MALTA ELECTRONIC MONEY INSTITUTIONS

Setting up Electronic Money Institutions

GDP GROWTH
7.5%, in 2018 (EC)

REGULATOR
Malta Financial Services Authority

WORKFORCE
Well qualified, English speaking

SIZE OF THE INDUSTRY
25% Annual growth

EU
Member of the EU & Eurozone

UNEMPLOYMENT RATE
3.7% in 2018 (EC)

ACCESS TO THE EU
Passporting of licence into the EU

FINANCIAL SERVICES FRAMEWORK
EU and OECD approved

CHETCUTI CAUCHI
ADVOCATES

cclex.com

MALTA AND ELECTRONIC MONEY INSTITUTIONS

The Island's state-of-the art telecoms infrastructure, as well as over 250 i-gaming companies established in Malta requiring payment services and e-wallet solutions, Malta is attracting a wider range of e-commerce companies such as Electronic Money Institutions (EMIs). Substantial investments in IT and telecoms as well as the relative infrastructure have spurred the growth of Malta into one of the most ideal locations for e-commerce activities.

The country has already attracted a number of EMIs, which have either established operations in Malta or passported to Malta from other EU Member States. The country's licence for e-Money institutions offers the opportunity to start operations with a lower capital requirement when compared to a full banking licence.

LEGAL BASIS

EMIs in Malta are regulated under the Malta Financial Institutions Act (the "Act") which transposes the Electronic Money Directive (the "Directive"), specifically under Schedule III of this Act. Like other financial institutions, EMIs are not allowed to receive deposits or other repayable funds from the public and must use funds exclusively to provide e-wallet functionalities.

Licenced EMIs can also provide payment services under the same Act as per the Payment Services Directive.

"SMALL" ELECTRONIC MONEY ISSUERS

The Act and Rules to the Act provide for the possibility of licensing a "small" electronic money issuer, in cases where the total business activities of the institution generate an average outstanding electronic money that does not exceed two million euro (€ 2,000,000).

BENEFITS

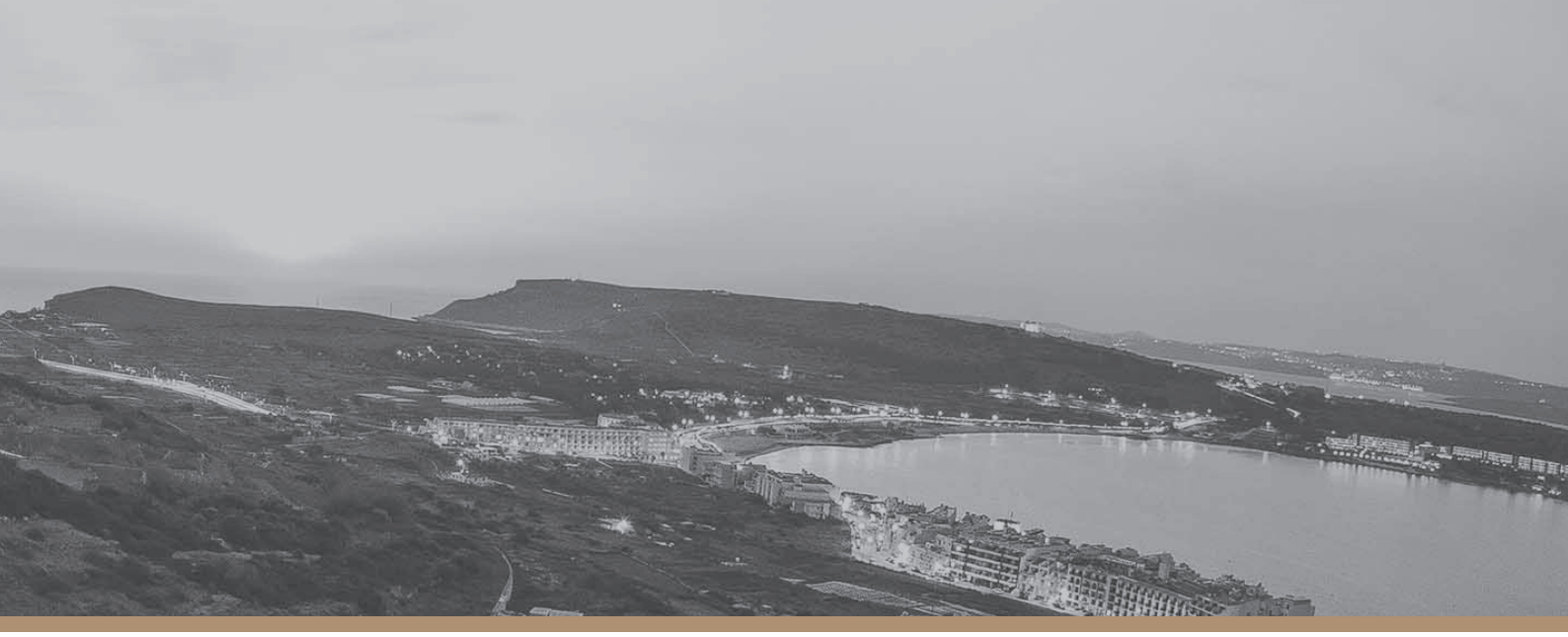
EU Passporting

Effective Tax Rates; Corporate, Personal

Highly Qualified Persons Benefits

Accessible and Independent Regulator

No Restrictions on Activities



FIT AND PROPER TEST

In assessing an application for the obtainment of an Electronic Money Institutions, the MFSA carries out a “fit and proper” test on the applicant. For the purpose of this test, the shareholders, directors and senior staff members must demonstrate solvency, competence and integrity in all their dealings.

APPLICATION CRITERIA

The following are the criteria set out by the MFSA for setting up a PI in Malta

- Completion of application documents
- Settling the initial application fee of €3,500
- Capital requirement of €50K-€100K for small EMIs and a minimum of €350K for regular EMIs.

BENEFITS

Besides being on the very forefront in the IT and telecoms industries, Malta enjoys a stable financial services sector which serves as the apt domicile for setting up an Electronic Money Institution.

Malta offers highly effective corporate and personal tax rates as well as the opportunity to provide an EU wide service through the passporting regime (excl. small EMIs).

Ultimately, the cost of setting up and running a business in Malta is considered to be amongst the most effective in Europe.

ELIGIBILITY

Local Presence + Settling Licensing Fee + Application Documents + Minimum capital; Small EMIs €50K-€100K Regular EMIs €350K = Licence

MALTA ELECTRONIC MONEY INSTITUTIONS

Application Timeline

2 MONTHS

PREPARATION TIME

- Compiling draft application documents incl. business plan and financial projections

3-4 MONTHS

PROCESSING TIME

- The MFSA reviews the application and carries out 'Fit and Proper Test"

1 - 2 MONTHS

COMPLIANCE TIME

- Incorporating the company
- Depositing share capital

MFSA Meeting

Submit Licence Application

'In Principle' Approval

Issuance of Licence and Commencement of Business Approval

6 MONTHS

WHY WORK WITH US?

100%

Success Rate: Problem Solving, Integrity, Honesty

CHAMBERS AND PARTNERS

Chambers & Partners Global: Ranked Lawyers

We're lawyers: Lawyer - Client Privilege

15 YEARS

15+ Years Experience in Financial Services

Malta-Cyprus Lawyers, Tax Advisors, Fiduciary Staff: 100+

Our Secret: Big Firm Expertise, Personal Service

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