



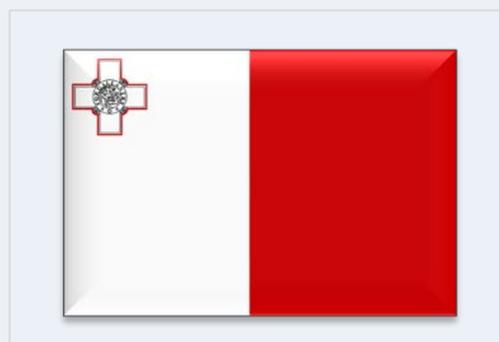
商業信託
Commercial Trust



Country Profile: Malta

The Facts

Location	Southern Europe, islands in the Mediterranean Sea, south of Sicily (Italy)
Languages	Official – Maltese and English
Nationality	Maltese
Religions	Roman Catholic – 98% Others – 2%
Government	Parliamentary Republic
Head of Government	Prime Minister
Legislature	Unicameral House of Representatives
Constitutional Document	Constitution of Mauritius
Economy	Malta is considered to be the best choice for investments in knowledge based sectors and high end manufacturing, also an ideal logistical hub due to its excellent port infrastructure. With EU membership, Malta has become a perfect gateway to the Euro-Mediterranean region and further.
Currency	Euro (EUR)
GDP (2011)	Total – EUR 6.43 billion Per capita – EUR 15,191 Real GDP growth – +2.1%
Population	409,800 (approx.)
Percentage of population	Homogenous
Area	316 km ²
Time zone	CET (UTC+1) CEST (UTC+2)
Public Holidays	National holidays – 14
Climate	Mediterranean



Sources: MALTAENTERPRISE, International Monetary Fund, Central Intelligence Agency

Malta

Malta, officially known as the Republic of Malta, is a Southern European country consisting of an archipelago situated in the center of the Mediterranean. Malta covers just over 316 square kilometers in land area, making it one of the world's smallest countries. The main island comprises many towns, and Malta's population is estimated to be around 368,250 according to Eurostat. The country has two official languages, Maltese and English. Malta gained independence from the United Kingdom in 1964 and became a republic in 1974, whilst retaining membership in the Commonwealth of Nations. Malta was admitted to the United Nations in 1964 and to the European Union in 2004.

Malta is internationally renowned as a tourist destination, with numerous recreational areas and historical monuments, including nine UNESCO World Heritage Sites, most prominently the Megalithic Temples which are some of the oldest free-standing structures in the world. Tourism is a major source of foreign-currency earnings. According to the International Monetary Fund (IMF), Malta is classified as an advanced economy. The Maltese economy is based on free enterprise. While a major part of the economy is privately controlled, public utilities are mostly provided by government-controlled entities. Over 200 export-oriented foreign companies operate profitable manufacturing subsidiaries in Malta. With the help of a favorable international economic climate, the availability of domestic resources, and industrial policies that support foreign export-oriented investment, the economy has been able to sustain a period of rapid growth. Here is a look at some major reasons why foreign investors should invest in Malta.

The Malta Business Climate

There are several reasons to invest in Malta:

- **Steady and growing economy:** Despite its small size, Malta has a healthy and effective economy. International trade and exports have an important place here. Malta was ranked 27th most networked economy in the world by the World Economic Forum and it is also considered one of the greatest financial centers worldwide. GDP growth in 2010 was estimated at 3.7%, and rose by an estimated 2.1% in 2011. Malta is a signatory to a good number of international agreements, mainly in the economic and financial domains, and also maritime and air transport and culture. The European Union is Malta's leading trade partner. However, exports to United States, Asia and North Africa are significant. Foreign investment has enabled the island to modernize over the past decade. Pharmacy, electronics, information technology, the environment and fine chemistry are a number of sectors rich with opportunities for investors.
- **Excellent workforce:** Employees in Malta are highly trained, multi-skilled and have experience in technology. They speak English and other foreign languages. Italian and French are widely spoken. Some Maltese are also able to understand or speak Spanish, German or Arabic. The workforce is also cheap, even if social security costs and taxes are counted. A multilingual, qualified and flexible workforce recommends Malta as a preferable destination for foreign investors.



Good infrastructure: Malta has a great network of transportation in terms of air, sea and road infrastructure. Malta has trade links with major European, African or Asian markets. Air connections with major European destinations are efficient and frequent. Malta has three large natural harbors on its main island. A modern telecommunications network stands for the attractiveness of the country in terms of investments.

Low cost of operating business: The Maltese workforce is cheap, even if social security costs and taxes are counted. Moreover, incentives are offered for all foreign investors and it is also easy to receive support when incorporating a new company in Malta. Some companies may benefit from incentives based on capital investment and job creation.

Research and development: Through the Malta Council for Science and Technology (MCST), Malta promotes investment in Innovation Relay Centers (IRCs) under the EU's Sixth Framework Program for Research and Technical Development. The MCST also encourages scientific research and development through its science program, which encourages the pursuit of careers in the fields of pure science and its applications. Malta supports innovation programs in research and development.

Setting up a Business in Malta

According to the 2012 Doing Business Report by World Bank, starting up a business in Malta takes about 40 working days. To successfully establish a company in Malta, one must complete the following major steps:

- **Check availability of company name:** The first step towards establishing a company in Malta is to check for availability of proposed company name with the Registrar of Companies. This procedure is completed in a day, and costs EUR 8.
- **Draft memorandum and articles of association with a lawyer:** The cost of drafting the memorandum and Articles of Association can vary depending on the notary used. It can run up to anywhere between EUR 500 to EUR 1000. The process takes a day to complete.
- **Open a bank account and deposit paid-in minimum capital:** The next step is to open a bank account and deposit the paid-in minimum capital in the bank. This process takes also takes only a day to complete, and costs EUR 20.
- **Register with the registry of companies:** Once the lawyer brings the MOA, the proof of deposit from the bank and identification proofs of member of the company, he receives a registration number. Once the incorporation document is ready, the Registry calls the lawyer to inform him. The process takes about 3 days to complete, and costs EUR 490.
- **Obtain trade license and tax identification number:** All businesses in Malta need to apply for a Trade License from the Trade Licensing Directorate. Furthermore, The Company's certificate of incorporation is needed in order to obtain the Tax Identification Number. This procedure takes about 18 days to complete, and costs about EUR 60.
- **Open a permanent bank account and apply for VAT:** Any company looking to establish a company in Malta is then required to open a permanent bank account, and apply for VAT. The tax ID number is required to apply for VAT. This procedure takes about 8 days to complete, and is done free of charge.
- **Obtain employer identification number and register employees:** Both the VAT number and the Income Tax number are required to obtain the Employer Identification Number (or PE Number). The registration form is available and one has to print it and send it to IRD. Subsequently, one has to register the employees with the Employing Training Center (ETC). This process is completed free of charge in about 4 days.

- **Register for data protection:** Since 2002, with the introduction of the Data Protection Act, it is a European directive that registration must be done before the company carries out any data processing operations. VAT and registration number are required for registration. This final procedure is completed only in a day, and costs about EUR 24.

Types of Business Structures in Malta

Companies and commercial partnerships are formed in Malta under the Companies Act. The first step to take when setting up a business in Malta is to choose its legal structure. Entrepreneurs can choose either to do business in their own name according to the provisions of the Commercial Code, or to operate through a separate entity created by them. Here is a closer look at the most important business structures in Malta:

- **Limited Liability Company:** The limited liability company is the most common form of business structure in Malta. A limited liability company is formed by means of capital divided into shares. The liability of the shareholders is limited to the amount, if any, unpaid on the shares held. This is the form of organization favoured by large enterprises and usually preferred by the foreign investor. A company may be incorporated either as a public company or as a private company. A company is a private company if its statute limits the number of its shareholders to 50, provides for restrictions on the transfer of shares and prohibits any invitation to the public to subscribe for shares or debentures. A limited liability company is constituted by virtue of a memorandum of association. The vast majority of companies in Malta are registered as private companies.
- **General Partnership:** In Malta, a general partnership has its obligations guaranteed by the unlimited and joint and several obligations of all the partners. At least one of the partners shall be either an individual or a body corporate having its obligations guaranteed by the unlimited, joint and several liabilities of one or more of its members. No action lies against the individual partners unless the property of the partnership has been first discussed. A general partnership is formed by a deed of partnership, which must be delivered to the Registrar for registration. Changes in the deed of partnership, including the introduction of new partners or the withdrawal of any existing partners must also be reported to the Registrar. The rights of third parties are protected by law in case of withdrawals from or additions to the partnership.
- **Limited Partnership:** A limited partnership operates under a partnership-name and has its obligations guaranteed by the unlimited and joint and several liability of one or more general partners and by the liability limited to the amount, if any, unpaid on the contribution of one or more limited partners. At least one of the general partners shall be either an individual or a body corporate having its obligations guaranteed by the unlimited, joint and several liabilities of one or more of its members. Its capital may be divided into shares.
- **Joint Venture:** The Companies Act of Malta recognizes a form of joint venture under the rules on association and participation. The association comes into existence under an agreement whereby a person (the associating party) assigns to another person, for a valuable consideration, a portion of the profits and losses of a business or of one or more commercial transactions. In relation to third parties, the joint venture is deemed to belong to the associating party. No registration is required for this type of association and the association is not vested with a legal personality distinct from that of its members.
- **Trust:** The Trusts and Trustees Act opened the trust concept to residents and to assets situated in Malta. A trust is deemed to exist whenever a person (i.e. the trustee) holds as owner or has vested in property under an obligation to deal with that property for the benefit of other persons called the beneficiaries (whether or not yet ascertained or in existence), or for a charitable purpose which is not for the benefit only of the trustee, or for both such aforesaid benefits. The law does not require trust deeds to be registered with any authority. However as a general rule, people resident or operating in Malta and receiving property on trust require authorization. The Civil Code and the Trusts and Trustees Act lay down a number of fiduciary duties which trustees owe to beneficiaries.



Taxation

Malta's corporate tax system is governed by the Income Tax Act, the Income Tax Management Act. While the Income Tax Act includes general computational rules, the Income Tax Management Act includes regulations about administration of tax. Any active and/or passive income derived from Malta is subject to paying income tax. All the following types of income are considered as taxable income:

- Income earned from trade business
- Income from rents, dividends, and interests
- Income from annual payments, and discounts
- Income from royalties and premiums

The corporate income tax rate for Malta stands at 35 percent on the profit.

In Malta, capital gains are added to other income of the company. Corporate income tax is charged on the total income of the company, instead of charging a separate tax on capital gains. However, not all capital gains are charged with income tax. Some examples of capital gains that are taxable in Malta include patents, goodwill, trademarks, rights over securities, business, trade names, and immovable property.

Immigration and Visa Requirements

Obtaining a Visa to Malta is not such a cumbersome process for most nationalities. The following documents have to be submitted to the Malta Consulate to successfully obtain a Visa to Malta:

- Visa Application form
- Original and signed Passport
- 2 passport-sized photographs
- Copy of round trip tickets or confirmed itinerary

Some nationalities may also require some other documents such as bank statements, employment letters or health insurance documents.

Banking Requirement

Opening a bank account in Malta is usually a simple process if you meet the terms and conditions that are expected from you. Bank accounts are not confined to solely Maltese residents. Non residents and foreign companies can also open an account in Malta. One must provide some documentation to open an account. A copy of the passport and a utility bill proving one's address is mandatory in almost all banks. One must also present a reference from a bank that one currently holds an account with.

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Contact

Website: www.cmltrust.com

Email: inquire@cmltrust.com

Tel: +852 2162 7371