



Company Law and Company Formation In Malta

Company Law in Malta and Company Incorporation

The Malta Financial Services Authority (MFSA) has had a pivotal role in moulding a solid regulatory framework which encourages progress and innovation.

The following is a summary of Maltese Company Law requirements for the incorporation of a new company:

Type of company:	Limited Liability Company, Public/Private Company, Private exempt/non-exempt company
Authorised and issued share capital:	Minimum authorised share capital for a Private Company is €1,164.69 with a minimum registration fee of €245. The maximum registration fee is €2,250 for an authorised share capital that exceeds €2,500,000. The minimum issued share capital must not be less than €1,164.69 (thus where the authorised share capital is equivalent to the minimum share capital it must be fully issued).
Minimum paid up share capital:	20% per share
Minimum number of shareholders:	<ul style="list-style-type: none"> - One shareholder (corporate/individual, Maltese/foreign) if there are no corporate directors - Two shareholders (corporate/individuals, Maltese/foreign) if there is at least one corporate director
Nominee shareholders:	Nominee shareholding is permitted as long as the fiduciary is authorised by MFSA
Minimum number of directors:	One. In certain instances the Director may also be the company secretary.
Local Directors:	Not required
Corporate Directors:	Permitted (as long as not a single member company).
Company Secretary:	Required, must be an individual of any nationality
Objects/Powers:	Limited to those mentioned in the Memorandum. Cannot be to trade in general.
Local Meetings:	Not required
Meetings:	At least on Annual Members' General Meeting in addition to other company meetings.
Registered Office:	Must be in Malta
Exchange control:	No exchange control. Business and transactions may be conducted in any currency.
Timeframe for incorporation:	Between 24 to 48 hours depending on accuracy of documents provided and information available.

Having a Maltese/EU VAT registration, Maltese companies can trade and provide services throughout both the EU territory and outside. The standard corporate tax rate is 35% however if certain criteria are satisfied, shareholders may avail themselves of refund schemes and enjoy a net 5% effective tax rate. Maltese companies make excellent vehicles for royalty routing, treasury operations, e-gaming and e-commerce.

Maltese holding companies also enjoy low effective tax rates on world-wide profits as may be seen below:

- 0% tax rate on dividends received from a participating holding where:
 - the holding is at least 10% of the equity in a subsidiary; or
 - where it holds an investment in a subsidiary of at least €1.5 million and the investment is held 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 and so on)



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