

Malta the Domicile of choice of Insurers & Intermediaries



LOCAL
KNOWLEDGE,
GLOBAL
EXPERTISE

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ABOUT MALTA

Malta, one of the smallest countries in the world is situated in the heart of the Mediterranean Sea between Europe and Africa. Due to its great strategic location, Malta was ruled by all the major world powers which include the Arabs, the Knights of St John, the French and the British, the latter under which Malta spent some 200 years under colonial rule.

Malta gained independence from the United Kingdom in 1964 and became a republic in 1974. After years of negotiations, Malta successfully became a member of the European Union in 2004 and presently forms part of the Schengen Agreement. In 2008 Malta acceded to the eurozone, making the Euro its currency, relinquishing the former Maltese Lira.

Its predominance of sunny days with only a very mild winter along with having English as one of its two official languages (the other being Maltese) helped Malta establish itself as a prime tourist destination over the years.

Malta as a Financial Hub

The financial services sector remained a key pillar of the Maltese economy in 2019 as it directly accounted for 6% of the country's Gross Value Added. The sector grew by 2.3% in terms of gross value added over 2018 and generated 430 jobs, bringing the total jobs within the sector to 12,230. This represents 4.9% of the total employment in Malta.

Malta's Financial Services industry is a driven ecosystem of financial sector diversity. The key industry sectors include Pensions, Private Wealth, Credit and Financial Institutions, Insurance and Asset Management.

Furthermore, the sector clusters include Asset Management, Investment Funds, Insurance Operations, Credit and Financial Institutions, Foundation Administration, Trustees, Fund Administrators, Retirement Schemes and Scheme Administrators.



Capital City: Valletta



Maltese Passport: 7th strongest in the world



Languages: English, Maltese



Economy: Malta's 2019 GDP €14.99 billion



Population: 502,153 as of 2019



Health Care: Highly reputed, ranked 5th globally



A+ Credit Rating: FITCH confirmed Malta's credit rating of A+ with a stable outlook. DBRS Ratings Ltd changed Malta's rating from Stable to Positive



Taxation Treaties: 70+ double taxation treaties



Valletta Cruise Port: Awarded top-rated Mediterranean Cruise Destination



LGBTIQ Equality & Rights: Permanent Residence in Top EU Country for LGBTIQ Equality & Rights

About MALTA

MALTA THE DOMICILE OF CHOICE FOR INSURERS & INTERMEDIARIES

Malta boasts many advantages as a domicile for insurance companies and captives, with many dedicated, talented and successful companies to hold testament to this.

PKF Malta's associate, Risk Management Services (Malta) Ltd, is a shining example of what can be achieved and can assist clients throughout the process of registering and licensing a Captive, (Re) Insurance Company or PCC, together with the provision of related services.

Malta can and is fully utilising its potential in the insurance industry. Changes have been made and will continue to shake the insurance industry with the new introduction of the IFRS 17 and more recently the onset of the Insurance Distribution Directive and Regulations on Data.

Solvency II was an overhaul, much debated by the insurance industry as a whole, set up to provide a level platform on the calculation of capital solvency requirements.

Whilst the IFRS adoption aiming at transparency in disclosures with a clearer understanding of where profits are derived from. These working in tandem to provide a robust framework wherein ultimately the aim of protecting the policyholder is achieved.

PKF is able to provide expert advice to help insurers face up to these financial reporting challenges.

PKF Assurance (Malta) Ltd is a Maltese Limited liability company that is duly licensed to act as an approved auditor under the terms of regulation 5 of the Insurance Business (Approved Auditor) Regulations 2000 made under the Insurance Business Act. Chapter, 403 of the Laws of Malta and is regulated by the same.

In view of this, PKF is licensed to carry out both external and internal audits to the insurance industry, both in terms of risk-bearing insurers and intermediaries. PKF aims to promote Malta to prospective Captive Owners or Insurance Companies or Insurance Intermediaries, seeking to tap into their European risks through passporting.





MALTA FEATURES:

- EU Single Passport - avoid fronting costs*
- Can provide cover for risks across the entire
- EU and EEA - without the need of a frontier
- Tax Imputed to Shareholders on dividend distribution (attractive tax and fiscal system via rebates)
- Double Taxation Relief treaties with 100+ countries including the USA. Kindly refer to the updated list from the MFSA website: Double Tax Treaties - MFSA
- Only full EU Member to have PCC - Protected Cell Company legislation under the EU Solvency II Regime
- Re-Domiciliation provisions
- Very strong banking, legal and financial services sector
- Highly qualified & experienced local workforce ensuring professional management and consultancy.
- Lower costs of set-up and wages when compared to other EU counterparts.

PKF Malta is an approved insurance auditor by the MFSA with an insurance team of qualified underwriters and actuaries, providing specialised services to the insurance industry.

It works closely with service providers within the local industry to cater to your needs. Being an integrated member firm of PKF Group, it also works closely with international offices, to deliver specialised technical solutions to the local insurance industry.

OUR SERVICES

- Provision of either the external statutory audit or internal audit service
- Audit of financial statements and Solvency II reporting
- IFRS 17 Thematic Reviews
- Tax and assistance with tax refunds
- Assistance in aligning captive activity to parent's strategic risk aims
- Coordinating service providers, brokers, legal and bankers, Insurance Management – Accountancy - Company Secretarial - Corporate Governance and Compliance, Actuaries, Risk Managers, Compliance Officers, Company Secretary, Money Laundering Reporting Officers, Claims Handlers, Reinsurers, IT Suppliers and other service providers as required.
- Feasibility studies
- Incorporation and registration of insurance/captive/ PCC companies/management/intermediaries
- Setting up the initial introductory meeting with the Regulator and follow up meetings
- Preparation and submission of the application for authorization by the MFSA in liaison with any required entity, and the preparation of the three-year financial projections
- Post application support to respond to any queries from the MFSA arising from the application submission
- Due Diligence on third parties pre-contract
- Back Office, Technical Accounts, Administration and Secretarial Services.

*Most captives/ insurers take advantage of the EEA freedom of passporting to write insurance directly without the need of a frontier. Typically, a non-EU captive would use a licensed insurance company as the frontier, to write business in EU and the captive will then reinsure the frontier. However, this has its disadvantages. There are no general guidelines in EU domiciles which limits or controls the amount and type of collateral that must be provided to a fronting insurance company. This collateral is trapped money which may be utilised elsewhere, so many do find that the cost of setting up in Malta would be more competitive, whilst ensuring full control.

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