

# MALTA CUSTODIAN SERVICES

Investment Service Providers

## TIMEZONE

Central European Time Zone  
(UTC+01:00)

## EU

Member of the EU and Eurozone

## GDP GROWTH

5% in 2016 (NSO)

## BANKING SYSTEM

10th Soundest in the World

## SIZE OF INDUSTRY

25% Annual Growth

## FINANCIAL SERVICES FRAMEWORK

EU and OECD Approved

## REGULATOR

Malta Financial Services Authority (MFSA)

## TAX REGIME

EU & OECD compliant





## MALTA

Malta is positioned as an innovative, reliable and flexible EU financial services centre, hosting and attracting a variety of financial services businesses and structures. Over the last two decades, Malta's fund industry has undergone significant growth, which has in turn led to the development of highly specialized custody and depository services.

The industry in Malta has bloomed, and the number of licensed custodians with the Malta FSA is on the increase with applications from both local and international custodians. Whilst custodians established outside Malta, may easily re-domicile to Malta, custodians in Malta are able to delegate functions to custodians established outside of Malta. Malta custodians benefit from Malta's full imputation system, resulting in a 5% net effective tax rate as well as highly competitive set-up, and operations costs; resulting in 20 to 30% less than in other European business hubs.

## LEGAL BASIS

The Investment Services Act, 1994 is the main legislative framework for the regulation and supervision of custodians and depositaries providing custody services to collective investment schemes. The law and regulations provide for two types of licences covering fully-fledged custodians and depositary services. Custodians servicing any type of collective investment scheme shall require a Category 4a Investment Services Licence whilst depositaries (depository lite) require a Category 4b Investment Services Licence - the latter are able to act as depositaries of Alternative Investment Funds (AIF) under the conditions set out in Article 21(3) last paragraph of the AIFMD (Directive 2011/61/EU) or which are subject to the so called 'depository lite' regime under Article 36 of the AIFMD.



## BENEFITS



Foreign Custodians can Establish Branches in Malta



Foreign Custodians can Re-domicile to Malta



Malta Custodians may Delegate Functions to Third Parties Established Outside of Malta



Full Imputation Tax System; 5% Effective Tax Rate



Cost Effective Set-Up & Ongoing Costs



## KEY REQUIREMENTS

Malta custodians require specific attributes as established by the Malta Financial Services Authority, including a sound business organisation, the necessary expertise and experience.

### LICENCE & SHARE CAPITAL

The capital share requirement for Malta custodians is €125,000. They are also required to maintain own funds which are equal to or in excess of €125,000 at all times.

An application fee of €4,000 is payable to the MFSA upon submission of the draft application, and €10,000 upon obtaining the licence.

### MALTA OFFICE

The custodian must have an established place of business in Malta, be it shared or fully owned by the custodian.

### BUSINESS FORMATION

The business formation must be made up of three board members, one of which must be based in Malta. The applicant must also have a Compliance officer and a Money Laundering Reporting Officer (MLRO). All individuals must be fit and proper persons to carry out such functions as per the criteria established by the Malta FSA.



## KEY REQUIREMENTS



Category 4 Licence



Min. Capital of  
€125,000



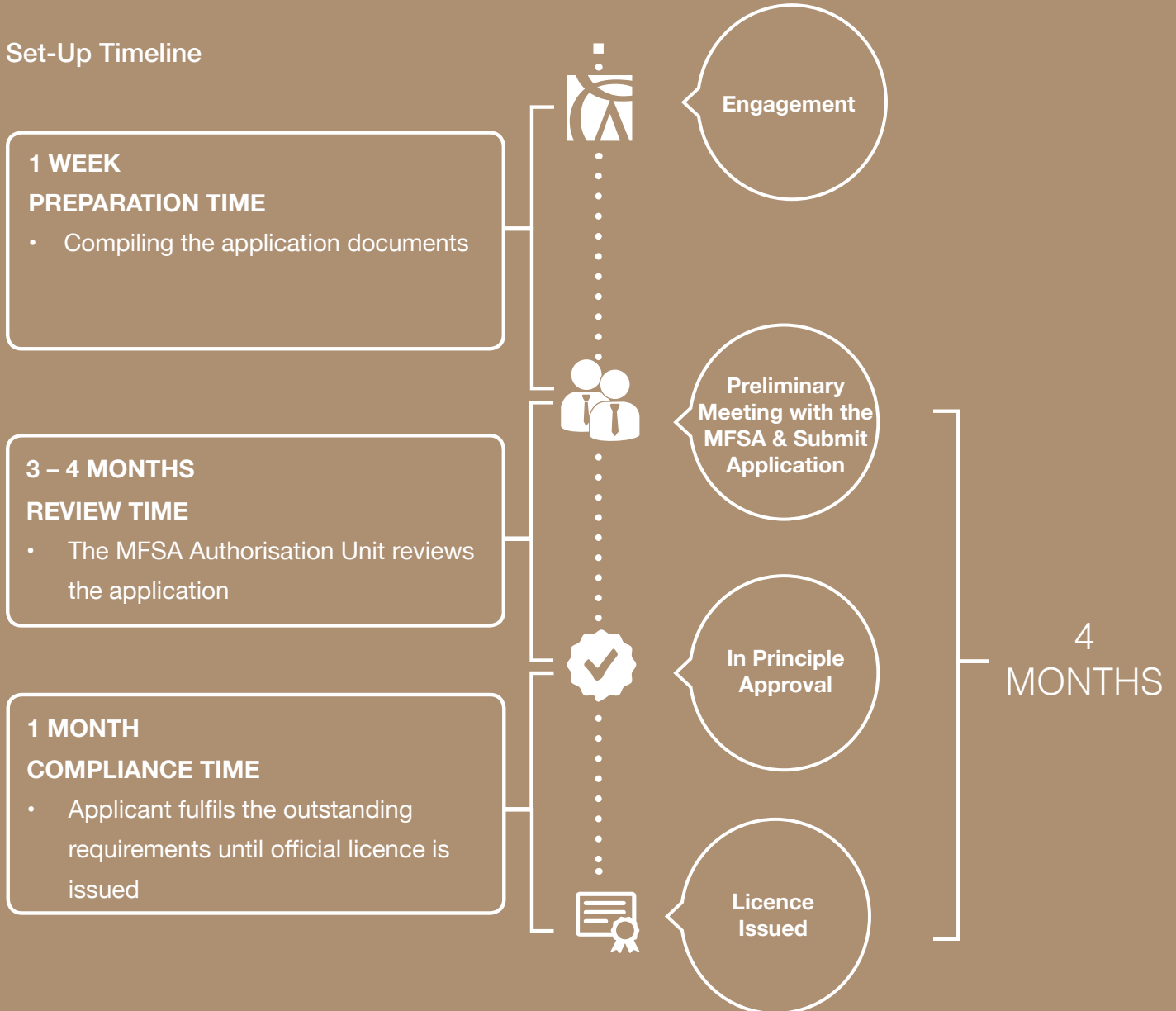
Office in Malta



3 Board Members,  
Compliance Officer &  
MLRO

# MALTA CUSTODIAN SERVICES

## Set-Up 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



**CHETCUTI CAUCHI**  
ADVOCATES

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