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

Setup of Securitisation Vehicles

cclex.com/financial-services-law
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.

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.

BENEFITS

- **Fast Process**: 2-3 Weeks
- **Tax Neutral**
- **VAT Neutral**
- **No Local Presence Required**
- **Remoteness**
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 securitization 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
MALTA PRIVATE SECURITISATION VEHICLES NOTIFICATION PROCESS

Notification Timeline

**2 WEEKS INCORPORATION**
- Selecting the preferred vehicle & its incorporation

**2 WEEKS PREPARATION TIME**
- Preparing file & supporting documents

**2 WEEKS PROCESSING TIME**
- MFSA processes the application & reviews documentation

**6 WEEKS**

**Engagement**
- Meeting with the MFSA
- Submit MFSA Notification
- Commencement of business

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

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Zurich
Hong Kong

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