

Funds, insurance & banking Fast growing financial services hub. Asset management, hedge funds, pension funds, venture capital, insurance business and banking, all enjoy the benefits of a pragmatic and accessible regulator

Manufacturing Platform for high value added processes (pharmaceuticals, semi-conductors) and servicing (aircraft maintenance)

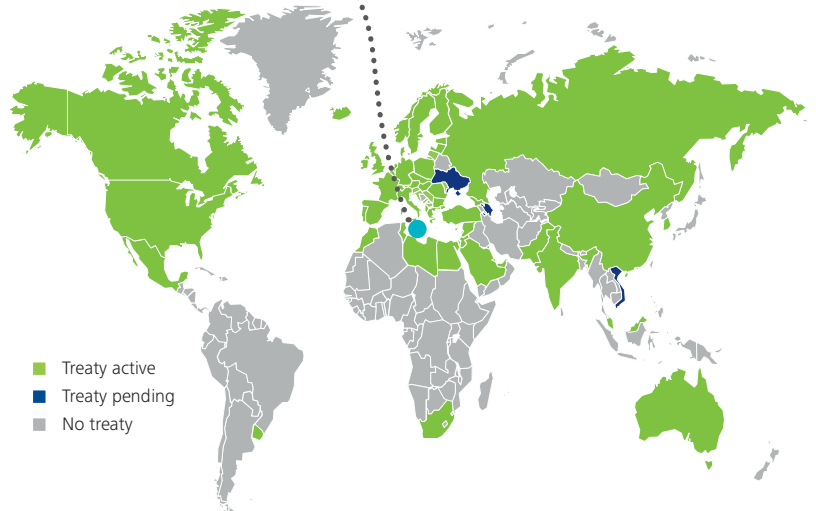
IT & E-commerce High growth industry with strong supporting infrastructure driven by established digital gaming industry

Regional platform Due to its strategic position, Malta provides an excellent operating platform for the EMEA region

Film production A popular film and television location where films like Gladiator, Troy, Munich, The Da Vinci Code, Casino Royale, The Count of Monte Cristo, Saving Private Ryan, World War Z and TV series like Band of Brothers and Game of Thrones were, amongst others, shot

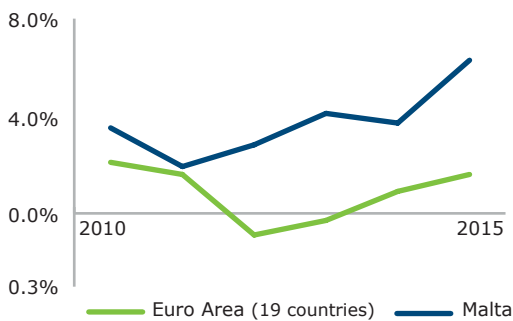
Shipping & Aviation Largest ship registry in Europe and sixth largest in the world. Third largest transshipment and logistics centre in the Mediterranean

Malta tax treaty network



GDP growth rate

Persistently outperforming the EU average



1st place Europe's Favoured Domicile Hedge Fund Review 2013, Service Provider Ratings

2nd largest economic growth in Eurozone Eurostat 2015

2nd Safest Country Worldwide World Risk Report Index 2015

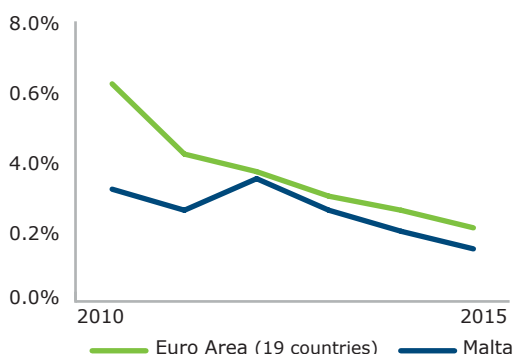
15th Soundest Banking Sector World Economic Forum's Global Competitiveness Report 2014 - 2015; approximately 140 countries reviewed

25th in Regulation of Securities Exchanges World Economic Forum's Global Competitiveness Report 2014 - 2015; approximately 140 countries reviewed

Low effective corporate tax costs

- Full tax exemption for dividends and gains derived from qualifying subsidiaries
- Full tax exemption for royalties derived from qualifying patented inventions and copyrights
- Various tax incentives for research and development activities
- Generous amortisation and depreciation provisions
- FMV step-up on shift of residence to Malta
- Double taxation relieved by availability of foreign tax credits
- Full imputation system with refunds
- Source and remittance basis of taxation for Malta resident non-domiciled persons
- No domestic withholding tax on outbound dividends, interests and royalties
- No thin-capitalisation rules
- No controlled-foreign-company (CFC) legislation
- No official transfer pricing rules
- No capital or wealth taxes
- No entry or exit taxes
- Extensive treaty network with over 70 tax treaties in force
- Possibility (not required) to obtain advanced tax rulings, pricing arrangements and informal revenue guidance

General Government Deficit as a percentage of GDP



- Legal system is a blend of civil law, common law and EU law
- Legal forms include limited liability companies (LLC, PLC), European companies (SE), limited and unlimited partnerships, trusts, foundations, and specific investment vehicles (INVCO, SICAV, ICC, RICC) and insurance vehicles (PCC)
- Incorporation does not require notarial deeds and takes a few business days
- Foreign companies may continue (re-domicile) to Malta as a Maltese company without triggering liquidation or effecting the assets and liabilities of the company
- Foreign companies may alternatively transfer their residence to Malta or set up a branch in Malta (overseas company)
- Share capital may be denominated in any mainstream currency
- Comprehensive anti-money laundering rules
- No exchange control regulations
- Statutory audits required (IFRS or Malta GAAP)
- English is an official language
- EU member state and Euro-zone country
- Expat friendly environment with developed health care system and educational system based on UK public school model

**For further information
please contact:**

Conrad Cassar Torregiani
ctorregiani@deloitte.com.mt

Deloitte

Deloitte Place
Mriehel Bypass
Mriehel BKR 3000
Malta

Tel: +356 2343 2000
Fax: +356 2131 8196
info@deloitte.com.mt

www.deloitte.com/mt

Other Deloitte contacts:

Marc Alden
malden@deloitte.com.mt

Malcolm Booker
mbooker@deloitte.com.mt

Nick Captur
ncaptur@deloitte.com.mt

Chris Curmi
ccurmi@deloitte.com.mt

Craig Schembri
craigschembri@deloitte.com.mt

Chart your course Destination Malta

Greco-Roman mythology narrates of how Ulysses, having discovered the Maltese islands, soon found that he was incapable of tearing himself away from that which the island had to offer. While Malta's Mediterranean charm woos over 1.5 million visitors a year, accounting for around 25% of the islands' GDP, the modern day financial Ulysses will find a significantly more relevant array of reasons why Malta has, since accession to the EU in 2004, succeeded to secure such a significant degree of traction as a European domicile of choice. Over a relatively short span, Malta has succeeded to carve out for itself an ever growing niche in the financial services sector.

Malta's strength may be summed up as its ability to reconcile a business-friendly approach with the comfort and strength of a well regulated and appropriately monitored financial services sector within the EU, without falling into the trap of suffocating innovation, opportunity and growth in the process. This helps explain Malta's continued economic growth.

Comforted also by what is regarded by many to be the most competitive tax regime in the EU, countless international operators and investors have opted to establish, in Malta, a platform for the conduct of their business. Malta's tax system will typically impose a low effective tax burden the benefits of which will, provided that there is an appropriate level of commitment to the structure, be both secured and retained by the relevant taxpayer. Although the local and worldwide effective rates of tax ultimately depend on the status of the taxpayer and the nature and source of the income, the implementation of a Malta based solution has the ability to enhance personal or investor returns. Fundamentally relevant is the manner in which the tax systems concerned interact with Malta's tax system. The



the various double taxation treaties which Malta has negotiated work as an interface for this purpose bolstered, in the EU context, by the significant safeguards arising from the rights and freedoms entrenched at EU level.

The advantages of operating from Malta are various and are by no means limited to the competitive nature of Malta's tax regime. The island has in fact succeeded to build a solid reputation in a variety of business sectors, spanning from regulated areas such as banking, insurance, wealth management and remote gaming, to consumer business and from R&D and high value added manufacturing to shipping and aviation. Particularly interesting has been the positive local experience of those entrepreneurs placing a strong emphasis on e-commerce within their business model.

There is indeed much to be discovered and for those who take the time to do so there is a huge potential upside. The quality of the climate, we find, simply sweetens the experience.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Please see www.deloitte.com/about to learn more about our global network of member firms.

Deloitte Malta refers to a civil partnership, constituted between limited liability companies, and its affiliated operating entities: Deloitte Services Limited, Deloitte Technology Solutions Limited, Deloitte Digital & Technology Limited, Alert Communications Limited, Deloitte Technology Limited, and Deloitte Audit Limited. The latter is authorised to provide audit services in Malta in terms of the Accountancy Profession Act. A list of the corporate partners, as well as the principals authorised to sign reports on behalf of the firm, is available at www.deloitte.com/mt/about.

Cassar Torregiani & Associates is a firm of advocates warranted to practise law in Malta and is exclusively authorised to provide legal services in Malta under the Deloitte brand.

Deloitte provides audit, consulting, financial advisory, risk advisory, tax and related services to public and private clients spanning multiple industries. Deloitte serves four out of five Fortune Global 500® companies through a globally connected network of member firms in more than 150 countries and territories bringing world-class capabilities, insights, and high-quality service to address clients' most complex business challenges. To learn more about how Deloitte's approximately 245,000 professionals make an impact that matters, please connect with us on Facebook, LinkedIn, or Twitter.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the "Deloitte Network") is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.

© 2016. For information, contact Deloitte Malta.