

Re-domiciliation to Malta

The Continuation of Companies Regulations 2004 allow for a company registered outside Malta in an approved jurisdiction to be “continued” in Malta. What this means is that the said company shifts its seat of registration of its original country of incorporation to Malta, and by doing so, it would be changing its fiscal domicile. Maltese legislation allows for companies from any jurisdictions to be redomiciled to Malta (except from jurisdictions blacklisted by the FATF).

The change of seat of such a company to Malta would in effect mean that all the assets, liabilities, rights and obligations of the original company would remain unaltered since the legal entity per se would remain unchanged.

The advantages that relate to re-domiciling to Malta are various:

1. The company can be re-domiciled as an International Trading Company and benefit from the low effective tax rate of 5%
2. The company can be re-domiciled as an International Holding Company and benefit from a possible nil effective tax rates under the new participating exemption regime.
3. The re-domiciled company can benefit from Malta’s extensive treaty network since upon the issuance of a Certificate of Continuation it will be deemed to be resident and domiciled in Malta.
4. The re-domiciled company can obtain a valid VAT number in Malta that is recognized within the EC for possible intra-community supplies and/or acquisitions, or to apply the reverse charge mechanism to the provision of specific services.
5. The re-domiciled company can benefit from the merger and acquisitions regulations contained in the Companies Act 1995, and may be part of a reorganisation exercise with other Maltese registered/re-domiciled companies.

Prepared By
Peter Griffiths
Partner - Griffiths & Associates