

MALTA SECURITISATION

Setup of Securitisation Vehicles

GDP GROWTH
6.3% in 2015

TIMEZONE
Central European Time Zone
(UTC+01:00)

BANKING SYSTEM
10th soundest system in the
world (WEF)

FINANCIAL SECTOR
25% annual expansion

DOUBLE TAXATION TREATIES
65 Treaties in place

REGULATOR
Malta Financial Services Authority

STAMP DUTY
Exemption applicable to securitisation vehicle
vehicles with 90% business interests outside
Malta

FINANCIAL SERVICES FRAMEWORK
EU and OECD approved





MALTA

Malta's legal framework provides for a range of securitisation transactions under a secure regulatory framework and offers various legal and international tax benefits - making it the jurisdiction of choice for the setting up of tax neutral securitisation vehicles.

THE LEGAL BASIS

Securitisation transactions are regulated under the Securitisation Act, Chapter 484 of the Laws of Malta, which provides for a versatile regime with various options with respect to the form of the securitisation vehicles, as well as the kind of assets that can be securitized.

The Securitisation Act provides that no proceedings taken against the Originator under any law, including any dissolution and winding-up proceedings will have any effect on the SPV, any securitisation assets acquired or risks assumed by the SPV, as well as any cashflow or other asset of the SPV, and any payments due by the underlying debtors in connection with the securitised assets.



BENEFITS



Fast Process:
2-3 Weeks



Tax Neutral



VAT Neutral



No Local Presence
Required



Bankruptcy
Remoteness

TAXTION OF MALTA SECURITISATION VEHICLES

From a fiscal perspective, a securitisation vehicle is tax neutral and enjoys a neutral VAT position. A Malta securitisation vehicle may always claim the following deductions; (i) cost of acquisition (ii) finance expenses and (iii) operating expenses. Furthermore, after such deductions are made, the vehicle may claim a further deduction on its remaining taxable income, thus suffering no tax burden at the level of the securitisation vehicle. Certain stamp duty exemptions on marketable securities may also be applicable to securitisation transactions.



KEY REQUIREMENTS

A private securitisation vehicle does not require authorisation and licensing approval from the MFSA but must notify the MFSA before it commences business. Securitisation vehicles which issue or wish to issue financial instruments to the public on a continuous basis will be required to obtain a licence from the MFSA.

OFFERING DOCUMENTS

An offering document outlining the nature of the security being issued by the securitisation vehicle is to be prepared. If the securities issued by a securitisation vehicle are offered to the public or listed on a regulated market in the European Economic Area, the vehicle will be required to publish a prospectus that complies with the relevant disclosure requirements of the EU Prospectus Directive.

LEGAL FORM

A securitisation vehicle can take the form of a number of legal structures including; companies (including investment companies), trusts, commercial partnerships, as well as foundations.

ASSETS

A wide range of forms of assets qualify as securitisation assets. The flexibility of the regime allows any asset type; whether existing or future, movable or immovable, tangible or intangible, including risks.

Versatility is also provided for in the determination of the method employed in transferring the securitisation assets, including novation, sale, assignment and declaration of trust.



KEY ELEMENTS OF THE TRANSACTION



Private / Public Offering
Determination



Securitised Assets



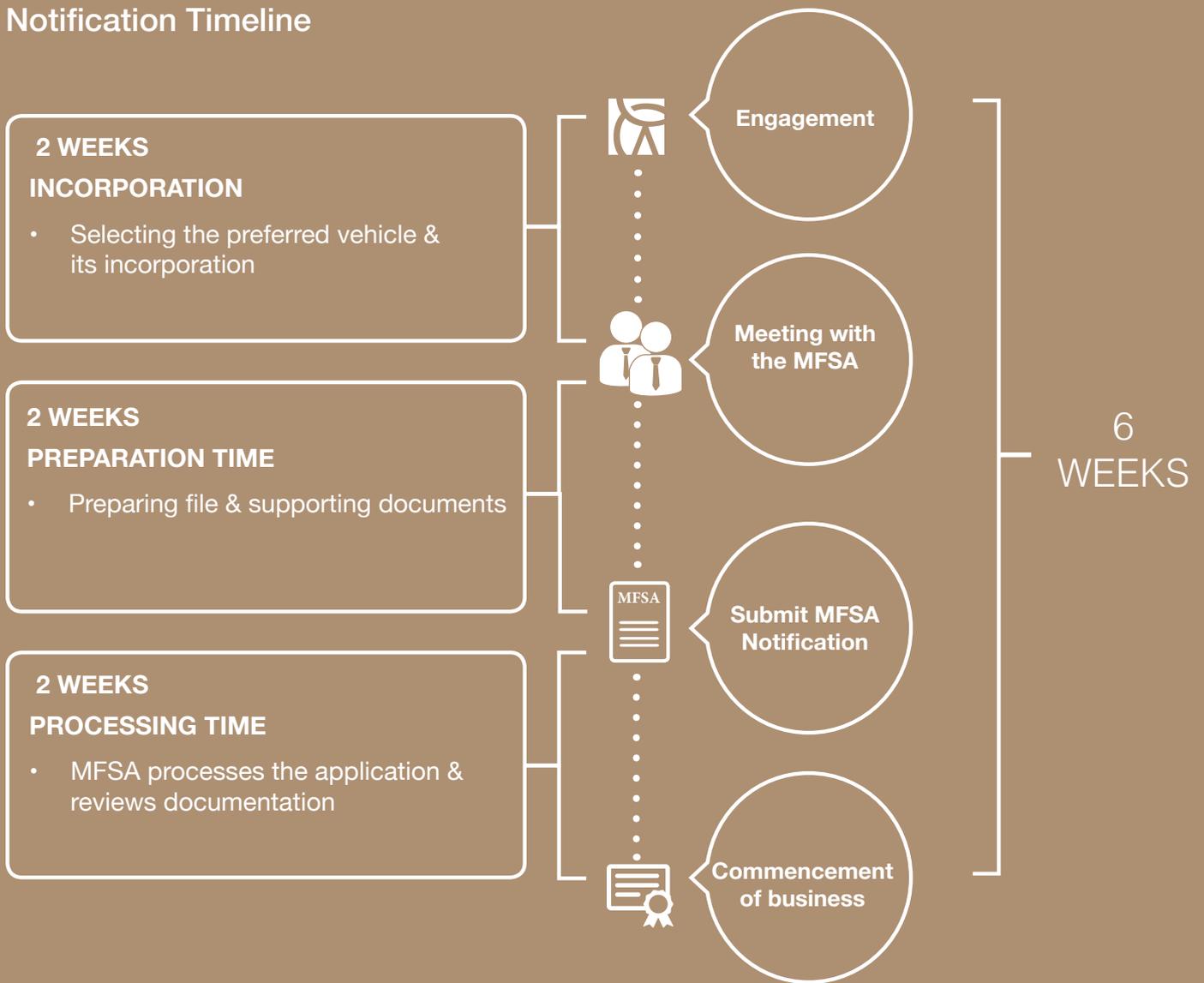
Legal Form



Offering Documents

MALTA PRIVATE SECURITISATION VEHICLES NOTIFICATION PROCESS

Notification Timeline



WHY WORK WITH US?



Problem Solving,
Integrity, Honesty



Ranked in Various
Listing Directories



We're lawyers:
Lawyer - Client
Privilege



15+ Years
Experience in
Financial Services



Malta-Cyprus
Lawyers, Tax
Advisors,
Fiduciary Staff: 100+



Our Ethos:
Big firm expertise,
Small firm personal



Malta



Dr Maria Chetcuti Cauchi
Partner, Financial Services