

Fairwinds Management Informative Q&A

Fairwinds Management mainly (but not solely) work with the following jurisdictions: Malta, Seychelles, Cyprus, Gibraltar, and UK.

The following is a set of Q&A compiled by our corporate team in Malta related to the Malta jurisdiction. This material is provided for informational purposes and should only be used in conjunction with our guidance. For further information do not hesitate to contact us on info@fairwindsmanagement.net.

Which legal systems are adopted in Malta (e.g. Common Law, Civil Law)?

A mixed jurisdiction.

Companies governing legislation:

This can be found under Chapter 386 of the Companies Act -

www.ec.europa.eu/internal_market/finances/docs/actionplan/transposition/malta/d8.3-mt.pdf.

Are there any restrictions on the company activities?

There are no restrictions; however, some activities such as gaming and financial services will require a license.

How long does it take to incorporate a company?

It usually takes between 24-48 hours or less, if all that is required is provided accordingly.

Are inward and outward redomiciliation allowed?

Yes, they are allowed in the form of branches (overseas companies) or continuation of companies.

What information is held on public record (e.g. shareholders, directors, secretary, financial statements, mortgages and charges, etc.)?

The information includes the details of all the parties involved including their identity number, nationality, and residential address. Financial statements can be bought by anyone who has an account with Maltese Authority. On the other hand, anything related to financial matters such as mortgages and bank statements are not made available to the public.

Are there any restrictions on choosing the company's name?

One may choose any name; however, this cannot be similar to an already existing name. Therefore, we usually ask clients to provide us with three alternative names to make sure there is availability.

Can the company's name be in a language other than English?

As long as the standard English alphabet is used, any name can be suggested.
For instance, companies can be named in English and Italian, but not in Greek.

Which limited liability designations are allowed (e.g. Ltd, Limited, Inc., Incorporated)?

Designations allowed are Co Ltd and Company Limited/Co Limited/Company Ltd/Ltd/Limited.

In which currencies can the share capital be denominated?

The standard currency is the Euro (€); however, any currency is accepted.

What is the minimum share capital?

€1,200, with at least 20% thereof paid up upon subscription.

Are bearer shares allowed?

Bearer shares are not allowed; however, one can protect one's identity by doing an offshore company as a shareholder or through licensed fiduciary or nominees. Another possibility would be to incorporate a two-tier structure i.e. a Trading Company in Malta and a Holding Company in/outside Malta whereby the holding will be the shareholder of the trading and thus, no information of the shareholders will be given - however, one has to provide such information to the Maltese Registry of Companies.

What is the minimum number of shareholders?

One.

Are corporate shareholders allowed?

Yes.

What is the minimum number of directors accepted?

One.

Are local directors required?

No, but it is advisable if you want to confirm management and control in Malta, this will depend on the setup.

Are there any restrictions as to the directors' place of residence?

No.

Are corporate directors allowed?

Yes, as long as the company has more than one shareholder, in that case, we put a second shareholder with one share having no voting rights and no rights to dividends.

Is a company secretary mandatory?

Yes, they can also be the director or shareholder themselves as long as, they are a physical person and not a corporate secretary.

Are there any conditions of appointment of the secretary (e.g. qualifications, residence)?

No.

Is a corporate secretary possible?

No.

Can the same person act as a sole director, secretary, and a shareholder?

Yes, this is referred to as a single-member private exempt company (as long as there is no corporate shareholder or director).

Can director meetings be held anywhere?

Yes.

Can director meetings be held by telephone conference?

Yes.

Can shareholder meetings be held anywhere?

Yes.

Can shareholder meetings be held by telephone conference?

Yes.

Is an annual general meeting of shareholders required?

Yes.

If so, when must the first AGM be held and what is the maximum time interval between AGMs?

The first AGM should be held a year after the company's incorporation and the maximum time interval between AGMs is one year.

What records are required to be held at the registered office by law?

Constitutional company documents, bookkeeping documents including financial statements, VAT returns, and tax returns.

Is it possible to maintain the statutory records outside the registered office? If yes, do any conditions apply?

Yes, as long as these are made available upon request.

Is the preparation of financial statements required by law? If yes, must they be audited?

Yes, statutory audits are required annually for any company size, irrespective whether the company trades or not.

Is an annual return required to be filed with the Registrar of Companies?

Yes, annual fees will depend on the company's share capital typically € 100 for minimum share capital, rising up to € 900 for a company with a share capital of € 1,000,000.

What information is available to the public (e.g. details of directors, secretary, shareholders, financial statements, mortgages, and charges, etc.)?

Kindly refer to the answer above.

Is the company subject to any tax?

Yes, the company is subject to a corporate tax, which is paid annually based on the company's profit. The corporate tax rate in Malta is 35%; however when a company has foreign shareholders they are eligible for a 30% tax refund. This means that foreign shareholders pay only a 5% corporate tax in Malta.

Is the company required to register for VAT or GST purposes?

This depends on the company's activity, if the company is involved in trading then it is required to register; however, holding companies do not need to register for VAT.

Are dividend distributions subject to withholding tax?

Non-residents are not subject to withholding taxes on dividends. Dividends will be distributed after the corporate tax is paid; however, as explained above 30% will be refunded back to shareholders. No further taxes will be due by shareholders on such dividends as long as, the dividends are maintained in Malta. If such dividends are remitted to another country, adopting a higher rate, then such remittance will be taxed with the percentage difference.

Which countries has signed double tax treaties jurisdiction?

More information is found on the website www.mfsa.com.mt/pages/viewcontent.aspx?id=196.

Which are the most common uses for Malta's jurisdiction companies?

Malta is mainly used for trading, whilst other jurisdictions are typically used as holding companies.

Is there any other relevant information?

The above questions covered the most important points; however, should you have any other questions do not hesitate to contact us on info@fairwindsmanagement.net or visit our sister website www.incorporateinmalta.com to purchase your new Malta or offshore company.