thin capitalization nor transfer pricing rules apply.</p>

<p><b>NOTES:</b></p>
<p>The above is intended to provide a brief guide only. It is essential that appropriate professional advice is obtained. Totalserve Management Ltd will be glad to assist you in this respect. Please do not hesitate to contact us.</p>