

# TRUSTMOORE



## MALTA

With an intriguing and rich history,  
Malta is a small archipelago located in  
the middle of the Mediterranean Sea.

# MALTA

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Despite being the EU's smallest member state, covering just over 316 km<sup>2</sup>, Malta is a hub for financial services and international business and has regularly ranked among Europe's leading financial centers.

This is driven by the island's reputation for stability, predictability, robust and EU-compliant regulatory framework, and a pro-business environment. Trustmoore is located in the heart of Sliema – a town in the central region of Malta – and occupies a typical Maltese townhouse refurbished in a contemporary style.

## TAXATION CORPORATE

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**Companies incorporated in Malta are considered to be tax resident in Malta and are taxed on worldwide income. Furthermore, companies incorporated outside Malta but that have their management and control exercised from Malta are also considered tax resident in Malta on a remittance basis.**

Effectively, the latter are only subject to tax on income/gains arising in Malta and foreign income remitted to Malta. Consequently, setting up a **resident non-domiciled company** in Malta may prove an extremely advantageous tool in a company's international tax-planning strategy.

Malta offers a highly competitive tax regime based on a full imputation tax system. Under this system, tax on profits paid by a company distributing dividends is made available to the shareholder as a tax credit to effectively avoid double taxation on the same income.

The corporate tax rate in Malta is 35%; however, when applying various tax rebates (depending on the type of income being taxed), the effective tax rate is reduced to between 0% - 10%.

Additionally, Malta applies participation exemption on dividends or capital gains derived from investments that qualify as participating holdings, which can be either:

- Exempt from tax in Malta by applying the participation exemption, or;
- Be taxed in Malta, subsequently entitling the shareholder to a refund of up to 100% payment of dividends out of these profits.

Malta also has a highly attractive value-added tax (VAT) regime in regard to **yacht leasing arrangements** for Maltese companies, which are regulated by a few simple guidelines. Depending on the size and means of propulsion of the boat, the VAT rate can be reduced to as little as 5.4%.

## **TAXATION INDIVIDUALS**

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**Malta offers various residence and retirement programs for both EU and non-EU citizens, allowing individuals to benefit from a personal tax rate of 15% on foreign income remitted to Malta.**

In addition, Malta also offers an Individual Investor Programme whereby Malta grants “naturalisation by investment” to reputable foreign individuals and their dependents.

## **MALTA TRUST**

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**Setting up a Trust in Malta could have several benefits both from a legal as well as from a taxation point of view. A Trust can be an efficient tool to distribute one's estate to heirs and since Trusts are not registered with a public authority in Malta can also be used for privacy reasons.**

From an international perspective a Maltese trust may facilitate tax planning for non-residents. The employment of a Maltese trustee will require payment of Maltese tax on income or gains generated by the trust at the maximum rate of 35% however this shall exclude income that is allocated to the foreign beneficiaries. Thus the settlement of foreign assets on trust by a non-resident settlor for the benefit of non-resident beneficiaries does not generally have any Maltese tax implications on the income /gains accruing to the trust.



*“Trust and commitment  
are essential in managing  
your business or wealth globally.  
Our team provides both.”*

## FUNDS

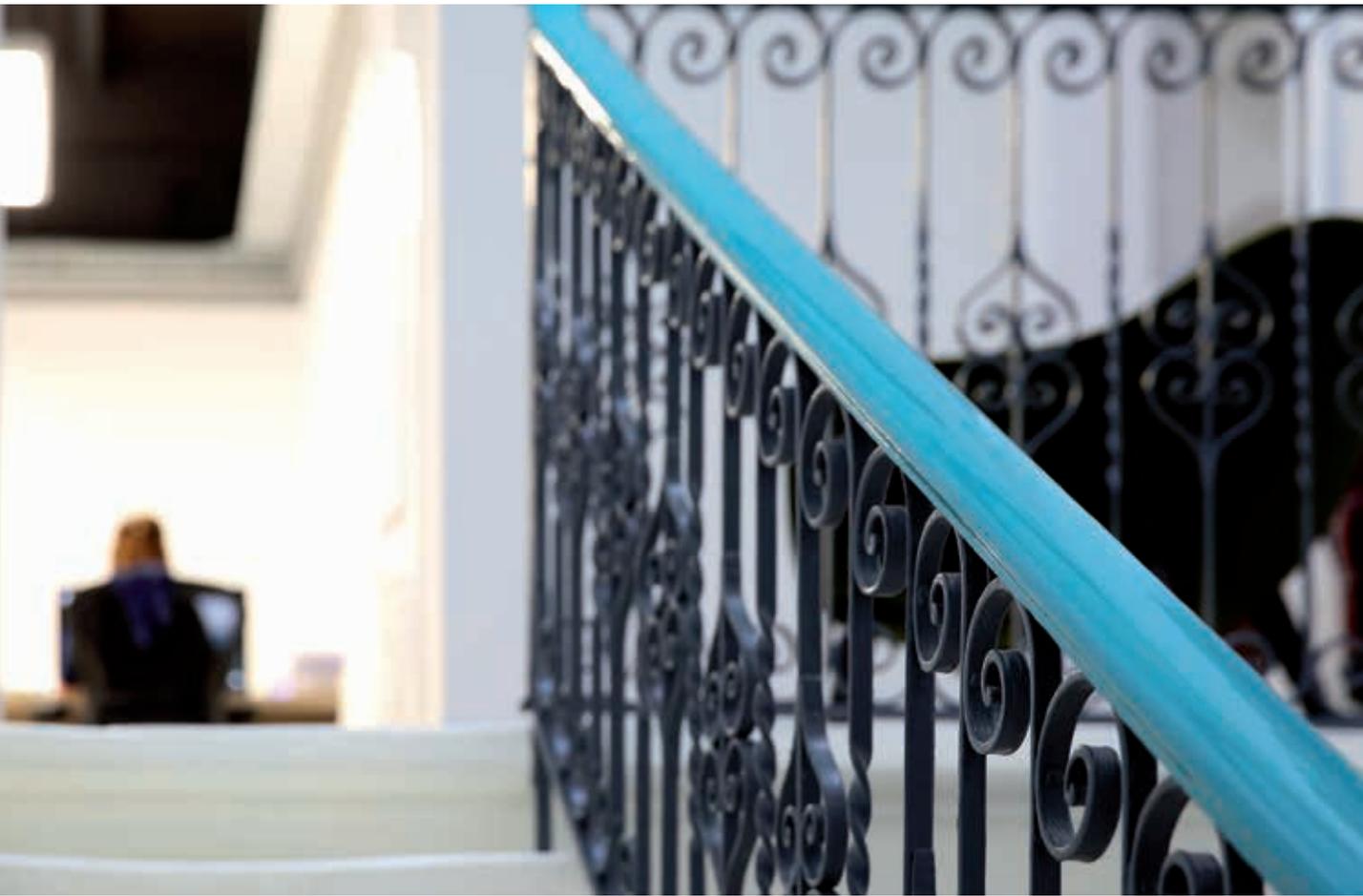
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**With the introduction of EU passporting rights, Malta has become Europe's fund gateway, providing new business opportunities and attracting sophisticated asset-management activities.**

Malta offers a robust yet flexible regulatory framework and the Malta Financial Services Authority takes a diligent, risk-based approach for every license application while adhering to set license-approval time frames. Funds can generally be set up as open- or closed-ended investment companies (SICAV or INVCO), cell companies, limited partnerships, contractual funds or unit trusts.

The most-popular funds in Malta include:

- Retail Collective Investment Schemes
- Undertakings for Collective Investment in Transferable Securities (UCITS)
- Professional Investor Funds
- Alternative Investment Funds
- Private Funds



## **CONTACT US TODAY**

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