

HOW CAN WE HELP?

Chetcuti Cauchi is geared to offer advice going beyond conventional corporate and commercial issues. Our lawyers work closely with other practitioners in the firm and are skilled at identifying and resolving legal and financial issues and providing effective solutions for scenarios involving personal and corporate tax, franchising, intellectual property, employment law, secured transactions, immigration, corporate finance and banking, real estate

and leasing, environmental law, international trade, securities law and personal wealth management.

We also provide corporate compliance and company secretarial services for private and public companies, setting up of brick-and-mortar or online business operations, formation of local and international companies, corporate finance, group restructuring, liquidations, acquisition of licenses and permits and commercial litigation where required.



Testimonials

“It gives us great pleasure to recommend Chetcuti Cauchi in Malta. We have been cooperating for 3 and a half years. This company helped us to set up a daughter company in Malta and assisted in complying with all the procedures.

Chetcuti Cauchi have been consistently helpful, tackling all assignments with dedication. The company have been assisting us in the area of corporate matters, accounting, taxation and contacts with the Maltese tax authorities and the Registrar of Companies.

We highly recommend Chetcuti Cauchi as a trustworthy partner.”

Anna Polomska, President of the Board, POL-Euro Shipping Lines P.L.C. – S.A.

“Chetcuti Cauchi has been doing many different aspects of IP work for us for several years, and I have always been more than satisfied with their work. All the people at the firm with whom I have been in contact have been very professional, efficient and quick in their efforts to assist us.”

Cecilia Emanuelson, Senior Corporate Counsel, IKEA



Firm Overview

Our Advisory Team



Dr Jean-Philippe Chetcuti
Managing Partner



Dr Maria Chetcuti-Cauch
Senior Partner



Kenneth Camilleri
Partner



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Manager, Legal

Our areas of practice include:

LEGAL

Art & Cultural Property
Aviation Law
Banking & Finance
Capital Markets
Commercial Law
Company Law
Dispute Resolution
Employment & Labour
Gaming Law
Immigration & Relocation
Insurance Law
Intellectual Property Law
Investments Funds
Investments Services
Maritime Law
Media & Entertainment Law
Property & Development Law
Public Service Law
Technology & Telecoms Law
Trusts & Estates Law

TAX

Tax Advisory
Tax Compliance

CORPORATE

Corporate Services
Accounting
Fiduciary
HR Management
Technology Management
Tendering Funding

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DOING BUSINESS IN MALTA

The Maltese Islands - Location, Language & Lifestyle

Malta, Gozo and Comino, the inhabited islands of the Maltese archipelago, lie at the European geographical heart of the Mediterranean Sea. Malta presents an optimum setting for various international elements to unite in a multicultural setting. With Sicily merely 60 miles to the North, Tripoli 220 miles to the South and Tunis 200 miles to the West, Malta is virtually at the crossroads of two major continents.

The official languages are Maltese and English; Maltese being a language of Semitic origin, although it bears traces of the influence of centuries of successive

foreign invaders. Most Maltese have a good command of Italian while French and German are also widely spoken. Business correspondence is in English, which makes Malta an attractive place to conduct business. The archipelago enjoys a warm Mediterranean climate with mild winters and hot summers.

Since 2004, Malta is a full member of the European Union and has successfully adopted the region's common currency in 2008, increasing the country's attractiveness for trade as a result of joint monetary policies.

A Prime Financial Services Centre

The development of Malta as the jurisdiction of choice for companies operating in the financial services industry has been greatly aided by the efforts of the local financial services authority, the MFSA, which adopts a prudent but flexible approach, providing a solid regulatory framework whilst encouraging progress and innovation.

Malta's reputation in the funds industry is steadily increasing. The types of schemes available include Professional Investor Funds (PIFs), Private Schemes,

Specialist Schemes and Retail Funds. Investment services operators are also taking advantage of the law, which is in line with the relevant EU directives, because it provides a great opportunity to operate in the financial services sector within Europe. A Licensed Maltese Investment services company is eligible for a passport which, once the simple procedure is followed, allows the company to operate in any country of the European Union.



Company Law Summary

Types	Limited liability company, private/public company, private exempt/non-exempt company.
Standard issued share capital	EUR1,250 (approx. USD1500) (in any foreign currency)
Minimum paid up share capital on incorporation	20% (EUR250 - approx. USD300)*
Minimum number of Shareholders required	One shareholder (if the company director is a natural person) or Two shareholders (if the director is corporate)
Nominee shareholders permitted	Yes, by fiduciaries authorised by the MFSA.
Minimum number of directors	One. In certain cases, the director may also act as company secretary.
Local directors required	No
Corporate directors permitted	Yes, resident directorship services provided.
Local company secretary required	Any nationality, company secretarial services provided.
Objects / Powers	Limited to those in the Memorandum - must be stated.
Local meeting required	No
Meetings	At least one General Meeting each year, in addition to any other company meetings.
Local Registered office required	Yes. We offer registered office services to Malta Companies.
Exchange Control	No exchange control regulations - may conduct business in any currency.
Average timeframe to set up a new company	24-48 hours (depending on availability and adequacy of documentation/ information provided).



Corporate Tax System

Malta companies for international business:

A Maltese company can trade and provide services/consultancy/intermediation internationally throughout Europe (having a Maltese/EU VAT registration) as well as outside the EU, enjoying a net 5% effective tax rate after refunds to shareholders. Maltese companies are not low tax companies (the corporate tax rate is 35%) as the (confidential) refunds are payable to the shareholders. They are excellent vehicles for royalty routing, treasury operations, e-gaming and e-commerce operations.

Malta holding companies:

A Malta holding company can provide asset protection for business assets of any form (real estate anywhere, fixed assets, investments, securities, bank accounts, intellectual property, etc) but also personal assets including any luxury items, depending on the shareholders involved.

Maltese holding companies enjoy low effective tax rates on world-wide profits as follows:

- 0% on dividends received from a participating holding, that is:
 - (i) where it holds at least 10% of the equity in a subsidiary; or
 - (ii) where it holds an investment in a subsidiary of at least € 1.5 million and holds that investment for more than 183 days)
- 0% on capital gains on the disposal of a participating holding
- 5% on dividends from non-participating holdings
- 10% on passive income (interest, royalties etc)



Shipping and Yachting

Registration of ships and yachts under the Maltese flag offers several advantages:

- low company formation and vessel registration costs;
- no restrictions on the nationality of the vessel owner;
- complete tax exemption for qualifying shipping activities;
- effective tax rate of 5% on non qualifying shipping activities;
- VAT exemption for chartering of commercial yachts;
- no restrictions on the nationality of the master, officers and crew;
- no restrictions or taxation on the sale or transfer of shares of a company owning Maltese registered vessels;
- no restrictions or taxation on the sale and mortgaging of Maltese registered vessels;
- no trading restrictions and preferential treatment to Maltese vessels in certain ports;
- different types of vessels can be registered under the Maltese flag including passenger ships, super yachts and vessels under construction.



A yacht may be registered under the flag of Malta either by appointing a resident agent in Malta or else by incorporation of a Malta Shipping Company and the latter company shall own the yacht. Apart from the above, the Malta VAT department has issued guidelines which provide for the possibility of yacht owners who wish to import their yachts into the EU to pay a reduced rate of VAT as low as 5.4%.



e-Gaming

Different jurisdictions have, since time immemorial, treated gaming in diverse ways. With the advent of internet gaming, the situation has become more complex and increased regulation was deemed necessary.

Malta has reacted to this phenomenon in a prudent yet pragmatic manner by providing a legal framework for gaming operators, whilst at the same time never foregoing high levels of player protection. This has produced a foremost gaming jurisdiction associated with professionalism, regulation and trust.

Advantages of the Malta License

- four classes of licenses to cater for different business models;
- favourable corporate tax regime;
- low gaming tax and official fees;
- relatively low running costs;
- possibility of fiscal incentives;
- license from an EU Member State;
- european onshore business environment & EU Internal market principles;
- pragmatic and serious Maltese regulator boosting;
- Fast50 awards in 2011 and 2012 and Best Global Online Gaming Regulator award in 2011;
- reliable IT and ICT infrastructure;
- solid financial services industry.

The license is valid for a period of 5 years and may be renewed for further periods of 5 years.

