

Your Guide to
Financial Services in Malta:
Private Wealth

WHY MALTA FOR PRIVATE WEALTH



FinanceMalta

Effective | Secure | Skilled



ACUMUM
LEGAL & ADVISORY

**PROUD MEMBER OF
FINANCEMALTA**

Why Malta?

- We are one of a few EU domiciles offering both trusts and foundations.
- In the wealth management space, we have established ourselves as a cost-effective outsourcing partner.
- Our service providers can assist clients in setting up structures such as trusts, foundations, funds and corporate vehicles.
- With some 10% of the world's super yacht fleet registered in Malta, yachting experts and consultants are always on hand.
- Our lifestyle offering is complemented by various routes for entrepreneurs, investors and highly-qualified employees to move to Malta.

Our Finance Centre in Numbers

2,070+ Authorised entities in 2020	12,200+ Employees in 2020	5.5% Real GVA growth rate in 2020	24 Credit Institutions	50 Financial Institutions	72 Insurance Companies
54 Retirement Schemes	20 Fund Administrators	518 Investment Funds	78 Notified Alternative Investment Funds	4 Recognised Incorporated Cell Companies	39 Securitisation Vehicles

Source: MFSA. All data as of June 2021 unless indicated otherwise.

Official Name Republic of Malta	Area 316 km²	Official Languages English, Maltese	Population 516,100 (2020)	Status EU Member State	Currency Euro
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Quick Overview: 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, banks, fund managers, insurance undertakings, payment providers, pension administrators and family offices work in walking distance from each other. 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 and pensions, banking, private wealth 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 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 70 double-taxation treaties, covering most of the world's high-growth markets, facilitating trade and international business.

Moderate operating costs coupled with a well-trained population and a desire to support innovate 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.



Private Wealth - Our Sector at a Glance

Discover our wealth management offering and find out how Malta can support High-Net-Worth-Individuals and families.

Service Diversity

As family offices and wealth managers are increasingly turning to outsourcing in an effort to achieve sustainable profit generation, the role that third-party advisers and administrative partners can play has rapidly grown. Against this backdrop, Malta is emerging as a relevant outsourcing partner for single or multiple back-office services.

Our wealth management sector caters to a wide spectrum of needs, including succession planning, investment advisory, corporate structuring, and even lifestyle administration. Our service providers and wealth managers have a proven track record in structuring customised solutions. While we have built up strategic partnerships with family offices elsewhere, we are also home to a select number of family and multi-family offices, which are finding Malta a compelling alternative to traditional wealth management centres and have transferred all or part of their operations to the island. A key attraction of Malta for the structuring, holding and managing of client's assets for international wealth planners and advisers is the island's lower cost-base. Salaries and other operational costs are 20 to 30 per cent lower than in the traditional wealth management centres.

Trusts & Foundations

Malta is one of the few jurisdictions where both trusts and foundations can be set up. Both structures allow the creation of customised solutions that will fit the most diverse personal and business needs, ranging from succession planning to estate management. The Malta trust combines all the features of the Anglo-Saxon trust concept within a civil law framework. Trusts have been set up in Malta to safeguard everything from heirlooms to stocks, bonds, art, and real estate. Malta's legislation recognises all other jurisdictions and offers clients the option to have the trust regulated by the jurisdiction of the clients' choice.

It is also possible to establish a Private Trust Company (PTC), which offers interesting opportunities to High-Net-Worth-Individuals and families who favour tailor-made

trustee solutions. Foundations can be used in most cases where a trust or a company could be set up, with the most common structures having a wealth planning and philanthropic background. The skills and the knowledge we have built up in this industry over the past decades will help us to continuously improve our offering.

Investment Funds & Digital Assets

Malta has long been an established jurisdiction for alternative investment funds. In the wealth management space, our framework for Professional Investor Funds (PIFs) is designed to attract high-net-worth investors. Hedge funds, private equity funds and property funds are also normally structured as PIFs. Asset management companies in Malta have launched fund platforms which are exclusively open to family offices and third-party managers to provide them with an efficient and cost-effective solution to enter the market.

High-Net-Worth Individuals are also beginning to show interest in digital assets, including investing in Initial Coin Offerings (ICOs) and holding cryptocurrencies. The digital asset ecosystem is complex and rapidly evolving, and there are conflicting views on its value for the wealth management sector. However, many are optimistic that technologies and tools such as blockchain, IoT, VR and AR will lead to efficiencies in enterprise operations. Due to our support for digital finance and new technologies, wealth managers and investors should have Malta on their radar to make the most of emerging opportunities.

Alternative Assets & Investment Options

Malta is a competitive location for luxury asset management. A strategic port of call for superyachts crossing the Mediterranean, the introduction of extensive VAT incentives for the registration of yachts under the Malta flag and the excellent infrastructure of the country's marinas make Malta a logical choice to base a yacht. Malta also offers attractive solutions to purchase and manage aircraft and has developed a strong legislative framework that has paved the way for the easy registration of private jets.

In addition, Malta is positioning itself as an attractive place for High-Net-Worth-Individuals to reside. The island boasts a collection of prestigious residential homes, which can be purchased for future occupancy or as an investment. Malta offers various routes to entrepreneurs, investors and highly qualified employees to relocate themselves and their families to Malta and seek integration into a thriving, cosmopolitan community





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GET IN TOUCH

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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