

YOUR GUIDE TO
Financial Services in Malta



Investment Funds & Asset Management



FinanceMalta





Why Malta for Investment Funds & Asset Management

Malta has established itself as a popular jurisdiction for alternative investments due to its flexible and innovative – yet mature – regulatory environment, catering for a wide range of investment strategies that may be structured through diverse fund products.

We offer access to both the retail and the institutional marketplace in the European Union.

‘Speed to market’ is one of our critical success factors, with a fund product that can be registered in just 10 days and plug-and-play solutions for fund platforms. Our cost-effective environment appeals to managers, administrators and smaller to mid-sized investment funds.

Experienced professionals and service providers can help you set up and run your fund structure in alignment with your needs.

Digital assets and next-gen solutions are part of our vision for the sector.





Our Finance Centre in Numbers



2,070+

AUTHORISED
ENTITIES



13,900+

EMPLOYEES



4.3%

REAL GVA GROWTH IN
FINANCIAL SERVICES IN 2021



11.4%

REAL GVA GROWTH
NATIONALLY IN 2021



22

CREDIT INSTITUTIONS



52

FINANCIAL INSTITUTIONS



39

SECURITISATION VEHICLES



71

INSURANCE COMPANIES



80+

DOUBLE TAXATION
AGREEMENTS



OFFICIAL NAME

**REPUBLIC OF
MALTA**



AREA

319km²



POPULATION IN 2020

516,100



216

COMPANY SERVICE
PROVIDERS



54

RETIREMENT SCHEMES



18

FUND ADMINISTRATORS



600

INVESTMENT FUNDS



97

NOTIFIED ALTERNATIVE
INVESTMENT FUNDS



4

RECOGNISED INCORPORATED
CELL COMPANIES

FitchRatings



MOODY'S

A+

WITH A STABLE
OUTLOOK – NOV 2022

A (HIGH)

WITH A STABLE
TREND – DEC 2022

A2

WITH A STABLE
OUTLOOK – NOV 2022



OFFICIAL LANGUAGES

**ENGLISH &
MALTESE**



STATUS

EU MEMBER STATE
& PART OF THE SCHENGEN AREA



CURRENCY

EURO



Malta's Financial Services Centre

We counter scale with agility, and an ever-evolving appetite for product innovation. As we embark on the exciting journey of shaping the next generation of financial services, find out what else defines Malta's financial services ecosystem.



Malta may be one of the world's smallest countries, but it is also a vibrant financial hub where FinTech start-ups, fund managers, insurance firms, payment providers and family offices work in close proximity. Despite our small size, we made the conscious decision to support a variety of financial activities and specialist segments, including a rich mix of international, regional and local institutions.

Asset management, insurance, banking, private wealth, capital markets and FinTech are the dominant forces of our finance industry. Moreover, **aviation, yachting, maritime services, space finance** and **sustainable finance** are also playing important roles. This diversity helps us to thrive and promotes cross-sector partnerships and cooperation among companies operating from Malta.

Key Strengths

Located at the centre of the Mediterranean, between Europe and North Africa, Malta is an EU member state – and part of the Schengen area – and deeply integrated in the world of finance. The country has signed up to all the global standards that have become the norm of international finance today. From Malta, financial services companies can access the EU's massive single market of over 400 million people. In addition, Malta offers an OECD and EU-approved fiscal framework and has a network of some 80 double-taxation treaties, covering most of the world's high-growth markets, facilitating trade and international business. In cases where there is no double-taxation agreement unilateral tax relief is available in Malta.

Moderate operating costs coupled with a well-trained, English-speaking population and a desire to support innovative ideas make us the ideal location for small and medium-sized organisations, regional headquarters, back-office functions and fast-growing fintech firms. As a finance centre, Malta has also become internationally recognised as a thought leader. We championed the introduction of cell company structures, which are today an important element in the captive insurance sector. We still have an active appetite for innovation, which will continue to power our growing financial services sector.



Investment Funds & Asset Management

Our Sector at a Glance

EU passporting rights, a variety of fund types and cost-effective platform solutions: these are just some of the reasons asset managers and fund promoters are turning to Malta. Discover the breadth and depth of our constantly evolving investment funds and asset management sector.

A Versatile Range of Fund Products

We offer a wide range of fund products that can be tailored to meet the various needs of global fund initiators. Managers are allowed to run EU-compliant and globally recognised **UCITS schemes**. However, our forte is alternative asset management. In this space, funds may be licensed as either Alternative Investment Funds (**AIFs**) or as Professional Investor Funds (**PIFs**). AIFs appeal to fund promoters wishing to passport the fund throughout the EU under the Alternative Investment Fund Managers Directive (AIFMD). The PIF licence is the licence of choice for smaller funds (managed by De Minimis EU-based managers, managers based outside the EU, or self-managed funds that are 'below the threshold'), which benefit from certain exemptions contained in the AIFMD. Malta's portfolio also includes a manager-led product – the Notified AIF or **NAIF** – which has been designed to speed up time-to-market and can be launched within 10 days of notification to the regulator.

EU Asset Management Hub

Asset managers wishing to access both the retail and the institutional marketplace in the EU can benefit from flexible structures, including Alternative Investment Fund Managers and UCITS management companies, which allow fund managers to manage and market funds across the EU. Due to the moderate costs of doing business on the island, we are a particularly attractive location for emerging and start-up managers.

Innovative Legal Structures

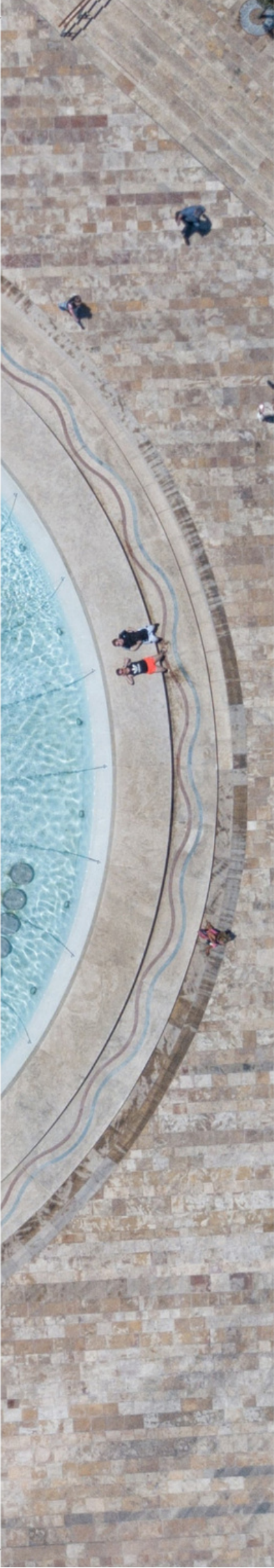
Investment funds can be set up in a number of possible legal forms, including open-ended and closed-ended corporate entities, unit trusts, contractual funds, and limited partnerships. The investment company with variable share capital (**SICAV**) is to date the most widely used legal form, and it can be structured to include master-feeder funds and umbrella funds with segregated sub-funds. Whereas the multi-fund SICAV allows the creation of sub-funds whose assets and liabilities constitute a distinct patrimony from those of other sub-funds and the SICAV itself, Malta also introduced Incorporated Cell Companies (**ICCs**) and the Recognised Incorporated Cell Company (**RICC**), which has become the structure of choice for those seeking plug-and-play solutions. In this structure, the 'core' can provide – in exchange for payment of a platform fee – certain administrative services to its incorporated cells. The RICC is particularly popular among smaller managers and start-up funds.

An Asset Servicing Location

Whether you are a small or large investment fund that wishes to outsource fund administration, compliance, regulatory reporting, or your entire back and middle office, you should consider Malta. Over the years, we have developed a wealth of international service expertise. Our asset management and asset servicing clusters have become renowned for their knowledge, commitment and highly cost-competitive offering. Fund managers and fund administrators based in Malta today service funds incorporated in many other locations.







Service Provider Flexibility

Our commitment to flexibility and innovation does not stop at the fund level but extends to the service provider sphere. Funds registered in Malta are not required to appoint a local administrator. This non-protectionist approach gives promoters the flexibility to work with institutions with which they have already established a business relationship. Nevertheless, a high percentage of funds opt to have a Maltese administrator – a clear testament to the high quality of service provided by local administrators. The same applies for custodians providing safekeeping arrangements to PIFs, which do not need to appoint local service providers. In addition, Maltese legislation allows for funds to opt for the self-managed route as an alternative to external third-party management.

Accessible Regulator

One of the distinguishing factors of Malta is the ease with which to do business. The accessibility of the regulator is a hallmark of the jurisdiction. The can-do mindset adopted by the Malta Financial Services Authority has ensured over the years that fund promoters, particularly start up managers, find the island to be the ideal location to structure investment funds. The pro-business approach is a common feature permeating the island, covering all stakeholders, from Government in setting up the economic policy for the country, to the regulator, to the myriad of service providers present on the island. Just as importantly, the credibility of the jurisdiction is bolstered by the diligent work of the Financial Intelligence Analysis Unit, set up in 2002, which acts as Malta's financial intelligence agency and as a supervisory authority.

There are many things to consider when starting or moving your business to Malta, and we are sure you have got questions. We are here to help you. Contact us for a more personalised introduction to opportunities in Malta's financial services centre.

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