PKF Malta

Doing Business in Malta

Local Knowledge, Global Expertise

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About Us

PKF is an international organisation with over 400 offices worldwide, operating in 150 countries across five regions. We specialise in audit & assurance, tax, advisory services and internal audit insurance.

Your Reliable Service Provider for:

- Registered accountants & auditors
- Tax advisors
- Advisory economic analysis, feasibility, cost & benefit Analysis
- Maltese immigration and residence

Licensed Corporate Service Provider for:

- Company formation
- Remote gaming
- Trustee & fiduciary Services
- Aviation, shipping & yacht Registration
- Blockchain and cryptocurrency solutions
- Insurance, intermediaries, captives management

In addition, PKF Malta is a one-stop-shop offering:

- Domain name registration
- E-commerce consultancy
- Office space allocation
- Opening of bank accounts
- Payroll & accounting
- ICT setup and ancillary support services

Overview of Malta

Capital City
Valletta

Maltese Passport
4th strongest in the world

Languages
English, Maltese

Economy
GDP $22.33 billion in 2023
Unemployment rate: ~3%

Population
552,747 as of 2023

Healthcare
Highly reputed, ranked 5th globally

A+ Credit Rating
FITCH confirmed Malta's credit rating of A+ with a stable outlook

Taxation Treaties
70+ double taxation treaties

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

Overview

Strategically positioned in the heart of the Mediterranean, Malta bridges Europe and Africa. Its rich history reflects centuries of rule by major powers, including the Arabs, Knights of St John, the French, and the British—who governed the islands for nearly two centuries. Malta gained independence in 1964, became a republic in 1974, joined the European Union in 2004, and adopted the Euro in 2008. With English as one of its official languages and a warm, sunny climate year-round, Malta continues to be a sought-after destination for both tourism and investment.

Malta as a Financial Hub

In 2024, the financial services sector contributed 8.2% to Malta's real Gross Value Added, reaffirming its role as a cornerstone of the national economy. Employment in the sector reached over 14,700 professionals, making up more than 5% of the country's workforce and reflecting sustained industry growth.

Malta's financial ecosystem is dynamic and diverse, covering key areas such as pensions, private wealth, insurance, credit institutions, and asset management. The country also boasts strong capabilities in fund administration, trust services, foundation management, and retirement schemes. Malta continues to attract global players seeking a strategic EU base for their operations.

PKF Malta

Advisory & Assurance Services

Sustainability Services

As a team, we bring to the table a number of advisory and assurance services:

Business Improvement

Adopting ESG principles into your business requires looking at the current strategies and internal policies being implemented.

We can help you improve your business through the following:

- Drawing up technical offers and support services in submitting government tenders
- Drafting of sustainability strategy
- Rolling out decarbonization process initiatives
- Provide research on environmental impacts
- Conduct cost-benefit analysis for projects
- Review of internal processes and governance
- Provide training on ESG regulations
- Provide advisory in sustainable financing

ESG Reporting & Assurance

We foresee that ESG reporting would be more critical in the coming years given the current regulatory initiatives within and outside of Malta. This comes with stricter disclosure of the ESG metrics and ensuring that these data are verified and audited accordingly.

Here at PKF, we can offer the following services to assist your company in reporting the ESG metrics:

- Establishing an internal reporting system
- Regulation on ESG measurement
- Drafting of sustainability reports
- Provide assurance and verification on the disclosed ESG information

Services for Captives and Insurers

Setup & Regulatory Support

- Insurance incorporation and authorisation from the Malta Financial Services Authority
- Coordination with brokers, legal, banking, and compliance partners
- Regulator meetings and follow-up
- Application drafting and financial projections
- MFSA query handling post-submission

Audit & Reporting

- Statutory and internal audits
- Solvency II reporting
- IFRS 17 thematic reviews

Tax & Advisory

- Tax planning and refund assistance
- Feasibility studies
- Captive strategy alignment with parent risk objectives
- Pre-contract due diligence

Operational Support

- Back office, technical accounts, and admin
- Company secretarial services

Most EU captives use EEA passporting to write insurance directly, avoiding costly fronting arrangements. Non-EU captives, by contrast, often rely on fronting insurers, tying up capital in collateral.

Malta offers a cost-effective EU alternative, allowing insurers to operate under full regulatory control while reducing fronting needs and freeing trapped capital through its PCC framework.

Innovation Incentives in Malta

Malta Enterprise is the Maltese government's economic development agency, dedicated to attracting investment, supporting business growth, and promoting innovation. It offers various financial and policy incentives to help foreign entrepreneurs expand into Europe by reducing costs and accelerating setup. Key programmes include:

Investment Support for Initial Investment Projects

- Financial aid for new setups, expansions, or industrial upgrades through tax credits, cash grants, and interest subsidies.
- SMEs may also access loan guarantees.
- Covers both tangible and intangible assets.
- Deadline: 30 Sept 2026

Business Start Scheme

- Early-stage funding for high-potential start-ups in manufacturing, software, biotech, pharma, and life sciences.
- Up to €10,000 to support business plan validation.
- Deadline: 30 Oct 2026

Support for Rental & Acquisition of Industrial Space

- For sectors such as manufacturing, packaging, repair, and industrial services.
- Covers up to 50% of costs, capped at €50,000 per year and €300,000 over six years.
- Deadline: 31 Oct 2030

PKF Malta's professional advisory team can assist entrepreneurs with concrete business plans to communicate directly with Malta Enterprise and provide end-to-end support throughout the application process.

PKF Malta

Audit Services

Audit Services

PKF Malta specialises in financial auditing and tax consultancy, aligned with evolving corporate and regulatory needs. We also assist in corporate structuring, including drafting articles of association and shareholder agreements.

Through our licensed affiliate, PKF Fiduciary International Limited, we provide full nominee and fiduciary services. Our team also supports clients with daily operations, offering legal updates and accounting advice to ensure full compliance.

Auditing and Advisory for Captives, Insurers & Intermediaries

Malta has emerged as a leading hub for insurance companies and captives, offering strong regulation, EU market access, and a mature network of professionals.

Our associate, Risk Management Services (Malta) Ltd, delivers end-to-end support for the licensing and setup of Captives, (Re)Insurance Companies, and Protected Cell Companies (PCCs), along with advisory and compliance services.

PKF Malta Assurance Ltd, licensed under Regulation 5 of the Insurance Business (Approved Auditor) Regulations (Chapter 403, Laws of Malta), is authorised to provide internal and external audit services to risk-bearing insurers and intermediaries.

Whether you're a Captive Owner, (Re)Insurer, or Insurance Intermediary entering the EU market via Malta, PKF Malta offers trusted expertise to help navigate today's dynamic insurance sector.

Why Malta

- **EU Single Passport** – eliminates fronting costs
- **Cross-border risk coverage** across the entire EU
- **EU and EEA access** – no need for a fronting partner
- Tax imputation system on dividend distributions
- **Corporate tax rates as low as 5%**
- **Over 80 Double Taxation Treaties**, including with the USA, the UK and Hong Kong
- Only EU member with **PCC legislation** (Protected Cell Companies)
- Robust legal, and financial infrastructure
- Highly qualified and experienced workforce
- **Lower setup and wage costs** compared to other EU member states

PKF Malta is a recognised name in the insurance sector, approved by the Malta Financial Services Authority (MFSA) as an insurance auditor. Our team includes experienced underwriters, actuaries, and auditors, offering technical expertise and practical insight.

We maintain strong relationships with key stakeholders—regulators, service providers, and industry leaders—enabling us to deliver integrated, value-driven solutions tailored to Malta's insurance landscape.

As part of the PKF Global Network, we draw on international expertise to offer clients cross-border support, regulatory intelligence, and innovative strategies.

Whether establishing a new insurance entity or navigating regulatory changes, PKF Malta provides trusted guidance at every stage of your growth.

PKF Malta

Immigration & Residency Solutions

Why Are HNWIs Investing in Malta

A major draw for high-net-worth individuals investing in Malta is its competitive tax framework—most notably, the full imputation system. Despite its size, Malta offers a robust suite of fiscal advantages that position it as a highly attractive jurisdiction for international investors.

Four in One: Member of the European Union, Schengen Area, Eurozone and the Commonwealth

Double Taxation Treaties: Wide double tax treaty network with more than 80 countries.

Tax Refund: Effective corporate tax rates in Malta can be reduced to 0%-10% for non-domiciled shareholders.

Full Imputation System: Ensures that dividends are taxed once only. Any tax paid on profits is fully imputed to the shareholder(s).

Participation Shareholding: Exemption available on dividend income for qualifying holdings

Royalties: No withholding tax on repatriation of dividends, interest and royalties

Minimum Tax for Non-Doms on Remittance Basis

From 2019, a €5,000 minimum annual tax applies to individuals resident but not domiciled in Malta, taxed on a remittance basis, and earning €35,000+ from foreign sources—regardless of remitted amounts.

Fair & Flexible

Malta tax paid (excluding property transfers) counts toward the €5,000. If worldwide taxation results in a lower bill, the minimum tax is capped accordingly.

Exemptions for Special Status Holders

Residents under the Global Residence Programme or the Residence Programme enjoy a flat 15% rate on remitted income and are exempt from this minimum tax.

Capital Gains Exemption

Foreign capital gains remain tax-free, even when remitted.

Malta Permanent Residence Programme - MPRP

The Malta Permanent Residence Programme (MPRP) allows non-EU nationals and up to four generations of their family to obtain permanent residency in Malta, with visa-free travel across the Schengen Area for 90 days in any 180-day period, plus access to affordable international and British-style education.

The programme grants lifelong residency, requiring applicants to maintain qualifying property and meet annual compliance for the first five years. Residence cards are typically issued within 8–12 months and are renewed every five years.

Launched in 2015 and updated in 2021 and 2025, the MPRP is regulated by the Residency Malta Agency. PKF Malta has been an Accredited Agent (Licence No. AKM-PKFM) since 2015, assisting hundreds of high-net-worth individuals and their families in relocating to Malta.

MPRP

> Secure your Maltese residence card in 12 months.
> Unlock the freedom to live, work & stay indefinitely in Malta.

MPRP Benefits

No Residence Requirements
Main Applicant can include immediate family up to 4 generations in the application or at post-approval stage

Quality Education
Access to top-tier British and American education and low-cost public education

Start Your New Life in Malta Today
Get a one-year temporary residence card for the whole family right after your first application — move in, explore homes and schools, and unlock investment opportunities.

Options to Monetise Qualifying Property
Beneficiaries can lease or sublet their qualifying property if they do not live in Malta

Freedom to Travel in the Schengen Area
Visa-Free travel within Schengen Area, with a right to stay in any country for up to 90 days in every 180-day period

Citizenship by Naturalisation
Opportunity to apply for Citizenship by Naturalisation after residing continuously in Malta for 10 years

LGTBQ Equality & Rights
Same-sex partnership and marriage is legal in Malta

MPRP Requirements

- **Main Applicant**
  - At least 18 years old
  - A clean criminal record
  - Financially independent with total of assets valued at €500,000 (of which €150,000 are financial assets), **or** €650,000 (of which €75,000 are financial assets), and able to provide proof of source of wealth
  - Pose no threat to Malta's national security or public health

- **Spouse**
  In officially registered marriage or civil partnership with the Main Applicant

- **Adult Children**
  Under 29 years old, unmarried and financially dependent on the Main Applicant

- **Parents & Grandparents**
  No age requirement, financially dependent on the Main Applicant

MPRP Fees

- Pay a non-refundable administration fee of €60,000 as the Main Applicant

- Pay an administration fee of €7,500 for each adult dependant (excluding spouse and adult children with disabilities)

- Rent or buy a qualifying property
  1. Rent a property for a minimum of €14,000/year; or
  2. Purchase a property for a minimum value of €375,000

- Hold the qualifying property for at least 5 years

- Pay a government contribution of €37,000 as the Main Applicant

- Donate €2,000 to a local non-governmental organisation (NGO)

Global Residence Programme – GRP

The Malta Global Residence Programme offers non-EU/EEA/Swiss nationals a cost-effective path to residency, with a 15% tax on foreign income remitted to Malta. Applicants must meet income, health insurance, property, and background check requirements. Permits are issued in 3–4 months, valid for one year, and renewable every two years, subject to ongoing tax and residence conditions.

Benefits

- **Tax:** Special tax rate of 15% on foreign income remitted to Malta
- **Travel:** Visa free travel within the Schengen Area, with the right to stay in any country for up to 90 days in every 180-day period
- **Open to:** Immediate family members and long-term household staff

Requirements & Fees

- **Tax:** Pay a minimum of tax of €15,000 every year
- **Property:**
  1. Rent a property for a minimum of €8,750/year situated in the South of Malta or Gozo, **or** €9,600/year anywhere else in Malta; **or**
  2. Buy a property for a minimum value of €220,000 situated in the North of Malta or Gozo, **or** €275,000 anywhere else in Malta.
- **Administrative Fee:** Pay a non-refundable administration fee of €6,000
- **Annual Declaration:** Beneficiary to sign an annual declaration confirming that he/she has not resided in any other jurisdiction other than Malta for more than 183 days in a calendar year
- **Physical Presence:** Not spending more than 183 countries in any single jurisidiction other than Malta

Nomad Residence Programme - NRP

Malta's Nomad Residence Programme welcomes non-EU remote workers, including full-time employees, freelancers, and self-employed individuals. Eligible applicants must meet income thresholds, hold health insurance, reside in suitable accommodation, and avoid local employment.

The NRP grants visa-free Schengen travel and features a fast application process (1–2 months). Residence cards are renewable annually, for up to four years, subject to ongoing eligibility.

Malta appeals to digital nomads with 5G connectivity, an English-speaking environment and high-quality healthcare infrastructure.

Benefits

- Foreign-sourced income taxed at 10%
- Visa-free schengen travel in the Schengen Area, and stay in any country for up to 90 days for every 180-day period.
- Applicable to the Main Applicant's spouse and children.

Application Fee

€300 per applicant

Requirements

1. At least 18 years old.
2. Non-EU national and not from a country sanctioned by Residency Malta Agency.
3. Fit under one of the three employement categories:
   - **Employed** - with an employer registered in a foreign country under an employment contract;
   - **Self-Employed** - conducting business activity for a company registered in a foreign country, of which the main applicant is a partner/shareholder;
   - **Freelance** - offering freelance or consulting services to clients whose permanent establishments are in a foreign country, with whom the main applicant has engagement agreements.
4. Earning a minimum income of €42,000 p.a.
5. Take out health insurance covering risks in Malta for all applicants.

PKF Malta

Yachting & Aviation in Malta

Yachting in Malta

Merchant Shipping Directorate

The Merchant Shipping Directorate, operating under the Ministry for Maritime Affairs, is responsible for ship and yacht registration, seafarer certification, and the implementation of international maritime conventions. It also oversees safety, pollution prevention, and Malta's global maritime relations.

Since its inception, the Directorate has grown steadily, establishing one of the largest ship registries worldwide by tonnage. It continues to prioritise safety at sea and environmental protection in line with international standards.

Yachting in Malta

Malta is a premier yachting hub, thanks to its central Mediterranean location, favourable weather, and world-class marina infrastructure. The island attracts hundreds of yacht owners who value its natural harbours, reliable repair services, and accessibility via direct flights from across Europe.

Facilities like the Grand Harbour Marina and Manoel Island Marina already serve superyachts, with further expansion positioning Malta as a leading superyacht destination.

Cliamte

Malta enjoys a classic Mediterranean climate with average temperatures ranging from 12.4°C in winter to 30°C in summer, making it ideal for year-round maritime activities.

Tax Guide of Yachts Leasing

Where a yacht lease falls outside the scope of Legal Notice 369 of 2005 but is deemed by the Commissioner for Revenue to align with applicable VAT guidelines, the following tax treatment shall apply annually for the duration of the lease:

- The lessor is taxed solely on the annual finance charge, calculated as the lease payments minus the capital element, spread over the lease term.
- The lessee may deduct the following expenses:
  (i) finance charge
  (ii) maintenance
  (iii) repairs
  (iv) insurance
- The lessee may claim capital allowances on the yacht, with the wear and tear burden remaining their responsibility. If the lessee acquires the yacht at the end of the lease, the purchase price is treated as capital in nature and is not taxable to the lessor.

Our Services Include:

- **Malta Corporate Structuring**
  - Company setup
  - Bookkeeping, payroll, and back-office support
  - Annual statutory audit
- **Yacht Registration & Compliance**
  - Yacht registration under the Malta flag
  - Conversion between yacht statuses
  - Appointment of approved surveyors and shipping agents
- **VAT & Leasing Support**
  - Registration with the Malta VAT Department
  - Structuring and setup of VAT-approved yacht leasing arrangements
  - VAT return preparation and submission
- **Legal & Advisory Services**
  - Ongoing legal, compliance, and regulatory advisory
  - Liaison with relevant authorities throughout the registration and operational process

Aviation in Malta

In cases where aircraft finance leasing arrangements fall outside the scope of Legal Notice 369 of 2005, the Office of the Commissioner for Revenue has determined that a specific tax treatment shall apply for each year throughout the duration of the lease.

- The lessor is charged to tax on the annual finance charge, namely the difference between the total lease payments and the capital element, divided by the number of years of the lease

- The lessee is allowed a deduction in respect of:
  (i) the finance charge;
  (ii) maintenance;
  (iii) repairs; and
  (iv) insurance;

- The lessee is allowed capital allowances in respect of the aircraft, and the parties may not opt to shift the burden of wear and tear onto the lessor;

- Where the lessee exercises an option to purchase the aircraft upon termination of the finance lease, and the lessor is not trading in the purchase and sale of aircraft, the purchase price received by the lessor shall be considered to be of a capital nature and no tax thereon shall be payable by the lessor.

Tax Guidelines

Qualifying Employment in Aviation (Personal Tax) Rules

The aviation sector contributes 2.5% to Malta's GDP and 3.4% of its workforce. Recent legislation has revitalised the industry, supporting services like maintenance, training, and finance. National policy and targeted tax rules aim to establish Malta as a leading aviation hub by attracting skilled talent.

Eligible Officers:

- **Executive Roles:** CEO, CTO, CFO & CMO
- **Management**
  - General Manager
  - Head of Marketing
  - Head of Public Relations
  - Head of Maintenance Operations
  - Key Account Manager
  - Underwriting Manager
- **Technical & Operations**
  - Flight Operations Manager
  - Flight Dispatch Manager
  - Safety Manager
  - Quality Systems Manager
  - Risk Management Officer
  - Product Coordinator
  - Engineering Reporter
  - Aeronautical Engineer
  - Aviation Systems Developer
- **Aviation-Specific Roles**
  - Flight Operations Manager
  - Training Manager
  - Ground Operations
  - Continuing Airworthiness Manager
  - Instructor Manager
  - Actuary
  - Key Aviation Specialist

Our Services:

- Malta corporate structure setup
- Aircraft registration under Malta flag
- AOC application support
- Assistance with Highly Qualified Persons Rules
- Importation and customs assistance
- Malta VAT registration
- Leasing structures setup approved by VAT
- Payroll management
- Bookkeeping, admin, and VAT return filing
- Annual statutory audit
- Legal and advisory services

PKF Malta

Remote Gaming & Blockchain Services

Remote Gaming in Malta

The Remote Gaming sector is Malta's most dynamic gaming segment, regulated under the Gaming Act.

Malta launched its first online betting site in 2000 under the Operation of Betting Offices Regulations (S.L. 70.04), regulating offshore betting offices.

In April 2004, the Remote Gaming Regulations (S.L. 438.04) made Malta the first EU member state to regulate remote gaming. The new Gaming Act and related legislation came into effect in August 2018.

This updated framework broadened regulatory scope, enhancing MGA oversight through an objective-based approach that fosters innovation while ensuring regulatory goals are met.

Malta Gaming Authority's regime is technology-and-game-neutral, covering all gaming types. The rise of Distributed Ledger Technology (DLT) has also influenced the sector, with a VFA/DLT SANDBOX FRAMEWORK in operation.

The sandbox will end on 31 December 2021 but may be extended if deemed necessary by the MGA.

Our Services:

- Malta Gaming License Applications
- Corporate Structure Setup
- Hot-desking and office space
- Support in opening bank accounts
- Payroll management
- Bookkeeping and tax compliance
- Annual statutory audits
- Legal and advisory services
- Back-office administration
- Co-location commissioning, 24/7 hosting, IT testing, and payment gateway services

Blockchain in Malta

Distributed Ledger Technology (DLT) and Virtual Financial Assets (VFA) in Malta

Since 2018, Malta has maintained a regulatory framework for Virtual Financial Assets overseen by the MFSA. The MFSA administers the VFA Act and issues four categories of VFA licences to service providers:

- **Class 1:** Authorized to receive/transmit orders and provide investment advice on VFAs and/or placement of VFAs. Not authorized to hold or control client assets or funds.
- **Class 2:** Authorized to provide any VFA service except operating a VFA exchange or dealing on own account. May hold or control client assets or funds in relation to VFA services.
- **Class 3:** Authorized to provide any VFA service except operating a VFA exchange. May hold or control client assets or funds in relation to VFA services.
- **Class 4:** Authorized to provide any VFA service, including operating exchanges. May hold or control client assets or funds in relation to VFA services.

The MFSA introduced a Financial Instrument Test to determine if a DLT asset falls under:

1. Existing EU and national legislation, such as MiFID I & II and the E-Money Directive —where VFA provisions do not apply, or
2. The VFA Act—where VFA regulations apply, and licence applications are required.

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