

Malta – Business Aviation

Malta has an excellent climate, is strategically located at the centre of the Mediterranean and has one of the last 24 hour airports in the European Union. It has one of the longest runways in Europe with practically no slots issues. Apart from offering very competitive licensing fees, Malta is an English speaking country in an EASA/JAA environment. This, combined with excellent tax structures for foreign investors makes Malta a very attractive location where to base your business aviation operations.

Introduction and History

Malta was one of the first countries in the JAA (Europe's Joint Aviation Authorities), now EASA, to adopt JARs (Joint Aviation Rules) and enact it in its legislation. In line with EU legislation all Maltese AOCs (Air Operator Certificates) have been converted to EU-OPS and new applications are issued to EU-OPS standards.

Malta has been operating an aerospace sector for many years. Small yet diverse, the sector provides a variety of services to the airline sector, from maintenance, repair and overhaul of aircraft, engines and components to airline call centres, financial services, software development, aircraft management and support services.

Malta has managed to attract a big player in the industry, Lufthansa Technik, which commenced operations in 2003 with a staff complement of 160. Following the success of its operations and thanks to a suite of various fiscal and non-fiscal incentives provided by the Government, has now embarked on a €55 million expansion project to be able to handle the Airbus A330 and A340 aircraft, thereby increasing its workforce by over 500 specialised personnel.

Why Malta ?

There are numerous benefits, both operative and commercial, which accrue to business jet owners by locating the activities here in Malta.

It is the intention of Government to establish a successful Aviation Register directed to attract international airlines and other companies in this industry and to serve as an important milestone in building an aviation service cluster in Malta.



The Commercial Advantage

- Operating a business jet on an (Air Operator Certificate) AOC will allow the operator to charter the aircraft to third parties.
- Operating a business jet on an AOC will allow an operator to purchase fuel tax free, while a private operator will have to pay tax on fuel uplift. A VAT number will also enable the operator to claim VAT on most operating expenses.
- International aviation services such as charters are exempt from VAT as well as the acquisition of the aircraft.
- The commercial activity of the operator will fall under Malta's tax system, with profits charged at 35% but with the possibility of a refund of 6/7ths upon distribution of a dividend, leaving only a net tax leakage of 5% in Malta. In addition, Malta has concluded double taxation tax treaties with over 49 countries.
- Malta is a member of the Euro Zone, companies pay tax in any currency and through the imputation system get the refunds in that currency, thus eliminating exchange risk.

The Operational Advantage

- A Maltese AOC is an internationally recognised AOC (EU OPS) of the highest standard in the industry.
- Malta is an EU member and as such a Maltese registered aircraft has freedom of movement within the EU countries, both on international and internal flights.
- Malta's location in the heart of the Mediterranean provides an excellent bridge between the majority of EU airports as well as most Middle East and North African destinations.
- The business and legal language in Malta is English, a recognised aviation language.
- The current size of the Maltese Register and Civil Aviation authority, ensure efficiency and a quick reaction time to all aircraft registration and AOC applications.
- Initial and recurrent fees associated with operating a business jet in Malta are amongst the most competitive in Europe. As an example, a company operating a Challenger 605 and a Lear 60 XR will pay the authority just over 36,000 Euros for the first issue of an AOC and then barely over 16,000 Euros per annum for renewal fees.
- Malta has at present around 55 Air Service Agreements that essentially facilitate air traffic between various countries.

A Safe EU Regulated Jurisdiction

The general trends underlying the main changes in regulations that are being championed by the EU Commission are promoting safe aircraft operations, certified under a harmonised system of regulations using common standards set by the European Aviation Safety Agency (EASA). Through a set-up of interchangeable and mutually recognised licensing and certification system within Europe, a Maltese registration ensures safe journeys throughout Europe and beyond, while minimising the costs of operation for the owner.

Our Services

Through a collaboration with experts in the field we are able to provide the following services:

- Act as the co-ordinator between the foreign party and the Maltese authorities, providing constant follow-up from the day go to the day that the aircraft is registered in Malta, and/or an Air Service Licence and Air Operator Certificate is obtained
- Aircraft Charter Brokerage
- Aircraft Handling at Malta International Airport
- Aircraft Sales and Leasing
- Aviation Consultancy
- Aircraft Management

Through our partners, we can provide an unprecedented support that commensurate with the best in the industry at a fraction of the cost. Our partners offer staff experienced in business aviation, and with local knowledge, in so far as, personal familiarization with the Civil Aviation Authority, the Airport Authority, the local Government, as well as the local labour market, company formation legislation will make sure that each customers requirements are met efficiently, safely, and legally.

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