

Global Maritime Clusters – Competitive Advantages & Business Development Opportunities (Malta)

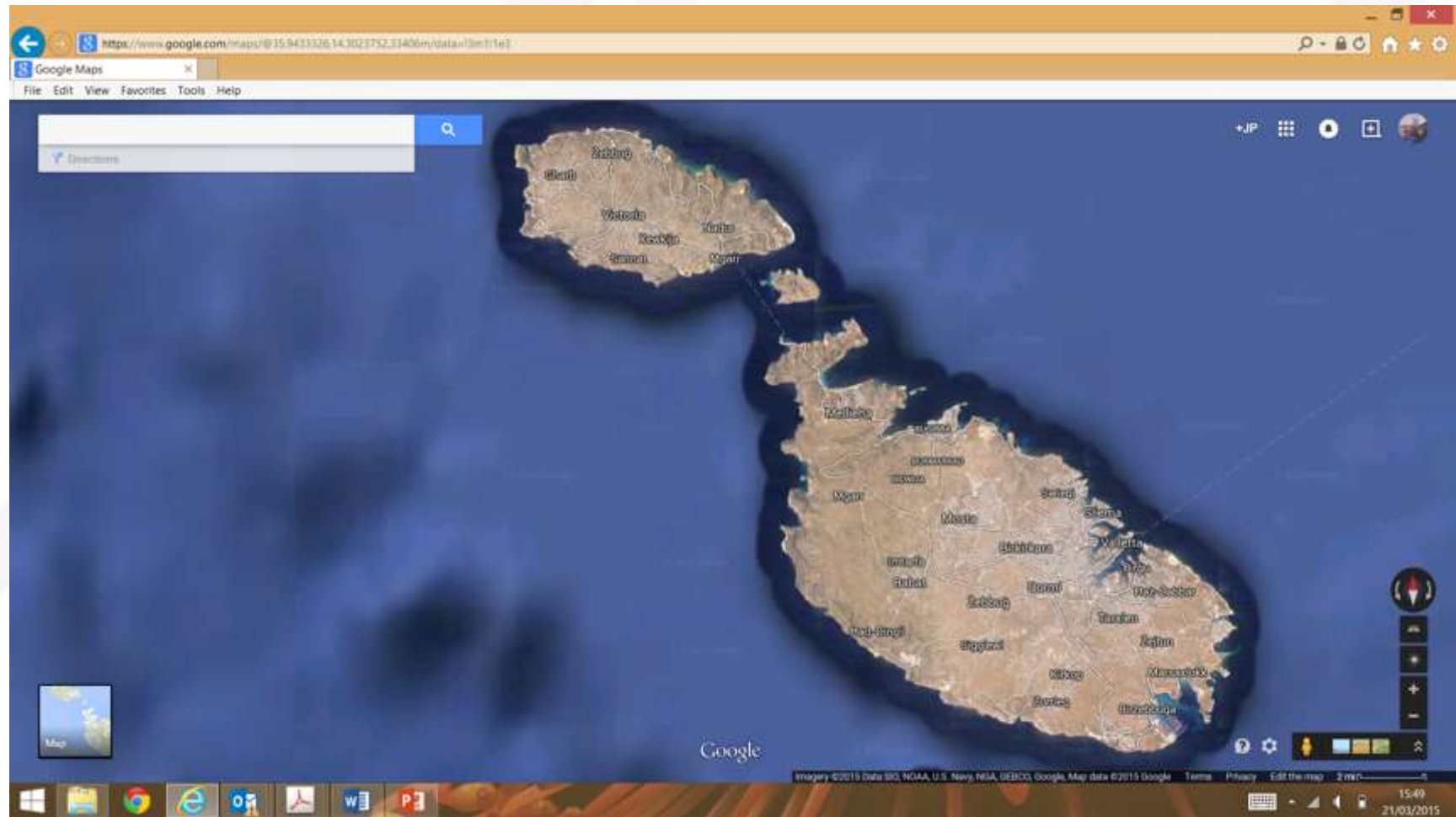
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LEGAL | ASSURANCE

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Republic of Malta

Independence: 1964

Time Zone: CET (UTC +1)

EU Member: 2004

Area: 316 km²

Capital City: Valletta

Currency: Euro

Official Languages:
Maltese & English

Population: 450,000



Why Malta?

A gateway to Europe?

Shipping

Blockchain & Virtual
Currencies

Citizenship, Residency &
VISA Programmes

Aviation

Corporate Structures

Trusts & Foundations

Investment Funds

Online Gaming

Pension Funds

Favourable Tax & Value
Added Tax Incentives



Maritime Malta



Key Features:

- Largest maritime flag in the EU
- EU approved tonnage tax regime
- Revised ship management company regime
- Robust mortgage system

Arrest of Vessels and Enforcement

Arrest of Vessel in Malta

- Fast
- Cost Effective
- Tried and Tested

Judicial Sale by Auction

- Clean Title
- Public Auction
- Court Procedure

Court Approved Sale

- Clean Title
- Private Negotiations
- Court Application

Yachting



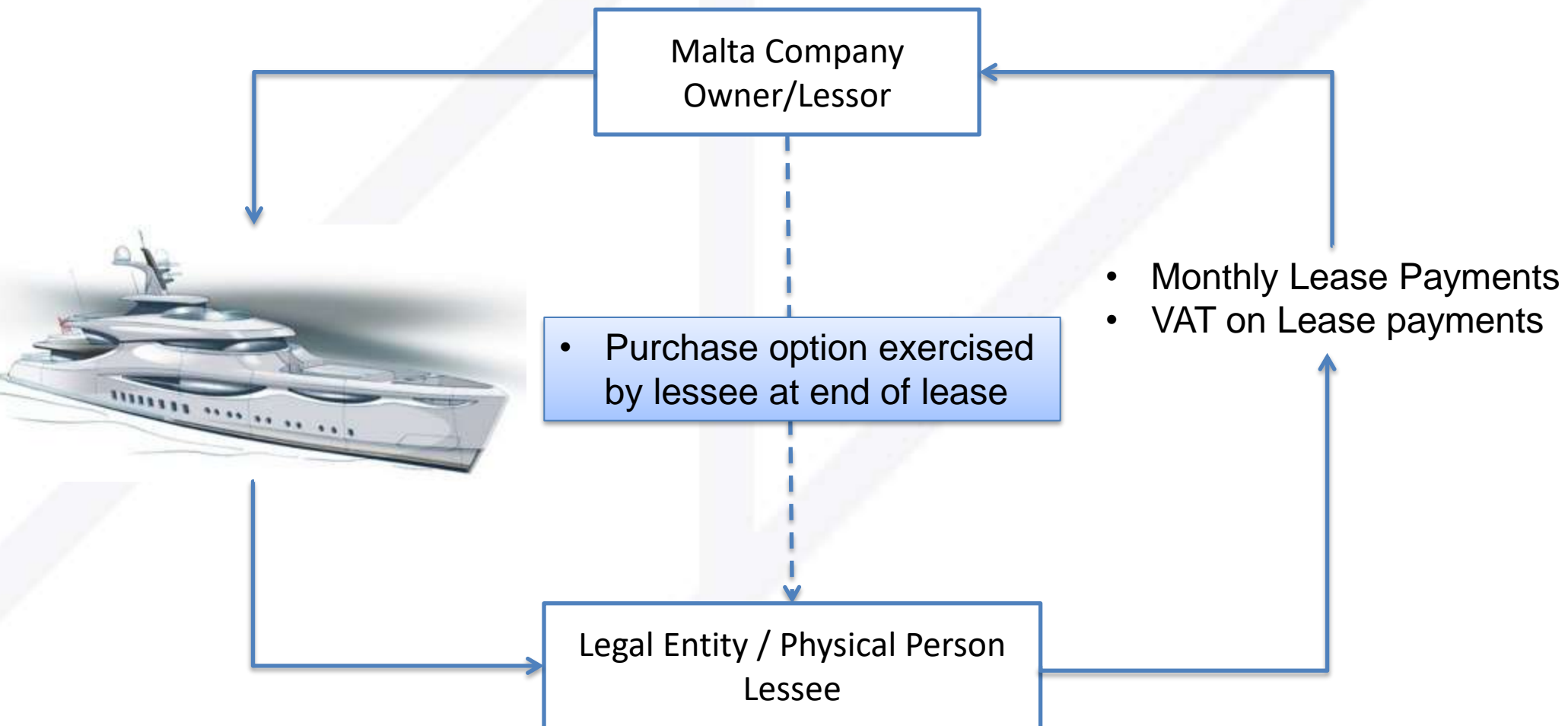
- Governmental focus on
 - Pleasure Yacht Incentives
 - Commercial Yacht Incentives
- Three pronged approach:
 - Marina
 - Financial Incentives
 - Maritime Flag



- **Making Malta the homeport:**
 - high end marinas
 - VAT incentives
 - fair winter weather
 - geographical location



VAT TREATMENT OF YACHT LEASING



VAT TREATMENT OF (PRIVATE) YACHT LEASING

Type of Yacht	% of Lease subject to VAT	Effective Rate of VAT
Sailing boats or motor boats over 24 metres in length	30%	5.4%
Sailing boats between 20.01 to 24 metres in length	40%	7.2%
Motor boats between 16.01 to 24 metres in length	40%	7.2%
Sailing boats between 10.01 to 20 metres in length	50%	9%
Motor boats between 12.01 to 16 metres in length	50%	9%
Sailing boats up to 10 metres in length	60%	10.8%
Motor boats between 7.51 to 12 metres in length (if registered in the commercial register)	60%	10.8%
Motor boats up to 7.5 metres in length (if registered in the commercial register)	90%	16.2%
Craft permitted to sail in protected waters only	100%	18%

Commercial Yachts



VAT TREATMENT OF COMMERCIAL YACHT CHARTERS

Type of Yacht	% of charter deemed to be taking place in the EU	Effective Rate of VAT
Sailing boats or motor boats over 24 metres in length	30%	5.4%
Sailing boats Sailing boats between 20.01 to 24 metres in length 20.01 to 24 metres in length	40%	7.2%
Motor boats between 16.01 to 24 metres in length	40%	7.2%
Sailing boats between 10.01 to 20 metres in length	50%	9%
Motor boats between 12.01 to 16 metres in length	50%	9%
All other boats	100%	18%

Finance & Tax



Financial Incentives

Double Tax Treaties

- 73
- Including Australia, China, Hong Kong, India, Singapore and United Arab Emirates

Tax Regimes

- Tonnage Tax; or
- Effective tax rate of 5% for income not derived from maritime activities.
- Participation Exemption
- Notional Interest Deductions

Lease Finance

- Certificates issued in the name of Charterer
- No judicial intervention required for termination of lease agreement.
- Lessor can take possession of the vessel.
- Financial institutions do not require licencing

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