

Company Incorporation in Malta

Malta as a Business Jurisdiction

Malta is known for having a comprehensive legislative and regulatory framework for financial services and international business. The Malta Financial Services Authority (MFSA) is the single licensing and supervisory authority for all financial services activity. Malta encourages the development of international trade including that of financial services, and has a variety of double tax treaties in place. So far over 70 countries treaties are in force.

Types of Companies Available

- The Limited Liability company;
- Limited Partnership company;
- General Partnership.

The incorporation of a Maltese private limited liability company will typically take between two to four working days to be processed and finalised by the Malta Business Registry.

Shareholders

A minimum of two shareholders are required for every private company. In order to meet this requirement, a third party must hold a single share with all the other shares being held by the intended beneficiary. Alternatively, a private exempt company may opt to have a single shareholder.

Registered Office and Establishment of a Branch Office in Malta

All companies must have a registered office in Malta. Companies aiming to expand their organisation abroad may wish to register a branch as an overseas company. The process to set up such a branch is straightforward. There is no requirement to establish a physical presence, although a local representative must be appointed for this branch. Some companies receive tax breaks by continuing to be incorporated in their home country while they attempt to establish a Malta operation.

Principal Features of a Private Company

- Has to have a minimum of two shareholders being natural or legal persons;
- Shareholders can be Maltese or non-Maltese resident. Nominee shareholders can also be appointed if they are authorised by the Malta Financial Services Authority (“MFSA”) to provide nominee services;
- There is a minimum of one director, being a natural or legal person, resident or non-resident in Malta;
- A company secretary must be appointed. The company secretary had to be a natural person and this position can be held by a resident or non-resident person;
- The minimum authorised and issued share capital of is €1200, this can be paid fully or 20% paid. This payment must be paid up upon incorporation;
- A company can choose to have different share classes, with differing rights attached to each share class;
- The registered company address must be in Malta;
- Every company must hold an Annual General Meeting;
- The company is required to file an annual return with the Malta Business Registry, this is due within 42 days of the anniversary date of incorporation.

Registration of a Maltese Company

A company is set up by a Memorandum of Association being entered into and subscribed to by the shareholders and a certificate of registration being issued in respect thereof. The following should be included in the Memorandum:

- Company name;
- Address and official identification of the sub-scribers thereto;
- The nature of the company (private or public);
- The registered office of the company in Malta;
- The object and purpose of the company to be incorporated;
- Details of the authorised issued and paid up share capital;
- The way in which the representation of the company is to be exercised; and,
- The number of directors and the particulars of the first directors and secretary.

Accounting and Auditing Requirements

All accounting records have to be audited at the end of each financial year, in accordance with Malta's Companies Act, 1995 and International Accounting Standards. Financial statements constitute the directors' report, the auditors' report, balance sheet, profit and loss account, notes to the financial statements together with schedules to the profit and loss account.

Corporate Tax in Malta

The company rate of tax is 35% on the chargeable profits based on the audited accounts of the company. Despite this, a system of tax refunds rewarded to shareholders provides substantial fiscal benefits, reducing Malta tax to shareholders to 0% in the case of holding companies, and 5% in the case of trading companies. In both instances, there are specific legal requirements that must be satisfied in order for shareholders to benefit from such refunds.

The Registry

The Maltese Business Registry is a department of the Malta Financial Services Authority. The Malta Financial Services Authority is the single regulator of financial services in Malta.

For more information on how Zeta can assist you please contact our Business Development department on bd@zeta-financial.com.

Get in touch

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