BRIS GROUP

# MALTA

## PRIVATE LIMITED LIABILITY COMPANY (LTD)

### CLIENT GUIDE 2026

EU company formation, tax refund system, holding structures and annual compliance

**Professional company formation and ongoing corporate administration**

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# Malta Private Limited Company at a Glance

A Maltese **private limited liability company** is incorporated and regulated under the Companies Act (Chapter 386) and registered with the Malta Business Registry (MBR). Malta is an EU Member State with a distinctive full-imputation corporate tax system and shareholder tax-refund mechanism.

| Topic | Current legal / practical position |
| --- | --- |
| **Foreign ownership** | International shareholders may own Maltese companies, subject to Maltese corporate law, AML/KYC and any activity-specific regulatory requirements. |
| **Minimum capital** | Minimum authorised share capital for a private company: **EUR 1,164.69**. At least 20% of the nominal value of each subscribed share must be paid on signing the memorandum. |
| **Legal framework** | Companies Act, Chapter 386; registration and statutory filings are administered by the Malta Business Registry. |
| **Corporate tax** | Standard Maltese company tax rate: **35%** on worldwide income and capital gains of Maltese companies. |
| **Tax refunds** | Under Malta's imputation system, following dividend distribution shareholders may be entitled to a refund of part or all of the company tax paid, subject to the applicable statutory rules. |
| **Optional 15% regime** | From year of assessment 2025, qualifying entities may elect for a **15% final tax without imputation**. The election is generally binding for at least five consecutive years and the tax is non-refundable. |
| **VAT** | Standard VAT rate: **18%**; reduced/zero rates apply to specifically defined supplies. |
| **Annual compliance** | Annual Return and annual BO confirmation are generally due within 42 days of the registration anniversary; annual accounts are also required. |

## Key Benefits for International Clients

- EU-incorporated limited liability company with established corporate infrastructure.
- Low statutory minimum share capital.
- Full-imputation system designed to prevent economic double taxation of distributed profits.
- Shareholder refund mechanism can materially reduce the effective Malta tax burden where statutory conditions are met.
- Participation exemption can exempt qualifying income/gains from a participating holding.
- Optional 15% final corporate tax regime provides an alternative to the traditional 35% plus shareholder-refund system.
- 18% standard VAT and access to the EU VAT framework.
- Suitable for trading, consulting, technology, e-commerce, holding, investment and other genuine international business.

## The Malta Tax Position

### Malta is not a simple 0% offshore company jurisdiction

A Maltese company is normally charged corporate tax at **35%**. Malta's international tax attraction comes from its full-imputation system, statutory shareholder refunds, participation exemption and, since 2025, an optional 15% final-tax regime. The correct effective tax result depends on the nature of the income, tax account, shareholder, distribution and the particular statutory conditions.

## Formation / Registration Requirements

| Topic | Current legal / practical position |
| --- | --- |
| **Memorandum & Articles** | Set out the company's private status, subscribers, registered office, objects, capital, directors and company secretary. |
| **Company objects** | The Companies Act requires the objects to be stated; they cannot simply be described as any lawful purpose or trade in general. |
| **Registered office** | A registered office in Malta is required. |
| **MBR / BO** | The MBR maintains the company register and central Register of Beneficial Owners; BO information must be filed and kept current. |

| Topic | Current legal / practical position |
|---|---|
| **Shareholder(s)** | Private company ownership is structured through subscribed shares. Single-member private companies are possible subject to Companies Act requirements. |
| **Director(s)** | The company must appoint directors and record them with the MBR. |
| **Company secretary** | A company secretary is required under Maltese company law. |
| **Share capital** | Minimum authorised capital EUR 1,164.69; at least 20% of each subscribed private-company share must be paid on signing the memorandum. |
| **Registered office** | Malta registered office required and recorded with the MBR. |

## Share Capital

Article 72 of the Companies Act sets the minimum authorised share capital of a private company at **EUR 1,164.69**. Where the authorised capital equals the statutory minimum, it must be fully subscribed in the memorandum. For a private company, at least **20%** of the nominal value of each share taken up must be paid on signing the memorandum.

### Capital is not the main Malta tax advantage

The commercial attraction of Malta is not a zero-capital or zero-tax model. It is the combination of an EU company, full imputation, shareholder refunds, participation exemption and the newer optional final-tax regime.

## Standard Corporate Tax & Imputation System

The Malta Tax and Customs Administration confirms that Maltese companies are subject to corporate tax at **35%** on worldwide income and capital gains. When profits taxed at the standard rate are distributed as dividends, shareholders may be entitled to a refund of part or all of the Malta tax paid by the company. The refund entitlement and amount depend on the statutory tax-refund rules and the nature/allocation of the profits.

## Why the Refund System Matters

The Malta structure is therefore different from a jurisdiction that simply charges a low headline corporate tax rate. The company first pays Malta tax under the standard system; a qualifying shareholder refund may arise following a distribution. BRIS Group should describe the resulting effective rate only after the relevant income category, refund fraction, tax account, shareholder eligibility and anti-abuse requirements have been professionally confirmed.

## Optional 15% Final Tax Without Imputation

The **Final Income Tax Without Imputation Regulations, 2025** introduced an alternative regime under which qualifying entities may elect to pay **15% final tax** on chargeable income instead of using the standard imputation/refund system. MTCA confirms that an election is binding for at least **five consecutive years of assessment**. Tax paid under this regime is final and non-refundable, and the rules contain exclusions and a minimum-tax comparison with the standard system after shareholder refunds.

## Participation Exemption

Article 12(1)(u) of the Income Tax Act provides an exemption for qualifying income or gains derived by a Malta-registered company from a **participating holding** or its transfer. Dividend exemption conditions include statutory safeguards concerning, among other matters, EU residence/incorporation, foreign tax or passive-income characteristics of the underlying entity. The precise participation conditions must be tested before relying on the exemption.

## VAT

The MTCA confirms a standard Malta VAT rate of **18%**. Maltese VAT law also provides reduced rates of **12%, 7% and 5%** and a **0%** rate/exemption with credit for specifically defined supplies. International services and EU transactions require separate place-of-supply and reporting analysis.

## Documents Required from the Client

- Passport / acceptable identification for shareholders, directors, company secretary where applicable and UBOs.
- Recent proof of residential address.
- For corporate shareholders: incorporation, constitutional, management and full ownership-chain documents.
- Proposed company name, Malta registered-office arrangement and detailed company objects/business activities.
- Proposed share capital, ownership percentages and management structure.
- Expected countries of operation, customers/suppliers, turnover and transaction profile.
- Source-of-funds and, where appropriate, source-of-wealth evidence.
- Additional documents required by the MBR, bank, tax adviser or regulated service provider.

## Formation Process & Documents Received

**1.** Structure/tax review **2.** KYC/AML approval **3.** Memorandum & Articles / capital preparation **4.** MBR incorporation & BO registration **5.** Tax/VAT and banking setup **6.** Accounting and annual compliance

**Typical corporate file:** Certificate of Registration; Memorandum and Articles of Association; MBR company information; shareholder/capital records; director and company-secretary information; registered-office details; BO documentation and tax/VAT records where applicable.

## Annual Return & Beneficial Ownership

The Malta Business Registry confirms that all companies must prepare an **Annual Return** on each registration anniversary and an annual beneficial-owner confirmation where applicable. These must be filed within **42 days** after the made-up date. The annual return carries a registration fee linked to authorised share capital; for capital not exceeding EUR 1,500 the current electronic fee is **EUR 85** (EUR 100 on paper).

## Annual Accounts & Audit

Private-company annual accounts must generally be approved within **10 months** from financial year-end and filed within the following **42 days**. The MBR states that annual accounts are filed online through BAROS. Accounts generally include the auditor's report, subject to statutory exemptions. A qualifying very small private company may be exempt from the auditor-report requirement if it does not exceed two of the current thresholds stated by the MBR: EUR 46,600 balance-sheet total, EUR 93,000 turnover and an average of 2 employees.

**2026 audit rules require annual review**

The 2026 corporate tax return includes additional wording addressing the new Audit Exemption Rules (S.L. 372.33). Audit/accounting status should therefore be checked for each company and financial year rather than assumed from historic practice.

## Annual Compliance Checklist

- Maintain Malta registered office and current MBR particulars.
- Maintain directors, company secretary, shareholders and UBO information.
- File Annual Return within 42 days of the registration anniversary.
- File annual BO confirmation where applicable.
- Maintain proper and sufficient accounting and tax records.
- Prepare, approve and file annual financial statements.
- Complete statutory audit unless a current exemption validly applies.
- File corporate income tax return and settle tax due.
- Consider standard imputation/refund system versus any valid 15% final-tax election.
- File VAT returns and EU VAT reports where applicable.
- Review shareholder refund entitlement before/after dividend distributions.
- Review participation-exemption eligibility for holding structures.
- Review transfer-pricing and related-party requirements.
- Maintain bank and AML/KYC records.

## Bank Account & Operational Setup

A Maltese company may apply for corporate banking in Malta, elsewhere in the EEA or internationally, subject to provider policy. Banks may request MBR documents, ownership and UBO information, source of funds/wealth, contracts, business plans, expected turnover, customer/supplier countries, tax information and evidence of genuine commercial activity.

## Why Malta Can Be Attractive

| Topic | Current legal / practical position |
|---|---|
| **EU jurisdiction** | Established EU company, VAT and legal environment. |
| **Tax refund system** | Shareholder refunds can materially reduce effective tax where statutory conditions are met. |
| **15% alternative** | Optional final tax without imputation offers a simpler alternative for qualifying entities. |
| **Participation exemption** | Qualifying participation income/gains may be exempt. |
| **Low capital** | Minimum authorised capital EUR 1,164.69. |
| **International use** | Suitable for genuine trading, services, technology, investment and holding operations. |

## How BRIS Group Supports You

**Structure & tax review** - Assess whether a Malta private company and the standard refund system, participation exemption or optional 15% regime fit the client's facts.

**Formation** - Coordinate Malta company incorporation and MBR filings.

**Registered office** - Coordinate Malta registered-office and company-secretarial services where available.

**KYC / UBO** - Coordinate shareholder, director, UBO and source-of-funds/wealth due diligence.

**Accounting & tax** - Coordinate bookkeeping, annual accounts, corporate tax, shareholder-refund and VAT support.

**Holding structures** - Coordinate professional review of participating-holding and participation-exemption conditions.

**Banking preparation** - Prepare the corporate/KYC package and coordinate introductions where available.

**Annual compliance** - Coordinate Annual Return, BO confirmation, accounts, audit/exemption review and ongoing corporate administration.

## Professional Fees & Quotations

### Tailored quotation

This brochure is an informational guide to Malta private limited company formation and maintenance and is not a fee quotation. BRIS Group professional fees, MBR charges, registered office, company secretary, accounting/tax, audit, shareholder-refund work, certified documents, banking support and other optional services are quoted separately according to the structure and required work.

## Important Legal Notes & Official Sources

This brochure is a general commercial guide and does not constitute Maltese or foreign legal, tax, accounting, regulatory or investment advice. **Malta should not be advertised as an automatic 0% company jurisdiction.** The standard company tax rate is 35%; the potentially lower effective burden arises through specific statutory mechanisms, principally shareholder refunds, participation exemption, or the optional 15% final-tax regime.

**Primary official/legal sources reviewed:** Malta Tax and Customs Administration (MTCA), including current Corporate Tax, 2026 company tax return, VAT and Final Income Tax Without Imputation guidance; Malta Business Registry (MBR), including current annual filing and beneficial-ownership information; and Malta legislation, including the Companies Act (Cap. 386), Income Tax Act (Cap. 123) and Income Tax Management Act (Cap. 372).

**Information reviewed: August 2026.** Refund fractions, tax-account allocation, participation exemption, audit exemptions, 15% election eligibility and cross-border tax treatment should be reconfirmed for the client's facts before incorporation or distribution.

**PREPARED BY BRIS GROUP**

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**Malta Private Limited Liability Company - Client Guide 2026**

Professional incorporation and corporate administration for international clients.