



MALTA TRUSTS TAXATION

Taxation of Malta Trusts

SECTOR REGULATION

Authorised by the Malta
Financial Services Authority
(MFSA)

DOUBLE TAX TREATIES

Extensive network of 70 double
tax treaties

TIME ZONE

Central European Time Zone
(UTC+01:00)

CURRENCY

Euro €

APPLICABLE LAWS

Trust & Trustees Act, Income Tax
Act, Hague Convention on the law
applicable to trusts & their recognition

LANGUAGE

Maltese, English

EUROPEAN UNION

Member of the EU &
Eurozone

WORKFORCE

Well qualified, English speaking





MALTA

Malta boasts of an attractive trusts regime with efficient taxation rates for both personal as well as business needs. Being a full European Union Member State, Malta offers a regulated environment with flexible legislation and reliable service providers.

Although Malta is traditionally a civil law jurisdiction, it has the rare privilege of being one which has adopted trusts in its legislation and allows for the creation of domestic trusts and recognition of foreign law trusts. Trusts are very flexible and efficient vehicles for asset protection and management but are also equally adaptable to trade and commerce.

LEGAL BASIS FOR MALTA TRUSTS

Today Malta's trust and estate laws allows for the beneficial yet secure protection of a person's wealth and property through the use of trusts. The setting up of trusts in Malta is regulated by the Trusts and Trustees Act. The Act also provides for the appointment of the Malta Financial Services Authority (MFSA) as the authority in charge of the authorisation and supervision of trustees. Malta also acknowledges trusts set up under the laws of other jurisdictions and the Act also incorporates the provisions of the Hague Convention on the Law Applicable to Trust and their Recognition.



BENEFITS OF A MALTA TRUST



Easy Set up
in 3 days



Regulated,
authorized trustees



Recognition of trusts
set up under foreign
laws



Certainty & Security;
Malta's own
domestic trust law



Planning for
Generations;
Efficient distributio
of assets



TAXATION OF MALTA TRUSTS

In terms of Maltese tax law, a trust is brought within the Malta tax net and all income attributable to a trust is taxed in Malta where at least one of the trustees is a Malta tax resident. The income attributable to a trust comprises all income or gains chargeable to tax under Maltese law derived by the trustees from property which has been settled in trust or property acquired in the course of the administration of the trust throughout such trust's lifetime.

'CHECK THE BOX' PROVISIONS

Maltese law gives a licensed trustee the option to elect for the trust to be treated as a company which is ordinarily resident and domiciled in Malta for tax purposes.

Such election is possible where:

- The trustee is an authorised trustee;
- The trust has been established by an instrument in writing;
- Election is made within 30 days from constitution of trust or appointment of Malta resident trustees; and
- Income attributable to the trust consists only of dividends, interest, royalties, capital gains and income from investments.

Once the election has been made, it is irrevocable and the trust will be treated as a company and taxed at the corporate income tax rate of 35% subject to double taxation relief in respect of income which has been taxed overseas.

KEY REQUIREMENTS - TAX TRANSPARENT TRUSTS



THE TRANSPARENCY MODEL

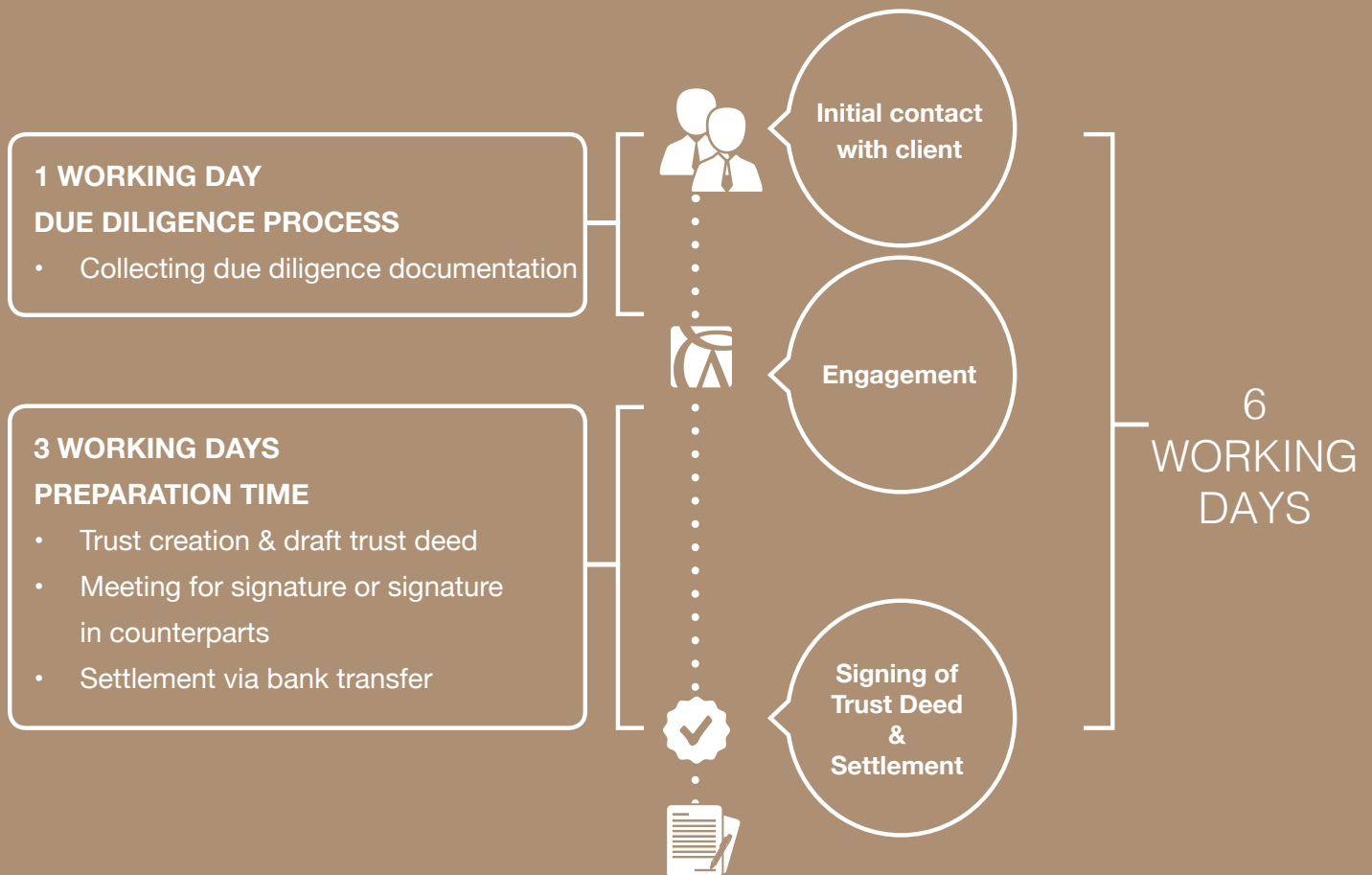
Malta's tax legislation also contemplates a transparency model whereby, in certain scenarios, income which would otherwise be taxable in the hands of the trustees is actually deemed to be income of the beneficiaries.

This happens where:

All income of a trust:	Arises outside of Malta; or
	Consists of interest, royalties, gains or profits on disposal of shares or securities of a company, the assets of which do not wholly or principally consist of immovable property in Malta.
All the beneficiaries of the trust are:	Not persons ordinarily resident and domiciled in Malta; or
	Persons whose income is exempt from tax under Maltese law

MALTA TRUST TAXATION

Trust Formation Timeline



WHY WORK WITH US?



Problem Solving,
Integrity, Honesty

Claris
Trustees

Authorised Trustee
by the Malta Financial
Services Authority



We're lawyers:
Lawyer - client
privilege



Malta Trust
Lawyers



Lawyers,
Tax advisors,
Fiduciary staff: 100



Our Ethos:
Big firm expertise
Small firm persona



Malta



Dr Jean-Philippe Chetcuti

Managing Partner,
Residency & Citizenship, Tax
jpc@ccmalta.com

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