



INTERNATIONAL INVESTMENT THROUGH MALTA

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TTN MIAMI 2015

WHERE IS MALTA?



MALTA

- EU Country
- € currency
- English speaking – Legal and corporate documents in English

INTERNATIONAL INVESTMENT THROUGH MALTA



TOPICS

- Companies and Branches
- Trusts and Foundations
- Aviation
- Citizenship by Investment
- Residence
- Investment Funds



CORPORATE TAXATION

COMPANIES AND BRANCHES



MALTESE COMPANIES

- Holding
- Trading
- Branches

MALTESE COMPANIES

Holding companies

Tax exemption

- Participating holdings

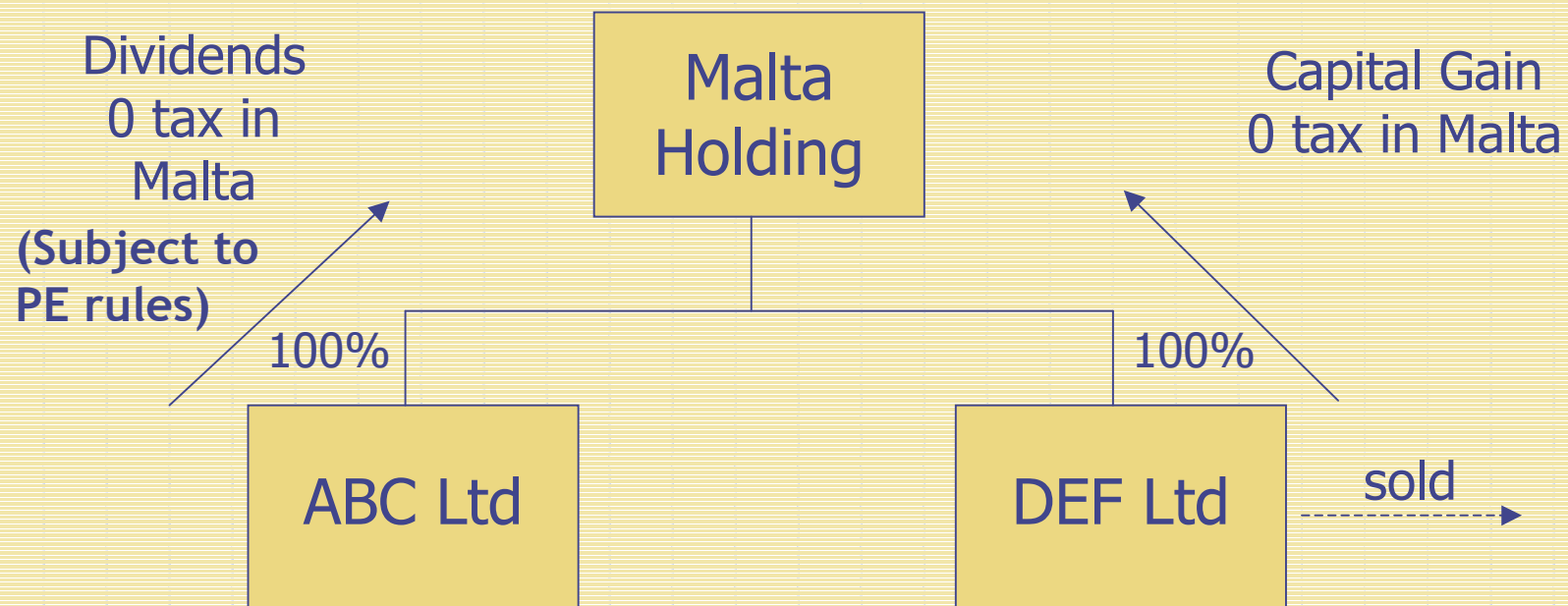
- * dividend income

- * capital gains – no minimum time specified for holdings exceeding 10%

Subject to PE rules

MALTESE COMPANIES

Malta Holding Company for participating holdings





MALTESE COMPANIES

Trading Companies

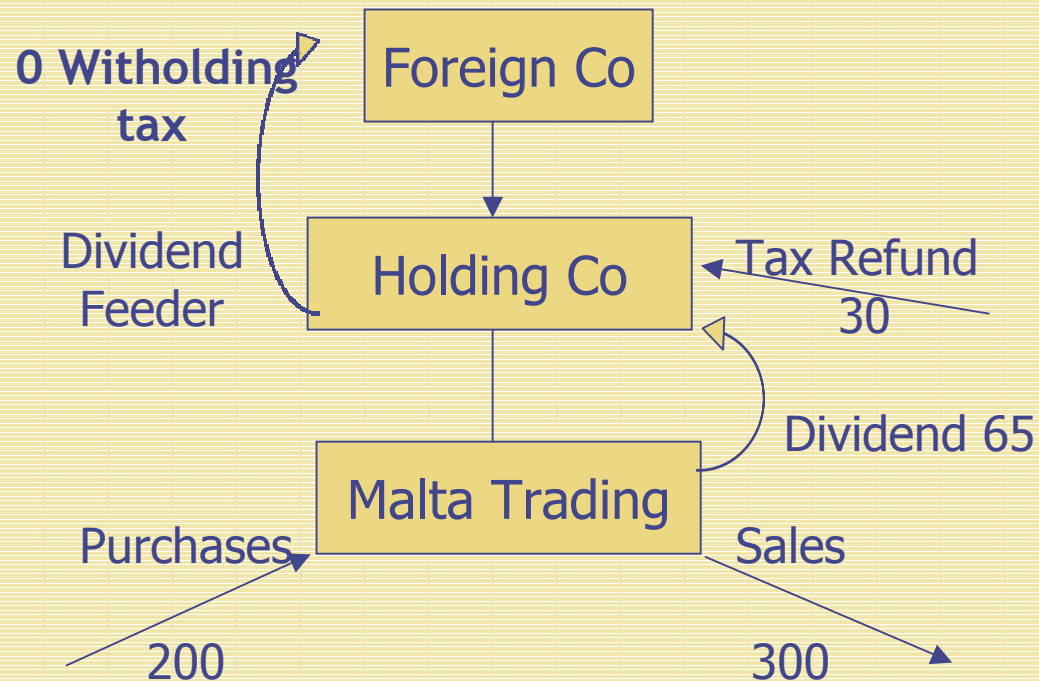
Pay normal corporate taxation rate 35%

*with option for shareholder to claim
refund of 6/7 of tax paid*

Net tax 5.00%

MALTESE COMPANIES

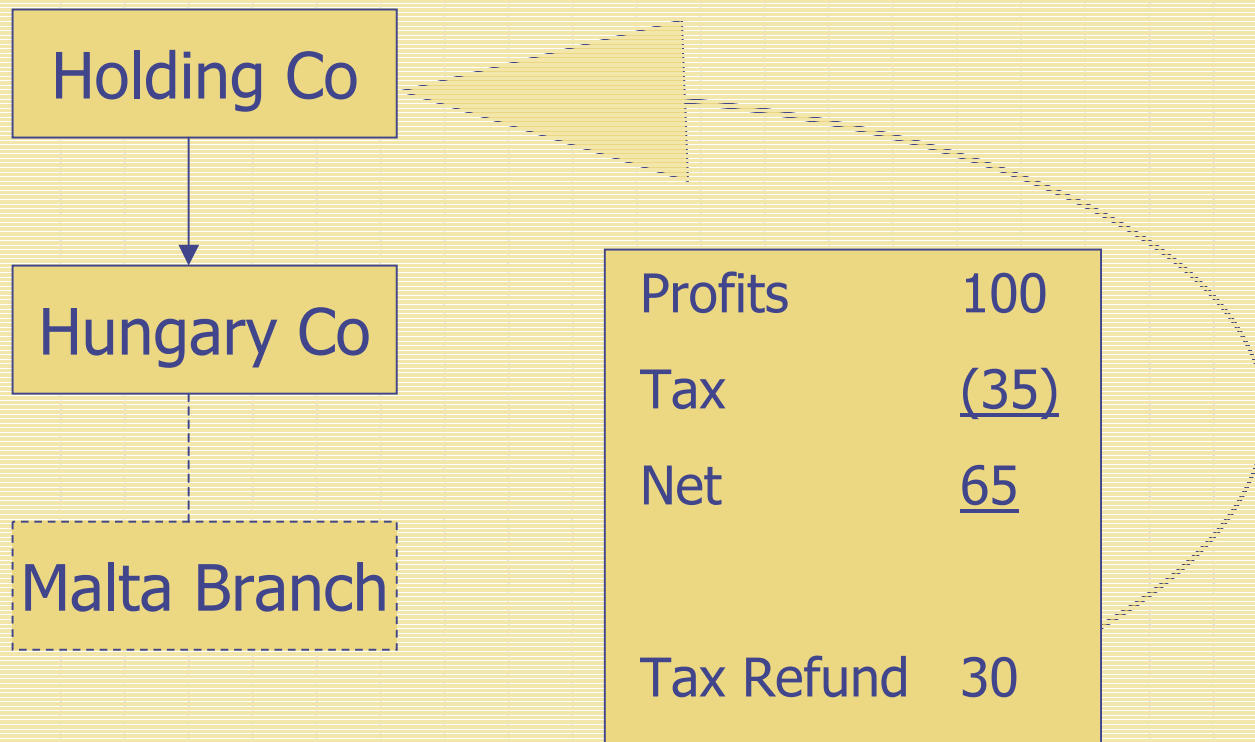
Malta Trading Company



Sales	300
Purchases	<u>200</u>
Profit	100
Tax 35%	<u>(35)</u>
Net	<u>65</u>
Refund 6/7	<u>(30)</u>
	35 –
	<u>30</u>
Net tax	<u>5%</u>

MALTESE COMPANIES

Malta Branch



MALTESE COMPANIES

Other Characteristics

Malta Co

Payments of:
Dividends
Royalties

0% Withholding tax

MALTESE COMPANIES



Refund of tax paid by company

- Paid to shareholder
- On dividend distribution
- Tax authorities bound to issue refund not later than 14 days from submission of a valid tax claim.

MALTESE COMPANIES



Redomiciliation of companies permitted to Malta

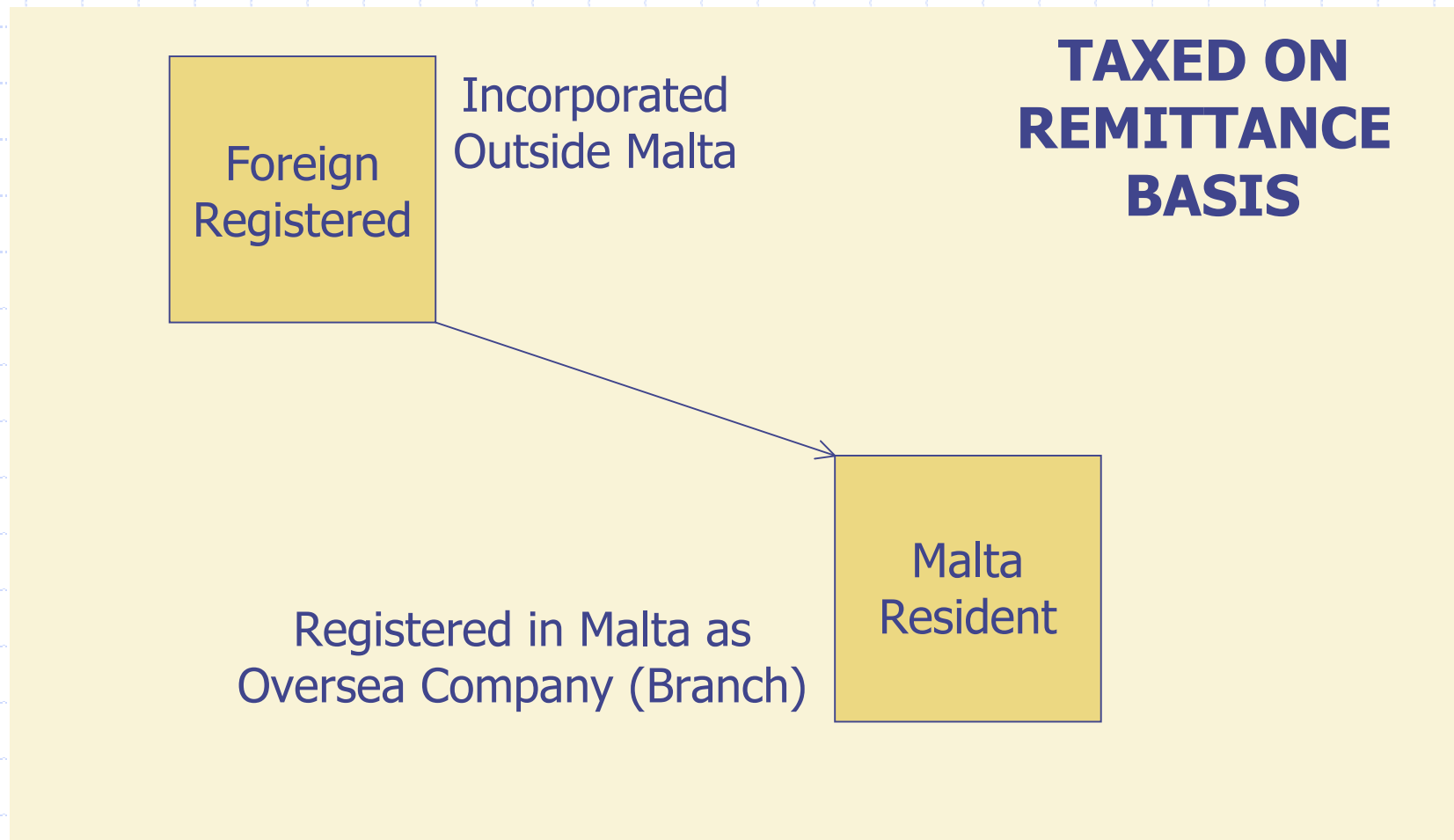
- Similar in nature to a company as known in Malta;
- Laws of the foreign company jurisdiction must allow such continuance;
- Company M&A, statute or charter must specifically allow such continuation.

MALTESE COMPANIES



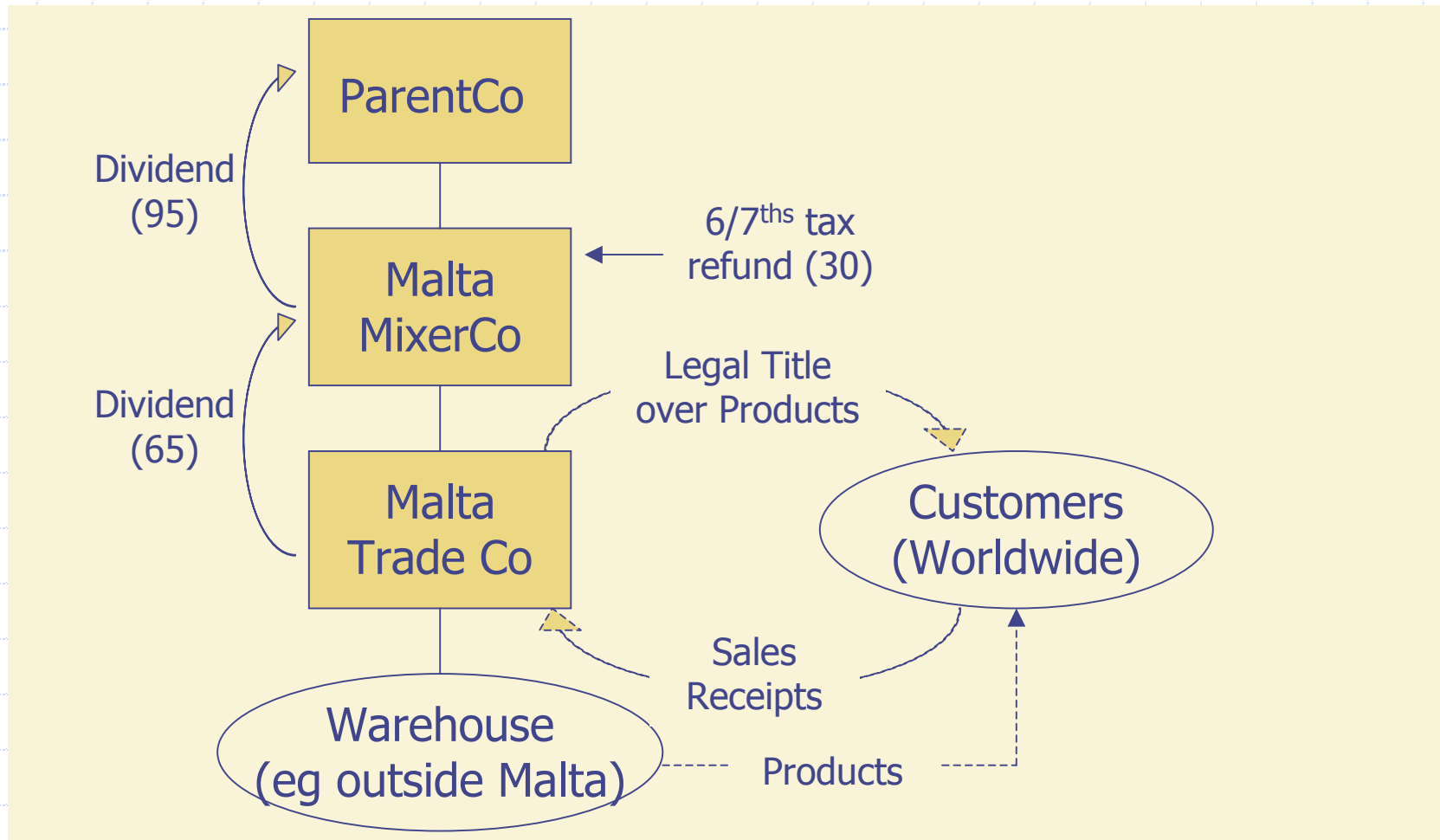
- Management and control in Malta.

OVERSEA COMPANIES

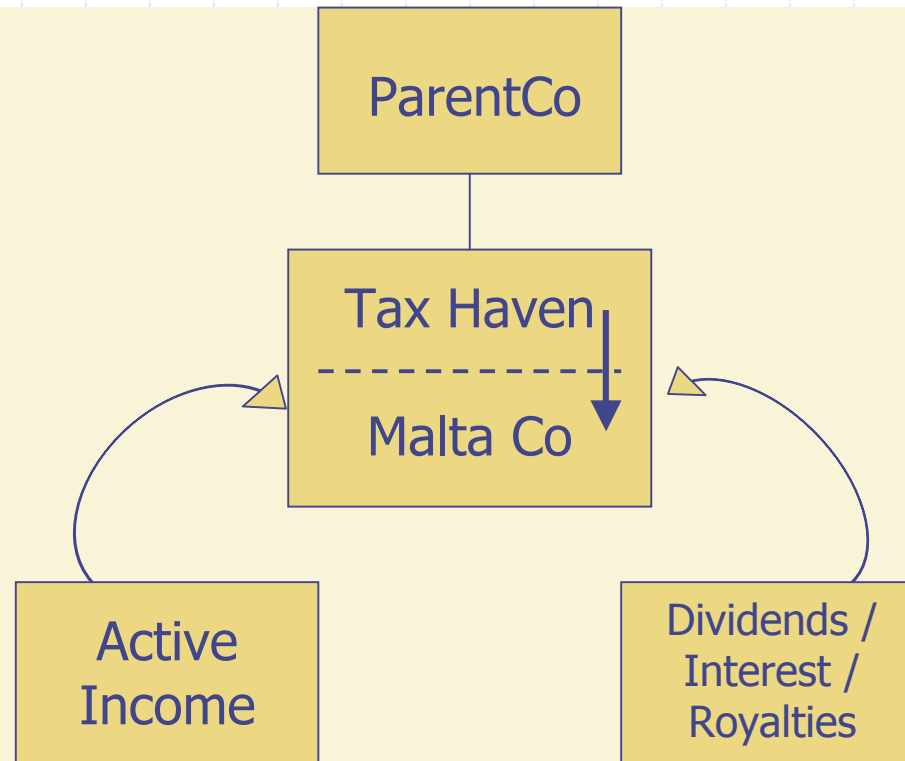


MALTA AS E-COMMERCE LOCATION

RECENT TREND



REDOMICILIATION INTO MALTA RECENT TREND



- Elimination / Savings on W/H Tax into/out of Malta
- Treaty Protection



TRUSTS

TRUSTS



Trust and Trustees Act (TTA)

- Modelled on UK law

TRUSTS

Taxation

- Trusts are considered to be transparent for tax purposes.
- Trust income not charged tax in the hands of a trustee if it is distributed to a beneficiary.
- Undistributed income charged at 35%.
- If beneficiaries are **non-resident** and all income does not arise in Malta, there is **no taxation** under Maltese law.



FOUNDATIONS



FOUNDATIONS

Malta – solid legal structure to protect rights & interests of beneficiaries:

- Right to Information;
- Right to confidentiality.

FOUNDATIONS

Types and uses

1. Purpose Foundation – Charity / philanthropic foundation / or specific purpose.
2. Private Foundation – Created for private benefits :
 - Separate legal personality used for holding purposes (eg companies, intellectual property).
 - Estate Planning.
 - Foundation becomes owner of assets.

FOUNDATIONS

Main benefits :

- Have separate legal personality;
- Patrimony distinct from that of founder/ administrators/ beneficiaries;
- Founder may also be a beneficiary;
- Registration does not eliminate the privacy element.

FOUNDATIONS

Rights of the founder

May:

- Exercise supervision over the administration;
- Be an administrator;
- Be a beneficiary.



AVIATION

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AVIATION



1.Aircraft Transactions

2.Aircraft Registration



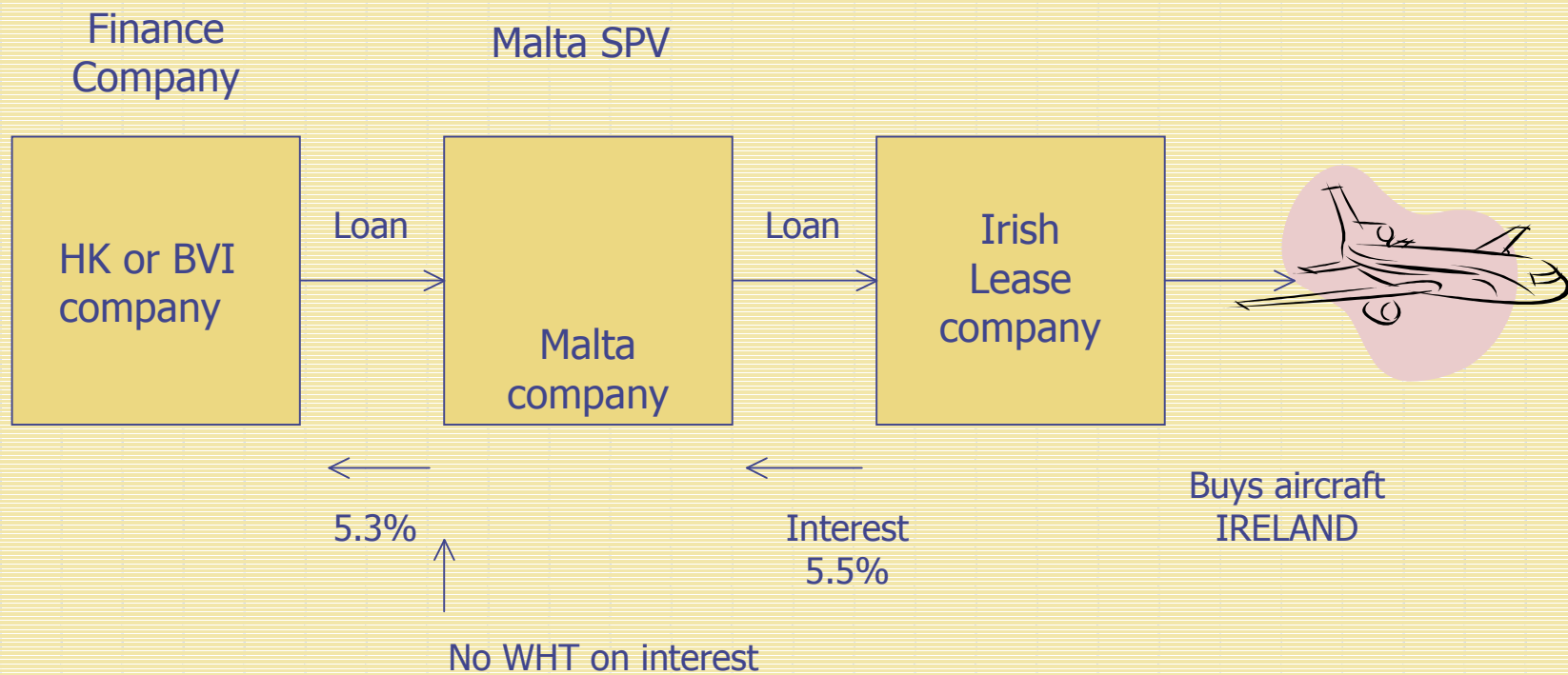
AVIATION

Aircraft Transactions

- Finance / Leasing structures
- Securitization vehicles, including bankruptcy remote SPV's (foundations)
- Aviation Operations

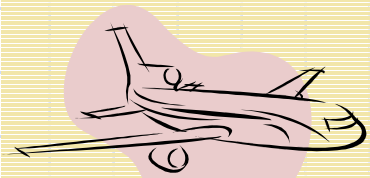
AVIATION

Finance / Leasing Structures



AVIATION

Aircraft Operations



costs

Malta
operations

billing

International Operations outside Malta

Passengers / Cargo

Income from:

- Ownership
- Leasing
- operations

ONLY TAXED ON REMITTANCE BASIS
SINCE OPERATIONS OUTSIDE MALTA

AVIATION



Aircraft Registration

Some features:

- Malta signatory to Cape Town Convention
- Creditor friendly jurisdiction
- Fractional ownership
- Can redomicile existing structures (financing arrangements remain in place)
- One register for aircraft and engines – simple
- Even aircraft under construction



CITIZENSHIP BY INVESTMENT

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CITIZENSHIP: INDIVIDUAL INVESTOR PROGRAMME



Requirements for Maltese Passport:

- Contribution to Malta
- Purchase property in Malta
- Investment in Malta
- “Residence status” in Malta for a period of 12 months

CITIZENSHIP: INDIVIDUAL INVESTOR PROGRAMME



Requirements:

- Total value invested approximately US\$1,250,000
 - (of which actual cost is around US\$ 700,000)
at May 2015 exchange rate
- Limitation on numbers – emphasis on talent

CITIZENSHIP: INDIVIDUAL INVESTOR PROGRAMME



Dependents:

- Spouse
- Children (under 18)
- Unmarried children aged between 18 and 26
- Children of any age if mentally or physically challenged
- Parents and/or grandparents aged over 55

CITIZENSHIP: INDIVIDUAL INVESTOR PROGRAMME



Some details :

- Contribution to Malta

PERSON	CONTRIBUTION	GOVERNMENT FEES
Main Applicant	€650,000	€7500
Spouse	€25,000	€5000
Children (under 18)	€25,000	€3000
Children (18 – 26)	€50,000	€5000
Parents/Grandparents	€50,000	€5000

CITIZENSHIP: INDIVIDUAL INVESTOR PROGRAMME



Some details (contd):

- Purchase property in Malta (min value €350,000) or rent property in Malta (min lease of €16,000 pa) – to be kept 5 years min; and
- Investment in Malta min investment of €150,000 in stocks, bonds, debentures etc identified from time to time by Identity Malta); and
- Hold "residence status" in Malta for a period of 12 months.



RESIDENCE PROGRAMMES



GLOBAL RESIDENCE PROGRAMME

- For non EU persons
- Income remitted to Malta – Taxed at 15%
- Minimum annual tax of 15%
- Can Claim Double Tax relief
- No minimum stay in Malta

(Ideal for persons who are not residents in any one country)



INVESTMENT FUNDS



INVESTMENT FUNDS

- Malta – Estimated to have 20% of the European Union's Fund business;
- Started with small funds. Now larger players moving in;
- Features: Low cost and regulatory environment allows innovation.



INVESTMENT FUNDS

Collective Investment Schemes

CISs regulated by the Investment Services Act (ISA).

CISs divided into:

- Retail Collective Investment Schemes
- Professional Investor Funds (PIFs)
- Private Collective Investment Schemes



INVESTMENT FUNDS

Fund re-domiciliation

From a regulatory point of view, there are various benefits of domiciling funds in Malta:

- Prompt and efficient registration;
- Low fees;
- Tax-efficient domicile.

INVESTMENT FUNDS

Taxation

General rule

Exempt from Maltese income and CGT provided it does not have over 85% of assets in Malta



OTHER AREAS

Other areas of specialisation:

- Shipping register
- Yachting registration
- Banking

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