





ABOUT MALTA

Malta is a small island nation located in the Mediterranean Sea, south of Sicily, Italy. It is composed of three inhabited islands: Malta, Gozo, and Comino, and several smaller uninhabited islands. The capital city is Valletta.

The economy of Malta relies heavily on tourism, financial services, and manufacturing. Malta is known for its beautiful beaches, historical sites, and warm climate. The island nation is also famous for its unique cuisine, which blends Mediterranean and North African flavours.

Malta is a member of the European Union and uses the euro as its currency. The country has a parliamentary system of government, and its president serves as the ceremonial head of state. Malta has a high standard of living, and its healthcare and education systems are highly regarded.

ADVANTAGES

Following are the advantages for doing business in Malta:

Strategic location

Malta is situated at the crossroads of three continents, making it an ideal location for businesses looking to access markets in Europe, North Africa, and the Middle East.

Favorable tax regime

Malta has a competitive tax system with a low corporate tax rate of 35%, which can be reduced further through various incentives and deductions.

Skilled workforce

Malta has a highly educated and skilled workforce, with a strong emphasis on STEM (science, technology, engineering, and mathematics) education.

Business-friendly environment

Malta has a pro-business environment with streamlined bureaucracy and efficient processes for starting and running a business.

Access to the European Union markets

As a member of the European Union, businesses in Malta have access to the European Union's single market, which provides free movement of goods, services, and people.

English-speaking country

English is an official language in Malta, making it easy for international businesses to communicate and operate in the country.

Quality of life

Malta has a high standard of living, with a warm climate, beautiful beaches, and a rich cultural heritage, making it an attractive destination for businesses and employees alike.

In Malta, the following types of taxes are levied: income tax, corporate tax, value added tax, and capital gains tax.

Income Tax

The personal income tax rate in Malta ranges from 0% to 35%, depending on the level of income. There are also several tax deductions and incentives available for individuals, including the possibility of claiming tax credits for certain types of expenses.

Married resident taxpayer

- Income from €0 to €12,700 is liable to tax at rate of 0%;
- Income from €12,700 to €21,200 is liable to tax at rate of 15%;
- Income from €21,201 to €28,700 is liable to tax at rate of 25%
- Income from €28,701 to €60,000 is liable to tax at rate of 25%
- Income from €60,001 and above is liable to tax at rate of 35%

Single resident taxpayer

- Income from €0 to €9,100 is liable to tax at rate of 0%;
- Income from €9,101 to €14,500 is liable to tax at rate of 15%;
- Income from €14,501 to €19,500 is liable to tax at rate of 25%
- Income from €19,501 to €60,000 is liable to tax at rate of 25%
- Income from €60,001 and above is liable to tax at rate of 35%

Corporate Tax

The standard corporate tax rate in Malta is 35%, which is applied to the taxable income of resident companies. However, certain income streams may be taxed at a reduced rate or be exempt from tax, depending on the type of income and the eligibility of the company.

Foreign companies conducting business in Malta will only be subject to corporate tax on their local income. The tax rate on corporate income in Malta is 35% on the chargeable income. However, certain types of companies benefit from reduced tax rates of up to 5% of tax and among these are international trading companies and international holding companies.

Value Added Tax

The standard VAT rate in Malta is 18%, although reduced rates of 7% and 5% apply to certain goods and services. VAT registration is mandatory for businesses that exceed a certain turnover threshold, and VAT returns must be submitted on a regular basis.

Following types of business entities are available in Malta:

Private Limited Liability Company

This is the most common type of company in Malta, which is owned by shareholders and managed by directors. The liability of shareholders is limited to the amount of their capital contribution.

Public Limited Liability Company

This is a type of company that can offer its shares to the public and may be listed on a stock exchange. The liability of shareholders is limited to the amount of their capital contribution.

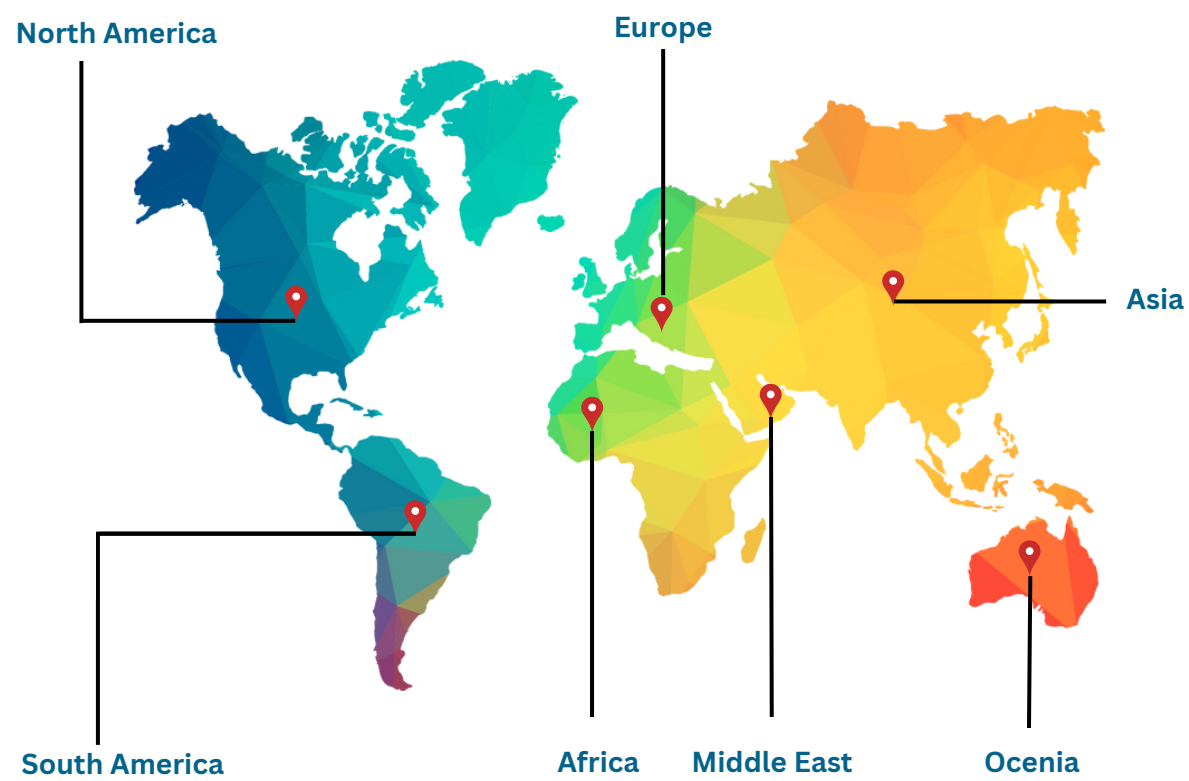
General Partnership

This is a type of partnership in which two or more people run a business for profit. Each partner is personally liable for the debts and obligations of the partnership.

Limited Partnership

This is a type of partnership in which there are one or more general partners who are personally liable for the debts and obligations of the partnership, and one or more limited partners whose liability is limited to the amount of their capital contribution.

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