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Malta Company Information

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Malta jurisdiction overview

Malta is an island situated to the south of Italy with a population in the region of 400,000. The island is self-governing, having achieved independence from Britain in 1964. Malta is now a sovereign independent state enjoying traditional political, economic and social stability, and the parliamentary democracy is based on the British model.

The official languages are English and Maltese.

Malta became a member of the EU on 1st May 2004.

The Malta Financial Services Authority is the sole regulator for all financial services on the island, including banking, insurance and investment services.

Maltese companies may be either onshore, international trading companies (ITC) or international holding (IHC), more popular being the ITC. All companies are liable to tax at a rate of 35%. Malta's tax system, and the repayment (tax refunds) provisions contained in legislation, makes an international trading company a tax efficient vehicle for non-resident shareholders, who receive up to a 30.8% tax refund on dividends, making the final tax payable by a non-resident shareholder approximately 4.2%.

Unfortunately, as a result of this favourable tax treatment offered to non-resident shareholders, and the element of discrimination that this brings about in the context of EU law, the International Trading Company will unfortunately be phased out in the near future and replaced with a similar vehicle that will make the tax refunds available to both resident and non-resident shareholders. In the meantime, all advance revenue rulings issued by the Inland Revenue Department will continue to be honoured for the duration of their two-year validity.

Malta Company information

Type of company:

An International Trading Company (ITC)

Procedure to register

Memorandum and Articles of Association are submitted to the Registrar by a licensed Registered Agent to comply with the formation regulations along with the deposit of the paid-up share capital. A bank reference must be provided for Non-EU/non-EEA resident shareholders in order to identify the ultimate owner.

Time to register

3-5 days, but same day registration also possible at additional government fee (€250 EUR)

Registered Office Required

Yes and must be maintained in Malta

Restrictions on names

Any name that already exists on the Register or is too similar to the existing name. Other restricted names which are either misleading or offensive or which the Registrar will consider as unacceptable

Language of Legislation and Corporate Documents

English

Type of law

Civil law, however modern legislation including company and tax laws is modelled on UK law

Principal Corporate legislation

Companies Act 1995; Malta Financial Services Authority Act 1994; Investment Services Act 1994; Banking Act 1994; Financial Institutions Act 1994; ; Financial Markets Act 2002 and the Business Promotion Act 1988.

Restrictions on Trading

An International Trading Company (ITC) with its objects limited to trading activities conducted outside Malta is unable to trade in Malta or with Malta companies or Malta resident individuals.

Disclosure of Beneficial Ownership to Authorities

The identity of the beneficial owners of a Maltese company may remain confidential if a trustee company authorised by the Malta Financial Services Authority is engaged to act as shareholder on behalf of the underlying beneficial shareholders. This confidentiality is maintained as long as the company and its beneficial owners are not involved in any money laundering activity.

Compliance requirements

Taxation

Malta ITC's standard tax rate is 35%. However upon receipt of a dividend from an ITC, non-resident shareholders are taxed at a flat rate of 27.5% on the gross amount of the dividend and are credited with the amount of tax paid by the company on the profits out of which the dividend was paid.

By application of Malta's full tax imputation system, the non-resident shareholder is entitled to a refund of 7.5%, which is claimed in the shareholder's income tax return submitted to the Maltese Inland Revenue Department. Entitled to a refund under the provisions of the Income Tax Management Act of two thirds of the Malta tax paid by the company on the same profits. This refund is payable by the Inland Revenue Department not later than the fourteenth day following the end of the month in which the refund becomes due.

International Trading Companies may request an advance ruling on their tax status and such a ruling guarantees the tax position of the company for a minimum period of five years and may be renewed for a further period of five years.

Double Taxation Treaties

Yes

Authorised and Issued Share Capital

The minimum authorised share capital is of MTL 500 (approx. € 1,250), and the minimum issued share capital is MTL 500 (approx. € 1,250), 20% paid up. The share capital may be denominated in any convertible currency.

Classes of Shares allowed

Companies may have preference shares, redeemable shares and shares with or without voting rights

Directors

The minimum number of directors is one and they may be natural persons or corporate bodies and they may be of any nationality and do not need to be resident in Malta

Company Secretary

The Secretary is required and must be a natural person, but not need to be resident in Malta

Shareholders

The minimum number of shareholders is two and they may be natural persons or corporate bodies and they may be of any nationality and do not need to be resident in Malta. However, subject to certain conditions, single owner companies are also possible

Financial Statements/Accounts

There is an official requirement to prepare and file accounts with the authorities of Malta, and there is also a requirement to maintain records for a period of 10 years

Summary Corporate information

Summary Corporate information	
Type of entity:	International Trading Company (ITC)
Type of law:	Common
Time to register the company	3-5 days, but fast registration possible
Minimum government fees	One-off fee of €350 for authorised share capital of €4,700 or less
Corporate taxation	35% but refunds possible for non-res shareholders
Double taxation treaty	Yes
Shelf companies	Available
Share capital	
Standard currency	Euro/ US Dollar/ GBP
Minimum paid up	€250 EUR
Standard authorised	€1,250 EUR
Officers	
Directors	One
Local required	No
Shareholders	Two, but one is also possible
Secretary	Yes, natural person
Publicly accessible records	Yes
Location of meetings	Anywhere
Compliance	
Accounts	Required to prepare and file
Audit	Yes
Annual Return	Yes
Change of domicile	Permitted