

U.S. Country Commercial Guides



Malta
2018

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Doing Business in Malta

Market Overview

- The Republic of Malta is a small, strategically-located island country 60 miles south of Sicily and 180 miles north of Libya, straddling some of the world's busiest shipping lanes. Malta is a politically stable parliamentary republic with a free press. Maltese and English are the country's official languages. Malta has a reputation for being safe, secure, and welcoming to American investors.
- Malta joined the European Union in 2004, the Schengen visa system in 2007, and the Eurozone in 2008.
- With a population of about 460,297, and a total area of only 122 square miles, it is the smallest country in the European Union. The basis of the Maltese economy consists primarily of services: shipping, banking and finance, and tourism. The country offers good business and financial services, telecommunications, flight connections, a highly skilled workforce, competitive labor costs, a sound legal system, and a low crime rate.
- Malta is a natural hub for companies seeking to do business in Southern Europe and North Africa. To date, more than 200 international companies have established operations in Malta.
- Commercial/trade relations with the Maltese government are excellent. The EU is Malta's major trading partner; in 2017, the EU accounted for more than half of Malta's imports (53.5 percent) and 31.6 percent of Malta's exports. Trade volume with the United States has been stable in recent years. U.S. exports to Malta in 2017 reached \$320.5 million. Maltese exports to the United States amounted to \$158.7 million. In 2017, the U.S. accounted for 4.25 percent of Malta's total trade, supplied 4.37 percent of Malta's total imports, and bought 4 percent of Malta's total exports.
- Malta traditionally underreports trade of U.S. goods, given that many products are sourced through European subsidiaries of U.S. companies. The Embassy estimates that one out of every 30 jobs in Malta is linked to a U.S. business, such as an American-based hotel chain or franchise.
- Key items Malta has imported from the U.S. include fuel and gas, aircraft engines, aircraft parts, machinery parts, parts for gas turbines, motor boats, yachts, navigation instruments, and cereals for the manufacture of bread. Malta exports to the U.S. include medicines or devices for therapeutic or prophylactic purposes, electronic integrated circuits, switches, automotive semiconductors, video-recording and reproducing equipment, airconditioning machines, and aircraft parts and toys.

Market Challenges

- Malta's location and size have deterred entry for some suppliers.
- Bilateral trade between Malta and the U.S. has been limited, in part, due to a lack of direct flights or major shipping connections. Though there is a direct shipping connection to Malta for containerized shipments, partial shipments must come through neighboring European ports. Local importers mitigate these difficulties by importing high-value, low-volume items and by acquiring goods from U.S. subsidiaries or associates in Europe and other nearby states.

- While Malta's growing economy outpaces most of its fellow EU member states, the country faces challenges associated with an overheating economy, such as labor shortages and infrastructural demands. The high cost of borrowing and small labor market remain potential constraints on future economic growth.
- Corruption has been at the forefront of Malta's politics and society for the last two years. Transparency International's Corruption Perception Index for 2016 (most recent survey) scored Malta at 55 on a scale of zero (corrupt) to 100 (transparent). A slow judiciary can draw out legal proceedings for years; Malta's struggle to close successful prosecutions makes Rule of Law a significant concern.

Market Opportunities

- Malta is one of the EU's fastest-growing economies, with strong tourism, financial services, online gaming and telecommunications industries. It has record-low unemployment and moderate wage growth. Malta's GDP in 2017 was \$13.5 billion – representing more than six percent growth over 2016 – with an estimated per capita GDP of \$42,239. The European Commission predicts economic growth for Malta at 5.4 percent in 2018 and 5 percent in 2019, and it sees Malta as outperforming most of the other EU member states through 2019. Domestic demand will become the main driver of growth, underpinned by an expansion in public and private consumption.
- Malta is working toward maximizing its potential as a center for international business in the Euro-Med region. A number of companies increasingly use Malta as a base for operations in North Africa—particularly those from Tunisia and Libya.
- Since 2014, the government has promoted public-private partnerships (PPPs) in the healthcare sector to establish Malta as a Mediterranean health hub for medical tourism and to expand capacity for the domestic market. The government is interested in pursuing new PPP opportunities.
- Major market sectors include: information communications technology (ICT), oil and gas, infrastructure, construction, information handling, pharmaceuticals, medical equipment, automotive components, light engineering, alternative and renewable energy, research & development, franchising, security, environmental waste technology, and agriculture technology including medical marijuana production.
- Services represent the largest and fastest-growing sector of the Maltese economy. Banking, investment, blockchain and cryptocurrency, insurance, communications, software development and online gaming, education, tourism, ship-repair/aircraft servicing, registration of ships and aircrafts, health care services, aviation, logistics, film industry, professional services, and back office operations are the largest service sub-sectors.
- Among agricultural products, the best U.S. potential export produce appears to be in grain, particularly red winter and soft wheat.

Market Entry Strategy

- Applying uniform EU standards and certificates makes it easier for U.S. firms with prior experience in Europe to expand their business interests to Malta.
- Most foreign suppliers choose to appoint an agent or distributor to market their products in Malta. Franchising, licensing, and joint venture agreements are also common. Several companies have elected to set up regional offices in Malta.
- Malta serves as a stepping stone to nearby markets for exporters, and as a test market to launch new products. Companies test the Maltese market to determine customer behavior and patterns on a small scale.
- It is advisable that U.S. companies partner with Maltese companies for public sector procurement to increase their chances of success.
- U.S. firms considering investing in Malta should review the relevant regulations with [Malta Enterprise](#), a quasi-government investment promotion agency.

Political Environment

Political Environment

Background information on Malta's political and economic environment is available from the U.S. Department of State at www.state.gov/r/pa/ei/bgn/5382.htm.

Selling US Products & Services

Using an Agent to Sell US Products and Services

The key to success in the Maltese market is having an experienced agent or joint venture partner in Malta with suitable experience and an extensive sales network. Providing after-sales support and spare parts to the consumer is also crucial.

As the government accounts for a sizeable share of major purchases, it is essential that local agents or joint venture partners have the knowledge and experience to participate in government tenders. For the next two years (2018-2020), Malta will benefit from funding under European Structural and Investments Funds, covering the European Regional Development Fund (ERDF), the European Social Fund (ESF), the Cohesion Fund (CF), the European Agricultural Fund for Rural Development (EAFRD), and the European Maritime and Fisheries Fund (EMFF). These funds provide up to €1.1 billion in support for major projects, such as infrastructural development.

Before making an agreement with prospective agents or joint venture partners, we advise U.S. firms to obtain background information and credit reports about prospective partners.

Companies wishing to use distribution, franchising, and agency arrangements must ensure that agreements they enter are consistent with EU and Member State national laws. [Council Directive 86/653/EEC](#) establishes minimum standards of protection for self-employed commercial agents selling or purchasing goods on behalf of their principals. The Directive establishes the rights and obligations of the principal and its agents, the agent's remuneration, and the conclusion and termination of an agency contract. It also establishes the required notice and indemnity or compensation paid to the agent in the event of a dispute. U.S. companies should not deviate from these requirements because European courts could invalidate any clause specifying the application of an alternate body of law in the event of a dispute.

The European Commission's Directorate General for Competition enforces legislation concerned with the effects of vertical agreements on competition in the internal market. U.S. small- and medium-sized companies (SMEs) generally are exempt from these regulations because their agreements are considered "agreements of minor importance," meaning they are incapable of impacting competition at the EU level. The EU also considers companies with fewer than 250 employees and annual revenue of less than €50 million as small- or medium-sized and generally exempts agreements affecting less than ten percent of a particular market ([Commission Notice 2014/C 291/01](#)).

[Directive 2011/7/EU](#) addresses late payments for commercial transactions within the EU. The directive gives a seller, who does not receive payment for goods and/or services within 30 days of the payment deadline, the right to collect interest (at a rate of eight percent above the European Central Bank rate) and €40 as compensation for recovery of costs. For business-to-business transactions, parties may negotiate a 60-day period subject to conditions. The seller also may retain the title to goods until the purchaser makes full payment and may claim full compensation for all recovery costs. Transactions with consumers, however, do not fall within the scope of the directive.

Companies' agents and distributors can take advantage of the European Ombudsman when they become victims of inefficient management by an EU institution or body. Businesses can lodge complaints with the [European Ombudsman](#) only if they have registered offices in the EU. The Ombudsman can act upon these complaints by investigating cases in which EU institutions fail to act in accordance with the law, fail to respect the principles of good administration, or violate fundamental rights. In addition, [SOLVIT](#), a network of national centers, offers online assistance to citizens and businesses who encounter problems with transactions within the borders of the single market.

Establishing an Office

To establish an office in Malta, businesses must obtain an operating license from the appropriate government department. The fee depends on the nature of the business and its location. The process of developing a premises for a commercial use requires a license from the Malta Planning Authority (www.pa.org.mt), while financial services companies need a license from the Malta Financial Services Authority (MFSA) (registry.mfsa.com.mt). Every business must also register with the VAT Department and the Inland Revenue Department. Malta is a tax-efficient jurisdiction for holding and trading companies and Formation expenses in Malta are relatively low.

Malta offers two types of companies for foreign investors: International Holding Companies (IHC) and International Trading Companies (ITC), both of which are permit businesses to take advantage of favorable tax treaties. An IHC company's activities are limited to foreign shareholders and other similar passive, income-generating activities. An advantageous tax regime applies to income generated from participating holdings by such entities. An ITC is an onshore Maltese company, whose trading activities are carried out from but not in Malta. An ITC may not hold foreign investments or equity.

Shareholders

Establishing an office requires a minimum of two shareholders, and shareholder details will appear on public filings. Shareholders may be corporate entities or individuals. To retain anonymity, Malta permits nominee shareholders.

Directors

Malta requires only one Director—either corporate or individual—whose details appear on public filings in Malta. To gain tax treaty benefits, a company must establish that it is tax resident in Malta. Therefore, the majority of the company's board of directors should be based in Malta.

Local Requirements

Every Maltese company must maintain a registered office in Malta and appoint a licensed Maltese nominee company as a company secretary or sole director.

Registration of Companies

A limited liability company is the most common form of business in Malta. To constitute a valid limited liability company in accordance with the [Maltese Companies Act](#), at least two persons must enter into a memorandum of association and the Registrar of Companies must then issue a certificate of registration confirming that association.

Memorandum and Articles of Association

The Memorandum of Association must specify the objectives for which the company is incorporated, including the following:

- Whether the company is a public or a private company;
- The name and residence of each of the subscribers thereto;
- The company name;
- The company's registered office address in Malta;
- The objects of the company;
- The number of shares (or amount of authorized) capital with which the company proposes to register, the division thereof into shares of a fixed amount, the number of shares taken up by each of the subscribers, the amount paid up in respect of each share, and where the share capital is divided into different classes of shares the rights attaching to the shares of each class;
- The number of the directors, the name and residence of the first directors, and where any of the directors is a corporate body the name and registered or principal office address of the corporate body, the manner in which the representation of the company is to be exercised, and the name of the first person or persons vested with such representation;

- The name and residence of the first company secretary or secretaries;
- The period, if any, fixed for the duration of the company;
- The number of an official identification for each shareholder, director, and company secretary;
- The total amount or an estimate of all the costs payable by the company or chargeable to it by reason of its formation up to the time it is authorized to commence business, and of all the costs relating to transactions leading to such authorization; and
- A description of any special advantage granted, prior to the time the company is authorized to commence business, to anyone who has taken part in the formation of the company or in transactions leading to such authorization.

The articles of association may accompany the memorandum of association to prescribe the internal regulations of the company.

A company can adopt the model articles of association found in the First Schedule to the Companies Act. If a company does not register articles of association, the law will presume that the company intended to adopt the model articles.

The person incorporating the company must deliver the memorandum and articles to the Registrar of Companies to register them. Prior to registration, the registrar confirms that the memorandum of articles complies with the requirements of law. A company comes into existence from the date of registration indicated in its Certificate of Registration.

Who May Incorporate

Subscribers may be individuals or corporate entities. A trustee, a duly authorized person in accordance with Maltese Law, may also hold the shares of a company.

Time Required for Incorporation

The length of time to incorporate a company depends on the type of company and whether all information and documentation is available and in order. Once the Registrar has all necessary documentation and information, the process may take as little as 2-3 working days.

Registered Office

Every company registered in Malta must also have a registered office in Malta. A law firm or other corporate services provider can establish a registered office on behalf of an individual. The company needs to inform the Registrar of Companies of any changes to the company's registered office.

Private Company Formation

A private company's memorandum or articles must:

- Restrict the right to transfer its shares;
- Limit the number of shareholders to fifty; and
- Prohibit any invitation to the public to subscribe for any shares or debentures of the company

Share Capital

A private company needs a minimum authorized share capital of €1,165. The authorized share capital must be subscribed by at least two persons, where the authorized share capital is equal to the minimum stipulated by law, and must be fully subscribed in the memorandum. Where it exceeds such a minimum, at least that minimum must be subscribed in the memorandum.

Private Exempt Companies

A private company may have the status of an exempt company and qualify for certain advantages if the following conditions are contained in its memorandum or articles of association:

- (a) The number of persons holding debentures of the company is not more than 50; and
- (b) No corporate body is the holder of or has any interest in any shares or debentures of the company; no corporate body is a director of the company; and neither the company nor any of the directors is party to

an arrangement whereby persons other than the directors, shareholders, or debenture holders thereof are capable of determining company policy.

Shareholders

The maximum number of shareholders for a private company is fifty. The minimum number of shareholders is normally two; however, the Companies Act allows registration of a single-member company. A single-member company is a private limited liability company, which qualifies as an exempt company and is incorporated with one member. The Memorandum of Association for a single-member company should indicate the main trading activity of the company.

Directors and Company Secretary

Every private company must have at least one director, and every company must have a company secretary. No company may have its sole director as its company secretary, unless the company is a private exempt company. A corporate body whose sole director is company secretary cannot be the sole director of the company.

It is the duty of the directors of a company to take all reasonable steps to ensure that the company secretary is an individual who appears to them to have the requisite knowledge and experience to discharge the functions of company secretary. The law does not require the company secretary to be resident in Malta.

Data Privacy and Protection

As of May 25, 2018, the General Data Protection Regulation (GDPR) applies in the EU. The GDPR is horizontal privacy legislation that applies across sectors and to companies of all sizes. It replaces the previous data protection Directive 1995/46. The overall objectives and underlying principles of the legislation remain the same: Businesses must inform consumers that they are collecting personal data and have a legal basis to process and retain the data.

However, there are significant differences in definitions of key terminology. The GDPR creates a number of new requirements for organizations that process EU individuals' personal data. Companies have an obligation to demonstrate their compliance, in part through a number of documentation obligations. Data subjects have a number of rights, including access, corrections, erasure of their personal data.

The GDPR has extra-territorial reach, which means that it might be applicable to U.S. entities even if they do not have physical presence in Europe. In that case, such organizations need to have a representative based in Europe, or in certain cases need to appoint a Data Protection Officer.

Fines in case of non-compliance can reach up to 4% of the annual worldwide revenue or 20 million euros – whichever is higher. Companies of all sizes and sectors should consider GDPR as part of their overall compliance effort with assistance of legal counsel.

The European Commission and Data Protection Authorities will release official guidelines to help companies with their compliance process (see resources below).

Note: the EU is currently updating its e-privacy legislation governing confidentiality of communications. This legislative instrument, once enacted, will add a number of requirements in addition to the GDPR. We encourage U.S. exporters to monitor this situation as it evolves through the EU legislative process.

For more information:

[Full GDPR text](#)

[Official Press Release](#)

European Commission guidance:

http://ec.europa.eu/justice/smedataprotect/index_en.htm

https://ec.europa.eu/commission/priorities/justice-and-fundamental-rights/data-protection/2018-reform-eu-data-protection-rules_en

Transferring Customer Data to Countries outside the EU

The General Data Protection Regulation (GDPR) provides for the free flow of personal data within the EU but also for its protection when it leaves the region's borders.

The GDPR (Chapter 5 - Article 44 onwards) sets out obligations on data controllers (those in charge of deciding what personal data is collected and how/why it is processed), on data processors (those who act on behalf of the controller) and gives rights to data subjects (the individuals to whom the data relates). These rules were designed to provide a high level of privacy protection for personal data, and were complemented by **measures to ensure the protection is maintained when data leaves the region**, whether it is transferred to controllers, processors or to third parties (e.g. subcontractors). EU legislators put restrictions on transfers of personal data outside of the EU, specifying that such data could only be exported if "adequate protection" is provided.

The European Commission (EC) is responsible for assessing whether a country outside the EU has a legal framework that provides sufficient protection for it to issue an "adequacy finding" to that country. The U.S. has not sought such a finding by the EC. This means that U.S. companies can only receive personal data from the EU if they:

- Join the EU-U.S. Privacy Shield program, or
- Provide appropriate safeguards (e.g. contractual clauses, binding corporate rules), or
- Refer to one of the GDPR's derogations.

The European Commission's webpage on transfers outside the EU and all mechanisms outlined below:

[Data Transfers Outside of EU](#)

Important note:

The legal environment for data transfers to the United States continues to evolve. Companies that transfer EU citizen data to the United States as part of a commercial transaction should consult with an attorney specializing in EU data privacy law to determine what options may be available for a particular transaction.

About the EU-U.S. Privacy Shield

The EU-U.S. Privacy Shield Framework was designed by the U.S. Department of Commerce and the European Commission to provide companies on both sides of the Atlantic with a mechanism to comply with data protection requirements when transferring personal data from the European Union to the United States in support of transatlantic commerce.

For more information on the [EU-U.S. Privacy Shield](#)

For more information about other mechanisms of transfer, please refer to:

[Transferring Personal Data from EU to U.S.](#)

Franchising

Maltese entrepreneurs often are interested in franchising. Despite the small market, major U.S. brands exist on the island. The Commercial Section at Embassy Valletta receives several requests annually for U.S. franchising opportunities from local entrepreneurs. International franchise operators in Malta include some of Malta's most experienced companies and investors, maximizing the probability of franchise success.

The European Franchise Federation [website](#) contains information regarding specific legislation relating to franchising. Foreign Exchange Control regulations govern the payments of the franchise and royalty fees.

Direct Marketing

Direct marketing has become more popular in Malta in recent years. Several mail and telephone ordering services now exist in Malta, and door-to-door selling exists on a limited scale but is not common.

The EU has not adopted legislation harmonizing the direct-selling of consumer products. However, there is a wide-range of EU legislation impacting the direct marketing sector. Compliance requirements are stiffest for marketing and sales to private consumers. Companies should provide clear and complete information to consumers prior to any purchase of goods and services and need to inform consumers of their approaches to collecting and using customer data. Companies should also comply with the new General Data Protection Regulation that came into effect in 2018.

For a brief overview of provisions flowing from EU-wide rules on distance-selling and on-line commerce, please consult the Direct Marketing section of the “Doing Business in the European Union: 2018 Country Commercial Guide for U.S. Companies,” available from the U.S. Mission to the EU.

Joint Ventures/Licensing

Maltese laws allow and encourage joint-venture and licensing arrangements with foreign companies. Private foreign investors are free to make equity arrangements as they wish, ranging from joint ventures to full equity ownership.

Selling to the Government

Malta occasionally borrows from Multilateral Development Banks, such as the European Investment Bank (EIB), to finance some public projects. However, it finances most public projects through local and EU funding and public-private partnerships.

Please refer to “Project Financing” Section in “Trade and Project Financing” for more information.

Government purchases of capital equipment and supplies play an important role in the country’s commercial environment. Malta is a member of the EU and adheres to the GATT Procurement Code. The Department of Contracts, which falls under the Ministry of Finance, publishes tenders for government purchases and ensures adherence to stated conditions. Normally, the Ministry that requests the goods/services in the tender has a final say in the award.

International obligations under the WTO Government Procurement Agreement (GPA) and EU-wide legislation under the EU Public Procurement Directives govern public procurement in Europe. U.S.-based companies may bid on public tenders covered by the GPA, while European subsidiaries of U.S. companies may bid on all public procurement contracts covered by the EU Directives in the European Union.

The EU directives on public procurement have recently been revised, and new legislation on concession has also been adopted. Member States were required to transpose the provisions of the new directives by April 16, 2016. The four relevant directives are:

- [Directive 2014/24/EU](#) (replacing Directive 2004/18/EC) on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts applies to the general sector;

- [Directive 2014/25/EU](#) (replacing Directive 2004/17/EC) coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors;
- [Directive 2009/81/EC](#) on defense and sensitive security procurement, setting Community rules for the procurement of arms, munitions and war material (plus related works and services) for defense purposes, and the procurement of sensitive supplies, works and services for non-military security purposes; and
- [Directive 2014/23/EU](#) on the award of concession contracts – agreements between a public authority and a private enterprise that give the right to the company to build infrastructure (e.g. highways) and operate businesses that would normally fall within the jurisdiction of the public authority.

Electronic versions of the procurement documentation must be available through an internet URL immediately on publication of the Official Journal of the European Union (OJEU) contract notice. Full electronic communication (with some exceptions) will become mandatory for public contracts from October 2018. Central purchasing bodies also must publish their contracts and tenders.

Electronic invoicing (e-invoicing) will be introduced in the third quarter of 2018 in accordance with [Directive 2014/55/EU](#), which makes receipt and processing of electronic invoices in public procurement obligatory. The European Committee for Standardization (CEN) will develop standards for e-invoicing.

Certain restrictions on U.S. suppliers in the EU utilities sector exist. Article 85 of Directive 2014/25 allows EU contracting authorities to either reject non-EU bids where the proportion of goods originating in non-EU countries exceeds 50 percent or give preference to the EU bid if prices are equivalent (meaning within a three percent margin). Moreover, the Directive gives EU contracting authorities the right to suspend or restrict the award of service contracts in third countries where such countries provide no reciprocal access.

There are also restrictions in the EU coverage of the GPA that apply specifically to U.S.-based companies. U.S. companies may not bid on works and services contracts procured by sub-central public contracting authorities in the following sectors:

- Water sector
- Airport services
- Urban transport and railways sectors
- Dredging services and procurement related to shipbuilding

Distribution & Sales Channels

Malta offers a full range of sales and distribution channels from wholesalers selling to traditional shops to more sophisticated methods, including large department stores.

Maltese importers still import most items, especially capital equipment and raw materials, through agents and distributors, although some large domestic manufacturing companies import these items directly.

Express Delivery

A number of express delivery options exist for American companies wishing to dispatch goods to Malta, including Fedex, UPS, DHL, TNT, which usually guarantee a second business day delivery to Europe from the U.S. Most logistics companies offer a range of options for international delivery at different price points to meet customers' needs, with logistical services that include dangerous goods shipping, worldwide shipping solutions, and customs clearance services.

Selling Factors & Techniques

The selling factors/techniques applicable to Malta are generally the same as those used in other Western European countries. The country's small size means the sales territory includes all of Malta. It has become

increasingly popular for agents of U.S. brands to also acquire the exclusive distribution license for other countries in the Mediterranean region, such as Libya.

eCommerce

Overview

One of the ten priorities of the European Commission (EC) is to create a Digital Single Market (DSM). The overall objective is to bring down barriers to unlock online opportunities in Europe, from e-commerce to e-government. By doing so, the EU hopes to do away with the current 28 fragmented markets and create one borderless market, with harmonized legislation and rules for the benefit of businesses and consumers alike throughout Europe.

The EC set out a high-level vision in its May 6, 2015 [DSM Strategy](#), which has been followed by a number of concrete legislative proposals and policy actions. They are broad reaching and include reforming e-commerce sector, VAT, copyright, audio-visual media services, consumer protection and telecommunications laws. The EC has finalized new legislation on portability of online content and geo-blocking. However, many DSM proposals are still going through the legislative process. DSM-related legislation will have a broad impact on U.S. companies doing business in Europe. In addition, new data protection legislation, the General Data Protection Regulation (GDPR) enters into force on 25 May 2018 (see separate section in this report).

The three main pillars of the DSM Strategy are:

Pillar I: Better access for consumers and businesses to digital goods and services across Europe.

- Provide better access across Europe to online goods and services for consumers and businesses.
- Remove key differences between the online and offline worlds to break down barriers to cross-border online activity.

Pillar II: Shaping the right environment for digital networks and services to flourish

- Achieve high-speed, secure and trustworthy infrastructures and content services.
- Set the right regulatory conditions for innovation, investment, fair competition and a level playing field.

Pillar III: Creating a European Digital Economy and society with growth potential

- Invest in technologies, such as cloud computing and Big Data, and in research and innovation to boost industrial competitiveness and skills.
- Increase interoperability and standardization.

Further information is available at ec.europa.eu/priorities/digital-single-market/index_en.htm.

[DSM Strategy](#)

The Electronic Commerce Directive (2000/31/EC) provides rules for online services in the EU. Online providers must respect consumer protection rules, such as indicating contact details on their website, clearly identifying advertising and protecting against spam. The Directive also grants exemptions to liability for intermediaries that transmit illegal content by third parties and for unknowingly hosting content.

Comprehensive market research on e-commerce in the EU is available upon request from the U.S. Mission to the EU.

Current Market Trends

More than three-quarters of Maltese individuals now use the Internet. E-commerce, whether business to consumer (B2C) or business to business (B2B), has evolved rapidly since 2006 when the government published the Electronic Commerce Act regulations, which require information service providers to furnish basic identifying information to customers. The regulations also established obligations ensuring appropriate levels of transparency with respect to online commercial communications. As a result, E-commerce in Malta experienced an exceptional boost over the past ten years, with consumers, businesses, and the government realizing the potential opportunities and advantages of E-commerce.

The government's E-commerce Digital Strategy, which covers a seven-year period from 2014-2020, ensures that businesses have the necessary means and skills to capitalize on opportunities brought about by E-commerce. The strategy set out four different pillars to achieve its objectives: engendering trust in E-commerce, transforming micro-enterprises, taking SMEs and industry to the next level, and making Malta a global E-commerce player.

Relevant Maltese legislation aims to be technology-neutral, compliant with EU legislation, harmonized with other Member States' regimes, attract business and investment, and foster competition in the market. Moreover, Malta's government leads the e-government initiative, increasingly making more government service accessible to Maltese citizens via electronic channels, including by means of an electronic ID available to every adult citizen. The government continues to promote E-commerce, digital services, and investment in ICT and blockchain technology.

Despite a marked uptick in E-commerce over the past decade, almost three quarters of brick and mortar operations are skeptical that their product or service is suitable for transactions over the Internet. In addition, local businesses demonstrate a lack of knowledge and low uptake of cloud services.

Domestic e-Commerce (B2C)

While Maltese customers still prefer shopping at brick-and-mortar locations, microenterprises, SMEs, and large businesses are realizing the potential benefits of digital technologies in expanding their base of customers and as an advertising platform. Businesses often use the Internet to engage with their customers, though they do not necessarily conclude the transactions online. The Malta Communication Authority has carried out studies that show a potential correlation in Malta between the size of a business and the use of digital tools, with SMEs and large enterprises embracing technology more aggressively than microenterprises.

The Malta Communications Authority study also shows that consumers use the Internet as the first resource to gather pre-purchase information, regardless of whether the consumer completes the purchase in-store or online. Of EU Member States, Malta performs second best for sales via electronic data interchange. However, only slightly less than a third of digital buyers purchase from domestic websites. The latter purchases related to event tickets, flights, and accommodation. In contrast, consumers of many EU countries make bulk online purchases within one's own country. Nonetheless, Internet and E-commerce uptake in Malta compares well with EU averages.

Cross-Border E-commerce

More than 60 percent of Internet users in 2017 claimed to have purchased goods or services online, with clothing and sporting goods, holiday accommodation and other travel arrangements the most commonly acquired cross border items and services.

E-Commerce Services

The Malta E-commerce Digital Strategy is a product of the country's desire to harness the digital industry to increase national prosperity. Malta's legal framework and economic policy support Information and Communication Technology (ICT) operations, and the country has invested heavily in state-of-the-art telecommunications infrastructure. There are a number of Internet Service Providers in Malta with a clear interest in off-shore E-commerce development.

E-Commerce Intellectual Property Rights

Maltese law provides civil remedies options to intellectual property rights holders. [The Enforcement of Intellectual Property Rights \(Regulation\) Act](#), which came into effect at the end of 2006, fully implements the provisions of Directive 2004/48/EC of the European Parliament and of the Council of April 29, 2004 on the enforcement of intellectual property rights (the Directive).

The relevant provision of the Act (Article 12) deals with damages with regard to the infringement of intellectual property rights as regulated by Maltese law. A court may order damages to an injured party. This provision is also one of the few instances under Maltese law where a court awarding damages may also consider moral prejudice suffered. To ensure that an injured IP rights holder has a sufficient remedy when its rights have been infringed, a court may also apply an alternative method for the calculation of damages, payable as it considers appropriate. The court may also employ other corrective measures, including recalling the product from circulation within all channels of commerce (whether online or physical) and destruction of seized items.

Online Payment

The following are the major payment gateways supported in Malta:

- 2Checkout
- Alipay Global
- Authorize.net
- BitPay
- Checkout.com
- Coinbase
- ComproPago (Efectivo)
- ePay / Payment Solutions
- GoCoin
- LAY-BUY Powered by PayPal
- Mondido Payments
- MultiSafepay
- NETbilling
- PAYMILL
- PayPal Express Checkout
- QuickPay
- Realex Payments (Offsite)
- WorldPay (Direct)
- WorldPay (Offsite)

Mobile E-Commerce

Businesses in Malta still exhibit a degree of resistance towards online business operations, despite the upward trends, both in the number of data-enabled mobile subscriptions, as well as online purchasing. Only slightly more than half of businesses with a website have a mobile-optimized site, while a mere 12 percent of digitally-enabled businesses sell through E-commerce channels.

Digital Marketing and Social Media

The local trading sector acknowledges the benefits and effectiveness of digital marketing both as a tool to become more competitive and as a means to broaden its market opportunities. Facebook occupies the top spot as the preferred platform of choice. Indeed, Eurostat data places Malta at the forefront in the use of social networks like Facebook and LinkedIn for branding and promotional purposes.

Major Buying Holidays

Christmas is the largest gift-giving holiday in Malta. Popular American holidays, such as Halloween, are also gaining momentum in Malta. Other celebrated holidays are Easter, Carnival, Valentine's Day, Mother's Day, and Father's Day.

Trade Promotion & Advertising

Product advertisement in Malta occurs via social media, daily newspapers, free door-to-door promotional magazines, billboards, and local television—all of which maintain their own advertising departments.

Malta has seven local TV stations and ten radio stations. Many foreign television broadcasts, including several American shows, are available through cable, digital, or satellite networks. More information is available directly from the local channels listed below.

TVM: tvm.com.mt

NetTV: www.nettv.com.mt/

One News: www.one.com.mt/

Four published daily newspapers are available in Malta: two Maltese-language dailies and two English-language dailies. In addition, five Sunday publications and another five papers publish on a weekly basis. The following have online news:

Times of Malta: www.timesofmalta.com

Malta Independent: www.independent.com.mt

L-Orizzont (Maltese language): www.l-orizzont.com

Malta Right Now (Maltese language): www.maltarightnow.com

L-Kullhadd (Maltese language): www.kullhadd.com

Maltatoday: www.maltatoday.com.mt

Malta Star: www.maltastar.com

Shift News: <http://theshiftnews.com/>

Lovin Malta: <https://lovinmalta.com/>

The Malta Fairs and Convention Centre (MFCC) holds several specialized trade fairs during the year. Visit www.mfcc.com.mt for more information.

For more information on EU trade promotion and advertising regulations, refer to "Doing Business in the European Union: 2018 Country Commercial Guide for U.S. Companies," available from the U.S. Mission to the EU.

Pricing

Maltese law does not regulate prices or profit margins for products or service. However, the Price Indication Regulations direct how retailers should display their prices. Sellers must ensure that prices displayed are accurate and must be easily identified and clearly legible. Furthermore, the price indicated must be the same as the price charged at the cash point. This also applies to special offers and sale items. The Price Indication Regulations also require that sellers display prices in Euros and include VAT and any other taxes or charges.

Exempted products include goods supplied for re-selling, goods sold at an auction, goods provided in the course of a service, and works of art and antiques. Service providers have no legal obligation to display a price list.

Firms should consider payment and credit terms when pricing a product. Orders for the Maltese internal market are usually very small by international standards.

Maltese importers generally expect a Cost, Insurance, and Freight (CIF) quotation; however, quotes on a Free on Board (FOB) basis are also acceptable. With the exception of food and pharmaceutical products, VAT is 18 percent on most products.

Sales Service/Customer Support

Conscious of the discrepancies among Member States in product labeling, language use, legal guarantee, and liability, the redress of which inevitably frustrates consumers in cross-border shopping, EU institutions have launched a number of initiatives aimed at harmonizing national legislation. Suppliers within and outside the EU should be aware of existing and upcoming legislation affecting sales, service, and customer support. For more information on EU customer support regulations, refer to “Doing Business in the European Union: 2018 Country Commercial Guide for U.S. Companies,” available from the U.S. Mission to the EU.

Protecting Intellectual Property

Malta has fully incorporated the EU and WTO rules regarding intellectual property into its national law.

The Industrial Property Registrations Directorate (IPRD) within the Commerce Department is the office responsible for the registration of trademarks, certification marks, collective marks and designs; patenting of inventions; issuing of supplementary protection certificates in respect of pharmaceutical products and plant protection products; and the recording of transfers, cancellations, amendments and renewals relating to the aforementioned IP rights in Malta. More information on intellectual property protections in Malta is available at commerce.gov.mt/en/Industrial_Property.

Patent and trademark in Malta are granted on a first-to-file basis. As such, you should consider how to obtain patent and trademark protection before introducing your products or services to the Maltese market.

The U.S. government cannot enforce a U.S. person’s or entity’s claim to intellectual property rights in Malta. Rather, the rights holder should register, protect, and enforce their rights, retaining their own counsel and advisors. A list of local lawyers is available at:

<https://mt.usembassy.gov/u-s-citizen-services/local-resources-of-u-s-citizens/attorneys/>

Companies should consider several general principles for effective management of their intellectual property in any foreign market. For background on these principles, please refer to the following webresources on [Protecting Intellectual Property](#) and [Stopfakes.gov](#).

IP Attaché Contact

Name: Susan F. Wilson

Address: U.S. Mission to the European Union

Unit 7600

Box 6100

United States

DPO AE 09710-6100

Telephone: +32 2-811-5308

E-mail: susan.wilson@trade.gov

Due Diligence

Product safety testing and certification is mandatory for the EU market. U.S. manufacturers and sellers of goods must perform due diligence in accordance with mandatory EU legislation prior to exporting.

Embassy Valletta provides basic background information on companies operating in Malta. American companies may also request information from the Malta Chamber of Commerce, Enterprise, and Industry at www.maltachamber.org.mt or from Amcham Malta at www.amcham-malta.org.

Full company reports are available from Creditinfo Malta, which is the local representative of Dun & Bradstreet at www.creditinfo.com.mt.

Local Professional Services

Following are links to some leading local professional organizations:

Malta Federation of Professional Associations: www.mfpa.org.mt/about

Malta Institute of Accountants: www.miamalta.org

Malta Society of Arts, Manufacture & Commerce: www.artsmalta.org/becomeamember.asp

Institute of Financial Services – Malta: www.ifsmalta.org

Chamber of Advocates – Malta: www.avukati.org/

Principal Business Associations

Following are links to some leading local professional organizations:

Malta Chamber of Commerce, Enterprise, and Industry: www.maltachamber.org.mt

Amcham Malta: www.amcham-malta.org

Limitations on Selling US Products and Services

Malta is an open economy country. The government does not approve or restrict any products or services, as long as they comply with EU and national regulations.

Web Resources

U.S. Embassy Valletta Commercial Section: malta.usembassy.gov/commercial.html

Government of Malta: www.gov.mt

Malta Chamber of Commerce, Enterprise, and Industry: www.maltachamber.org.mt

Malta Enterprise: www.maltaenterprise.com

Central Bank of Malta: www.centralbankmalta.com

Malta Financial Services Authority: www.mfsa.com.mt/pages/default.aspx

Finance Malta: www.financemalta.org

Additional EU web resources can be found in “Doing Business in the European Union: 2018 Country Commercial Guide for U.S. Companies,” available from the U.S. Mission to the EU.

Leading Sectors for US Exports & Investments

Energy

Overview

While the annual consumption of electricity in Malta is less than 2,500 GWh, with the increase in the tourist and domestic base, the demand for electrical generation will continue to rise. Malta has worked to diversify and modernize its electrical grid in recent years, transitioning from inefficient coal- and heavy oil-fueled domestic production to an approach using natural gas, oil for backup, and an electricity interconnector with Sicily. The nation switched on a new gas-fired power station in April 2017. The next step is a \$400 million Malta-Italy gas pipeline, which will replace the permanently moored gas tanker currently supplying the power plant; the government plans to make this operational by 2024. Stretching over a span of 159 km, the pipeline will connect Malta to the European Gas Network Grid. The two landing points will be in Delimara, Malta and Gela, Italy.

The share of renewables in gross final consumption of energy is one of the significant targets set for each Member State within the Europe 2020 strategy; Malta's share target is set at ten percent. Renewable energy consumption figures released by Eurostat in 2017 placed Malta next to last among EU countries. Energy from renewable sources amounted to only five percent of energy consumed in Malta.

Opportunities

Malta has not yet adopted renewable energy solutions beyond solar power, although it has studied several possibilities. Increases in energy costs worldwide have given new impetus to this work, since Malta imports nearly all of its energy. The government continues to explore additional possibilities for solar power generation and employing other alternative energy sources (see Waste section for related opportunities). U.S. suppliers of renewable solutions may therefore find opportunities in Malta.

Opportunities also exist for U.S. manufactures of green transportation because Malta's clean energy vehicle targets are 20 percent by 2025 and 50 percent by 2030. The Maltese Government has issued schemes aimed at encouraging ownership of electric vehicles, reducing the number of old motor vehicles on the road and thus reducing emissions.

Web Resources

Malta Resources Authority: www.mra.org.mt/

Enemalta Corporation: www.enemalta.com.mt/

Ministry for Energy and the Conservation of Water: www.mecw.gov.mt/

Agricultural Sector

Overview

Food security is of vital importance to Malta, and Malta's rural development program emphasizes restoring, preserving and enhancing ecosystems; achieving resource efficiency; and improving the competitiveness of the farm sectors.

Malta's accession to the European Union significantly reshaped the agricultural sector in the Maltese Islands. The government this year issued a comprehensive ten-year agriculture policy. The Agricultural Policy for the Maltese Islands 2018-2028 aims at providing a clear direction to all relevant stakeholders, ranging from public entities involved with certification, permitting and decision making to private entities directly involved in the agricultural scenario who intend to invest or diversify their business. Government entities, representatives of the private sector and the farming community identified a vision for the Maltese agriculture sector and agreed upon the following targets:

- Increasing the competitiveness of active farmers and livestock breeders by focusing on quality and encouraging diversification;
- Facilitating the entry of young farmers by creating a cost-effective agri-business sector;
- Fostering sustainability of farming activities by adapting to the local geo-climatic conditions;
- Ensuring that farmland is managed by genuine farmers for agricultural purposes and related activities.

Opportunities

The Maltese market is an opportunity for U.S. suppliers to sell any U.S. product already exported to the EU. The Maltese have a unique palate formed by the intersection of their Mediterranean location and British historical connection. Maltese supermarkets typically provide a wide range of products and brands from neighboring Italy. Some of the products most likely to succeed include tree nut snacks, beers, pet foods, and savory snacks of all kinds. The constraints that new entrants will face include strong competition from established brands, particularly British labels, and price competition.

Urban Agriculture

Opportunities are available to promote U.S. technology and know-how for maximizing agricultural output from minimal land space (e.g., urban agriculture, vertical farming and hydroponics).

Grains and Timber

Malta uses U.S. red winter wheat and soft wheat for the production of traditional Maltese bread. U.S. suppliers of wheat should continue to take advantage of this demand. The Kordin Grain Terminal is centrally located for handling, storage, and transshipment of all types of free-flowing grains, such as wheat, corn, and barley. It offers services including direct ship-to-ship transfer, recycling, fumigation, and temperature monitoring.

Malta is also a substantial importer of timber and timber products—most notably American Oak—for use by the local wood manufacturing industry. Increased importation of U.S. hard and softwoods by Italy should translate to market growth in Malta as well.

Crop Inventories

Opportunities exist for U.S. firms selling or licensing technologies or services used for tracking and maintaining agriculture products in the supply chain.

Web Resources

U.S. Embassy Valletta: malta.usembassy.gov/com-agricultural.html

U.S. Embassy Rome – Foreign Agricultural Service: italy.usembassy.gov/agtrade.html

Ministry for Agriculture: <https://agriculture.gov.mt/en/Pages/Index.aspx>

Information and Communications Technology (ICT)

Overview

Malta has made great strides in developing an information society. According to the 2018 Digital Economy and Society Index (DESI) published by the European Commission, Malta ranks 12th out of the 28 EU Member States. Malta is performing above the EU average in broadband connectivity and the use of internet services by citizens. Malta remains a European leader on the availability of fixed broadband (basic, fast and ultrafast), as the only Member State with full coverage of ultrafast networks. Malta also scores very well in the provision of digital public services. The key challenges are digital skills, especially the low number of STEM (science, technology and mathematics) graduates. The improvement of digital skills is also vital to enhance the integration of digital technologies in enterprises.

Under the Vertical Strategic Alliance (VSA) program, the government joined with leading global ICT players to promote far-reaching education and assistance to industry programs, entering into VSAs with Microsoft Corporation, HP, Oracle, IBM, SAP, and ESRI. According to Malta's Information Technology Authority, the estimated overall value of the investment made by these corporations exceeds \$125 million.

There are considerable ICT Investment projects set up in Malta. The single largest is the development of SmartCity Malta, a \$300 million project undertaken by TECOM Investments, a subsidiary of Dubai Holdings. By 2021, the project expects to generate 5,600 jobs and serve as a regional ICT service hub, transforming Malta into a global ICT leader.

Opportunities

Opportunities exist for U.S. suppliers of products and services in the e-business and e-commerce fields. The Maltese ICT sector needs assistance in the ever-growing software support and process management sectors. Opportunities also exist for ICT research, intelligence, and data-monitoring organizations that might be interested in setting up regional operation centers in Malta. The focus on the local ICT sector will also increase local demand for highly specialized staff. As a result, opportunities for U.S. companies in the ICT training and human resources fields abound.

Malta has a healthy and growing ICT and high tech industry that generally views expansion into the United States as the next step to growth and accessing the global market. This view provides opportunities for U.S. partners.

Web Resources

Malta Communications Authority: www.mca.org.mt

Ministry for the Economy, Investment and Small Business: meib.gov.mt

Malta Information Technology Agency: www.mita.gov.mt

Smart City Malta: malta.smartcity.ae

Aviation

Overview

Malta has witnessed growth in recent years from its expertise as a hub for maritime activity to similar specialization in the aviation industry, which has attracted internationally renowned entities to the island. In 2013, the government inaugurated the Safi Aviation Park, a \$20 million project to allow the aviation and aerospace industry to continue flourishing. As part of its economic development strategy, Malta supports diverse sectors in the aviation industry, including maintenance, repair, and overhaul (MRO) operations; back-office setups; R&D; and the production of aircraft parts. Malta offers an attractive aviation register that includes a solid regulatory framework, including that for Air Operator Certificates, coupled with a pro-business approach.

Malta provides favorable taxation rules for aviation income. Income from the ownership, leasing, or operation of an aircraft or aircraft engine used for or employed in the international transport of passengers or goods is deemed to be earned outside of Malta. This could lead to zero tax leakage in Malta when applied to individuals who are resident but not domiciled in Malta. The specific provisions also provide for accelerated depreciation—six years for aircraft airframe, engine, and overhaul, and four years for aircraft interiors and other parts – together with an exemption from the application of fringe benefit rules on income. Furthermore, anyone leasing an aircraft carried by Maltese companies (along with performing other aviation-related activities) would benefit from the standard corporate tax rate and refund structure available in Malta. Further benefits include taxes not withheld on the distribution of dividends or interest payments outside of Malta.

Leading Sub-Sectors

The government has incorporated its focus on the aviation industry as part of its national strategy to promote Malta as an aviation one-stop hub/cluster. Recently revamped rules and regulations have introduced a number of novel concepts that aim to enhance not only aircraft registration, but also other sectors within the industry. In particular, the country has embarked on an ambitious project to establish one of the largest aircraft registers in the world. As of mid-May 2017, Malta had 285 aircraft listed on its register, pursuant to the Aircraft Registration Act of 2010. This piece of legislation implements both the Cape Town Convention on International Interests in Mobile Equipment and the Aircraft Protocol.

The primary aim of the Act is to make Malta an attractive jurisdiction for both private and commercial aircraft registration within Europe, while also ensuring full adherence to the restrictions imposed by EU law on the registration and ownership of aircraft within the EU. Impacts of the Act include:

- Recognition of fractional ownership of aircraft – ensuring partial owners are listed as such, thereby protecting their rights;
- Registration of aircraft under construction as soon as it is uniquely identifiable; and
- Offering the best environment for aircraft leasing and financing.

Opportunities

Opportunities continue to exist for U.S. firms at all levels of aviation services and support, including MRO operations, aviation software, back-office support and training,

Web Resources

Transport Malta: www.transport.gov.mt/aviation/

Ministry for Transport and Infrastructure: www.mti.gov.mt/

Maritime

Overview

With the strategic location of the island just off of one of the world's busiest shipping lanes between Europe, North Africa, and the Middle East, Malta has established itself as a leading maritime center offering an array of services and facilities to the marine industry. In addition to taking advantage of Malta's natural facilities, such as the numerous protected harbors dotted around the island, the country has updated the quality and level of services to develop further the maritime industry.

The government has committed itself to reinforcing marinas and berthing facilities and to supporting industries that provide direct or indirect services, such as marine supplies and even hospitality facilities. Indeed, the government has undertaken significant investment to upgrade and develop marine facilities and infrastructure. These include the construction of the Malta Freeport, Malta Oil Tanking, Malta Super Yacht Services facilities, various yacht marinas, the upgrading of the Malta Dry Docks, and the development of a luxury cruise liner terminal, together with the overall regeneration of the port areas.

The Malta register remains a success. Since its launch in the early 1970s, the register has grown to be one of the largest marine registers in Europe and is in the top ten worldwide. As the register grew, the government invested in new infrastructure and facilities and qualified shipping agents and professionals offered their services within the well-regulated maritime legal framework. The incentives for using younger vessels and the seriousness with which the flag administration carries out Flag State Inspections has contributed greatly to Malta's continuing presence on the Paris MOU White List, which subsequently attracts blue chip shipping companies. This means that detention in ports for breach of international conventions is less likely for ships flying the Maltese flag.

The advantages of having a Maltese flag include:

- Exemption from Maltese income tax on the income that is derived from shipping activities of Maltese vessels of 1,000 net tons and over;
- Exemption from duty on documents on the sale or transfer of a Maltese vessel of 1,000 tons and over;
- Exemption from duty on documents on the allotment or transfer of shares in Maltese companies;
- Exemption from income tax, donation, and succession duty, in respect to Maltese vessels under 1,000 net tons subject to certain conditions;
- Reasonable incorporation and registration costs;
- No trading restrictions imposed on Maltese registered vessels; and
- No restrictions on the nationality of the master, officers, and crew, who serve on Maltese vessels.

Leading Sub-Sectors

The Mediterranean maritime economy is enjoying an upward trend, with healthy prospects for the future. The ocean-based economy encompasses marine-related industries, natural assets and marine ecosystem services. All the traditional sectors of the Mediterranean maritime economy have an upward trend and should continue to increase up to 2030. These areas include alternative energy, aquaculture, marine biotechnology, and maritime transport.

Opportunities

Malta offers significant potential in the broad shipping sector that resides on the island, including opportunities for direct marketing of U.S. shipping-related goods and services to the shipping companies that reside here.

Ship Registration

Transport Malta regulates the registration of a ship under the Maltese flag and accepts vessels owned by Maltese and non-Maltese nationals, including vessels under construction. Initially, Malta registers vessels on a provisional basis valid for six months, pending the completion of the necessary formalities to attain permanent registration. The authority releases a permanent registration certificate following the submission of documents that include a builder's certificate, international tonnage certificate (where applicable), proof of title, and a survey report. All registered vessels must obtain a Radio Ship Station license. It is also possible to register vessels in Malta under bareboat charter¹, subject to certain documentary evidence, including a declaration of bareboat charter supported by the charter agreement, an extract of the underlying registration, and a copy of the ship's certificate of international tonnage. Fiscal tax advantages are available to qualifying shipping activities, including the ownership, operation, administration, and management of ships.

Yacht Registration

Yacht registration under the Maltese flag is available to Maltese and EU nationals, companies incorporated in Malta or in the EU, and non-EU entities. A Maltese registered company is the ideal structure for yacht registration in Malta. When the yacht owner is not a resident of Malta, it is necessary to appoint a resident agent. There are no restrictions on the nationality of the master, crew, and officers.

Maltese VAT legislation contains rules that provide an opportunity for a reduction on the VAT impact when vessels are under lease arrangements. These opportunities are only available when a Maltese-registered company owns the yacht and the lease agreement is for a period not exceeding three years. The benefit arises from a reduced rate of VAT payable in Malta on the acquisition of the yacht by the Maltese company and depends on the type of vessel and its deemed use in the EU. The effective rate of Maltese VAT varies from 5.4 percent to 16.2 percent, resulting in VAT savings from 1.8 percent to 12.6 percent. The lease agreement must provide a purchase option at the end of the lease, and the agreement requires the approval of the VAT office in Malta.

Commercial Yacht Registration

The registration of a commercial yacht in Malta produces a number of benefits, including tax benefits and VAT exemptions. Registration requires the submission of a number of documents, including a detailed survey specific to this kind of registration. In this instance, the authority issues a provisional license, which it finalizes upon the presentation of the required documents.

The exemptions offered under Maltese fiscal law include an exemption from VAT on the importation or supply of vessels used for navigation on the high seas, the transport of passengers under commercial activities, and the supply of services consisting of the hiring, leasing, chartering, modification, or maintenance of vessels. The Maltese tax-refund system is of particular relevance to Maltese-registered companies established by non-residents for the operation of commercial yachts.

Servicing of Oil Rigs

¹ A bareboat charter is an arrangement for the hiring of a boat or ship without crew or other administrative assistance. Maltese law allows two scenarios of this type of Malta vessel registration: the bareboat charter registration of foreign ships under the Malta flag and the bareboat charter registration of Malta ships under a foreign flag.

The Maltese government has shown interest in supporting oil rig maintenance. In 2013, the government issued a call for an international expression of interest to convert a redundant shipbuilding facility into an international maritime hub and chose the oil and gas industry for use of the site. The government's vision is that the servicing of oil rigs would attract not only rigs operating in the Mediterranean, but also those in the Atlantic Ocean and West Africa. There is the potential to host training and create an oil-pollution response center, a first of its sort in the Mediterranean, catering to the whole region. Opportunities exist for U.S. suppliers of products and services operating in these sectors.

Technology and Know-How to Combat Beach Erosion

Climate change and rising sea levels have keenly affected Malta. The government is open to proposals to restore natural sandy beach and water levels to protect and preserve the sandy beaches that attract more than two million tourists to the country each year.

Web Resources

Transport Malta: www.transport.gov.mt

Ministry for Transport and Infrastructure: www.mti.gov.mt/

Financial Services

Overview

The Maltese financial services sector is the fastest growing sector of the economy. Financial services account for 12 percent of Malta's GDP and are worth more than €1 billion to the Maltese Islands in direct and indirect revenue. Malta has gained international recognition as a world-class center that has attracted blue chip banks, fund managers, investment houses, and professional practices from the United States, United Kingdom, Germany, Austria, and Switzerland, among others. Malta hosts more than 725 investment funds that have a combined net asset value of almost \$12.2 billion as of December 2016. While Malta has a reputation as a jurisdiction for smaller financial services companies and start-ups, the fund sector is maturing and attracting sophisticated asset management activities. The sector employs more than 10,000 people.

According to the 2017-2018 Global Competitiveness Report drawn up by the World Economic Forum, Malta is one of the top 20 financial services jurisdictions. The report ranked Malta in the top tier of 138 nations on soundness of its banking institutions (17) and the regulation of securities exchanges (28).

Malta has developed a comprehensive package of laws that regulate the provision of financial services and provides a favorable legal and regulatory framework for the provision of such services. This shows the government's commitment to sustained development in the sector. The MFSA enforces the legislation within this sector, which adheres to EU standards and codes, as well as those of most other international frameworks. The Companies Act provides for the establishment of investment companies with variable share capital and companies with share capital denominated in a foreign currency. The law allows for nominee shareholding both for local and foreign companies. The Investment Services Act regulates the entire range of investment business in Malta.

Malta is embracing Blockchain technology, including cryptocurrency and other fintech solutions. In July 2018, the Maltese Parliament passed three bills into law - the Malta Digital Innovation Authority Act (MDIA Act), the Innovative Technology Arrangements and Services Act (ITAS Act) and the Virtual Financial Assets Act (VFAA). Malta's new regulations offer detailed and comprehensive details on the treatment of cryptocurrencies, the launch of initial coin offerings and subsequent treatment of assets offered to investors as well Blockchain/DLT service providers and services that they offer, including the setting up of cryptocurrency exchanges.

Opportunities

Opportunities exist in Blockchain technology, trade finance, group marketing of regional business activities (typical representative office), regional private banking business activities, trust business, investment banking and advice, venture capital banking, captive insurance, fund management and custody service, private pension funds, and all types of outsourcing and coordination services, such as accounting and administration, insurance management, fund administration, and electronic payments systems.

Web Resources

Malta Financial Services Authority: www.mfsa.com.mt/mfsa/default.asp

Finance Malta: www.financemalta.org

Medical Equipment/ Healthcare/ Pharmaceutical

Overview

Over the past several years, the healthcare industry has emerged as one of Malta's fastest growing sectors. Healthcare is an important priority for Malta. In 2014, the government began promoting public-private partnerships in the healthcare sector to establish Malta as a Mediterranean hub for

medical tourism and to manage part of its public health care system. The government allocates a substantial portion of its budget to health, including investments in healthcare infrastructure.

The Maltese healthcare manufacturing sector currently focuses on the production of pharmaceuticals, pharmaceutical ingredients, and medical devices; this industry represents an important part of the country's industrial sector, generating significant economic activity and employment. More than 30 established international brand names operate in Malta, including several American companies. Companies must meet EU requirements for manufacturing practices and most also receive U.S. Food and Drug Administration accreditation.

Over the years, Malta has become an important jurisdiction for the establishment of pharmaceutical companies and the filing of patent applications. Several leading pharmaceutical companies have relocated to Malta because they have identified a vast array of opportunities. The Maltese pharmaceutical industry has been and continues to be a thriving sector.

Leading Sub-Sectors

Pharmaceutical firms setting up in Malta benefit from the Maltese legal framework, which allows for the development of generic drugs in advance of patent expiry. Malta is one of the few EU member states that fully recognizes the research exemption of the Patent Cooperation Treaty and European Patent Convention, by which generic companies can undertake development but not commercialization of drugs prior to patent expiry. Therefore, under the Maltese Patent and Designs Act, a generic pharmaceutical company in Malta may manufacture a drug, complete all the mandatory testing requirements to obtain the necessary approvals, and, upon expiration of the competitor's patent, release their product onto the market without undue delay. Maltese laws incorporate all obligations arising from the Convention, ensuring that property rights registered in Malta automatically extend to the territories of all other signatories.

Opportunities

The Government of Malta is investing heavily to develop the life sciences sector in support of the larger healthcare industry. The Life Sciences Park, a project supported by the government, aims to enable the creation of a research, development, and innovation cluster on the islands. To launch this project, which is managed by Malta Enterprise in collaboration with the University of Malta and Mater Dei (the national hospital), the government invested around \$47 million. It continues to support the project by fiscal and financial incentives and training aids to attract companies that are active within the industry.

The life sciences sector expects to build on anticipated synergies with other sectors, such as information and communications technology (ICT) and health research. There are also incentives for feasibility studies, as well as collaborative research projects under EU programs, including Eureka, Horizon 2020, and Eurostars.

A number of large public health sector projects are also in the pipeline. Opportunities exist for equipment manufacturers, pharmaceutical companies, medical service providers, and health care infrastructure developers.

Web Resources

Life Sciences Park: www.lifesciencespark.com

Medicines Authority: www.medicinesauthority.gov.mt

Waste

Overview

The Maltese Government published a 2014-2020 Waste Management Plan with the aim to address the need for better waste management in Malta. Under Malta's plan, it must meet a series of targets to reduce the generation of waste and to increase source separation to promote recycling and reduce landfilling. Malta is obliged to reach the various European Union set targets, and its single waste site has reached its capacity. Under the new EU rules known as circular economy, by 2025, Malta should recycle at least 55 percent of municipal waste from households and businesses. The target for recycling will then rise to 60 percent by 2030 and 65 percent by 2035. It should recycle 65 percent of packaging materials by 2025, and 70 percent by 2030. Separate targets are set for specific packaging materials, such as paper and cardboard, plastics, glass, metal and wood.

Malta's high population density, limited land space, and lack of economies of scale challenge its ability to achieve the required positive results. Malta is currently one of the highest waste generators in the EU, and the country's current waste strategy requires a radical overhaul. The government announced plans in 2018 to build a new \$185 million waste to energy plant utilizing moving grate combustion. To date, the government has not issued a Request for Proposal for a public-private partnership for this plant, but it expects to do so in the coming months. The new plant has a set target of 2023 for completion and should handle 114,000 tons of waste per year (or 40 percent of the waste generated in Malta), with the rest of the waste to be recovered and recycled. The government confirmed its commitment to create different waste streams, such as a bottle return scheme, and impose requirements for recycling at the source for commercial, industrial, and domestic waste, for the remaining 60 percent.

Opportunities

Opportunities exist in Waste to Energy turn-key service; waste disposal equipment; and waste systems improvements; recycling systems, products and services; and landfill cleanups and renewals.

Web Resources

Wasteserv: <https://www.wasteservmalta.com>

Ministry for Sustainable Development, Environment and Climate Change: <https://msdec.gov.mt/>

Customs, Regulations & Standards

Trade Barriers

Most imports into Malta do not require an import license. However, in accordance with EU regulations, U.S. exporters may encounter the need for one or more of the following:

- **Common Agricultural Policy (CAP) Licenses:** Imported foodstuffs, whether as raw materials or processed goods require CAP license. The Ministry for Sustainable Development, the Environment, and Climate Change processes and controls these licenses. CAP products of animal or derived from plants may require CITES clearance or Port Health Authority clearance.
- **Trade Services Division (DTI) Licenses:** Importation for any type of product could necessitate the need for a DTI license; normally importers of firearms and nuclear materials require such licenses. The Trade Services Division of the Ministry for the Economy, Investment, and Small Business issues import licenses for quotas.
- **Certificates of Veterinary Clearance (CVC):** Goods such as meat, poultry, milk, eggs, sausage skins, and fishery products must pass veterinary health checks at a Border Inspection Post (BIP) upon arrival in Malta. A CVC issued by the BIP is normally required to obtain Customs clearance. Rabies-susceptible animals require a national import license. A plant health certificate and/or import license needs to accompany all plants intended for growing, as well as a range of fruits, vegetables, and other plant products. Endangered species and their products need specific permits or other documentation to be legally imported.
- **European Union License:** The EU prohibits the importation of products that contain certain ozone-depleting substances (ODS); in certain cases, the EU may issue an import license.

For information on existing trade barriers, please see the National Trade Estimate Report on Foreign Trade Barriers, published by USTR and available at:

<https://ustr.gov/sites/default/files/files/reports/2017/NTE/2017%20NTE.pdf>

Information on agricultural trade barriers can be found at: www.usda-eu.org.

To report existing or new trade barriers and gain assistance in removing them, contact either the Trade Compliance Center at <http://tcc.export.gov/> or Embassy Valletta at malta.usembassy.gov/business.html.

Additional information is available from the following sources:

- Malta Ministry for Sustainable Development, the Environment and Climate Change: msdec.gov.mt
- Malta Ministry of Economy, Investment, and Small Business: economy.gov.mt
- Business First: www.businessfirst.com.mt/en
- U.S. Department of Commerce: www.commerce.gov.mt

For more information and help with trade barriers please contact:

International Trade Administration

Enforcement and Compliance

(202) 482-0063

ECCcommunications@trade.gov

<http://trade.gov/enforcement/>

Import Tariff

As a full EU member, Malta imposes customs tariffs on imports from non-EU countries.

The [Import Duties Act](#) lists the rates of duties. The importer also must pay Value Added Tax (VAT), which is up to 18 percent.

For additional information, please consult the [Value Added Tax Act](#) and the VAT Department at: https://cfr.gov.mt/en/vat/general_information/Pages/default.aspx.

When products enter the EU, importers should declare them to customs according to their classification in the Combined Nomenclature (CN), which is updated and published every year. The latest version can be found on the [European Commission's website](#).

U.S. currently exports to the European Union enjoy an average tariff of just three percent. To determine the tariff and any license requirements, U.S. exporters should consult The Integrated Tariff of the Community, known as TARIC (Tarif Intégré de la Communauté), which is updated daily and will help identify the various rules which apply to specific products being imported into the customs territory of the EU. The TARIC can be searched by country of origin, Harmonized System (HS) Code, and product description on the interactive website of the Directorate-General for Taxation and the Customs Union.

Detailed information on customs duties is available [here](#).

Key Link: [TARIC](#)

Import Requirements & Documentation

U.S. companies considering exporting to Malta should consult the European Commission's [helpdesk](#) for information on import restrictions.

Import Documentation

The Single Administrative Document

The Single Administrative Document (SAD) is the official model for written declarations in the EU. The SAD describes goods and their movement around the world and is essential for trade outside the EU or trade of non-EU goods. Goods brought into the EU customs territory are, from the time of their entry, subject to customs supervision until customs formalities are completed. Goods are covered by a Summary Declaration, which is filed once the items have been presented to customs officials. The customs authorities may, however, allow a period for filing the Declaration that cannot be extended beyond the first working day following the day on which the goods are presented to customs.

The Summary Declaration is filed by:

- the person who brought the goods into the customs territory of the Community or by any person who assumes responsibility for carriage of the goods following such entry; or
- the person in whose name the person referred to above acted.

The Summary Declaration can be made on a form provided by the customs authorities. However, customs authorities may also allow the use of any commercial or official document that contains the specific information required to identify the goods. The SAD serves as the EU importer's declaration. It encompasses both customs duties and VAT and is valid in all EU Member States. Whoever clears the goods, normally the importer of record or his or her agent, submits the declaration.

Council Regulation (EEC) No. 2454/93 contains information on import and export forms and provides for the implementation of the Community Customs Code (Articles 205 through 221). Articles 222 through 224 provide for computerized customs declarations, and Articles 225 through 229 provide for oral declarations.

More information on the SAD and the EU Customs Code can be found at:

[Single Administration Document](#)

[EU Customs Code](#)

Economic Operator Registration and Identification (EORI)

All companies established outside of the EU are required to have an EORI number if they wish to lodge a customs declaration or an Entry/Exit Summary declaration and should use this number for their customs clearances. A company should formally request an EORI number from the customs authorities of the specific member state to which the company first exports. Member state customs authorities may request additional documents. Once a company has received an EORI number, it can use it for exports to any of the 28 EU Member States. Once an operator holds an EORI number he or she can request the Authorized Economic Operator (AEO: see below under “MRA”) status, which can give quicker access to certain simplified customs procedures.

More information about the EORI number can be found at [Economic Operator Identification and Registration](#)

The U.S. and the EU have a Customs Cooperation and Mutual Assistance in Customs Matters Agreement (CMAA). For additional information, please see [Agreements with the United States](#)

In 2012 the United States and the EU signed a Decision recognizing the compatibility of AEO (Authorized Economic Operator) and C-TPAT (Customs-Trade Partnership Against Terrorism), thereby facilitating faster and more secure trade between U.S. and EU operators. The World Customs Organization (WCO) SAFE Framework of Standards provides the global standard for AEO. AEO certification is issued by a national customs authority and is recognized by all Member States’ customs agencies. As of April 17, 2017, an AEO can consist of two different types of authorization: “customs simplification” or “security and safety.” The former allows for an AEO to benefit from simplification related to customs legislation, while the latter allows for facilitation through security and safety procedures. Shipping to a trader with AEO status could facilitate an exporter’s trade as its benefits include expedited processing of shipments, reduced theft/losses, reduced data requirements, lower inspection costs, and enhanced loyalty and recognition. Under the revised Union Customs Code, for an operator to make use of certain customs simplifications, an AEO is mandatory.

The United States and the EU recognize each other’s security certified operators and will take the respective membership status of certified trusted traders favorably into account to the extent possible. The favorable treatment will result in lower costs, simplified procedures and greater predictability for transatlantic business activities. It officially recognizes the compatibility of AEO and C-TPAT programs, thereby facilitating faster and more secure trade between U.S. and EU operators.

For more information on key EU initiatives and priorities that ensure that products marketed in the region are safe for the environment and human health (including the Circular Economy and Plastics Strategy, EU Battery Directive, Registration, Evaluation and Authorization and Restriction of Chemicals (REACH), Waste Electrical and Electronic Equipment (WEEE) Directive, Cosmetic Regulations and related Agriculture and Fisheries documentation), please refer to “Doing Business in the European Union: 2018 Country Commercial Guide for U.S. Companies,” available from the U.S. Mission to the EU.

Labeling/Marking Requirements

Labeling requirements in Malta conform to EU regulations. The Malta Competition and Consumer Affairs Authority (MCCAA) is responsible for the national regulations that incorporate labeling requirements for several different sectors. More information is available on the MCCAA website at www.mccaa.org.mt.

For the following types of products, the information on the label must be in Maltese and/or English: chemicals, cosmetics, food, detergents, and biocides. Other languages may also be used as long as one of Malta’s official

languages is present on the label. For food products and detergents, Italian is also accepted. Different types of biocides may have a compulsory or optional requirement to label products in both English and Maltese. Plant protection product labels should feature both Maltese and English.

Label content requirements vary by product. For example, on the label of a cosmetic product it is mandatory to include the net weight (g/mL), country of origin (if imported from outside the EU), warnings/precautions, function, and best-before date. Other products have different mandatory requirements.

All labels require metric units, although dual labeling is also acceptable. The use of language on labels has been the subject of a Commission Communication that encourages multilingual information, while preserving the right of Member States to require the use of the language of the country of consumption.

For more information on EU labeling and marketing requirements, refer to "Doing Business in the European Union: 2018 Country Commercial Guide for U.S. Companies," available from the U.S. Mission to the EU.

U.S. Export Controls

The U.S. Department of Commerce's Bureau of Industry and Security (BIS, www.bis.doc.gov) is responsible for implementing and enforcing the Export Administration Regulations (EAR), which regulate the export and re-export of some commercial items, including "production" and "development" technology.

The items that BIS regulates are often referred to as "dual use" since they have both commercial and military applications.

Further information on export controls is available at: www.bis.doc.gov/licensing/exportingbasics.htm.

BIS has developed a list of "red flags," or warning signs, intended to discover possible violations of the EAR. These are posted at: www.bis.doc.gov/enforcement/redflags.htm.

Also, BIS has "Know Your Customer" guidance at: www.bis.doc.gov/Enforcement/knowcust.htm.

Report any suspected violation to the Department of Commerce by calling the 24-hour hotline at +1(800) 424-2980, or via the confidential lead page at: www.bis.doc.gov/forms/eeleadsntips.html.

The EAR does not control all goods, services, and technologies. Other U.S. government agencies regulate exports that are more specialized. For example, the U.S. Department of State has authority over defense articles and services. A list of other agencies involved in export control can be found at www.bis.doc.gov.

Also see export.gov/ecr/index.asp.

BIS provides a variety of training sessions to U.S. exporters throughout the year. These sessions range from one to two-day seminars and focus on the basics of exporting as well as more advanced topics. A list of upcoming seminars can be found at www.bis.doc.gov/seminarsandtraining/index.htm.

For further details about the Bureau of Industry and Security and its programs, please visit the [BIS website](http://www.bis.doc.gov).

Temporary Entry

The Temporary Importation (TI) procedure allows duty-free temporary importation of goods or materials into Malta. To receive the fee exemption, goods must not be processed or repaired in Malta outside of routine maintenance necessary to preserve goods in the condition in which they were imported.

Products typically imported under TI relief include goods to display in an exhibition, goods imported for testing, and samples. In most cases, the owner must re-export the goods within the prescribed time limit.

For most temporary importations, a security deposit (cash or bank guarantee) equal to the full amount of customs duty and VAT is required. Businesses can reclaim the deposit when they re-export the goods.

One may apply for TI authorization at the time of entry or prior to shipment. Certain temporary importations can also make use of an ATA Carnet. An ATA Carnet is a book of vouchers that replaces the normal customs

documentation at the time of importation. The ATA Carnet system is operated worldwide; security to cover potential import and VAT duties is deposited with the country of issue. More specific information on the ATA Carnet Customs procedures can be found here: <https://www.export.gov/article?id=ATA-Carnet>

Prohibited & Restricted Imports

All prohibited or restricted imports in Malta require an import license – see section entitled Trade Barriers. The list of items which would normally require an import license is contained in the following National regulation:

Subsidiary Legislation 117.14, Importation Control Regulations:

<http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=9290&l=1>

The TARIC also enumerates various rules that apply to specific products imported into the EU customs territory. To determine if a product is prohibited or subject to restriction, check the TARIC for that product for the following codes:

CITES	Convention on International Trade of Endangered Species
PROHI	Import Suspension
RSTR	Import Restriction

For information on how to access the TARIC, see the Import Requirements and Documentation Section above.

Key Link:

https://ec.europa.eu/taxation_customs/business/calculation-customs-duties/what-is-common-customs-tariff/taric_en

Customs Regulations

Department of Customs
Custom House, Valletta CMR 02, Malta
Tel: (356) 25685(+ext) 25685119, 25685172 or 25658185
Fax: (356) 25685300
E-Mail: malta.customs@gov.mt

Website: <https://customs.gov.mt>

The Union Customs Code (UCC) and its substantive provisions apply from May 1, 2016. The European Commission has also published Delegated Regulation (EU) 2015/2446, Delegated Regulation (EU) 2016/341, and the Implementing Regulation (EU) 2015/2447.

There are a number of changes in the revised customs policy that also require an integrated IT system from the customs authorities. In April 2016, the European Commission published an implementing decision (number: 2016/578) on the work program relating to the development and deployment of the electronic systems of the UCC. The EC continues to evaluate the timeline by which the EU-wide integration of the customs IT system can be implemented. The current deadline of December 2020 may be extended until 2025 ([draft proposal](#)).

Additional information is available from the EU Customs and Taxation Union Directorate (TAXUD) at: https://ec.europa.eu/taxation_customs/business/calculation-customs-duties/what-is-common-customs-tariff/taric_en.

Customs Valuation – Most customs duties and value added tax (VAT) are expressed as a percentage of the value of goods being declared for importation.

Given the magnitude of EU imports every year, it is important that the value of such commerce is accurately measured for the purposes of:

- economic and commercial policy analysis,
- application of commercial policy measures,
- proper collection of import duties and taxes, and
- import and export statistics.

Malta and the EU apply an internationally accepted concept of [customs value](#).

Additional information is available at: https://ec.europa.eu/taxation_customs/business/customs-procedures_en.

Standards for Trade

Overview

Manufacturers who test and certify products in the United States usually must retest and re-certify them in the EU due to the EU's different approach to health, safety, and the environment. While harmonization of EU legislation can facilitate access to the EU Single Market, standards could also function as barriers to trade if U.S. standards are different from those of the EU.

Standards

EU standards setting is a process based on consensus that is initiated by industry or mandated by the European Commission and carried out by independent standards bodies, acting at the national, European or international level. Experts in Technical Committees or Working Groups create standards. Non-governmental organizations, such as environmental and consumer groups, actively participate in European standardization.

Many standards in the EU are adopted from international standards bodies, such as the International Standards Organization (ISO). Three European standards organizations draft EU standards:

1. European Committee for Standardization (CEN) (www.cen.eu/cen/pages/default.aspx)
2. European Committee for Electrotechnical Standardization (CENELEC) (www.cenelec.eu)
3. European Telecommunications Standards Institute (ETSI) (www.etsi.org)

The European Commission also plays an important role in standardization through its funding of the participation in the process of small- and medium-sized companies and non-governmental organizations, such as environmental and consumer groups. The Commission provides money to the standards bodies when it mandates standards development to the European Standards Organization for harmonized standards that will be linked to EU technical legislation.

When products are not regulated by specific EU technical legislation, they are subject to the EU's General Product Safety Directive and possible additional national requirements. For more information, go to [NLF](#).

The primary role of the Malta Competition and Consumer Affairs Authority (MCCAA) is to coordinate the application of international standards in Malta and to enforce standards specific to the local market, such as those governing Maltese lace and filigree work.

Key Link: [Standardization Policy](#)

Agricultural Standards

The 2002 EU food law introduced mandatory traceability throughout the feed and food chain as of January 1, 2005. For specific information on agricultural standards and import regulations, please refer to the Foreign Agricultural Service's [website](#).

Testing, inspection and certification

Conformity Assessment

The MCAA oversees conformity assessments in Malta. Manufacturers need conformity assessments to ensure consistency of compliance with standards during all stages, from design to production to facilitate acceptance of the final product. EU product legislation gives manufacturers some choice regarding conformity assessments, depending on the level of risk involved in the use of their product. These range from self-certification, type examination, and production quality control system, to a full quality assurance system. Conformity assessment bodies in individual Member States are listed in the New Approach Notification and Designated Organizations ([NANDO](#)) information system. To promote market acceptance of the final product, there are a number of voluntary conformity assessment programs. While CEN offers a certification service known as the "Keymark," neither CENELEC nor ETSI offers conformity assessment services.

Product Certification

All products sold in Malta that may pose a health or safety risk bear a CE marking. A manufacturer uses the CE marking as a declaration that the product's design and manufacture meet all requirements of EU directives. Examples of products that should have a CE mark include toys, medical devices, safety devices, low voltage equipment, and pressure protective equipment.

If EU product legislation applies to a U.S. product, the U.S. exporter must apply CE marking in order to sell the product in the EU market.

The EU presumes that products manufactured to standards adopted by CEN, CENELEC, or ETSI, and referenced in the Official Journal as harmonized standards conform to the requirements of EU Directives. The manufacturer then applies the CE marking and issues a declaration of conformity, which allows the product to circulate freely within the EU. A manufacturer can choose not to use the harmonized EU standards, but then must demonstrate that the product meets the essential safety and performance requirements. Trade barriers occur when design, rather than performance, standards are developed by the relevant European standardization organization, and when U.S. companies do not have access to the standardization process through a European presence.

The CE marking addresses itself primarily to the national control authorities of the Member States, and its use simplifies the task of essential market surveillance of regulated products. The NLF framework serves as a blueprint for all CE marking legislation, harmonizing definitions, responsibilities, European accreditation, and market surveillance.

The CE marking need not include detailed technical information on the product, but there must be enough information to enable the inspector to trace the product back to the manufacturer or the local contact established in the EU. This detailed information should not appear next to the CE marking, but rather on the declaration of conformity (which the manufacturer or authorized agent must be able to provide at any time, together with the product's technical file) or the documents accompanying the product.

Accreditation

Competent national authorities have officially accredited independent test and certification laboratories, known as notified bodies, to test and certify products to EU requirements.

European Accreditation (www.european-accreditation.org) is an organization representing nationally recognized accreditation bodies. Membership is open to nationally recognized accreditation bodies in

countries in the European geographical area that can demonstrate that they operate an accreditation system compatible to appropriate EN and ISO/IEC standards.

Publication of technical regulations

Local newspapers and MCCA's web site publish proposed and final technical regulations (www.mccaa.org.mt). The Commission publishes national technical regulations on its website to allow other countries and interested parties to comment (ec.europa.eu/growth/tools-databases/tris/en/).

The EU publishes information about legislation and other information about the adoption or interpretation of laws in its Official Journal (eur-lex.europa.eu/oj/direct-access.html?locale=en). It also lists the standards reference numbers linked to legislation (ec.europa.eu/growth/single-market/european-standards/harmonised-standards/index_en.htm).

National Institute of Standards and Technology's (NIST) Notify U.S. Service

As a member of the World Trade Organization (WTO), Malta must notify the WTO of proposed technical regulations and conformity assessment procedures that could affect trade. Notify U.S. is a free, web-based e-mail registration service that captures and makes available for review and comment key information on draft regulations and conformity assessment procedures (www.nist.gov/notifyus). Users receive customized e-mail alerts when selected countries add new notifications about industry sectors of interest. USA WTO TBT Inquiry Point, which is housed within the National Institute of Standards and Technology and part of the U.S. Department of Commerce, manages this service and its associated web site.

Contact Information

U.S. Embassy Valletta
Maria Cassar
Commercial /Economic Specialist
Tel: +356 2561 4120
cassarm@state.gov

National Institute of Standards & Technology
Dr. George W. Arnold
Director
Standards Coordination Office
100 Bureau Dr.
Mail Stop 2100
Gaithersburg, Maryland 20899
Tel: (301) 975-5627
Website: www.nist.gov/director/sco/index.cfm

CEN – European Committee for Standardization
Avenue Marnix 17
B – 1000 Brussels, Belgium
Tel: 32.2.550.08.11
Fax: 32.2.550.08.19
Website: www.cen.eu

CENELEC – European Committee for Electrotechnical Standardization

Avenue Marnix 17
B – 1000 Brussels, Belgium
Tel: 32.2.519.68.71
Fax: 32.2.519.69.19
Website: www.cenelec.eu

ETSI - European Telecommunications Standards Institute
Route des Lucioles 650
F – 06921 Sophia Antipolis Cedex, France
Tel: 33.4.92.94.42.00
Fax: 33.4.93.65.47.16
Website: www.etsi.org

SBS – Small Business Standards
4, Rue Jacques de Lalaing
B-1040 Brussels
Tel: +32.2.285.07.27
Fax : +32-2/230.78.61
Website: sbs-sme.eu

ANEC - European Association for the Co-ordination of Consumer Representation in Standardization
Avenue de Tervuren 32, Box 27
B – 1040 Brussels, Belgium
Tel: 32.2.743.24.70
Fax: 32.2.706.54.30
Website: www.anec.org

ECOS – European Environmental Citizens Organization for Standardization
Rue d'Edimbourg 26
B – 1050 Brussels, Belgium
Tel: 32.2.894.46.68
Fax: 32.2.894.46.10
Website: www.ecostandard.org

EOTA – European Organization for Technical Assessment (for construction products)
Avenue des Arts 40
B – 1040 Brussels, Belgium
Tel: 32.2.502.69.00
Fax: 32.2.502.38.14
Website: www.eota.eu

Trade Agreements

For a list of trade agreements with the EU and its Member States, as well as concise explanations, please see <http://ec.europa.eu/trade/policy/countries-and-regions/agreements/>.

Licensing Requirements for Professional Services

The National Commission for Further and Higher Education (NCFHE) is the Maltese appointed body that also acts as the National Contact Point for the European Qualifications Framework. Further information is available at: ncfhe.gov.mt.

The recognition of skills and qualifications acquired by EU citizens in EU Member States, including the corresponding recognition procedures and charges are, in accordance with article 165 of the TFEU, the responsibility of Member States. Similarly, recognition of skills and qualification earned in third countries is also a national responsibility.

However, the European Commission has initiatives to facilitate recognition procedures. For example, recognition of professional qualifications obtained in one Member State for the purposes of access and pursuit of regulated professions in another Member State is subject to Directive 2005/36. Similarly, recognition of qualifications for academic purposes in the higher education sector, including school-leaving certificates is subject to the Lisbon Recognition Convention. The ENIC-NARIC network provides advice on (cross-border) recognition of these qualifications.

Recognition in other cases is assessed and granted (or denied) by the receiving educational provider or employer. For them to be able to recognise skills and qualifications understanding of the level, content and quality is needed. The Commission currently explores the possibilities on how to better support these recognition decisions.

Please see: [Recognition of Professional Qualification](#).

Web Resources

Malta Competition and Consumer Affairs Authority: www.mccaa.org.mt

Commerce Division, Ministry of Finance, the Economy and Investment: www.commerce.gov.mt

WasteServ Malta: www.wasteservmalta.com

EU websites:

TARIC: ec.europa.eu/taxation_customs/customs/customs_duties/tariff_aspects/customs_tariff/index_en.htm

MCCC: europa.eu/legislation_summaries/customs/do0001_en.htm

ECHA: echa.europa.eu

Taxation and Customs Union: ec.europa.eu/taxation_customs/customs/index_en.htm

Security and Safety Amendment to the Customs Code - Regulation (EC) 648/2005: eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2005:117:0013:0019:en:PDF

Electronic Customs Initiative: Decision N° 70/2008/EC: eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:023:0021:0026:EN:PDF

Modernized Community Customs Code Regulation (EC) 450/2008: eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:145:0001:0064:EN:PDF

Legislation related to the Electronic Customs Initiative:
ec.europa.eu/taxation_customs/customs/policy_issues/electronic_customs_initiative/electronic_customs_legislation/index_en.htm

Export Help Desk: exporthelp.europa.eu/thdapp/index_en.html

What is Customs Valuation?:

ec.europa.eu/taxation_customs/customs/customs_duties/declared_goods/european/index_en.htm

Customs and Security: Two communications and a proposal for amending the Community Customs Code:

ec.europa.eu/taxation_customs/customs/policy_issues/customs_security/index_en.htm

Establishing the Community Customs Code: Regulation (EC) n° 648/2005 of 13 April 2005: [eur-](http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2005:117:0013:0019:en:PDF)

[lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2005:117:0013:0019:en:PDF](http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2005:117:0013:0019:en:PDF)

Pre Arrival/Pre Departure Declarations:

ec.europa.eu/taxation_customs/customs/procedural_aspects/general/prearrival_predeparture/index_en.htm

AEO: ec.europa.eu/taxation_customs/customs/policy_issues/customs_security/aeo/index_en.htm

Contact Information at National Customs Authorities:

ec.europa.eu/taxation_customs/taxation/personal_tax/savings_tax/contact_points/index_en.htm

New Legislative Framework: ec.europa.eu/growth/single-market/goods/new-legislative-framework/

Cenelec: www.cenelec.eu/

ETSI: www.etsi.org/

CEN: www.cen.eu/cen/Pages/default.aspx

Standardization – Mandates: ec.europa.eu/growth/single-market/european-standards/requests/index_en.htm

Nando Information System: ec.europa.eu/enterprise/newapproach/nando/

MRAs: ec.europa.eu/enterprise/newapproach/nando/index.cfm?fuseaction=mra.main

European Co-operation for Accreditation: www.european-accreditation.org/home

Eur-Lex: eur-lex.europa.eu/en/index.htm

Standards Reference Numbers linked to Legislation: ec.europa.eu/enterprise/policies/european-standards/harmonised-standards/index_en.htm

National technical regulations: ec.europa.eu/growth/tools-databases/tris/en/

Metrology, Pre-Packaging – Pack Size: ec.europa.eu/growth/single-market/goods/building-blocks/legal-metrology/index_en.htm

European Union Eco-label Homepage: ec.europa.eu/environment/ecolabel/

U.S. websites:

National Trade Estimate Report on Foreign Trade Barriers:
ustr.gov/sites/default/files/2015%20NTE%20Combined.pdf

Agricultural Trade Barriers: www.usda-eu.org/

Trade Compliance Center: tcc.export.gov/

U.S. Mission to the European Union: useu.usmission.gov/

NIST - Notify U.S.: www.nist.gov/notifyus/

The New EU Battery Directive: www.export.gov/europeanunion/marketresearch/index.asp

The Latest on REACH: export.gov/europeanunion/reachclp/index.asp

CE Marking: www.export.gov/cemark/eg_main_017267.asp

WEEE and RoHS in the EU: export.gov/europeanunion/weerohs/index.asp

Overview of EU Certificates (FAS): www.usda-eu.org/trade-with-the-eu/eu-import-rules/certification/fairs-export-certificate-report/

Center for Food Safety and Applied Nutrition: www.fda.gov/Food/default.htm

Investment Climate Statement

Executive Summary

The Republic of Malta is a small, yet strategically placed country located 60 miles south of Sicily and 180 miles north of Libya, astride some of the world's busiest shipping lanes. Malta, a politically stable parliamentary republic with a free press, is considered a safe, secure, and welcoming environment for American investors to do business.

Malta joined the European Union in 2004, the Schengen visa system in 2007, and the Eurozone in 2008. With a population of about 460,297 and a total area of only 122 square miles, it is the smallest country in the European Union. The economy is based on services, primarily shipping, banking and financial services, professional, scientific, and technical activities, online gaming and tourism. Manufacturing also plays a small but important role. Maltese and English are the official languages.

Given its central location in one of the world's busiest trading regions and its relatively small economy, Malta recognizes the important contribution that international trade and investment can provide to the generation of national wealth.

Malta's economy is one of the best performers in the European Union. Real Gross Domestic Product (GDP) grew to 6.9% in comparison to 5.5% in 2016 and is predicted to slightly decrease in 2018 and 2019. Malta's unemployment rate is currently 3.7% and is projected to decrease to further record lows in 2018.

The top three credit rating agencies rank Malta extremely well; all note a stable or positive outlook. The current sovereign credit ratings are:

- A (high) with a stable outlook (DBRS)
- A3 with a positive outlook (Moody's)
- A- with a positive outlook (S&P)

In 2013, the Government of Malta established the Individual Investor Program (IIP), which provides citizenship by naturalization to a person and his or her dependents who are contributors to an individual investor program and who pay a fee of €650,000 (with an additional €25,000 for spouses or dependents under age 18 or €50,000 for dependents over age 18). IIP conditions include a €350,000 minimum for purchasing immovable property, or a €16,000 per year minimum for leasing immovable property (which must be retained for at least five years), and a €150,000 minimum for investment in stocks, bonds, or debentures.

Table 1

Measure	Year	Index/Rank	Website Address
TI Corruption Perceptions Index	2017	46 of 180	http://www.transparency.org/research/cpi/overview
World Bank's Doing Business Report "Ease of	2017	84 of 190	www.doingbusiness.org/rankings http://www.doingbusiness.org/data/exploreeconomies/malta

Global Innovation Index	2017	26 of 127	https://www.globalinnovationindex.org/analysis-indicator
U.S. FDI in partner country (\$M USD, stock positions)	2016	USD 751 million	http://www.bea.gov/international/factsheet/
World Bank GNI per capita	2016	USD 24,190	http://data.worldbank.org/indicator/NY.GNP.PCAP.CD

Openness to and Restrictions upon Foreign Investment

Policies Toward Foreign Direct Investment

Malta seeks foreign direct investment (FDI) to increase its rate of economic growth. Malta provides incentives to attract investment in high-tech manufacturing (including plastics, precision engineering, electronic components, automotive components, and health technologies, such as pharmaceuticals manufacturing, and life sciences), information and communications technology (ICT), research and development (R&D), aerospace and aviation maintenance, education and training, registration of ships and aircrafts, transshipment and related service industries, finance services, and digital gaming.

Malta’s comparative advantages include membership in the EU, the Eurozone, and the Schengen Zone; competitive wage rates (even though the standard of living is high, labor costs are relatively low compared with other EU countries); a highly skilled, English-speaking labor force; proximity to the European and North African markets; a fair and transparent business environment; and excellent telecommunications and transport connections. Malta also offers financial, tax, and other investment incentives in order to attract FDI. Foreign investment plays an integral part in the government of Malta’s policies to reduce the role of the state in the economy and increase private sector activity.

Malta Enterprise, a government organization established to promote FDI in Malta, provides information to prospective investors, processes applications for government investment incentives, and serves as a liaison between investors and other government entities. The organization offers an attractive investment package for American and other investors.

There are no legal prohibitions against FDI-oriented sales in Malta’s domestic market. The government seeks, as a top priority, companies operating in the following fields:

- High-end manufacturing, although virtually all manufacturing sectors are open to FDI.
- Information and communications technology, including electronic components and digital gaming;
- Health technologies, medical equipment, pharmaceuticals and life sciences (including medical cannabis);
- Back office and regional support operations;
- Blockchain and Fintech;

- Knowledge-based service, including aerospace and defense (aviation maintenance), education and training, and research and development;
- Logistics-based services, including marine technology, warehousing, and oil/gas services; and
- Film industry (Malta has one of the few sets in the world for water/boating scenes).

Limits on Foreign Control and Right to Private Ownership and Establishment

Private foreign investors are free to make equity arrangements as they wish, from joint ventures to full equity ownership.

The Government of Malta recognizes the right to private ownership in theory and in practice. Private entities are free to establish, acquire, and dispose of interests in business enterprises and engage in all forms of remunerative activity. Many U.S. firms sell their products or services in Malta through licensing, franchise, or similar arrangements. The government generally allows foreign companies to operate in merchandising areas, especially if they operate a licensing, franchising, or similar agreement through a local representative.

It is the government's stated policy not to allow public enterprises to operate at the expense of private entities. Some sectors, such as electricity generation, are also open to private sector participation. The government provides private enterprises with the same opportunities as public enterprises for access to markets and other business operations.

Other Investment Policy Reviews

The Government of Malta has not undergone any third-party investment policy reviews through a multilateral organization in the last three years.

Business Facilitation

The Maltese Commercial Code provides for the establishment of several types of business entities according to the needs of an individual investor when setting up a company in Malta.

The following are the available structures:

- Private limited liability companies;
- Public limited liability companies;
- General partnerships; and
- Limited partnerships

Foreign companies can also open subsidiaries or branch offices in Malta.

When setting up a Maltese private company, the minimum share capital amount accepted is €1,165 (\$1,300), while the minimum for a public company is approximately €46,600 (\$51,670) of which 25 percent must be deposited prior to registration. In case of private companies with an authorized share capital exceeding the minimum requirements, only 20 percent of the amount must be deposited.

The maximum amount of shareholders is 50 and minimum is 2 (although a single member company may also be registered under the Companies Act).

The following are the main steps required to set up a company in Malta:

- Reserve a company name with the Maltese Commercial Register;
- Draft the company's memorandum and articles of association;
- Deposit the minimum share capital; and
- File the application with the Malta Registrar of Companies.

The documents to be filed with the Malta Registrar of Companies are:

- The memorandum and articles of association;
- A confirmation of the company name reservation;

- The bank receipt confirming the share capital deposit; and
- Passport copies of the shareholders, directors, and company secretary.

The Memorandum must be presented to the Registrar of Companies, accompanied by a check to the MFSA covering the registration fees, as well as a bank receipt as proof of payment of the initial share capital. The MFSA may also request that due diligence on the directors, shareholders, and/or beneficial owners be provided before proceeding with the incorporation. Upon incorporation, companies must pay a registration fee that is payable to the MFSA according to the amount of share capital held by the company.

Once all of the requirements above are satisfied, incorporation of a company can normally be carried out within two to three working days. Once incorporation is complete, the MFSA will publish a Certificate of Incorporation which will also display the company registration number.

MFSA website: <https://mfsa.com.mt/>

The Government of Malta also offers a one-stop shop for small and medium-sized enterprises (SMEs) – Business First – that assists companies with all processing services and information to establish a company. Business First brings more than 50 essential services from various government departments and entities under one roof. It assists all enterprises based in Malta, including micro enterprises, SMEs, and larger companies and foreign investors wishing to set up in the country.

Outward Investment

TradeMalta, incorporated in 2014, is a public-private partnership between the government and the Chamber of Commerce to help Malta-based enterprises internationalize. TradeMalta is also the national organization tasked with marketing and coordinating both incoming and outgoing trade missions, promoting participation in international trade fairs, facilitating bilateral trade meetings, and researching new market opportunities. Since 2017, TradeMalta has operated as part of the re-named Ministry for Foreign Affairs and Trade Promotion (before simply the Ministry of Foreign Affairs) and has targeted Sub-Saharan countries for their outgoing trade missions.

The organization provides specialized training programs in international business development and marketing, and it administers a number of incentives schemes and internationalization programs aimed at both novice and experienced exporters.

The government actively supports and promotes franchising, joint-ventures, and other forms of international business opportunities between Malta-based businesses and foreign companies.

Bilateral Investment Agreements and Taxation Treaties

In 2010, the United States signed a bilateral taxation agreement with Malta. Malta also benefits from treaties with investment provisions with ACP (African, Caribbean and Pacific Group of States), Albania, Algeria, ANCOM (Andean Community), Armenia, ASEAN (Association of South-East Asian Nations), Azerbaijan, Bangladesh, Belarus, Bosnia and Herzegovina, Brazil,

CACM (Central American Common Market), Cambodia, Cameroon, Canada, CARICOM (Caribbean Community), Chile, China, Colombia, Côte d'Ivoire, Ecuador, EFTA (European Free Trade Association), Egypt, ESA (Eastern and Southern Africa), GCC (Gulf Cooperation Council), Georgia, India, Iraq, Israel, Jordan, Kazakhstan, Korea, Kyrgyzstan, Laos, Lebanon, Libya, Macao, Macedonia, MERCOSUR (Mercado Común Sudamericano), Mexico, Moldova, Mongolia, Montenegro, Morocco, Nepal, OCT (Overseas Countries and Territories), Pakistan, Palestine, Paraguay, Peru, Russia, SADC (Southern African Development Community), Serbia, Singapore, South Africa, Sri Lanka, Tajikistan, Thailand, Tunisia, Turkey, Turkmenistan, Ukraine, Uruguay, Uzbekistan, Vietnam, and Yemen.

The United States has maintained a Commerce and Navigation Treaty with Malta since 1815, initially in its capacity as a British colony, and, upon Malta's independence in 1964, on its own behalf. The primary aim of this agreement is to ensure non-discriminatory treatment for bilateral trade and investments. Malta has similar investor protection accords with Albania, Austria, Belgium/Luxembourg Economic Union, Bulgaria, China, Croatia, Cyprus, Czech Republic, Egypt, France, Germany, Italy, Kuwait, Libya, Montenegro, Netherlands, Serbia, Slovakia, Slovenia, Sweden, Switzerland, Tunisia, Turkey, and the United Kingdom.

There are currently no ongoing or upcoming changes to the taxation regime, ongoing systematic tax disputes between the government and foreign investors.

Legal Regime

Transparency of the Regulatory System

Malta has transparent and effective policies and regulations to foster competition. It has revised labor, safety, health, and other laws to conform to EU standards.

International Regulatory Considerations

Malta's regulatory system is derived from the *acquis communautaire*, the body of laws, rights, and obligations that are binding on all EU member states. Consequently, trade and investment relations with third countries are an EU responsibility under the Common Commercial Policy. However, with respect to investment, Malta does have some competence in certain investment areas. In particular, where the EU does not have or is not negotiating an investment protection agreement, Malta can hold or negotiate one unilaterally. Malta also maintains competence in the areas of transport and portfolio investment, as well as corporate taxation.

Malta became a WTO member on January 1, 1995. However, all draft technical regulations to the WTO Committee on Technical Barriers to Trade are now made at the EU level.

Malta ratified the Trade Facilitation Agreement on October 5, 2015 and is in full compliance with its implementation commitments.

Legal System and Judicial Independence

Malta's Commercial Code regulates commercial activities and related legislation, such as the Banking Act, the Central Bank of Malta Act, and bankruptcy. In cases of bankruptcy, the court appoints a curator to liquidate the assets of the bankrupt company, organization, or individual, and distributes the proceeds among the creditors.

The Maltese judiciary is independent, and courts are divided into superior courts, presided over by judges, and inferior courts, presided over by magistrates. Inferior courts have jurisdiction over minor offenses of a criminal nature and small civil matters. The judiciary traditionally functions through the Criminal, Civil, and Constitutional courts. The First Hall of the Civil Court hears commercial cases. Malta has a Criminal Court of Appeal and a second Court of Appeal for all other matters. The Constitutional Court has jurisdiction to hear and determine questions and appeals on constitutional issues. There are also a number of administrative tribunals, such as the Industrial Tribunal, the Rent Regulation Board, and the Board of Special Commissioners for income tax purposes. Malta adopted the European Convention of Human Rights as part of Malta's domestic law in 1987.

The Maltese judiciary has a long tradition of independence. Once appointed to the bench, judges and magistrates have fixed salaries that do not require annual approval. Judges cannot be dismissed, except by a two-thirds vote in the House of Representatives for a proven misbehavior or the inability to exercise properly

their function. The Maltese Constitution guarantees the separation of powers between the executive and the judiciary and a fair trial.

Laws and Regulations on Foreign Direct Investment

Several laws govern foreign investment in Malta. The Income Tax Act of 1948 (as amended) establishes a single rate of taxation of 35 percent on income for limited liability companies in Malta. In certain qualifying cases, this rate falls to five percent through a system of tax refunds on dividends paid. The Business Promotion Act authorizes the Government of Malta to allocate fiscal and other incentives to companies engaged in manufacturing (including software development), repair, or maintenance activities. The Malta Enterprise Act of 2003 enables Malta Enterprise to develop and administer incentives and other forms of support to liberalize and update legislation relevant to FDI. The Companies Act of 1995 regulates the creation of limited liability companies. The Companies Act also provides for the establishment of investment companies with variable share capital (SICAVS) and companies with share capital denominated in a foreign currency. The Malta Financial Services Authority Act of 1989 established the Malta Financial Services Authority (MFSA), which is responsible for the regulation of banking and investment services in Malta. The Investment Services Act of 1994 regulates investment services in the banking and insurance sectors.

Competition and Anti-Trust Laws

Malta is a free-trade, open-economy country. The government does not approve or restrict any FDI, as long as it complies with EU and national regulations. Malta Enterprise reviews FDI before granting any incentives to a private entity or business. A due diligence process is carried out prior to approving greenfield investments. The MFSA undertakes the filings and regulatory screenings on financial investments.

The Office for Competition, currently housed within the Malta Competition and Consumer Affairs Authority (MCCAA), is the office tasked with protecting competition in Malta. The Maltese Competition Act is modelled on EU competition law. Latest amendments to the Competition Act in 2011 strengthened its deterrent effect by widening the decision-making powers of the Office for Competition and further aligned both the substantive and procedural rules with those existing under EU law.

In 2017, the Office for Competition reviewed plans for a merger between telecommunications companies Vodafone Malta and Melita. When the parties were unable to satisfy the MCCAA's requirements, they terminated their plans to merge.

Expropriation and Compensation

The Government of Malta, in exceptional instances, expropriates private property for public purposes. In such cases, the government must take action in a non-discriminatory manner and in accordance with established principles of international law. Investors and lenders of expropriated property receive prompt, adequate, and effective compensation. The government has not appropriated any land in the last decade; no particular sectors are at risk for expropriation or similar actions, and no laws force local ownership.

Dispute Settlement

ICSID Convention and New York Convention

Malta signed the Convention on the Settlement of Investment Disputes (ICSID) in 2002. Malta is also a member of the New York Convention of 1958 on the recognition and enforcement of foreign arbitration awards (UNCITRAL).

Investor-State Dispute Settlement

There have been no significant investment disputes over the past few years involving U.S. or other foreign investors or contractors in Malta. In a limited number of cases, American investors have identified difficulties in obtaining fair legal resolutions, especially in disputes with Maltese parties. Courts in Malta are slow in processing cases. Although reforms to increase efficiency in the judicial system may be part of a long-rumored Constitutional reform effort, these efforts have yet to begin.

International Commercial Arbitration and Foreign Courts

Malta honors the enforcement of foreign court judgments and foreign arbitration awards. Bilateral investment treaties, which Malta has with several countries (see section 3, Bilateral Investment Agreements), provide for the acceptable methods of settling disputes connected with citizens of those countries.

Bankruptcy Regulations

The Companies Act and the Commercial Code Bankruptcy in Malta and the Set-off and Netting on Insolvency Act of 2003 regulate bankruptcy. The latter provides for the set-off and netting due to each party with respect to mutual credits, mutual debts, or other mutual dealings that are enforceable whether before or after bankruptcy or insolvency.

The Maltese insolvency law regime distinguishes between bankruptcies of a person or a commercial partnership other than a company. When a company cannot pay its debts, it may initiate insolvency proceedings. In such a case, the court examines carefully whether the financial situation of the company justifies its winding down or whether it could remain operational and continue to pay its debts.

Any officer of a company who, in the twelve months prior to the deemed date of dissolution, concealed assets or documents, disposed of assets, or otherwise acted in a fraudulent manner may be criminally liable. Separately, courts may find any such officer civilly liable for the act and require him or her to pay back to the company any moneys due. The law also provides for proceedings in case of wrongful trading by directors and fraudulent trading by any officer of the company.

According to latest data collected by the World Bank Doing Business report, resolving insolvency in Malta generally takes three years and costs ten percent of the debtor's estate, with the most likely outcome requiring the sale of the company as a going concern. The average recovery rate is 38.8 cents on the dollar. Globally, Malta stands at 117 in the ranking of 190 economies on the ease of resolving insolvency.

The Malta Association of Credit Management, known as MACM, is a members-owned, not-for-profit organization, providing a central national organization for the promotion and protection of all credit interests pertaining to Maltese businesses. More information at: <https://www.macm.org.mt/>

Industrial Policies

Investment Incentives

The Government of Malta offers several investment incentives to attract FDI. All investment incentives are specified by law and cannot be made available in an ad hoc manner. However, the way in which incentives are designed allows the opportunity to offer relatively tailor-made solutions, even though treatment of domestic and non-Maltese investors is identical. There are no stated requirements that a foreign investor should transfer technology, employ Maltese nationals, or reduce his shareholding interest over time. These factors might, however, influence Malta Enterprise's decision regarding a firm's application for assistance. Malta Enterprise monitors compliance with any conditions set by the government as a condition of government assistance. Investors are not required to disclose proprietary information.

Investment Tax Credits:

Companies in a targeted sector are entitled to a tax credit calculated as follows:

- As a percentage of qualifying capital expenditure (currently granting 10 percent for a large enterprise, 20 percent for a medium enterprise, and 30 percent for a small to micro enterprise.); or
- As a percentage of the wage cost for the first 24 months of a newly created job (currently, 15 percent for a large enterprise; 25 percent for a medium enterprise, and 35 percent for a small and micro enterprise).

Access to Finance:

- **Soft Loans:** Malta Enterprise supports enterprise through loans at low interest rates for partial financing of investments in qualifying expenditure.
- **Loan Guarantees:** Malta Enterprise may guarantee bank loans taken by a company to finance acquisition of additional assets to be employed in the company's business.
- **Loan Interest Subsidies:** Malta Enterprise may subsidize the rate of interest payable on bank loans. Loan interest subsidies are not in addition to loan guarantees and applicable to loans provided by banks or other financial institutions.
- **Micro Guarantee Scheme:** Malta Enterprise aims to accelerate the growth of enterprises by facilitating access to debt finance for smaller business undertakings.

Employment and Training: Malta's employment corporation JobsPlus, formerly known as ETC, supports enterprises in recruiting new employees and training their staff.

SME Development: Incentives to assist SMEs in investing, innovating and expanding or developing their operations through the Micro Invest Scheme. The Ministry for the Economy, Investment and Small Business can also facilitate access to newly-developed crowd-funding platforms.

Enterprise Support: Malta Enterprise provides assistance to businesses to support development of international competitiveness, improve processes, and network with other businesses. Support for trade promotion activities is offered through Trade Malta, Malta's export and trade promotion agency.

Research and Development: Malta Enterprise offers incentives to support and encourage businesses to engage in industrial research and experimental development, including exploitation of intellectual property through licensing of patented knowledge.

More information on incentives offered by Malta Enterprise can be found at: <https://www.maltaenterprise.com/support>

Other Tax Benefits:

The Government of Malta offers generous incentives to trading and financial companies registered with the Malta Financial Services Authority. Legislative changes in 1994 removed the distinction between offshore and onshore companies, so that all companies in Malta are subject to a 35 percent tax rate on profits. However, the fact that the Maltese tax system is the only remaining full imputation system in the EU means that a tax paid by a company will essentially remain a prepaid tax on behalf of the tax liability of the shareholders. Shareholders then are entitled to claim a tax refund which may be equivalent to roughly 85 percent (in the case of trading income) of the tax paid at the corporate level.

Companies operating within the Malta Freeport, a customs-free zone, may also benefit from reduced rates of taxation and investment tax credits.

Research and Development

The Government of Malta offers specific incentives for companies to engage in industrial research and development (see “Investment Incentives” section above). The government does not differentiate between U.S. or foreign firms and local firms regarding participation in incentive programs.

U.S. companies also can partner with local firms to participate in Horizon 2020, the EU Framework program for funding research and innovation. Horizon 2020 will run until 2020 and has a budget of €80 billion.

Foreign Trade Zones/Free Ports/Trade Facilitation

Malta’s Freeport container port offers modern transshipment facilities, storage, assembling and processing operations, as well as an oil terminal and bunkering facilities. Malta Freeport Terminals Ltd. (Malta Freeport), a private company, operates the Freeport under a long-term concession agreement, handling container vessels at 18,000 TEU and larger at each of its two container terminals.

For a company to carry out business within the Freeport zone, Malta Freeport Authority must grant it a license, and its operations must complement the Freeport’s activities. Through the utilization of these facilities, clients can engage in an extensive range of handling operations, including cargo consolidation, break-bulk, storage, re-packing, re-labelling and onward shipping. Malta Freeport also offers assembly and processing options in accordance with the Malta Freeports Act. The operator must ensure that it does not label goods that have been processed in the Freeport with Malta as their country of origin, unless their identity has been substantially transformed within the zone. Companies operating within the Freeport benefit from reduced tax rates, as well as investment tax credits without customs interventions.

The Freeport offers round-the-clock industrial storage operations supported by a highly developed, customized infrastructure, as well as extensive transport networks which link Malta to various important markets on a regular basis, including port connections in North America, Central America, and South America. Warehousing facilities lie only six kilometers from the island’s international airport, offering excellent opportunities for sea and air links stretching worldwide. In late 2016, the government issued a call for expressions of interest for the development of a logistics hub. The aim of this project is to attract local or international operators to submit their proposals for the concession of the design, construction, financing, operation and maintenance center of international logistics, on 45,000 square meters of land in Hal Far. The Government of Malta’s vision is to have a strategic hub for international trade, serving as a Free Zone or as a Custom Warehouse.

Performance and Data Localization Requirements

Currently, no performance requirements exist, other than the goals that the investors link to applications for assistance with Malta Enterprise. Foreign investors can repatriate or reinvest profits without restriction and take disputes before the International Center for the Settlement of Investment Disputes (ICSID).

The government does not require foreign investors to establish or maintain data storage in Malta. However, the Malta Gaming Authority (MGA), the independent regulatory body responsible for the governance of all gaming activities, requires gaming companies to hold their data in Malta.

Foreign IT providers incorporated in Malta that process personal data in the context of the activities of an establishment in Malta, qualifying as data controllers within the Data Protection Act, fall within the jurisdiction of the Office of the Data Protection Commissioner. The Data Protection Commissioner stated that there has never been an instance where, during an investigation, the Commissioner has requested access to source code or to encryption functions.

Any transfer of personal data by a controller established in Malta to a third country that does not ensure an adequate level of data protection is subject to the authorization of the Data Protection Commissioner as required by the Data Protection Act. In an attempt to facilitate and harmonize the implementation of this requirement, the European Commission adopted model clauses (Standard Contractual Clauses and Binding Corporate Rules – the latter used for sharing of personal data within a group of companies) which controllers may use for this purpose. No authorization is required for transfers made to EU Member States, members of the EEA, third countries which are, from time to time, recognized by the European Commission to have an adequate level of protection, and to companies which are certified under the EU-U.S. Privacy Shield. Furthermore, any personal data shared (rather than transferred) between data controllers in Malta must rely on a legal basis.

Data controllers processing personal data are subject to the rules emanating from the Data Protection Act. These rules must be observed to ensure that the processing activities are carried out fairly and lawfully and with respect to the data subjects' fundamental rights and freedoms. The competent authority in Malta which regulates and monitors observance with this law is the Office of the Information and Data Protection Commissioner.

The European Union's General Data Protection Regulation (GDPR), enacted in 2016, will enter into force May 25, 2018. The GDPR, which succeeds the Data Protection Directive of 1995, aims to protect EU citizens' personal data, harmonize data privacy laws across the EU, and provide for better coordination among EU Member State data protection authorities. U.S. companies wishing to operate in Malta or to do business with Maltese individuals or entities should ensure compliance with the regulation.

Protection of Property Rights

Real Property

Property and contractual rights are enforced by means of (a) legal warning; (b) warrants of seizure; (c) warrants of prohibitory injunction; (d) warrants of impediments of departures (if proceedings fall within the jurisdiction of the Criminal Court); and (e) sale of property by court auction. The Code of Organization and Civil Procedures lays out procedures for registering and enforcing judgments of foreign courts. Rights and secured interests over immovable property must be publicly registered in order to be enforceable. The Government of Malta has occasionally been a party to international arbitrations and has abided by tribunal decisions.

The 2006 Maltese Securitization Act provides for a range of securitization transactions within its secure regulatory framework and offers various legal and international tax benefits. Malta permits the creation of securitization cell structures, allowing for multiple cells with clear segregation of assets and liabilities between

each cell. Foreign investors typically use securitization for passporting funds and investment within the EU rather than the securitization of property.

Intellectual Property Rights

The Maltese legal system adequately protects and facilitates acquisition and disposition of intellectual property rights. In 2000, Malta implemented the pertinent provisions of the WTO Trade-Related Aspects on Intellectual Property Rights (TRIPS). Malta has fully incorporated EU and WTO rules into national law. Check for additional information on [EU-wide provisions on copyright, patents, trademarks, and designs website](#).

In addition, Malta is a member of the World Intellectual Property Organization (WIPO), the Paris Convention for the Protection of Industrial Property, the Bern Convention for the Protection of Literary and Artistic Works, and the Universal Copyright Convention (UCC).

Malta is not listed in the USTR's Special 301 report or in the USTR's Notorious Market Report. The Association against Copyright Theft claims that Malta's local laws do not include high enough minimum fines to deter vendors from selling pirated material. However, the Ministry for Competitiveness and Communications has assured the Embassy that the Government of Malta is taking the necessary steps to remedy the situation. For additional information about treaty obligations and points of contact at local IP offices, please see WIPO's country profiles at <http://www.wipo.int/directory/en/>.

Malta's Commerce Department within the Ministry for the Economy, Investment and Small Business is responsible for intellectual property-related issues.

For additional information about national laws and points of contact at local IP offices, please see WIPO's country profiles at <http://www.wipo.int/directory/en/>.

Commerce Department

Tel: +356 2122 6688

Email: commerce@gov.mt

Website: <http://commerce.gov.mt/en/Pages/Contact-Details.aspx>

Address: Commerce Department, Lascaris Bastion, Valletta, VLT 1933, Malta

Financial Sector

Capital Markets and Portfolio Investment

Malta's Stock Exchange was established in 1993. In 2002, the Financial Markets Act effectively replaced the Malta Stock Exchange Act of 1990 as the law regulating the operations and setup of the Malta Stock Exchange. This legislation divested the Malta Stock Exchange of its regulatory functions and transferred these functions to the MFSA. The Financial Markets Act also set up a Listing Authority, which is responsible for granting "Admissibility to Listing" to companies seeking to have their securities listed on the Exchange.

To date, the few companies publicly listed on the Malta Stock Exchange have not faced the threat of hostile takeovers. Malta has no laws or regulations authorizing firms to adopt articles of incorporation/association

that would limit foreign investment, participation, or control. Legal, regulatory, and accounting systems are transparent and consistent with international norms; several U.S. auditing firms have local offices.

Money and Banking System

The Maltese banking system is considered sound. In recent years, local commercial banks expanded the scope of their lending portfolios. Capital is available from both public and private sources; both foreign and local companies can obtain capital from local lending facilities. Commercial banks and their subsidiaries can provide loans at commercial interest rates. It is possible for new investors to negotiate soft loans from the government covering up to 75 percent of the projected capital outlay.

No U.S. bank has a branch in Malta. Following the tightening of new regulatory requirements, only one Maltese bank (BNF) currently maintains a direct corresponding banking relations with U.S. banks. Furthermore, HSBC, which is present in Malta, also has a significant U.S. presence. Local banks act as correspondents of several U.S. banks via other EU banks, though such a relationship often results in higher transaction costs.

The majority of banks have stopped opening accounts for companies not operating in Malta or which operate in the electronic gaming sector. The few banks that still offer this service have tightened their due diligence processes, resulting in long delays to open accounts.

Malta takes pride in being the first country to propose a legal framework for the creation of an Authority to regulate Blockchain, Artificial Intelligence, and Internet of Things (IOT) devices. In 2018, Government proposed legislation on the way it will be adopting and implementing the necessary regulatory framework towards Distributed Ledger Technology, issuers of Initial Coin Offerings (ICOs) and related service providers dealing in virtual currencies, which currently fall outside the scope of a legislative and regulatory regime.

Foreign Exchange and Remittances

Foreign Exchange Policies

As long as investors present the appropriate documents to the Central Bank of Malta, there are no limitations on the inflow or outflow of funds for remittances of profits, debt service, capital, capital gains, returns on intellectual property, or imported raw materials. There are no significant delays in converting investment returns to foreign currency after presentation of the necessary documents. Maltese regulations and practices affecting remittances of investment capital and earnings have been streamlined, as several foreign exchange controls were relaxed to conform to EU directives. Malta joined the Eurozone in January 2008.

Remittance Policies

A company incorporated under the laws of Malta is considered ordinarily resident and domiciled in Malta. Companies which are ordinarily resident and domiciled in Malta are subject to tax on their worldwide income. A company which is not incorporated in Malta, but which is managed and controlled in Malta, is subject to tax on a remittance basis on its foreign-sourced income.

Companies subject to tax on a remittance basis are taxed on:

- Income and capital gains deemed to arise in Malta
- Income deemed arise outside Malta and remitted to Malta

Companies subject to the remittance basis are not taxed on:

- Income deemed to arise outside Malta which is not remitted to Malta
- Capital gains arising outside Malta

Companies which are not incorporated in Malta are considered to be resident in Malta when their management and control is shifted to Malta.

Malta does not allow the application of the remittance basis of taxation to individuals who are either (a) domiciled but not ordinarily resident or (b) ordinarily resident but not domiciled in Malta, whose spouse is both ordinarily resident and domiciled in Malta. In this regard, such individuals will now become taxable on their worldwide income and capital gains, irrespective of receipt/remittance of such income to Malta not domiciled in Malta.

Sovereign Wealth Funds

The Government of Malta does not have a Sovereign Wealth Fund.

State-Owned Enterprises

The Malta Investment Management Company Limited (MIMCOL) was established in 1988 to manage, restructure, and selectively divest the Government of Malta from state-owned enterprises (SOEs). MIMCOL also promotes private sector investment using cost-effective business practices across various SOEs. MIMCOL created strategies leading to the dissolution of SOEs with limited commercial prospects, as well as the profitable spin-off of non-core operations with commercial potential. MIMCOL's focus then turned to SOEs deemed of strategic national value, but whose inefficient operations were reflective of a lack of competition. Eventually, MIMCOL groomed most SOEs for privatization and sold off. Today, MIMCOL's role has evolved into specialized assignments, such as strategic reviews of the management and operations of important parastatal companies and corporations operating in various sectors.

Today MIMCOL's sister company Malta Government Investments (MGI) holds a rationalized portfolio of 17 companies (excluding companies falling under the responsibility of other ministries and investments held directly by the government). This portfolio is not well-defined. Most government investments are held by either the Board of Trustees within the Ministry for the Economy, Investment and Small Business, or by Malta Government Investments Limited (MGI) as an agent for the Government of Malta.

Privatization Program

In recent years, the Maltese government has privatized a number of state-controlled firms, including the country's largest bank, the postal service, shipyards, energy generation plants, and the wireless telecommunications industry. Although no plans exist to privatize fully Air Malta, the national airline, the Government of Malta is currently considering options for a strategic minority partner.

In 2015, the Government of Malta set up Projects Malta Ltd to coordinate and facilitate public private partnerships between government ministries and the private sector. The government welcomes private investors, Maltese and non-Maltese, in privatization projects. It affords foreign investors equal treatment with domestic investors and sets few limitations on their operations. The government recently finalized its first international public-private partnership in the healthcare industry. Foreign investors can repatriate or reinvest profits without restriction and take disputes before the International Center for the Settlement of Investment Disputes (ICSID).

Responsible Business Conduct

Corporate social responsibility (CSR) has become more prevalent in Malta in recent years, as global concerns such as climate change have risen to the forefront and as the EU has raised expectations for its member states

regarding CSR. An increasing number of companies in Malta recognize the importance of their role in society and the real benefits of adopting a proactive approach to CSR.

The Maltese government does not specifically request adherence to OECD Guidelines for Multinational Enterprises; however, it is expected that multinationals follow generally-accepted CSR principles.

Under the Code of Good Corporate Governance Guidelines, issued by the Malta Financial Services Authority in 2006, boards should seek to adhere to accepted CSR principles in day-to-day management practices and work closely with “suppliers, customers, employees and public authorities.” Although corporate governance guidelines are non-binding in nature, public interest companies should highlight the adherence to such corporate governance principles in their annual reports.

In line with recent amendments to the Companies Act, the directors’ report that accompanies the annual financial statements should include an analysis of both financial and non-financial key performance indicators relevant to the particular business, including information relating to environmental matters.

Corruption

Maltese law provides criminal penalties for official corruption, and the government generally implements these laws effectively. The Malta Police and the Permanent Commission against Corruption are responsible for combating official corruption. News reports suggest an increasing number of government corruption allegations; however, few have resulted in legal action or resignations.

Public sector corruption, including bribery of public officials, is not a significant challenge for U.S. firms operating in Malta. The Council of Europe’s Group of States against Corruption (GRECO) completed its fourth evaluation of Malta in the summer of 2015 and published its findings in March 2017. Following the three previous rounds of evaluation and a follow-up compliance review, Malta introduced a number of legislative measures to combat corruption. In the latest published report, the reviewers commended Malta “for the formidable task it embarked upon, when it initiated a broad multi-stakeholder consultation for justice reform culminating in key changes to the Constitution, in August 2016, by which the independence, impartiality, and transparency of the judicial system, as well as self-responsibility within the profession, are substantially strengthened. The establishment of two independent committees for appointment and disciplinary procedures are key achievements in this respect. Further action is required to improve the transparency of judicial complaints processes.”

Malta has taken significant steps to combat corruption, including the establishment in 2002 of the Financial Intelligence Analysis Unit to support domestic and international law enforcement investigative efforts. The Prevention of Money Laundering and Funding of Terrorism Regulations were transposed into Maltese law in July 2008, and conform to EU Directive 2005/60/EC (the Third Directive) and Directive 2006/70/EC. Malta transposed the Fourth Anti-Money Laundering Directive in December 2017 and, in April 2018, announced its first national Anti-Money Laundering and Countering the Funding of Terrorism (AML/CFT) Strategy.

A 2015 report by the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL) confirms Maltese authorities have taken measures to ensure the anti-money laundering/combating the financing of terrorism (AML/CFT) regime in Malta is consistent with recognized international standards and practices. The report concluded that Malta should be removed from the mutual evaluation follow-up and moved to the biannual update procedure. Removal from the follow-up procedures indicates that the country has taken sufficient action and has an effective AML/CFT system in force under which it has implemented all core and key recommendations at a level essentially equivalent to Complaint or Largely Compliant, taking into account that there would be no re-rating.

The next MONEVAL evaluation will take place this year, with a report due to be issued by 2019.

The latest MONEVAL report is available at:

<http://www.fiumalta.org/library/SiteImages/PDF/moneyval/FourthRnd/4thRound-Evaluation%20Report-Report.pdf>.

Local Laws: U.S. firms should familiarize themselves with local anti-corruption laws, and, where appropriate, seek legal counsel. While the U.S. Department of Commerce cannot provide legal advice on local laws, the Department's Foreign Commercial Service (FCS) can provide assistance with navigating the host country's legal system and obtaining a list of local legal counsel.

Assistance for U.S. Businesses: The U.S. Department of Commerce offers several services to aid U.S. businesses seeking to address business-related corruption issues. For example, the FCS can provide services that may assist U.S. companies in conducting due diligence as part of the company's overarching compliance program when choosing business partners or agents overseas. The FCS can be reached directly through its offices in major U.S. and foreign cities or through its website at www.trade.gov/cs. The Departments of Commerce and State provide worldwide support for qualified U.S. companies bidding on foreign government contracts through the Department of Commerce's Advocacy Center and Department of State's Office of Commercial and Business Affairs. Problems, including alleged corruption by foreign governments or competitors, encountered by U.S. companies in seeking such foreign business opportunities can be brought to the attention of appropriate U.S. government officials, including local embassy personnel and through the Department of Commerce Trade Compliance Center "Report a Trade Barrier" website at http://tcc.export.gov/Report_a_Barrier/index.asp.

Guidance on the U.S. Foreign Corrupt Practices Act (FCPA): The Department of Justice's (DOJ) FCPA Opinion Procedure enables U.S. firms and individuals to request a statement of DOJ's present enforcement intentions under the anti-bribery provisions of the FCPA regarding any proposed business conduct. The details of the opinion procedure are available on DOJ's Fraud Section website: <http://www.justice.gov/criminal/fraud/fcpa>. Although the Department of Commerce has no enforcement role with respect to the FCPA, it supplies general guidance to U.S. exporters who have questions about the FCPA and about international developments concerning the FCPA. For further information, see the Office of the Chief Counsel for International Counsel, U.S. Department of Commerce website at <https://ogc.commerce.gov/collection/office-chief-counsel-international-commerce>.

Additional Anti-Corruption Resources:

Useful resources for individuals and companies regarding combating corruption in global markets include the following:

- Information about the OECD Anti-Bribery Convention, including links to national implementing legislation, good practice guidance and country monitoring reports, is available at: <http://www.oecd.org/daf/anti-bribery/oecdantibriberyconvention.htm>.
- Transparency International (TI) publishes an annual Corruption Perceptions Index (CPI). The CPI measures the perceived level of public-sector corruption in 180 countries and territories around the world. <http://www.transparency.org/cpi2015>.
- TI also publishes an annual Global Corruption Report which provides a systematic evaluation of the state of corruption around the world. It includes an in-depth analysis of a focal theme, a series of country reports that document major corruption related events and developments from all continents and an overview of the latest research findings on anti-corruption diagnostics and tools. <http://www.transparency.org/research/gcr/overview>.

- The World Bank Institute publishes Worldwide Governance Indicators (WGI). These indicators assess six dimensions of governance in 212 countries, including Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law and Control of Corruption. <http://info.worldbank.org/governance/wgi/index.aspx#home>.
- The World Bank Business Environment and Enterprise Performance Surveys are available at: <http://www.enterprisesurveys.org/>.
- The World Economic Forum publishes the Global Enabling Trade Report, which presents the rankings of the Enabling Trade Index and includes an assessment of the transparency of border administration (focused on bribe payments and corruption) and a separate segment on corruption and the regulatory environment. The reports are available at: <http://reports.weforum.org/global-enabling-trade-report-2016/>.
- Additional country information related to corruption can be found in the U.S. State Department's annual Human Rights Report available at <http://www.state.gov/g/drl/rls/hrrpt/>.
- Global Integrity, a nonprofit organization, publishes its annual Global Integrity Report, which provides indicators for 92 countries with respect to governance and anti-corruption. The report highlights the strengths and weaknesses of national level anti-corruption systems. <https://www.globalintegrity.org/research/reports/>.

UN Anticorruption Convention, OECD Convention on Combatting Bribery

Malta signed the UN Anticorruption Convention in 2005 and ratified it in 2008, but it has not signed the OECD Convention on Combatting Bribery.

Resources to Report Corruption

Contact at government agency or agencies that are responsible for combating corruption:

Malta Police Commissioner
 St. Calcedonius Square
 Floriana FRN 1530
 +356-2122 4001
cmru.police@gov.mt

Mr. Charles Deguara
 Auditor General of National Audit Office
 Notre Dame Ravelin
 Floriana FRN 1600
 +356-2205 5555
nao.malta@gov.mt

Contact at watchdog organization:

Permanent Commission Against Corruption
 Chateau De La Ville
 Archbishop Street
 Valletta VLT 2000
 +356-2567 4309
Pcac.mjcl@gov.mt

Political and Security Environment

Malta is considered to have a safe political system and is secure relative to other countries in the region.

Labor Policies and Practices

Malta's labor force currently stands at approximately 203,651 (81.27 percent male). The country's population is about 460,297, the smallest in the EU. For 2017, the national minimum monthly wage was \$827 (€747.54). The estimated average gross annual salary of employees stood at \$19,813 (€17,911); this amount refers to the basic salary and excludes extra payments such as overtime, bonuses, and allowances. In 2017, on a sectoral basis, the highest recorded average gross annual salary for employees was in financial and insurance activities. Social insurance contributions add ten percent to the wage bill. Free or subsidized meals, commuting allowances, and health insurance are the most common fringe benefits. In addition, employees are entitled to 24 days of annual leave and public holidays that fall on a weekday. National law establishes a minimum number of sick leave days.

Foreign companies that have invested in Malta have a high regard for the ability, productivity, and learning potential of Maltese workers, nearly all of whom speak English. In some industries, labor productivity is comparable to other countries in Western Europe. Maltese managers now run most of the foreign firms in Malta. Malta enjoys one of the lowest strike rates in Western Europe, and labor unrest is unlikely in the foreseeable future. The Government of Malta strictly adheres to the ILO convention protecting workers' rights.

OPIC and Other Investment Insurance Programs

Malta qualifies for the Overseas Private Investment Corporation (OPIC) investment guarantee programs. Malta's leading trading partners (the United Kingdom, Germany, France, and Italy) offer risk insurance programs similar to OPIC's that likewise cover investments in Malta. Malta is a member of the World Bank's Multilateral Investment Guarantee Agency (MIGA).

Foreign Direct Investment and Foreign Portfolio Investment Statistics

Table 2: Key Macroeconomic Data, U.S. FDI in Host Country/Economy

						Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
		Host Statistical source*	CountryUSG or international statistical source	USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other		
Economic Data	Year	Amount	Year	Amount		
Host Country Gross Domestic Product (GDP) (\$M USD)	2016	\$10,999	2015	\$10,286	www.worldbank.org/en/country	
Foreign Investment	Direct Host Statistical source*	CountryUSG or international statistical source	USG or International Source of data: BEA; IMF; Eurostat; UNCTAD, Other			

U.S. FDI in partner country (\$M USD, 2016 stock positions)	\$848.875	2016	\$751	BEA data available at http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm
Host country's FDI in the United States (\$M USD, stock positions)	\$2,136.6	2016	(D)**	BEA data available at http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm
Total US inbound stock of FDI as % of Malta's GDP	7.71%	2016	7.63%	2017

*Source: National Statistics Office Malta, Rate of Exchange \$1 = €0.81

** D Suppressed to avoid disclosure of data of individual companies

Table 3: Sources and Destination of FDI

Sources and Destinations of Malta's FDI for 2016

Direct Investment from/in Counterpart Economy Data

From Top Five Sources/To Top Five Destinations (US Dollars, Millions)

Inward Direct Investment			Outward Direct Investment		
Total Inward	170,099	100%	Total Outward	65,488	100%
United Kingdom	931	1%	Libya	61	0%
Switzerland	525	0%	Italy	20	0%
Italy	481	0%	United States	15	0%
France	156	0%			
Netherlands	429	0%			

"0" reflects amounts rounded to +/- USD 500,000.

Table 4: Sources of Portfolio Investment

Sources of Malta's Portfolio Investment for 2016

Portfolio Investment Assets

Top Five Partners (Millions, US Dollars)

Total			Equity Securities			Total Debt Securities		
All Countries	113,161	100%	All Countries	90,315	100%	All Countries	22,846	100%
Turkey	10,667	9%	Ireland	601	1%	Turkey	10,666	47%
United Kingdom	2,221	2%	France	166	0%	France	1,150	5%
France	1,316	1%	International Organizations	2	0%	International Organizations	762	3%
Germany	1,232	1%	Brazil	1	0%	Ireland	271	1%
United States	1,160	1%	Turkey	0	0%	Austria	239	1%

Contact for More Information on the Investment Climate Statement

Maria Cassar
Economics and Commercial Specialist
U.S. Embassy, Malta
+356 2561 4120
cassarm@state.gov

Trade & Project Financing

Methods of Payment

Maltese importers try to avoid paying via letters of credit and drafts, as these increase the cost of the imported goods. Before giving credit, U.S. companies should obtain credit background information on the companies involved. The Commercial Section of the U.S. Embassy can provide basic background information. Other sources of information include:

The Malta Chamber of Commerce and Enterprise: www.maltachamber.org.mt/

The General Retailers and Traders Union (GRTU): www.grtu.org.mt/data/

Creditinfo provides full background credit reports (local agents of Dun & Bradstreet): www.creditinfo.com.mt/

U.S. exporters selling to the Maltese government should expect payment several months after delivery. It is standard practice for the government to pay successful bidders more than 60 days following the delivery of the supply of goods or services, and 150 days in the case of medicines. In addition, EU-funded bids require the supplier to lodge a bid bond; non-EU funded tenders valued over \$240,000 also require a bid bond. Although foreign companies can bid on Maltese government tenders directly, it is advisable to appoint a local agent to complete the bid process.

Banking Systems

The 2002 Central Bank of Malta Act and the 1994 Banking Act govern banking in Malta; the Malta Financial Services Authority (MFSA) primarily administers the banking legislation. The two major banks in Malta are HSBC (Malta) Ltd. and Bank of Valletta. They each operate about 40 branches across Malta, and together they control over 80 percent of the Maltese banking market. The next three leading banks are Lombard Bank (Malta), Banif Bank, and APS Bank. Commercial banks offer all forms of commercial banking services. Interest rates on foreign exchange deposits are in line with those prescribed by international money markets.

Backed by a worldwide correspondent network, banks in Malta offer a broad range of foreign exchange operations, including forward cover and expenditure payment services. However, most U.S. correspondent relationships rely on European intermediaries, often resulting in higher transaction fees. The banks provide standard lending services: overdraft, loan, and trade finances. Banks in Malta are flexible in considering applications for finance.

Foreign Exchange Controls

There are no foreign exchange controls that might negatively affect trade. Banks automatically grant permission for foreign exchange payments abroad on presentation of supporting documentation. Businesspersons can exchange their dollar currency and travelers checks at banks, exchange offices, and hotels. Major credit cards are generally accepted with proper identification, though it is best to confirm what forms of payment are acceptable at each place of business.

Malta's foreign exchange rules conform to relevant EU regulations, although some controls still exist to facilitate the enforcement of money-laundering laws and tax collection.

US Banks & Local Correspondent Banks

No U.S. bank has a branch in Malta. Following the tightening of new regulatory requirements, only one Maltese bank (BNF) currently maintains a direct corresponding banking relation with U.S. banks. Furthermore, HSBC, which is present in Malta, also has a significant U.S. presence. Local banks act as correspondents of several U.S. banks via other EU banks, a relationship that often results in higher transaction costs.

Project Financing

Multilateral Development Banks:

U.S. Commercial Service Liaison Offices at the Multilateral Development Banks (World Bank)

The Commercial Service maintains Commercial Liaison Offices in each of the main Multilateral Development Banks, including the World Bank. These institutions lend billions of dollars in developing countries on projects aimed at accelerating economic growth and social development by reducing poverty and inequality, improving health and education, and advancing infrastructure development. The Commercial Liaison Offices help businesses that create U.S. jobs learn how to get involved in bank-funded projects and how to connect to other parts of the International Trade Administration, including the U.S. Field; the overseas network of Commercial Service offices; and, in Washington, desk officers, sectoral experts and the Advocacy Center.

Web Resources

Commercial Liaison Office to the European Bank for Reconstruction and Development: <http://export.gov/ebrd>

Commercial Liaison Office to the World Bank: <http://export.gov/worldbank>

Banks constitute the main source of financing for commercial projects, although the Government of Malta finances most of its current infrastructure projects, increasingly through public-private partnerships. The EU, through the European Structural and Investments Funds, also co-finances certain infrastructure projects. Indeed, EU financial assistance programs provide a wide array of grants, loans, loan guarantees, and co-financing for feasibility studies and infrastructure projects in a number of key sectors such as environmental, transportation, energy, telecommunications, tourism, and public health. From a commercial perspective, these initiatives create significant market opportunities for U.S. businesses, U.S.-based suppliers, and subcontractors.

Government bonds dominate the local bond market in Malta. Maltese companies have so far issued a limited number of bonds in Malta, but this trend has been on the rise. The Government of Malta established the Venture Capital Malta (VC-MT) in 2015 to spearhead venture capital, especially for new entrepreneurs who had previously found it difficult to satisfy local commercial banks' requests for collateral assets.

Credit cards are widely available and frequently used for retail transactions. Businesses often use checks for business to business transactions. Most commercial bank liabilities are in the form of savings deposits. Most bank loans are short and medium term.

Neither Export-Import Bank nor Overseas Private Investment Corporation (OPIC) has been active in the local market. The last OPIC delegation to Malta occurred in 1991.

The EU supports projects within Member States, as well as EU-wide "economic integration" projects that cross both internal and external EU borders.

EU Structural and Investment Funds (ESIF)

EU Structural Funds, including the European Regional Development Fund and the European Social Fund, mitigate economic and social differences between the EU's regions. New budgets are approved every 7 years for all Member States. The budgets and the allocation of funding between the different priorities (social, economic, or environmental) are based on the conclusions of "Partnership Agreements" (PAs), which are negotiated between the European Commission and the Member State national authorities. For the period of 2014 – 2020, the EU has earmarked approximately \$375 billion for regional development and cohesion policy projects. For information on approved programs that will result in future project proposals, please visit ec.europa.eu/regional_policy/index_en.cfm.

For projects financed through ESIF, Member State regional managing authorities are the key decision-makers. They assess the needs of their country, investigate projects, evaluate bids, and award contracts. Businesses interested in tapping into ESIF funds for projects in Malta should develop a sound understanding of the country's cohesion policy indicators.

Tenders issued by Member States' public contracting authorities for projects supported by EU grants are subject to EU public procurement legislation. All ESIF projects are co-financed by national authorities and many may also qualify for a loan from the European Investment Bank and EU research funds under Horizon 2020, in addition to private sector contribution. For more information on these programs, please see the market research section on the website of the U.S. Mission to the EU at export.gov/europeanunion/marketresearch/index.asp.

The Cohesion Fund

The Cohesion Fund is another instrument to support the EU's regional policy. Its \$70 billion (2014-2020) budget is used to finance projects in two areas:

- Projects relating to trans-European transport, including transport infrastructure; and
- Projects relating to the environment, including sustainable development and energy for projects with environmental benefits.

The fund supports projects in Member States whose Gross National Income (GNI) per inhabitant is less than 90 percent of the EU average. Malta qualifies for this funding.

These projects are co-financed by national authorities, the European Investment Bank, and the private sector. More information is available at ec.europa.eu/regional_policy/thefunds/cohesion/index_en.cfm.

Other EU Grants for Member States

Other sets of sector-specific grants, such as Horizon 2020, offer assistance to EU member states in the fields of science, technology, communications, energy, security, environmental protection, education, training, and research. The European Commission and the relevant Member State authorities related to these grants post the tenders on their websites. Participation is usually restricted to EU-based firms or tied to EU content. However, certain exceptions exist, so we encourage U.S. firms to inquire about their eligibility for any projects of interest. Information pertaining to each of these programs can be found at ec.europa.eu/grants/index_en.htm.

The Connecting Europe Facility (CEF) is an EU financing mechanisms that uses the EC budget as well as the Cohesion Funds to finance projects in three key areas: energy, transport and telecom. Along with the European Fund for Strategic Investments (EFSI), CEF plays a role in bridging the investment gap in Europe, which is one of the Commission's top priorities. In all three main categories the focus is on creating better conditions for growth and jobs. Annual and multi-annual work programs specify the priorities and the total amount of financial support allocated for these priorities in a given year.

Projects supported through the CEF mechanism focus on the following:

- cleaner transport modes;
- high speed broadband connections;
- use of renewable energy (in line with the Europe 2020 Strategy);
- integration of the internal energy market;
- reduction of the EU's energy dependency; and
- ensuring security of supply.

The total budget of the CEF for the period 2014 to 2020 is set at about \$37 billion. This amount is distributed between the main priority areas as follows:

- a) transport sector: \$29 billion, of which \$1 billion is transferred from the Cohesion Fund to be spent in Member States eligible for funding from the Cohesion Fund;
- b) telecommunications sector: \$1 billion; and
- c) energy sector: \$6 billion.

Loans from the European Investment Bank

Headquartered in Luxembourg, the European Investment Bank (EIB) is the financing arm of the European Union. Since its creation in 1958, the EIB has been a key player in building Europe. As a non-profit banking institution, the EIB assesses, reviews, and monitors projects, and offers cost-competitive, long-term lending. Best known for its project financial and economic analysis, the EIB offers loans both to private and public borrowers for projects supporting four key areas: innovation and skills, access to finance for smaller businesses, climate action, and strategic infrastructure.

While the EIB mostly funds projects within the EU, it lends outside the EU as well (e.g., in Southeastern Europe, Africa, Latin America, and Pacific and Caribbean states). The EIB also plays a key role in supporting EU enlargement with loans used to finance improvements in infrastructure, research, and industrial manufacturing to help those countries prepare for eventual EU membership.

The EIB presents attractive financing options for projects, as EIB lending rates are lower than most other commercial rates. Projects financed by the EIB must contribute to the socioeconomic objectives set out by the EU, such as fostering the development of less favored regions, improving European transport and environment infrastructure, supporting the activities of SMEs, assisting urban renewal and the development of a low-carbon economy, and generally promoting growth and competitiveness in the EU. The EIB [website](#) displays lists of projects considered for approval. For more information, see our [report](#) on the EIB.

Financing Web Resources

Central Bank of Malta: www.centralbankmalta.com/index.asp

Malta Financial Services Authority: www.mfsa.com.mt/pages/default.aspx

Planning and Priorities Coordination Division: ppcd.gov.mt/home?!=1

Bank of Valletta: www.bov.com

HSBC Malta Ltd: www.hsbcmalta.com

EU websites:

EU regional policies, the EU Structural and Cohesion Funds: ec.europa.eu/regional_policy/index_en.htm

EU Grants and Loans index: ec.europa.eu/grants/index_en.htm

EuropeAid Co-operation Office: ec.europa.eu/europeaid/index_en.htm

EU tenders Database: ted.europa.eu/TED/main/HomePage.do

The European Investment Bank: www.eib.org

EIB-financed projects: www.eib.org/projects/index.htm?lang=-en.

U.S. websites:

Market research section of the U.S. Mission to the EU: export.gov/mrktresearch/index.asp

Export-Import Bank of the United States: www.exim.gov

Country Limitation Schedule: www.exim.gov/tools/country/country_limits.html

OPIC: www.opic.gov

Trade and Development Agency: www.ustda.gov/

SBA's Office of International Trade: www.sba.gov/about-offices-content/1/2889

U.S. Agency for International Development: www.usaid.gov

Business Travel

Business Customs

Good business practices applicable in the United States also apply to doing business in Malta. Maltese buyers appreciate quality in quality products, prompt service and support, and competitive prices. Businesspersons in Malta appreciate prompt replies to their inquiries and expect acknowledgment of all correspondence. Conservative business attire is recommendable at all times. Business appointments are required, and punctuality by visitors is expected for meetings. Although Maltese and English are both official languages in Malta, the Maltese conduct virtually all business in English.

Travel Advisory

Current travel advisory information for Malta is available on the Department of State's website at <https://travel.state.gov/content/travel/en/international-travel/International-Travel-Country-Information-Pages/Malta.html>

Visa Requirements

Every U.S. traveler entering Malta must have a valid U.S. passport. No visa is required for U.S. citizens visiting Malta for fewer than 90 days, but a visa is required for longer stays. On arrival in Malta, immigration officers will normally ask American citizens how long they intend to stay in Malta. U.S. citizens planning to work in Malta must first obtain a work visa from the [Identity Malta](#). For further information concerning entry requirements for Malta, travelers can contact the Maltese Embassy at 2017 Connecticut Avenue N.W., Washington D.C. 20008; tel: (202) 462-3611 or (202) 462-3612 or fax (202) 387-5470; e-mail: maltaembassy.washington@gov.mt, or the Maltese Consulate in New York City; tel (212) 725-2345.

Malta joined the U.S. Visa Waiver Program (VWP) on December 30, 2008. Maltese citizens need to meet the following conditions to be eligible to travel to the U.S. without a visa under the Visa Waiver Program:

- The visit is less than 90 days;
- The visit is for tourism or business;
- The traveler holds a valid [biometric passport](#);
- The traveler registers for and receives an approved travel authorization, or ESTA, by entering their travel details at esta.cbp.dhs.gov/esta prior to commencing travel;
- The traveler has a valid return ticket; and
- If arriving by air or sea, the traveler will arrive on a regularly scheduled carrier.

Maltese citizens who do not have a biometric passport may continue to travel to the United States if they are in possession of a valid U.S. visa. Maltese citizens may apply for a U.S. visa at the American Embassy, Ta'Qali National Park, Attard, Malta, but they should first follow the instructions for visa applicants found on the U.S. Embassy website. U.S. companies that require Maltese citizens to travel to the United States for business purposes should be advised that security evaluations are handled via an interagency process. Visa applicants should go to the following links:

State Department Visa Website: <https://travel.state.gov/content/travel/en/us-visas.html>

Consular/Visa Section, U.S. Embassy, Valletta, Malta: <https://mt.usembassy.gov/visas/>

Currency

Malta's official currency is the Euro (€).

Telecommunications/Electronics

Go, formerly a state monopoly, is the primary fixed line telecommunication provider in Malta. International telecommunication costs to and from Malta compare favorably with those in any large U.S. city. Businesspersons may use international telephone cards for calls to the United States. One has the opportunity to buy international and local calling cards locally. The international rates compare favorably with U.S. rates. By dialing 800-901-10 followed by 1-800-837-2396, you may carry out international directory (AT&T direct) inquiries. The country code for Malta is 356; there are no city codes.

The cellular network throughout Malta is excellent. One needs a tri-band or quad-band GSM (unlocked) cell phone to make cell calls from Malta to the U.S. and vice versa. One can rent or purchase GSM cell phones locally. One also can arrange with a U.S. carrier to offer global calls before traveling to Malta. A number of commercial applications also exist to provide for free international calling over wifi.

Transportation

Malta has a modern and improving transportation infrastructure.

- Malta Freeport is a major maritime transshipment logistics center in the Mediterranean. It offers regular networking to around 100 ports worldwide (www.freeport.com.mt).
- Malta International Airport is a modern facility that handles 2.5 million passengers per year (www.maltairport.com).
- Direct scheduled flights are available to over 40 major centers in Europe, North Africa, and the Middle East via Air Malta, the flag carrier (airmalta.com), and other airlines.
- Malta is a major cruise ship destination with an average of 342 cruise ship visits yearly and an estimated 670,135 visitors in 2017 (www.vallettawaterfront.com).
- The government has been resurfacing and expanding roads in Malta over the past several years. Some projects remain in process.
- Inland transportation is normally by bus, private car, or taxi. Buses are safe and inexpensive. Car rental agencies are all around Malta. As in the United Kingdom, steering wheels are on the right and traffic drives on the left. Traffic normally is heavy during rush hours. A taxi service from the Malta International Airport offers trips to all localities on a fixed rate basis; we recommend that individuals book and prepay for a trip at the taxi office in the arrival lounge of the airport. A regular ferry service operates between Malta and its sister island, Gozo (www.gozochannel.com).

Language

Maltese and English both are official languages of Malta. The Maltese conduct virtually all business conducted in English, although some tradesmen are less fluent in English.

Health

While medical services are widely available, free care under Malta's nationalized health system is not available for U.S. citizens who are not residents of Malta. Medical services are good and medical standards compare with those in the United States. The Embassy Consular Section maintains a list of English-speaking doctors, which can be found on the Embassy web site at <https://mt.usembassy.gov/u-s-citizen-services/local-resources-of-u-s-citizens/doctors/>.

Information on vaccinations and other health precautions, such as safe food and water precautions and insect bite protection, may be obtained from the Centers for Disease Control and Prevention’s hotline for international travelers at 1-877-FYI-TRIP (1-877-394-8747) or via the CDC’s web site at <http://www.cdc.gov/travel/default.aspx>.

For information about outbreaks of infectious diseases abroad consult the World Health Organization’s (WHO) web site at <http://www.who.int/en>. Further health information for travelers is available at <http://www.who.int/ith>.

MEDICAL INSURANCE: The Department of State strongly urges Americans to consult with their medical insurance company prior to traveling abroad to confirm whether their policy applies overseas and whether it will cover emergency expenses such as a medical evacuation. Please see our information on [medical insurance overseas](#).

Local Time, Business Hours and Holidays

The time in Malta is one hour ahead of Greenwich Mean Time and 6 hours ahead of the East Coast of the United States (Eastern Standard Time).

Government offices open from 7:45 a.m. to 5:15 p.m., Monday through Friday, from October to mid-June. Between mid-June and September, government working hours are from 7:30 a.m. to 1:30 p.m., Monday through Friday. Private sector companies generally follow the government’s work schedule but do not operate on half-days in the summer. Banks are open Monday through Thursday, from 8:30 a.m. to 2:00 p.m., and 8:30 a.m. to 3:30 p.m. on Friday. On Saturday, banking hours are from 8:30 a.m. to 12:00 p.m., but some branches do not have Saturday banking hours during the summer. Commerce and industry hours are from 8:30 a.m. through 5:30 p.m., Monday through Friday, and Saturday from 8:00 a.m. to 1:00 pm. In general, shops in Malta open at 9 a.m. and close at 7 p.m. Some shops open on Sundays and, during the Christmas period, more shops tend to open on Sundays and public holidays, and some even increase their opening hours to as late as 10 p.m. However, many retail establishments are closed on Sundays, especially in rural areas.

The following is a list of holidays observed by Malta during calendar year 2018

DAY & DATE	HOLIDAY
Monday, January 1	New Year’s Day
Saturday, February 10	Feast of St. Paul’s Shipwreck
Monday, March 19	Feast of St. Joseph’s
Friday, March 30	Good Friday
Saturday, March 31	Freedom Day
Tuesday, May 1	Labor Day
Thursday, June 7	Sette Giugno
Friday, June 29	Feast of St. Peter & St. Paul

Wednesday, August 15	Feast of the Assumption
Saturday, September 8	Feast of our Lady of Victories
Friday, September 21	Independence Day
Saturday, December 8	Feast of the Immaculate Conception
Thursday, December 13	Republic Day
Tuesday, December 25	Christmas Day

Temporary Entry of Materials or Personal Belongings

The temporary entry of certain materials and personal belongings to Malta are exempt from customs duty. Items that would be eligible for such treatment are: personal property belonging to individuals coming from countries situated outside the European community; goods imported on the occasion of a marriage; personal property acquired by inheritance; school outfits, scholastic materials and other scholastic household effects under certain conditions; imports of negligible value; capital goods and other equipment imported on the transfer of activities; importation of certain agricultural products and products intended for agricultural use; therapeutic substances, medicines, laboratory animals and biological or chemical substances; goods for charitable or philanthropic organizations; importation in the context of certain aspects of international relations; goods for the promotion of trade (e.g. goods used or consumed at a trade fair or similar event); goods imported for examination, analysis or test purposes; tourist information literature; documents and publications of foreign governments and publications of official international bodies; and coffins, funerary urns and ornamental funerary articles, etc.

Travel Related Web Resources

- Go (mobile services provider): www.go.com.mt
- Vodafone Malta: www.vodafone.com.mt
- Melita: www.melita.com/
- Health Department: ehealth.gov.mt/
- Market Research Library: www.export.gov/mrktresearch/index.asp
- State Department Visa Website: <https://travel.state.gov/content/travel/en/traveladvisories/traveladvisories.html>