

# Maltese Companies

## Introduction

Malta today is internationally recognised as a brand denoting excellence in financial services. It offers a single, supervisory body, the Malta Financial Services Authority, which ensures full compliance with EU regulations but, at the same time, is able to act with speed, flexibility and the minimum of bureaucracy.

## Legal Framework

Maltese company law which is governed by the Companies Act is mainly based on English Company Law and is in line with EU directives. Shipping companies are governed by the Merchant Shipping Act. The Companies Act defines the types of corporate entities or commercial partnerships which may be established.

## Types of Companies

Limited Liability Companies – Limited liability companies can either be private (Limited) or public (Plc) with the minimum number of shareholders or subscribers being two for both types. Private limited liability companies can be formed as single-member as long as the sole shareholder and sole director are not corporate entities themselves and the object clause is restricted to one main activity.

The incorporation process for Maltese private limited liability companies is normally accomplished within two to four working days and is taken care of by the Malta Financial Services Authority.



Private companies must have a minimum authorized share capital of €1,165 (or equivalent – recommended €1,200) and have the option to have different types and classes of shares. The directors of private companies need not be Maltese nationals and may be a corporate body with their details being public information. Bearer shares are not permitted and private companies must have a company secretary, who must be an individual and is not required to be resident in Malta. A private company must by its memorandum and articles:

- a. restrict the right to transfer its shares;
- b. limit the number of members to fifty; and
- c. prohibit any invitation to the public to subscribe for any shares or debentures of the company

A public company is a company which does not qualify as a private company. A public company may offer shares or debentures to the public but it may not issue any form of application for its shares or debentures unless the company is registered and the issue is accompanied by a prospectus.

## Registered office

Every company registered in Malta must have a registered office in Malta. This may be at the office of a firm of lawyers, accountants or other providers of corporate services. Any changes to the company's registered office must be notified to the Registrar of Companies.

## Registration of Maltese Companies

In order to abide by the legal and professional requirements imposed, Nexia BT requests the following information upon incorporation of new companies:

- Description of the company's purpose and intended nature;
- The following documents for each beneficial owner:
  - A detailed Curriculum Vitae;
  - A certified photocopy of current passport/ID card /driving license showing the official full name, permanent residential address, identity reference number and date of birth;
  - A certified photocopy of at least two of either a credit card statement, a bank statement or a utility bill (not older than 6 months) ;
  - A letter of reference from a reputable bank or from a professional body confirming the character and reputation of the individual.

Where the beneficial owner(s) is / are a legal person (company, commercial partnership, etc), the following documents must be obtained:

- A group structure which traces back to the ultimate physical beneficial owners of the "Applicant for business"
- A certified copy of the Memorandum and Articles of Association;
- A certified copy of Certificate of Incorporation / Registration and/or a certification of good standing;
- Documentation verifying the identity of all principal directors;
- Documentation identifying persons vested with the entity's representation and administration in the cases where there are no directors;
- Verification of the identity of all the beneficial owners (as stated earlier)

## Currency

The company's share capital may be denominated in any currency. Income tax is paid in the same currency as the company's share capital and any income tax refunds are also paid in the same currency. (See our *Tax Refunds fact sheet for further details*)

## Filing obligations

Companies registered in Malta must submit an annual return upon each anniversary of the company's registration date and the annual fee is payable together with the annual return.

After each financial year end, the company must prepare audited financial statements in accordance with the Companies Act 1995, and these must be laid before and approved by the general meeting of the company and submitted to the Registry of Companies. A company can opt to have its year-end other than 31 December as long as the first period is not less than six months and not more than eighteen months. The time allowed by the Registry of Companies for the accounts to be submitted is ten months after the financial year-end for private companies and seven months from the financial year end for public companies.

### Redomiciliation of Companies

The Continuation of Companies Regulations (Legal Notice 344 of 2002 as amended by Legal Notice 352 of 2003 and 181 and 186 of 2006) provide for:

- a. the continuation in Malta of a foreign company; and
- b. the continuation outside Malta of a company incorporated in Malta.

### Fiduciary Services

Malta has a trustee regime and thus shares in Maltese companies may be held by licensed trustees in a fiduciary capacity for and on behalf of subscribers.

### Registration and fee structure

The Memorandum and Articles of Association, constituting the company are forwarded to the Registrar of Companies for registration. These should be accompanied by all relevant documentation, including certified copies of identification documents, references and declarations by trustees where applicable. Evidence of paid up share capital in the form of a bank deposit advice should also be produced.

Upon incorporation, a registration fee is payable to the Registry of Companies and it varies according to the amount of authorized share capital and the fee varies between €245 and €2,250. A registration fee is also payable annually to the Registry of Companies and this also varies according to the share capital.

Authorised Share Capital	Registration : Fee Payable
Up to €1,500	€245
Over €1,500 but not exceeding €5,000	€245 with the addition of €15 for each €500 or part thereof in excess of €1,500
Over €5,000 but not exceeding €10,000	€350 with the addition of €20 for each €1,000 or part thereof in excess of €5,000
Over €10,000 but not exceeding €50,000	€450 with the addition of €20 for each €2,500 or part thereof in excess of €10,000
Over €50,000 but not exceeding €100,000	€770 with the addition of €20 for each €10,000 or part thereof in excess of €50,000
Over €100,000 but not exceeding €250,000	€870 with the addition of €10 for each €15,000 or part thereof in excess of €100,000
Over €250,000 but not exceeding €500,000	€970 with the addition of €10 for each €10,000 or part thereof in excess of €250,000
Over €500,000 but not exceeding €1,000,000	€1,220 with the addition of €20 for each €20,000 or part thereof in excess of €500,000
Over €1,000,000 but not exceeding €2,500,000	€1,720 with the addition of €10 for each €50,000 or part thereof in excess of €1,000,000
Over €2,500,000	€2,250

For further information please do not hesitate to contact:

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