



Doing Business in Malta: 2014 Country Commercial Guide for U.S. Companies

INTERNATIONAL COPYRIGHT, U.S. & FOREIGN COMMERCIAL SERVICE AND U.S. DEPARTMENT OF STATE, 2010. ALL RIGHTS RESERVED OUTSIDE OF THE UNITED STATES.

- [Chapter 1: Doing Business in Malta](#)
- [Chapter 2: Political and Economic Environment](#)
- [Chapter 3: Selling U.S. Products and Services](#)
- [Chapter 4: Leading Sectors for U.S. Export and Investment](#)
- [Chapter 5: Trade Regulations, Customs and Standards](#)
- [Chapter 6: Investment Climate](#)
- [Chapter 7: Trade and Project Financing](#)
- [Chapter 8: Business Travel](#)
- [Chapter 9: Contacts, Market Research and Trade Events](#)
- [Chapter 10: Guide to Our Services](#)

Chapter 1: Doing Business in Malta

- [Market Overview](#)
- [Market Challenges](#)
- [Market Opportunities](#)
- [Market Entry Strategy](#)

Market Overview

[Return to top](#)

- The Republic of Malta is a small, strategically located, island country. It is 60 miles south of Sicily and 180 miles north of Libya. It straddles some of the world's busiest shipping lanes. Malta is a politically stable parliamentary republic with a free press. The country has a reputation of being safe, secure, and welcoming to American investors.
- Malta is a member of the European Union. Its official currency is the Euro (€). 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 joined the European Union in 2004, the Schengen visa system in 2007, and the Eurozone in 2008.
- With a population of about 420,000 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 tourism. Maltese and English are the official languages.
- Malta's geographic location, fiscal incentives, political stability, and modern infrastructure make it a natural hub for companies seeking to do business in Southern Europe and North Africa. In a 2012 report, the UN listed Malta as a "front runner" in the high foreign direct investment (FDI) potential category. To date, more than 200 international companies have established operations in Malta.
- During 2013, the U.S. accounted for 3.78 percent of Malta's total trade. Also during that year, the U.S. supplied 3.34 percent of Malta's total imports and bought 4.42 percent of Malta's total exports.
- Key items Malta imported from the U.S. include: gas oil, aircraft engines, aircraft parts, water purification equipment, electrical power generation parts, motor boats, yachts, navigation instruments, and cereals for the manufacture of bread. In addition to semiconductors, Malta exported rubber and rubber articles, automotive switches, video-recording and reproducing equipment, textile products, medical devices and products, toys, and games.

Market Challenges

[Return to top](#)

- Malta is a small island in the middle of the Mediterranean with approximately 420,000 inhabitants.

- Bilateral trade between Malta and the U.S. has traditionally been limited due to a lack of direct flights and the long distance involved in shipping goods directly. While there is a direct shipping connection to Malta for containerized shipments, partial shipments need to come through neighboring European ports. Local importers have mitigated these difficulties by importing high-value, low-volume items and by getting these goods from U.S. subsidiaries or associates in Europe or other nearby states.

Market Opportunities

[Return to top](#)

- Sectors: Information Communications Technology (ICT), Financial Services, Oil and Gas, Education, Tourism, Infrastructure, Construction, Information Handling, Pharmaceuticals, Medical Equipment, Automotive components, Light Engineering, Alternative and Renewable Energy, Research & Development, Aviation Maintenance; Registration of Ships and Aircrafts, Franchising and Security products
- Malta is working toward maximizing its potential as a center for international business in the Euro-Med region. A growing number of companies are using Malta as a base for operations in North Africa—particularly Tunisia and Libya—following the Arab Spring government changes there.
- Services represent the largest and fastest-growing sector of the Maltese economy. Banking, investment, insurance, communications, software development, tourism, ship-repair/aircraft servicing, health care services, aviation, logistics, film industry, professional services, and back office operations are the largest service sub-sectors.
- For exporters, Malta serves as a stepping stone to nearby markets. Malta could also serve as a test market to launch new products by allowing companies to determine customers' behaviors and patterns on a small scale.
- Among agricultural products, the best U.S. prospect is in grain, particularly red winter and soft wheat.

Market Entry Strategy

[Return to top](#)

- The application of uniform EU standards and certificates makes it easier for U.S. firms with prior experience in Europe to expand their business interests to Malta.
- Although not required, most foreign suppliers 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 operating/regional offices in Malta.
- For public sector procurement, it is advisable that U.S. companies partner with Maltese companies to increase their chances of success.
- U.S. firms considering investing in Malta should review the relevant regulations with the quasi-government investment promotion agency Malta Enterprise: <http://www.maltaenterprise.com>

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 2: Political and Economic Environment

Political Environment

Malta has a well-established two-party structure. The Labor and Nationalist parties dominate Maltese politics. The current governing Labor Party (PL), with a European Social Democratic orientation, came to power in March 2013. The Nationalist Party (PN) has a Christian, democratic, and conservative political doctrine. Both parties enjoy good relations with the United States.

Elections invariably generate a high voter turnout; in March 2013 the turnout was 93% (the highest rate of non-compulsory voting in the world). The margin between the two parties in elections is often so narrow that a 52% share of the vote constitutes a "landslide" for the winning party. In the March 2013 elections, however, the Labor Party won the election by the largest margin in Malta's post-independence history with 54.8% of the vote - earning 39 seats. The Nationalist Party received 43.3% of the vote, earning 30 seats.

Malta also has a Green Party - Alternative Demokratika (AD) which normally polls one to two percent of the vote. Malta holds six seats in the European Parliament - three Nationalist Party members (aligned with the European People's Party – EPP), and three Labor Party candidates (aligned with the Progressive Alliance of Socialists and Democrats – SD).

Economic Environment

Malta's GDP in 2013 was \$9.54 billion dollars, with an estimated GDP per capita of \$29,208. The international financial crisis did not hit Malta as hard as many of its southern EU neighbors, in large part because government finances are on a relatively solid ground. Economic relations with the Maltese government are excellent and there are no significant bilateral economic or trade disputes between the U.S. and Malta. A double taxation treaty took effect in January 2011.

In 2013, Malta had about 1.6 million tourist visits – a 16 percent increase over the past five years. Tourism has long been the most important element in the service sector but financial services, online gaming and telecommunications are increasingly significant. A varied industrial sector accounts for about one quarter of GDP. Generic pharmaceutical manufacturing and information computer technology (ICT) are emerging niche markets in which U.S. companies have been active. Agriculture and fishing have declined in importance and represent just 1.4 percent of GDP, although fish farming (for Bluefin tuna, in particular) is growing.

There are extensive air connections from Malta to Europe, the Middle East, Russia, and North Africa. No American air carriers fly to Malta and there are no direct flights to or from the U.S., but Malta has seen a rise in the number of low cost air carriers providing scheduled service to the island.

For additional background information please see the U.S. Department of State Background Notes at: <http://www.state.gov/r/pa/ei/bgn/5382.htm>

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 3: Selling U.S. Products and Services

- [Using an Agent or Distributor](#)
- [Establishing an Office](#)
- [Data Privacy and Protection](#)
- [Franchising](#)
- [Direct Marketing](#)
- [Joint Ventures/Licensing](#)
- [Selling to the Government](#)
- [Distribution and Sales Channels](#)
- [Selling Factors/Techniques](#)
- [Electronic Commerce](#)
- [Trade Promotion and Advertising](#)
- [Pricing](#)
- [Sales Service/Customer Support](#)
- [Protecting Your Intellectual Property](#)
- [Due Diligence](#)
- [Local Professional Services](#)
- [Web Resources](#)

Using an Agent or Distributor

[Return to top](#)

The key to success in the Maltese market is to have an experienced agent or joint venture partner in Malta with suitable experience and an extensive sales network. The ability to offer full after-sales support to the end user along with spare parts 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. In the upcoming seven years (2014-2020), Malta will have the opportunity to benefit from funding under the European Structural and Investments Funds, covering European Regional Development Fund (ERDF), European Social Fund (ESF), Cohesion Fund (CF), European Agricultural Fund for Rural Development (EAFRD) and European Maritime and Fisheries Fund (EMFF). These funds will support major projects including infrastructural development, up to 1.1 billion Euros.

Before making an agreement with prospective agents or joint venture partners, it is advisable that U.S. firms obtain background information and credit reports (see Chapter 10 – Guide to Our Services).

Companies wishing to use distribution, franchising and agency arrangements need to ensure that the agreements they put into place are in accordance with EU and member state national laws. Council Directive 86/653/EEC establishes certain minimum standards of protection for self-employed commercial agents who sell or purchase 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. This directive also establishes the granted notice and indemnity or compensation to pay the agent. U.S. companies should be particularly aware that according to the Directive, parties may not derogate from certain requirements. Accordingly, the European courts will likely rule invalid an inclusion of a clause specifying application of an alternate body of law in the event of a dispute.

Key Link:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31986L0653:EN:HTML>

The European Commission's Directorate General for Competition enforces legislation concerned with the effects on competition in the internal market of "vertical agreements." U.S. small- and medium-sized companies (SMEs) are exempt from these regulations because their agreements likely would qualify as "agreements of minor importance," meaning they are considered incapable of impacting competition at the EU level but useful for cooperation between SMEs. Generally speaking, small/medium sized companies are those with fewer than 250 employees and an annual turnover of less than €50 million. The EU has additionally indicated that agreements that affect less than 10% of a particular market are generally exempt (Commission Notice 2001/C 368/07).

Key Link:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2001:368:0013:0015:EN:PDF>

The EU also looks to combat payment delays. The new Directive 2011/7/EU, which replaced the current law in March 2013, covers all commercial transactions within the EU, whether in the public or private sector, primarily dealing with the consequences of late payment. Transactions with consumers, however, do not fall within the scope of this Directive. Directive 2011/7/EU entitles a seller who does not receive payment for goods and/or services within 30 days of the payment deadline to collect interest (at a rate of 8% above the European Central Bank rate) as well as 40 Euro as compensation for recovery of costs. For business-to-business transactions this may be negotiable to a 60-day period subject to conditions. The seller may also retain the title to goods until payment is completed and may claim full compensation for all recovery costs.

Key Link:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:048:0001:0010:EN:PDF>

Companies' agents and distributors can take advantage of the European Ombudsman when victim of inefficient management by an EU institution or body. The European Ombudsman can only receive complaints made by businesses and other bodies with 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.

Key Links:

<http://www.ombudsman.europa.eu/home/en/default.htm>

http://ec.europa.eu/solvit/site/about/index_en.htm

In order to establish an office in Malta, businesses must obtain a required operating license from the appropriate government department. The fee for such a license depends on the nature of the business and its location. The development of premises for business use requires a license from the Malta Environment and Planning Authority (MEPA). A financial services company needs a license issued by the Malta Financial Services Authority. In addition, every business needs to register with the VAT and the Inland Revenue Department.

The Malta Financial Services Authority (MFSA) regulates all company registration in Malta. Malta is a tax-efficient jurisdiction for holding and trading companies. Further, company formation expenses in Malta are relatively low, making Malta a cost-effective jurisdiction not only for large corporations but also for small and medium-sized businesses.

Key Link: <http://registry.mfsa.com.mt/>

Malta offers two types of companies: International Holding Companies (IHC) and International Trading Companies (ITC), designed to take advantage of the tax treaties signed by Malta.

An IHC is a company whose activities are limited to foreign shareholders and other similar passive, income-generating activities. For income received from participating holdings by such entities, an advantageous tax regime applies.

On the other hand, the statutorily definition of ITC is a company which is engaged solely in carrying on trading activities from Malta with persons outside Malta and has objects expressly limited to such trading activities. The ITC may not hold foreign investments or equity.

Shareholders

A minimum of two shareholders is required to establish an office, and shareholder details will appear on public file. Shareholders may be corporate entities or individuals. To retain anonymity, nominee shareholders may be used.

Directors

Only one Director is required—either corporate or individual—whose details appear on public file in Malta. In order to gain tax treaty benefits a company must establish that it is tax resident in Malta. Therefore, it will be necessary to have the majority of the company's board of directors 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. It is likely that tax treaty relief is not afforded to a company which does not have a majority of directors resident in Malta even though there is no strict requirement that the director(s)

be resident in Malta. For most practical purposes it will therefore be necessary to appoint directors resident in Malta.

Registration of Companies

A limited liability company is the most common form of business in Malta. In order to constitute a valid limited liability company in accordance with the Maltese Companies Act Legislation, 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.

Key Link:

<http://justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=8853&l=1>

Memorandum and Articles of Association

The Memorandum of Association must specify the objects for which the company is incorporated. The objects may not simply state as any lawful purpose or trade in general, but should specify the following:

- Whether the company is a public company 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 amount of share capital with which the company proposes to be registered (also referred to as the authorized capital), 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 body corporate—the name and registered or principal office address of the body corporate, 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, whereby the former is a document which prescribes the internal regulations of the company.

A company can adopt the model articles of association found in the First Schedule to the Companies Act. In fact, this is the assumption made when no articles of association are registered.

The person incorporating the company has to deliver the memorandum and articles, if any, to the Registrar of Companies who will, in turn, register them. Prior to registration, the registrar ascertains 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 provision 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 chosen to incorporate 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 24 hours.

Registered Office

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

Private Company

A private company is a company that must, by its memorandum or articles:

- 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 needs to 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 minimum, at least that minimum needs to 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 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. Further, a corporate body whose sole director is company secretary cannot be the sole director of the company.

It shall be 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 that the company secretary be resident in Malta.

Data Privacy and Protection

[Return to top](#)

Current Situation

The EU's general Data Protection Directive (95/46/EC) spells out strict rules concerning the processing of personal data. Businesses must tell consumers that they are collecting data, what they intend to use it for, and to whom it will be disclosed. Businesses must give data subjects the opportunity to object to the processing of their personal details and to opt-out of having them used for direct marketing purposes. This opt-out should be available at the time of collection and at any point thereafter. While the EU institutions are considering new legislation (GDPR), the 1995 Directive remains in effect.

Transferring Customer Data to Countries outside the EU

The EU's current general data protection Directive provides for the free flow of personal data within the EU but also for its protection when it leaves the region's borders. Businesses can only transfer personal data outside the EU if the third country's legislation provides adequate protection for it. Alternatively, businesses must secure the unambiguous consent of the data subject. The European Commission has decided that

a handful of countries have regulatory frameworks in place that guarantee the adequate protection of data transferred to them – the United States is not one of these.

As a result, in 2000 the Department of Commerce and the European Commission negotiated the U.S-EU Safe Harbor Framework to provide U.S. companies with simple, streamlined means of complying with the adequacy requirement. It allows those U.S. companies that commit to a series of data protection principles (based on the current Directive), and that publicly state that commitment by "self-certifying" on a dedicated website, to continue to receive personal data from the EU. Signing up is voluntary but the rules are binding. The ultimate means of enforcing Safe Harbor is that failure to fulfill the commitments will be actionable as an unfair and deceptive practice under Section 5 of the FTC Act or under a concurrent Department of Transportation statute for air carriers and ticket agents. Companies whose activities are not regulated by the FTC or DoT (e.g. banks, credit unions, savings and loan institutions, securities dealers, insurance companies, not-for-profit organizations, meat packing facilities, or telecommunications carriers) are not eligible to sign up for Safe Harbor.

Key links: U.S.-EU Safe Harbor Overviews

http://export.gov/safeharbor/eu/eg_main_018476.asp

http://export.gov/static/Safe%20Harbor%20and%20Cloud%20Computing%20Clarification_April%2012%202013_Latest_eg_main_060351.pdf

EU-based exporters or U.S.-based importers of personal data can also satisfy the adequacy requirement by using appropriate safeguards. For instance; by including data privacy clauses in the contracts they sign with each other. When these companies export data, the Data Protection Authority from the originating EU country must approve these contracts. To fast track this procedure the European Commission approved sets of model clauses for personal data transfers to insert into contracts between data importers and exporters. The EU published the most recent clause at the beginning of 2005. Then in 2010, implemented contractual clauses on "sub-processing" - outsourcing by an EU based exporter of its processing activities to other sub-processors outside the EU. Most transfers using contracts based on these model clauses do not require prior approval. Companies must bear in mind that transferring personal data to third countries is a processing operation that is subject to the general data protection Directive regardless of any Safe Harbor, contractual or consent arrangements.

EU countries' Data Protection Authorities (DPAs) and large multinational companies have also developed a third major approach to compliance with EU rules on transfers of personal data to countries outside the EU. This approach, based on country-by-country DPA approval of "binding corporate rules" (BCRs), is the international code of practice that a multinational corporation follows for transfers of personal data between the companies belonging to that corporation (worldwide intra-group transfer). BCRs are suitable for closely-knit, highly hierarchically structured multinational companies but not for loose conglomerates. Companies that set up BCRs that satisfy European DPAs are able to use the presumption of conformity that these approvals provide to transfer personal data from the EU to any location in the world – not just the United States. BCRs can be a tool for compliance with privacy rules on a global scale. Small or medium-sized companies have not yet attempted the process of negotiation and approval of the BCRs due to its current lengthy and complex procedure.

Proposed New Regulation

The EU's data privacy legislation is currently under review. In January 2012, DG Justice proposed a new commercial data protection regulation (GDPR). On March 12th, 2014, the European Parliament adopted the LIBE committee's proposed regulation. Greece was able to make considerable progress while occupying the rotating EU Council Presidency during the first six months of 2014. Italy will assume the Presidency in July 2014 while both the Parliament and Commission will transition after the May 2014 European elections.

If adopted, the EP's March 2014 regulation specifications will impose significant requirements on European and U.S. businesses in terms of their ability to gather and utilize user data. It will also sunset all adequacy decisions after five years as well as transfers by way of appropriate safeguards after two years. Additionally, it will introduce substantial fines for offending companies (up to 5% of global revenue). For over two years, industry representatives have voiced their concerns to EU Institutions and member state officials. In a Position Paper to the EU, published in July 2012, the American Chamber of Commerce identified 10 key concerns with the proposed regulation including:

- data breach notification
- consent
- definition of personal data, a child, and of public interest
- technical feasibility of the "right to be forgotten" provision
- Extra-territoriality element that would hamper international data transfers.

The implications of this proposed regulation go well beyond its immediate scope; in particular data privacy is an integral part of other current EU regulatory initiatives in ICT sectors such as cloud computing and cyber-security.

Key Links:

European Commission's Justice Directorate-General:

http://ec.europa.eu/justice_home/fsj/privacy/index_en.htm

http://ec.europa.eu/justice/data-protection/document/international-transfers/transfer/index_en.htm

http://ec.europa.eu/justice/data-protection/document/international-transfers/binding-corporate-rules/index_en.htm

AmChamEU position paper on the proposed regulation:

http://www.amchameu.eu/DesktopModules/Bring2mind/DMX/Download.aspx?TabId=165&Command=Core_Download&EntryId=7914&PortalId=0&TabId=165

Franchising

[Return to top](#)

There are no specific Maltese regulations governing the operations of franchised units in Malta, nor are there any restrictions on a franchise. Foreign Exchange Control regulations govern the payments of the franchise and royalty fees.

Maltese entrepreneurs are generally interested in franchising. Even though the market is relatively small, major US brands are present on the island. The U.S. Commercial Service desk at the U.S. Embassy in Malta 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 which maximize the probability of franchise success.

There are a number of laws that govern franchise operations within the EU, but these laws are fairly broad and generally do not constrain the competitive position of U.S. businesses. The website of the European Franchise Federation offers more information on specific legislation found at: <http://www.eff-franchise.com/spip.php?rubrique21>

Direct Marketing

[Return to top](#)

The use of direct marketing, especially TV-shopping, is increasing in Malta. There are several mail and telephone ordering services in Malta. Door-to-door selling exists on a limited scale but is not common.

There is a wide-range of EU legislation that impacts the direct marketing sector. Compliance requirements are stiffest for marketing and sales to private consumers. Companies need to focus, in particular, on the clarity and completeness of the information they provide to consumers prior to purchase and on their approaches to collecting and using customer data. The following gives a brief overview of the most important provisions flowing from EU-wide rules on distance-selling and on-line commerce.

Processing Customer Data

The EU has strict laws governing the protection of personal data, including the use of such data in the context of direct marketing activities. For more information on these rules, please see the privacy section above.

Distance Selling Rules

The EU's Directive on Distance Selling to Consumers (97/7/EC and amendments) sets out a number of obligations for companies doing business with consumers with consumers.

It can read like a set of onerous "do's" and "don'ts," but in many ways, it represents nothing more than a customer relations good practice guide with legal effect. Before concluding a contract, direct marketers must provide clear information on the identity of themselves as well as their supplier, full details on prices including delivery costs, and the period for which an offer remains valid. Customers generally have the right to return

goods without any required explanation within seven days, and retain the right to compensation for faulty goods thereafter. Similar in nature is the Doorstep Selling Directive (85/577/EEC) designed to protect consumers from sales occurring outside of a normal business premises (e.g., door-to-door sales) and essentially ensure the fairness of resulting contracts.

In 2011, the EU overhauled its consumer protection legislation and merged several existing rules into a single rulebook - "the Consumer Rights Directive." The Directive's provisions will apply to contracts concluded after June 13, 2014, and will replace current EU rules on distance selling to consumers and doorstep selling along with unfair contract terms and consumer goods and associated guarantees. Core information that traders need to provide prior to the conclusion of consumer contracts is available within the provision of this Directive. It also regulates the right of withdrawal, includes rules on the costs for the use of means of payment and bans pre-ticked boxes.

In 2013, the EU adopted rules on Alternative Dispute Resolution which provide consumers the right to turn to quality alternative dispute resolution entities for all types of contractual disputes including purchases made online or offline, domestically or across borders. A specific Online Dispute Resolution Regulation will set up an EU-wide online platform to handle consumer disputes that arise from online transactions. The platform will be operational at the end of 2015.

Key Links:

Consumer Affairs Homepage:

http://ec.europa.eu/consumers/index_en.htm

Consumer Rights:

http://ec.europa.eu/justice/consumer-marketing/rights-contracts/directive/index_en.htm

Distance Selling of Financial Services

Financial services are the subject of a separate directive that came into force in June 2002 (2002/65/EC). This Directive, which amended three prior existing legislations, protects consumers with respect to financial transactions taking place where the consumer and the provider are not face-to-face. In addition to prohibiting certain abusive marketing practices, the Directive establishes criteria for the presentation of contract information. Given the special nature of financial markets, this Directive lays out specifics for contractual withdrawal.

Key Link:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32002L0065:EN:NOT>

Direct Marketing over the Internet

The e-commerce Directive (2000/31/EC) imposes certain specific requirements connected to the direct marketing business. Promotional offers must not mislead customers and the terms set to qualify for them have to be easily accessible and clear. The Directive stipulates that marketing e-mails must identify as such to the recipient and requires that companies targeting customers on-line must regularly consult national opt-out registers where they exist. Upon receiving of an order, the service provider must acknowledge receipt quickly and by electronic means, although the Directive does not attribute any legal effect to the placing of an order or its acknowledgment. This is a matter for national law. Vendors of electronically supplied services (such as software,

which the EU considers a service and not a good) must also collect value added tax (see Electronic Commerce section below).

Key Link: http://ec.europa.eu/internal_market/e-commerce/index_en.htm

Unless a specific legislative instrument excludes the use of the internet or amends general provisions to address specific issues associated with the use of the internet, general legislation applies to transactions equally, regardless of the channel used. Thus, legislation dealing with general consumer protection and unfair consumer terms (the Consumer Affairs Act, chapter 378 of the Laws of Malta), data protection matters (Data Protection Act, chapter 440), and general direct and indirect taxation rules, defamation and generally criminal laws apply.

In addition, there are several specific primary and subsidiary legislative instruments dealing with e-commerce in Malta, including:

- the Electronic Commerce Act (chapter 426 of the Laws of Malta) (E-Commerce Act) dealing with validity of electronic evidence, electronic contracts, liability of information society service providers and electronic signatures;
- the Electronic Commerce (General) Regulations (Subsidiary Legislation 426.02), which, together with the E-Commerce Act, implemented the EU Electronic Commerce Directive and the Electronic Signatures Directive;
- the Electronic Communications Networks and Services (General) Regulations 2011 (Subsidiary Legislation 399.28), which, among other things, addresses data-protection issues arising out of the use of electronic communications networks and services;
- the Tax Credit (Electronic Commerce) Rules (Subsidiary Legislation 123.85), granting tax credits in certain circumstances for qualifying expenditures relating to the development of e-commerce systems;
- the Distance Selling (Retail Financial Services) Regulations (Subsidiary Legislation 330.07); addressing specific issues of distance selling of financial services;
- the Remote Gaming Regulations (Subsidiary Legislation 438.04) dealing with the provision of gambling services over the internet;
- the Criminal Code (chapter 9 of the Laws of Malta) and in particular the sections dealing with computer misuse and related offences;
- the Public Procurement Regulations (Subsidiary Legislation 174.04) where public procurement by electronic means is involved; and
- the Copyright Act (chapter 415) implementing EU law on copyright and digital rights.

The designated competent authority under both the E-Commerce Act and the Electronic Commerce (General) Regulations is the Malta Communications Authority (MCA). Moreover, electronic communications networks and services also fall under the authority of the MCA, thereby granting it the responsibility to monitor the competitiveness of the market and regulate, where appropriate, internet access tariffs and charges in accordance with the requirements of the EU electronic communications regulatory framework as transposed in Malta by the Electronic Communications Regulation Act (chapter 399 of the Laws of Malta) and subsidiary legislation.

The Malta Competition and Consumer Affairs Authority (MCCAA) also plays an important role with respect to consumer protection in the electronic communications

sector. Additionally, the data protection commissioner provides regulatory oversight with respect to data protection and privacy.

Joint Ventures/Licensing

[Return to top](#)

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

[Return to top](#)

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.

The public procurement market in the EU, currently regulated by three Directives, adopted new legislation in this area in 2014. The new adopted EU procurement Directives are for the general and utilities sectors as well as one on concession contracts:

- Directive 2004/18 on Coordination of Procedures for the Award of Public Works, Services and Supplies Contracts;
- Directive 2004/17 on Coordination of Procedures of Entities Operating in the Utilities Sector, which covers water, energy, transport and postal services; and
- Directive 2009/81 on Coordination of Procedures for the Award of Certain Works, Supply and Service Contracts by contracting authorities in the fields of defense and security.

There is a separate Directive addressing the procurement of defense and sensitive security equipment.

According to some estimates, the size of the EU public procurement market is between 340 billion euros - 440 billion euros. More details on the size of the EU public procurement market are available in "The Annual Public Procurement Implementation Review":

http://ec.europa.eu/internal_market/publicprocurement/docs/implementation/20121011-staff-working-document_en.pdf

Remedy directives cover legal means for companies who face discriminatory public procurement practices.

The U.S. and the EC are signatories to the World Trade Organization's (WTO) Government Procurement Agreement (GPA), which grants access to most public supplies and services and some work contracts published by national procurement

authorities of the countries that are parties to the Agreement. In practice, this means that U.S.-based companies are eligible to bid on supplies and services contracts from European public contracting authorities above the agreed thresholds:

http://ec.europa.eu/internal_market/publicprocurement/rules/gpa-wto/index_en.htm

However, there are restrictions for U.S. suppliers in the EU utilities sector both in the EU Utilities Directive and in EU coverage of the GPA. The Utilities Directive allows EU contracting authorities to either: 1) reject non-EU bids where the proportion of goods originating in non-EU countries exceeds 50% of the total value of the goods constituting the tender; or 2) apply a 3% price difference to non-EU bids in order to give preference to the EU bid. The EU applies these restrictions when there is no reciprocal access for EU companies in the U.S. market. These restrictions, however, do not apply for the electricity sector.

While authorities of EU member states have to apply EU Public Procurement Directive when procuring goods and services, the EU institutions follow different procurement rules, as explained in our reports on “Selling goods and services to the EU institutions – Update 2014” and “Tenders for Government Contracts in the EU”:

<http://export.gov/europeanunion/marketresearch/index.asp>

Distribution and Sales Channels

[Return to top](#)

Malta offers a full range of sales channels to consumers, with various distribution methods depending on the type of product offered. These methods range from wholesalers selling to traditional shops which then sell to the public, to more sophisticated methods such as large department stores which have become increasingly popular outlets.

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

Selling Factors/Techniques

[Return to top](#)

The selling factors/techniques applicable to Malta are generally the same as those used in other Western European countries. Due to the country's small size, the sales territory includes all of Malta. It has increasingly become popular that agents of US brands also acquire the license to be the official distributor for other countries in the Mediterranean region such as Libya.

Electronic Commerce

[Return to top](#)

E-commerce, (whether Business-to-Consumer or Business-to-Business), was slow to develop in Malta; however, it has now begun to evolve rapidly. During 2013, 20 percent of enterprises with at least 10 employees (FTE) received orders via computer networks, representing an increase of 2 percentage points when compared to the previous year.

This amounted to over €1.17 billion in e-commerce sales, which accounts for 13.2 percent of total turnover (of enterprises that use the Internet).

The trade of goods and services over the Internet increased from 63.9 percent in 2012 to 66.3 percent in 2013. . Clothing and sports goods were the mostly acquired items over the Internet with 59.7 per cent. Books, magazines, and newspapers recorded a demand of 29.8 percent and represented the second-largest group of commodities purchased via e-commerce. Hotel accommodation ranked third with a demand of 29.1 percent.

In October 2006, 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 to ensure appropriate levels of transparency with respect to commercial communications online.

Statistics show that local companies are consistently making greater use of information technology. In 2013, just under 97 percent of local businesses use computers and around 96 percent use the Internet. Eighty-eight percent have DSL broadband connectivity, while 81.5 percent operate a website. More than half of the locally based companies who make use of the internet also use social media. Nearly 80 per cent of these companies used social media to develop their corporate image whereas 58 per cent used it to obtain customer feedback in 2013.

The Maltese Government has invested in ICT and would like to see Malta become an IT center in the region. The government sees the development of SmartCity Malta—a TECOM technology park modeled on their Dubai InternetCity project—as a step toward this goal.

The Electronic Commerce Directive (2000/31/EC) mentioned in the direct marketing section above provides rules for online services in the EU. It requires providers to abide by rules in the country where they are established (country of origin). 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. The European Commission released a work plan in 2012 in order to facilitate cross-border online services and reduce barriers and released a [report](#) on implementation of the action plan in 2013.

Key Link: http://ec.europa.eu/internal_market/e-commerce/directive_en.htm

The EU applies Value Added Tax (VAT) to sales by non-EU based companies of Electronically Supplied Services (ESS) to EU-based non-business customers. U.S. companies covered by the rule must collect and submit VAT to EU tax authorities. European Council Directive 2002/38/EC further developed the EU rules for charging Value Added Tax. Directive 2008/8/EC indefinitely extended these rules following its adoption.

Businesses affected by EU Directive 2002/38 are either U.S.-based and selling ESS to non-business EU customers, or are EU-based businesses selling ESS to customers outside the EU. There are a number of compliance options for businesses. The Directive creates a special scheme that simplifies registering with each member state. The Directive allows companies to register with a single VAT authority of their

choice. Companies have to charge different rates of VAT according to where their customers are located, but companies can submit VAT reports and returns submit to just one authority. The VAT authority responsible for providing the single point of registration service is then responsible for reallocating the collected revenue among the other EU VAT authorities.

For more, go to the EC website:

http://ec.europa.eu/taxation_customs/taxation/vat/traders/e-commerce/index_en.htm

Trade Promotion and Advertising

[Return to top](#)

Product advertisement in Malta generally occurs via 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 10 radio stations. A large number of foreign television broadcasts, including several American shows, are available through the cable, digital, or satellite networks. Visit:

<http://tvm.com.mt>

<http://www.nettv.com.mt/>

<http://www.one.com.mt/>

<http://www.smashmalta.com>

Four published daily newspapers available in Malta: two Maltese-language dailies and two English-language dailies. In addition, there are five Sunday publications and another five papers published on a weekly basis. Further, there are several online news outlets:

Times of Malta - [≤http://www.timesofmalta.com≥](http://www.timesofmalta.com)

Malta Independent - [≤http://www.independent.com.mt≥](http://www.independent.com.mt)

L-Orizzont (Maltese language) - <http://www.l-orizzont.com/>

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

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

DI-VE.com: di-ve news - [≤http://www.di-ve.com≥](http://www.di-ve.com)

Maltatoday: [_ www.maltatoday.com.mt](http://www.maltatoday.com.mt)

Malta Star: www.maltastar.com

The Malta Fairs and Convention Centre (MFCC) holds several specialized trade fairs during the year. Visit <http://www.mfcc.com.mt/>

American companies who wish to sell to Maltese companies may feature their products or services in the “Featured U.S. Exporters” section of the Embassy’s Commercial Section website. Visit: <http://malta.usembassy.gov/com-serviceforus.html>

The two most popular and highly-circulated, free, door-to-door promotional magazines in Malta and Gozo are the following:

<http://www.advertasiaservices.com/vouchermagazine/>

http://www.thebargainmagazine.com/index.php?option=com_content&view=article&id=46&Itemid=62

General Legislation

Laws against misleading advertisements differ widely from member state to member state within the EU. To respond to this imperfection in the internal market, the Commission adopted a directive, in force since October 1986, to establish minimum and objective criteria regarding truth in advertising. The Directive, amended in October 1997, included comparative advertising. Under the Directive, misleading advertising is defined as any "advertising which in any way, including its presentation, deceives or is likely to deceive the persons to whom it is addressed or whom it reaches and which, by reason of its deceptive nature, is likely to affect their economic behavior or which for those reasons, injures or is likely to injure a competitor." Member states can authorize even more extensive protection under their national laws.

The EU Directive defines comparative advertising, subject to certain conditions, as "advertising which explicitly or by implication identifies a competitor or goods or services by a competitor." Member States can, and in some cases have, restricted misleading or comparative advertising.

The EU's Audiovisual Media Services Directive lays down legislation on broadcasting activities allowed within the EU. Since 2009, the EU lifted the rule to allow for U.S.-style product placement on television and the three-hour/day maximum of advertising. However, a 12-minute/hour maximum remains. Child programming is subject to a code of conduct that includes a limit of junk food advertising to children. Advertising product specifications are legally binding on the seller, following the adoption of the 1999 Council Directive on the Sale of Consumer Goods and Associated Guarantees. For additional information on Council Directive 1999/44/EC on the Sale of Consumer Goods and Associated Guarantees, see the legal warranties and after-sales service section below. However, the Consumer Rights Directive will incorporate this above mentioned Directive by June 2014.

The EU adopted Directive 2005/29/EC concerning fair business practices in a further attempt to tighten up consumer protection rules. These rules outlaw several aggressive or deceptive marketing practices such as pyramid schemes, "liquidation sales" when a shop is not closing down, and artificially high prices as the basis for discounts in addition to other potentially misleading advertising practices. Certain rules on advertising to children are also set out.

Key Link:

http://ec.europa.eu/comm/consumers/cons_int/safe_shop/fair_bus_pract/index_en.htm
http://ec.europa.eu/avpolicy/reg/avms/index_en.htm

Medicines

Council Directive 2001/83/EC regulates the advertising of medicinal products for human use as amended by Directive 2004/27/EC. Generally speaking, this Directive forbids the advertising of medicinal products if national authorities do not grant market authorization or if the product in question is a prescription drug. The Directive does not permit mentioning therapeutic indications where self-medication is not suitable, nor is the

distribution of free samples to the general public. The text of the advertisement should be compatible with the characteristics listed on the product label, and should encourage rational use of the product. The advertising of medicinal products destined for professionals should contain essential characteristics of the product as well as its classification. The Directive also prohibits the inducements to prescribe or supply a particular medicinal product and restricts the supply of free samples.

The Commission presented a new proposal for a framework for information to patients on medicines in 2008 which would allow industry to produce non-promotional information about its medicines while complying with strictly defined rules and would be subject to an effective system of control and quality assurance. However member states blocked the debate on the framework and therefore, current varying systems at national level are in force.

Key Link:

http://ec.europa.eu/health/human-use/information-to-patient/index_en.htm

Nutrition & Health Claims

On July 1, 2007, a regulation on nutrition and health claims entered into force. Regulation 1924/2006 sets EU-wide conditions for the use of nutrition claims such as “low fat” or “high in vitamin C” and health claims such as “helps lower cholesterol.” The regulation applies to any food or drink product produced for human consumption marketed in the EU. The regulation, only allows food that fit a certain nutrient profile (below certain salt, sugar and/or fat levels) to carry claims. Similarly, it only allows nutrition and health claims on food labels if they are included in one of the EU’s positive lists. Food products carrying claims must comply with the provisions of nutritional labeling Directive 90/496/EC and its amended version Directive 1169/2011.

In December 2012, a list of approved functional health claims went into effect. The EU will evaluate at a later stage this list which includes generic claims for substances other than botanicals. Disease risk reduction claims and claims referring to the health and development of children require an authorization on a case-by-case basis, following the submission of a scientific dossier to the European Food Safety Authority (EFSA). Health claims based on new scientific data require submission to EFSA for evaluation which includes a new established simplified authorization procedure.

The EU has delayed the development of nutrient profiles, originally scheduled for January 2009. Nutrition claims can fail one criterion, i.e. a product can still include a nutrition claim if only one nutrient (salt, sugar or fat) exceeds the limit of the profile, provided the high level of that particular nutrient is clearly marked on the label. For example, a yogurt can make a low-fat claim even if it has high sugar content but only if the label clearly states “high sugar content.” An established European Union Register of nutrition claims is up and running and updated regularly. Health claims cannot fail any criteria.

Detailed information on the EU’s Nutrition and Health Claims policy can be found on the USEU/FAS website at <http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/nutrition-health-claims/> and in the EU-28 “Food and Agricultural Import Regulations and Standards (FAIRS) Report.

Key Link: <http://ec.europa.eu/nuhclaims/>

Food Information to Consumers

In 2011, the EU adopted a new regulation on the provision of food information to consumers (1169/2011). The new EU labeling requirements will apply from December 13, 2014 except for the mandatory nutrition declaration which will apply from December 13, 2016.

Detailed information on the EU's new food labeling rules can be found on the USEU/FAS website at <http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/eu-labeling-requirements/> and in the EU-28 "Food and Agricultural Import Regulations and Standards (FAIRS) Report.

Key link:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:304:0018:0063:EN:PDF>

Food Supplements

Directive 2002/46/EC harmonizes the rules on labeling of food supplements and introduces specific rules on vitamins and minerals in food supplements. Member states still regulate the ingredients other than vitamins and minerals.

Regulation 1925/2006, applicable as of July 1, 2007, harmonizes rules on the addition of vitamins and minerals to foods. The regulation which includes a list, most recently revised in November 2009, of the addition of vitamins and minerals allowed in foods. The EU is currently developing a positive list of substances other than vitamins and minerals, until established; member state laws will govern the use of these substances.

Key Link: http://ec.europa.eu/food/food/labellingnutrition/supplements/index_en.htm

Tobacco

The EU Tobacco Advertising Directive bans tobacco advertising in printed media, radio, and internet as well as the sponsorship of cross-border events or activities. The EU Directive allows for advertising for tobacco in cinemas and on billboards or merchandise, however Malta prohibits this. Since the early 1990s the EU banned tobacco advertising on television by means of the Audiovisual Media Services Directive. The EU adopted a revised Tobacco Products Directive whereby member states need to transpose it into national legislation by 2016. The new legislation will include bigger, double-sided health pictorial warnings on cigarette packages and possibility for plain packaging along with health warnings, tracking systems. In addition, Malta prohibits smoking in confined public areas in Malta.

Key link: <http://ec.europa.eu/health/tobacco/products/>

Pricing

[Return to top](#)

Malta has very limited price control over consumer staples including milk and bread. When pricing a product, firms should consider payment and credit terms. 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. VAT is 18 percent on most products.

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, the 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.

Product Liability

Under the 1985 Directive on Liability of Defective Products, amended in 1999, the producer is liable for damage caused by a defect in his product. The victim must prove the existence of the defect and a causal link between defect and injury (bodily as well as material). The Directive grants a reduction of liability of the manufacturer in cases of negligence on the part of the victim.

Key link:

<http://ec.europa.eu/enterprise/policies/single-market-goods/product-liability/>

Product Safety

The 1992 General Product Safety Directive introduces a general safety requirement at the EU level to ensure that manufacturers only place safe products on the market. It was revised in 2001 to include an obligation on the producer and distributor to notify the Commission in case of a problem with a given product, provisions for its recall, the creation of a European Product Safety Network, and a ban on exports of products to third countries that are not deemed safe in the EU. The legislation is still undergoing review.

Key link: http://ec.europa.eu/consumers/safety/prod_legis/index_en.htm

Legal Warranties and After-sales Service

Under the 1999 Directive on the Sale of Consumer Goods and Associated Guarantees, professional sellers are required to provide a minimum two-year warranty on all consumer goods sold to consumers (natural persons acting for purposes outside their trade, businesses or professions), as defined by the Directive. The remedies available to consumers in case of non-compliance are:

- Repair of the good(s);
- Replacement of the good(s);
- A price reduction; or
- Rescission of the sales contract.

Key link:

<http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:01999L0044-20111212&qid=1395670475658&from=EN>

Chapter 5 of this report deals with other issues pertaining to consumers' rights and protection, such as the New Approach Directives, CE marking, quality control and data protection.

Malta has fully incorporated the EU and WTO rules regarding intellectual property into its national law. The following is a summary of EU-related regulations. For additional information, please refer to Chapter 6 – Investment Climate Statement.

Protecting Your Intellectual Property in Malta:

Several general principles are important for effective management of intellectual property (“IP”) rights in Malta. First, it is important to have an overall strategy to protect your IP. Second, Malta protects IP rights differently than in the U.S. Third, rights must be registered and enforced in Malta, under local laws. Your U.S. trademark and patent registrations will not protect you in Malta.

There is no such thing as an “international copyright” that will automatically protect an author’s writings throughout the entire world. Protection against unauthorized use in a particular country depends, basically, on the national laws of that country. However, most countries do offer copyright protection to foreign works under certain conditions, and international copyright treaties and conventions have greatly simplified these conditions.

Registration of patents and trademarks is on a first-in-time, first-in-right basis, so you should consider applying for trademark and patent protection even before selling your products or services in the Malta market. It is vital that companies understand that intellectual property is primarily a private right and that the US government generally cannot enforce rights for private individuals in Malta. It is the responsibility of the rights’ holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Maltese law. The U.S. Commercial Service can provide a list of local lawyers upon request.

While the U.S. Government stands ready to assist, there is little we can do if the rights holders have not taken these fundamental steps necessary to securing and enforcing their IP in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the USG can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a law suit. In no instance should U.S. Government advice be seen as a substitute for the obligation of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on potential partners. Negotiate from the position of your partner and give your partner clear incentives to honor the contract. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in Malta require constant attention. Work with legal counsel familiar with Maltese laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

USG also recommends that small and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations, both Malta or U.S.-based. These include:

- The U.S. Chamber and local American Chambers of Commerce
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)

IP Resources

A wealth of information on protecting IP is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the US and other countries -- call the STOP! Hotline: **1-866-999-HALT** or register at www.StopFakes.gov.
- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the US Patent and Trademark Office (USPTO) at: **1-800-786-9199**.
- For more information about registering for copyright protection in the US, contact the US Copyright Office at: **1-202-707-5959**.
- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, a free online training program is available at www.stopfakes.gov.
- For US small and medium-size companies, the Department of Commerce offers a "SME IP Advisory Program" available through the American Bar Association that provides one hour of free IP legal advice for companies with concerns in Brazil, China, Egypt, India, Russia, and . For details and to register, visit: http://www.abanet.org/intlaw/intlproj/iprprogram_consultation.html
- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: www.StopFakes.gov This site is linked to the USPTO website for registering trademarks and patents (both in the U.S. as well as in foreign countries), the U.S. Customs & Border Protection website to record registered trademarks and copyrighted works (to assist customs in blocking imports of IP-infringing products) and allows you to register for Webinars on protecting IP.

- The U.S. Commerce Department has positioned IP attachés in key markets around the world. For contact information, please see:
http://www.uspto.gov/ip/global/attache/Attache_Contacts_2012-08.doc

Due Diligence

[Return to top](#)

The Embassy can provide background information on companies operating in Malta. American companies may also request information from the Malta Chamber of Commerce, Enterprise, and Industry at <http://www.maltachamber.org.mt/> or from Amcham Malta at <http://www.amcham-malta.org/>.

Full company reports are available from Creditinfo Malta, which is the local representative of Dun & Bradstreet: <http://www.creditinfo.com.mt/>

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

Local Professional Services

[Return to top](#)

Following are links to some leading local professional organizations:

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

Malta Institute of Accountants: <http://www.miamalta.org/>

Malta Society of Arts, Manufacture & Commerce:

<http://www.artsmalta.org/becomeamember.asp>

Institute of Financial Services – Malta: <http://www.ifsmalta.org/>

Web Resources

[Return to top](#)

<http://malta.usembassy.gov/commercial.html>

<http://www.gov.mt>

<http://www.maltachamber.org.mt>

<http://malta.usembassy.gov/>

<http://www.maltaenterprise.com/>

<http://www.centralbankmalta.com/>

<http://www.mfsa.com.mt/pages/default.aspx>

<http://www.financemalta.org>

EU websites:

Coordination of the laws of the member states relating to self-employed commercial agents (Council Directive 86/653/EEC):

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31986L0653:EN:HTML>

Agreements of Minor importance which do not appreciably restrict Competition under Article 81(1) of the Treaty establishing the European Community:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2001:368:0013:0015:EN:PDF>

Directive on Late Payment:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:048:0001:0010:EN:PDF>

European Ombudsman:

<http://www.ombudsman.europa.eu/home/en/default.htm>

EU's General Data Protection Directive (95/46/EC):

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:1995:281:0031:0050:EN:PDF>

Safe Harbor:

http://export.gov/safeharbor/eu/eg_main_018476.asp

Information on contracts for transferring data outside the EU:

http://ec.europa.eu/justice/data-protection/document/international-transfers/transfer/index_en.htm

EU Data Protection Homepage:

http://ec.europa.eu/justice_home/fsj/privacy/index_en.htm

Distance Selling Rules:

http://ec.europa.eu/consumers/cons_int/safe_shop/dist_sell/index_en.htm

Distance Selling of Financial Services:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2002:271:0016:0024:EN:PDF>

E-commerce Directive (2000/31/EC):

http://ec.europa.eu/internal_market/e-commerce/index_en.htm

VAT on Electronic Service:

http://ec.europa.eu/taxation_customs/taxation/vat/how_vat_works/e-services/index_en.htm

The Unfair Commercial Practices Directive:

<http://ec.europa.eu/consumers/rights/>

Information to Patients - Major developments:

http://ec.europa.eu/health/human-use/information-to-patient/legislative-developments_en.htm

Nutrition and health claims made on foods - Regulation 1924/2006

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2007:012:0003:0018:EN:PDF>

Regulation on Food Information to Consumers:

[Regulation 1169/2011](#)

EU-27 FAIRS EU Country Report on Food and Labeling requirements:

<http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/fairs-reports/>

Guidance document on how companies can apply for health claim authorizations:

Summary document from EFSA

http://www.efsa.europa.eu/cs/BlobServer/Scientific_Opinion/nda_op_ej530_guidance_summary_en.pdf?ssbinary=true

Health & Nutrition Claims

http://ec.europa.eu/food/food/labellingnutrition/claims/index_en.htm

Tobacco

http://ec.europa.eu/health/tobacco/policy/index_en.htm

Product Liability:

http://europa.eu/legislation_summaries/consumers/consumer_safety/l32012_en.htm

Product Safety

http://ec.europa.eu/consumers/safety/prod_legis/index_en.htm

Legal Warranties and After-Sales Service:

<http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:01999L0044-20111212&qid=1395670475658&from=EN>

Copyright: http://ec.europa.eu/internal_market/copyright/documents/documents_en.htm

Harmonization of certain aspects of Copyright and related rights in the Information Society - Copyright Directive (2001/29/EC):

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32001L0029:EN:HTML>

Industrial Property

http://ec.europa.eu/internal_market/indprop/index_en.htm

Trademark

http://ec.europa.eu/internal_market/indprop/tm/index_en.htm

European Patent Office (EPO)

<http://www.european-patent-office.org/>

Office for Harmonization in the Internal Market (OHIM)

<http://oami.europa.eu/>

World Intellectual Property Organization (WIPO) Madrid

<http://www.wipo.int/madrid/en>

U.S. websites:

IPR Toolkit: http://www.stopfakes.gov/sites/default/files/europeanunion_toolkit.pdf

EU Public Procurement:

<http://export.gov/europeanunion/marketresearch/eufundingandgovernmentprocurementsectors/index.asp>

Local Professional Services:

<http://export.gov/europeanunion/businessserviceproviders/index.asp>

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 4: Leading Sectors for U.S. Export and Investment

Commercial Sectors

- [\(Communications Services \(CES\); Computers/Peripherals \(CPT\); Information Services \(INF\); Electronic Commerce \(ELC\)](#)
- [Energy – Electrical Power Systems and Equipment \(ELP\); Renewable Energy](#)
- [Aviation Industry](#)
- [Maritime Industry](#)
- [Franchising \(FRI\)](#)
- [Financial Services \(FNS\)](#)

Agricultural Sector

Commercial Sectors

[Return to top](#)

The Showcase Europe program run by the U.S. Department of Commerce's offices throughout Europe provides U.S. exporters a broader perspective on the European market. It is organized around eight leading sectors (listed alphabetically): aerospace & defense, automotive, energy & power generation, environmental technologies, information & communications technologies, medical & pharmaceutical, safety & security, and travel & tourism. For more information on which show in Europe would be most appropriate for your company, please visit: <http://export.gov/europe/tradeevents/index.asp> .

Communications Services (CES); Computers/Peripherals (CPT); Information Services (INF); Electronic Commerce (ELC)

Overview

[Return to top](#)

Malta has made great strides in developing an information society. In 2000, only 28 percent of Malta's population had mobile phones compared to 128.6 percent in 2012. This means that a considerable number of individuals now have more than one mobile account. In 2002, only 38 percent of Maltese households had a desktop computer; now the figure is above 76 percent (2011). Broadband subscription continues to grow in the EU, and Malta scored above the EU average with 67 percent of total households having broadband Internet. Indeed the number of broadband internet subscriptions almost tripled from 41,551 in 2005 to 107,645 in mid-2011. Malta has also been particularly active in developing e-government services.

Under the Vertical Strategic Alliance (VSA) program, the then Ministry for Investment, Industry, and Information Technology (MIIT) joined with leading global ICT players to promote far-reaching education and assistance to industry programs. The Maltese government entered into VSAs with Microsoft Corporation, HP, Oracle, IBM, SAP, and ESRI. According to MIIT, the estimated overall value of the investment made by these corporations in these VSAs exceeds €100 million.

There are considerable ICT Investment projects set up in Malta. The single largest was 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.

Vision 2015 and Beyond identifies seven main sectors which the Government of Malta believes can and should be the main thrusts of future economic activity for the country. The Government of Malta expects the ICT industry to be one of the seven leading sectors in the Maltese economy.

Opportunities

[Return to top](#)

Opportunities exist for U.S. suppliers of products/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, there are great opportunities for U.S. companies in the ICT training and human resources fields.

Web Resources

[Return to top](#)

Malta Communications Authority (regulatory agency):

<http://www.mca.org.mt/>

Ministry for the Economy, Investment and Small Business:

<https://meib.gov.mt>

Malta Information Technology Agency:

<https://www.mita.gov.mt/>

Smart City Malta:

<http://malta.smartcity.ae/>

Energy – Electrical Power Systems and Equipment (ELP); Renewable Energy (REQ)

Overview

[Return to top](#)

The annual consumption of electricity in Malta is less than 2,500 GWh. However, with the increase in the tourist and domestic base, the demand for electrical generation is going to continue to increase.

Best Prospects

[Return to top](#)

In April 2012, the Ministry for Energy and the Conservation of Water (MECW) along with Enemalta, the government-owned energy production and distribution company, issued a request for Expressions of Interest (Eoi) for a long-term Power Purchase Agreement and Gas Supply Agreement which will govern the supply of electricity and natural gas to Enemalta. The Government of Malta made an electoral promise to have a new gas-fired power plant up and running by mid-2015. In May 2014, the government signed a contract with the selected bidder Electrogas, a German, Azeri, and Maltese consortium to build a new gas power station and supply electricity to Enemalta. The consortium estimated that the project will cost €370 million in order to convert the Delimara BWSC extension to run on natural gas, construct an onshore re-gasification facility and a floating storage unit by 2015, when the country will no longer be dependent on oil.

For the last 10 years, consumption of electricity on the Maltese Islands has steadily increased, except during the period of economic contraction between 2008 and 2010. Projections predict that the Maltese economy will continue to grow, which in turn will increase the demand for electricity.

Malta is currently completely dependent upon imported fuel oil which is generally combusted in old, low-efficiency plants. This process results in high marginal costs for power generation on the islands. In addition, European Union regulations require Malta to implement directives related to combustion emissions.

The GOM has already undertaken action to address these issues, including commissioning a 150 MW heavy-fuel oil-fired power station at Delimara and a 200MW HVAC interconnector to Sicily, which is due to be completed in 2014. The Government of Malta also plans to decommission the old Marsa Power Station as well as the older steam turbines at Delimara. Furthermore, the Government awarded the contract to convert the Delimara power station to Liquefied Natural Gas and to further reduce tariffs by 25% for both residential properties and for the commercial and the industrial sector, without any differentiation as to the nature of the business.

Once the new generating plant is completed, the Government of Malta will be able to decommission the older oil-fired Delimara steam turbine generators. For the immediate future, Phase 2 of the Delimara Power Station will remain oil fired as will some Open Circuit Gas Turbines as a back-up power supply.

Opportunities

[Return to top](#)

US suppliers of fuel and other chemical by-products stand to benefit from the Delimara project mentioned above.

Malta has not yet used renewable energy technology products besides solar power, although it has studied several possibilities. Increases in energy costs worldwide have given new impetus to this work since Malta imports all of its energy. The GOM is continuing to explore additional possibilities for solar power generation. U.S. suppliers of this type of equipment may therefore find opportunities in Malta.

Web Resources

[Return to top](#)

Malta Resources Authority:

<http://www.mra.org.mt/>

Enemalta Corporation:

<http://www.enemalta.com.mt/>

Ministry for Energy and the Conservation of Water:

<http://www.mecw.gov.mt/>

Aviation Industry

Overview

[Return to top](#)

Historically Malta has been a hub of maritime activity in the Mediterranean. The country is now seeking to expand this “hub” concept by building up the aviation sector, further solidifying its maritime strengths, and increasing opportunities on the island.

During recent years, Malta has witnessed growth in its aviation industry, which has attracted internationally renowned entities to the island. As part of its economic development strategy, Malta is supporting diverse sectors in the aviation industry, including maintenance, repair, and overhaul (MRO) operations; back-office setups; R&D; and the production of aircraft parts.

In 2013, the Government inaugurated the Safi Aviation Park, a €17 million project that is set to pave the way for the aviation and aerospace industry to continue flourishing. In addition, Malta offers an attractive aviation register which provides for a solid regulatory framework, including that for Air Operator Certificates, coupled with a pro-business approach.

Best Prospects

[Return to top](#)

The GOM has incorporated this focus on the aviation industry as part of its national strategy to promote Malta as a "one-off destination." Recently revamped rules and legislative regulations have introduced a number of novel concepts that aim to enhance not only aircraft registration, but also other sectors within the industry. The country has embarked on an ambitious project to establish one of the largest aircraft registers in the world. As of mid-January 2012, Malta has 104 aircraft listed on its register pursuant to the new 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 recent enactment 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.

Newly Introduced Concepts 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
- Broadening of registration possibilities for non-air service aircraft

Possibility to register mortgages on Malta-registered aircraft in the international register in terms of the Aircraft Protocol to the Cape Town Convention on International Interests in Mobile Equipment

Opportunities

[Return to top](#)

Complementing the aircraft registration regime, Malta has also introduced specific provisions with regard to the taxation of 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 nil tax leakage in Malta when applied to individuals 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 be entitled to 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.

Web Resources

[Return to top](#)

Transport Malta:

<http://www.transport.gov.mt/aviation/>

Ministry for Transport and Infrastructure:

<http://www.mti.gov.mt/>

Maritime Industry

Overview

[Return to top](#)

The government aims to create an environment conducive to strengthening Malta's maritime industry. The current government has committed itself to reinforcing marinas and berthing facilities and to encourage supporting industries to provide direct or indirect services such as marine supplies and even hospitality facilities. With the strategic location of the island 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 deep, protected harbors dotted around the island, over the years the country has updated the quality and level of supporting services to continue developing the maritime industry in Malta.

Malta 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. This investment has also been in line with the growth in tonnage and reputation of the Malta flag.

The Malta register continues to be a great 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. This growth fuelled the excellent infrastructure and facilities available and the number of shipping agents and professionals operating within a versatile and well-regulated maritime legal framework. In addition to being party to numerous international conventions and regulations regarding use of the Sea and continental shelf, Malta is on the White List of the Paris Memorandum of Understanding on Port State Control. This means that detention in ports for breach of international conventions is less likely for ships flying the Malta Flag.

The Malta flag administration's policy is clear: guarantee "quality shipping and ensure that ships with a poor detention or safety and marine pollution record do not operate under the Malta flag." The Malta registry continues to grow, and the average age of its vessels continually decreases. Currently it stands at 12.78 years. The incentives offered to use younger vessels and the seriousness with which the flag administration is carrying 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 to the island.

In 2013, the Government of Malta issued an international expression of interest to convert a redundant shipbuilding facility into an international maritime hub. GOM anticipated this hub, which measures around 175,000m², to include:

- quays, berths, piers;
- support services in ship management and agency, ship broking, finance insurance and maritime legal and arbitration services;

- innovation facilities to foster research and development in maritime and marine studies, marine engineering and maritime information technology.

Best Prospects/Services

[Return to top](#)

The priority of the Malta register is not tonnage but rather hosting reliable and safe vessels which do not pollute the sea or harm marine life. A robust legal framework and firm registration criteria in line with EU Directives and IMO conventions have fuelled the growth in reputation and integrity of the Malta register.

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
- No restrictions on the nationality of the master, officers, and crew serving on Maltese vessels

The GOM received 28 proposals under the maritime hub expression of interest. Following an evaluation of the EOI received earlier this year, the GOM has asked the consortia to resubmit their detailed proposals according to the following identified four categories: oil and gas industry and logistics; ship repair, heavy industry, yachting and logistics; super yacht refit and repair facility and an offshore energy regional support base; and servicing of yachts, supply of hard-standing facilities and other services.

The government has identified the oil and gas industry category as the one with the biggest potential for effective use of the site. This category would see the setting up of a rig-servicing center and an academic institution for teaching and training. The government's vision is that the servicing of oilrigs would attract not only oilrigs operating in the Mediterranean but those in the Atlantic Ocean and West Africa. There is the potential for an oil pollution response center, a first of its sort in the Mediterranean – to be set up as well, catering for the whole region. Opportunities exist for U.S. suppliers of products/services operating in these sectors.

Opportunities

[Return to top](#)

Ship Registration

Transport Malta regulates the registration of a ship under the Maltese flag and is open to vessels owned by Maltese and non-Maltese nationals. Vessels under construction may also be registered. 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 are required to obtain a Radio Ship Station license.

It is also possible to register vessels in Malta under bareboat charter subject to certain documentary evidence. This includes 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 bodies of persons. 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.

The Maltese VAT legislation contains rules which provide an opportunity for a reduction on the VAT impact when vessels are under finance lease arrangements. These opportunities are only available when the yacht is: owned by a Maltese-registered company; 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 more detailed survey (specific to this kind of registration). In this instance, the authority issues a provisional license which then becomes formalized 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.

Web Resources

[Return to top](#)

Transport Malta:

<http://www.transport.gov.mt/ports-marinas>

<http://www.transport.gov.mt/ship-registration>

<http://www.transport.gov.mt/superyacht-registration>

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

Franchising (FRI)

Overview

[Return to top](#)

U.S. companies are leaders in franchising in Malta. Several large American companies such as McDonald's, Pizza Hut, and Hard Rock Café are present in Malta. Franchising by U.S. companies has thus far been limited to restaurants such as these, many other areas remain untapped.

Best Prospects & Opportunities

[Return to top](#)

There are still good opportunities for U.S. franchises. Many franchisors with widely recognized names, like Starbucks, Ruby Tuesday, Domino's Pizza, Applebee's, Häagen Dazs and Dunkin' Donuts are not operating in Malta.

Other areas that might offer promising opportunities to U.S. franchisors include clothing, do-it-yourself stores, and training for the business sector, such as entrepreneurial and management training, advanced computer training, and other training involving technology communications and electronics.

Web Resources

[Return to top](#)

U.S. Embassy's Commercial Section:
<http://malta.usembassy.gov/commercial.html>

Financial Services (FNS)

Overview

[Return to top](#)

The Maltese financial services sector is the fastest growing sector of the economy. Financial services account for some 12 per cent of Malta's GDP and are worth more than €1 billion to the Maltese Islands in direct and indirect revenue. In addition, the sector employs over 10,000 people.

Malta has developed a comprehensive package of laws which 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 this sector. The Malta Financial Service Authority (MFSA) enforces the legislation within this sector which adheres to EU standards and codes, as well as those of most other international frameworks. 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 USA, UK, Germany, Austria, and Switzerland.

The net asset value of funds domiciled in Malta as of December 31, 2012, was approximately €10 billion, with approximately 500 collective investment schemes registered and licensed by the Malta Financial Services Authority (MFSA). Furthermore, as of the end of 2012 MFSA had licensed a total of 113 investment services together with 50 credit and financial institutions.

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.

Opportunities

[Return to top](#)

Opportunities exist in the areas of 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

[Return to top](#)

Malta Financial Services Authority:
<http://www.mfsa.com.mt/mfsa/default.asp>
Finance Malta:

www.financemalta.org

Agricultural Sectors

[Return to top](#)

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.

Access to the Maltese market is at par with that of other EU member states, consequently the Maltese market is an opportunity for any US products already exported to the EU market. 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.

Resources

[Return to top](#)

<http://malta.usembassy.gov/com-agricultural.html>

U.S. Embassy, Italy—Foreign Agricultural Service:
<http://italy.usembassy.gov/agtrade.html>

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 5: Trade Regulations, Customs and Standards

- [Import Tariffs](#)
- [Trade Barriers](#)
- [Import Requirements and Documentation](#)
- [U.S. Export Controls](#)
- [Temporary Entry](#)
- [Labeling and Marking Requirements](#)
- [Prohibited and Restricted Imports](#)
- [Customs Regulations and Contact Information](#)
- [Standards](#)
- [Trade Agreements](#)
- [Web Resources](#)

Import Tariffs

[Return to top](#)

As a full EU member, Malta imposes customs tariffs on imports from non-EU countries. The Import Duties Act lists the rates of duties, accessible from:

<http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=8810&l=1>

Malta also applies EU trade policy, such as enacting anti-dumping or anti-subsidy measures.

Key Link:

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

The importer is also liable to pay Value Added Tax (VAT) which, in most cases is 18 percent. Further information and details are contained in the Value Added Tax Act. This document is accessible at:

<http://www.vat.gov.mt/en/Pages/Home-Page.aspx>

<http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=8872&l=1>

Trade Barriers

[Return to top](#)

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

<http://www.ustr.gov/about-us/press-office/reports-and-publications/2012-1>

Information on agricultural trade barriers is available at the following website:

<http://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://www.trade.gov/tcc> or the U.S. Embassy in Malta at <http://malta.usembassy.gov/business.html>.

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 such CAP license. The Ministry of Sustainable Development, the Environment, and Climate Change processes and controls these licenses.
- Trade Services Division (DTI) Licenses. Importation for any type of product could necessitate the need for a DTI license; normally such licenses are required for the importation of firearms and nuclear materials. The Trade Services Division also issues import licenses for quotas. This office is part of the Ministry for the Economy, Investment, and Small Business.
- Certificate of Veterinary Clearance (CVC) processed by the Ministry of Sustainable Development, the Environment, and Climate Change. Goods such as meat, poultry, milk, eggs, sausage skins, and fishery products are required to undergo veterinary health checks at a Border Inspection Post (BIP) upon arrival in Malta. In addition to the veterinary documents required by the BIP, a Certificate of Veterinary Clearance (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.

Key links:

<http://www.msdec.gov.mt/>

<http://www.meib.gov.mt/>

<http://www.businessfirst.com.mt/en>

<http://www.commerce.gov.mt/>

Import Requirements and Documentation

[Return to top](#)

The Integrated Tariff of the Community, referred to as TARIC (Tarif Intégré de la Communauté), is designed to show the various rules which apply to specific products being imported into the customs territory of the EU or, in some cases, exported from it. To determine if a license is required for a particular product, check the TARIC.

The TARIC has the facility to search 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. The online TARIC is updated daily.

Import Documentation

The Single Administrative Document

The official model for written declarations to customs is the Single Administrative Document (SAD). Goods brought into the EU customs territory are, from the time of their entry, subject to customs supervision until customs formalities are completed. An importer needs to file a Summary Declaration and present items to customs officials. However customs authorities may grant an extension of a day to file the Declaration.

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 customs authorities provide the form to make the Summary Declaration. 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 is clearing the goods, normally the importer of record or his/her agent makes the declaration.

European Free Trade Association (EFTA) countries including Norway, Iceland, Switzerland, and Liechtenstein also use the SAD. Information on import/export forms is contained in Council Regulation (EEC) No. 2454/93, which lays down provisions 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:

http://ec.europa.eu/taxation_customs/customs/procedural_aspects/general/sad/index_en.htm

Regulation (EC) No 450/2008 laying down the Community Customs Code (so-called the "Modernized Customs Code") aimed at the adaptation of customs legislation and at introducing the electronic environment for customs and trade. This Regulation entered into force on June 24, 2008 and was due to be applicable once its implementing provisions were in force by June 2013. However, the EU recast the Modernized Customs Code as a Union Customs Code (UCC) before it became applicable. The Union Customs Code (UCC) Regulation entered into force in October 2013 and repealed the MCC Regulation; its substantive provisions will apply only on May 1st 2016. Until this time, the Community Customs Code and its implementing provisions continue to apply.

http://ec.europa.eu/taxation_customs/customs/customs_code/union_customs_code/index_en.htm

EORI

Since July 1, 2009, all companies established outside of the EU are required to have an Economic Operator Registration and Identification (EORI) number if they wish to lodge a customs declaration or an Entry/Exit Summary declaration. All U.S. companies should use this number for their customs clearances. If a U.S. company wishes to apply for AEO status or apply for simplifications in customs procedures within the EU, it must first

obtain an EORI number. Companies should request an EORI number from the authorities of the first EU member state to which they export. Once a company has received an EORI number, it can use it for exports to any of the 28 EU member states. There is no single format for the EORI number.

More information about the EORI number:

http://ec.europa.eu/taxation_customs/dds2/eos/eori_home.jsp?Lang=en

U.S. - EU Mutual Recognition Arrangement (MRA)

Since 1997, the U.S. and the EU have had an [agreement](#) on customs cooperation and mutual assistance in customs matters. For additional information, please see http://ec.europa.eu/taxation_customs/customs/policy_issues/international_customs_agreements/usa/index_en.htm

In 2012, the U.S. and the EU signed a new Mutual Recognition Arrangement (MRA) aimed at matching procedures to associate one another's customs identification numbers. The MCC introduced the Authorized Economic Operator (AEO) program (known as the "security amendment"). This is similar to the U.S.' voluntary Customs-Trade Partnership Against Terrorism (C-TPAT) program in which participants receive certification as a "trusted" trader. All member state's customs agencies recognize the AEO certification issued by a national customs authority. An AEO is entitled to two different types of authorization: "customs simplification" or "security and safety." The former allows for an AEO to benefit from simplifications 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.

The U.S. 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 provided by mutual recognition will result in lower costs, simplified procedures and greater predictability for transatlantic business activities. The newly signed arrangement officially recognizes the compatibility of AEO and C-TPAT programs, thereby facilitating faster and more secure trade between U.S. and EU operators. The implementation of the agreement is a two phase process. The first commenced in July 2012 with the U.S. customs authorities placing shipments coming from EU AEO members into a lower risk category. The second phase took place in early 2013, with the EU re-classifying shipments coming from C-TPAT members into a lower risk category. The U.S. customs identification numbers (MID) are therefore recognized by customs authorities in the EU, as per Implementing Regulation 58/2013 (which amends EU Regulation 2454/93 cited above):

http://ec.europa.eu/taxation_customs/resources/documents/customs/procedural_aspects/general/implementing_regulation_58_2013_en.pdf

Additional information on the MRA at:

<http://www.cbp.gov/newsroom/national-media-release/2013-02-08-050000/eu-us-fully-implement-mutual-recognition-decision>

Batteries

EU battery rules changed in September 2006 following the publication of the Directive on batteries and accumulators and waste batteries and accumulators ([Directive 2006/66](#)). This Directive replaces the original Battery Directive of 1991 (Directive 91/157). The 2006 Directive applies to all batteries and accumulators placed on the EU market including automotive, industrial and portable batteries. It aims to protect the environment by restricting the sale of batteries and accumulators that contain mercury or cadmium (with an exemption for emergency and alarm systems, medical equipment and cordless power tools) and by promoting a high level of collection and recycling. It places the responsibility on producers to finance the costs associated with the collection, treatment, and recycling of used batteries and accumulators. The Directive also includes provisions on the labeling of batteries and their removability from equipment. In 2012, the European Commission published a FAQ document to assist interested parties in interpreting its provisions. For more information, see our market research report: http://www.buyusainfo.net/docs/x_4062262.pdf

REACH

REACH, "Registration, Evaluation and Authorization and Restriction of Chemicals", is the system for controlling chemicals in the EU and it came into force in 2007 (Regulation 1907/2006). This policy virtually affects every industrial sector, from automobiles to textiles. REACH requires registration of chemicals produced or imported into the EU in volumes above 1 metric ton per year with a central database handled by the European Chemicals Agency (ECHA). Information on a chemical's properties, its uses and safe ways of handling are part of the registration process. The next registration deadline is **May 31, 2018**. U.S. companies without a presence in Europe cannot register directly and must have their chemicals registered through their importer or EU-based 'Only Representative of non-EU manufacturer'. The U.S. Mission to the EU provides a list of Only Representatives (ORs) on its website at: <http://export.gov/europeanunion/reachclp/index.asp>

U.S. companies exporting chemical products to the European Union must update their Material Safety Data Sheets (MSDS) to be REACH compliant. For more information, see the guidance on the compilation of safety data sheets: http://echa.europa.eu/documents/10162/17235/sds_en.pdf

U.S. exporters to the EU should carefully consider the REACH 'Candidate List' of Substances of Very High Concern (SVHCs) and the 'Authorization List'. Substances on the Candidate List are subject to communication requirements prior to their export to the EU. Companies seeking to export products containing substances on the 'Authorization List' will require an authorization. The Candidate List is available at: <http://echa.europa.eu/web/guest/candidate-list-table>.

The Authorization List is available at:

<http://echa.europa.eu/addressing-chemicals-of-concern/authorisation/recommendation-for-inclusion-in-the-authorisation-list/authorisation-list>

WEEE Directive

EU rules on Waste Electrical and Electronic Equipment (WEEE), while not requiring specific customs or import paperwork, may entail a financial obligation for U.S. exporters. The Directive requires U.S. exporters to register relevant products with a national WEEE authority; alternatively a local partner can do this on their behalf. On July 4, 2012, the EU revised the WEEE Directive and the scope of products covered expanded to include all electrical and electronic equipment. This revised scope will apply

from August 14, 2018 with a phase-in period that has already begun. U.S. exporters seeking more information on the WEEE Directive should visit:

<http://export.gov/europeanunion/weeerohs/index.asp>

RoHS

The ROHS Directive imposes restrictions on the use of certain chemicals in electrical and electronic equipment. It does not require specific customs or import paperwork however; manufacturers must self-certify that their products are compliant. The EU revised the Directive in 2011 and entered into force on January 2, 2013. One important change with immediate effect is that RoHS is now a CE Marking Directive. The revised Directive expands the scope of products covered during a transition period which ends on July 22, 2019. Once this transition period ends, the Directive will apply to medical devices, monitoring and control equipment in addition to all other electrical and electronic equipment. U.S. exporters seeking more information on the RoHS Directive should visit: <http://export.gov/europeanunion/weeerohs/index.asp>

Cosmetics Regulation

On November 30, 2009, the EU adopted a new regulation on cosmetic products which has applied since July 11, 2013. The law introduces an EU-wide system for the notification of cosmetic products and a requirement that companies without a physical presence in the EU appoint an EU-based responsible person.

In addition, on March 11, 2013, the EU imposed a ban on the placement on the market of cosmetics products that contain ingredients that have been subject to animal testing. This ban does not apply retroactively but does capture new ingredients. Of note, in March 2013, the Commission published a Communication stating that this ban would not apply to ingredients where safety data obtained from testing required under other EU legislation that did not have a cosmetic purpose. For more information on animal testing, see: <http://ec.europa.eu/consumers/sectors/cosmetics/animal-testing>

For more general information, see:

http://export.gov/europeanunion/accessingeumarketsinkeyindustrysectors/eg_eu_044318.asp

Agricultural Documentation

Phytosanitary Certificates: Phytosanitary certificates are required for most fresh fruits, vegetables, and other plant materials.

Sanitary Certificates: For commodities composed of animal products or by-products, EU countries require that a certificate issued by the competent authority of the exporting country accompany shipments. This applies regardless of whether the product is for human consumption, for pharmaceutical use, or strictly for non-human use (e.g., veterinary biologicals, animal feeds, fertilizers, research). The vast majority of these certificates are uniform throughout the EU, but the harmonization process is not complete. During this transition period, certain member state import requirements continue to apply. In addition to the legally required EU health certificates, these include a number of other certificates used in international trade. Possible harmonization in EU legislation, these certificates, certifies origin for customs purposes and certain quality attributes. Up-to-date information on harmonized import requirements is available at the following website: <http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/certification/fairs-export-certificate-report/>.

Sanitary Certificates (Fisheries)

In April 2006, the European Union declared the U.S. seafood inspection system as equivalent to the European one. Consequently, a specific public health certificate must accompany U.S. seafood shipments. The U.S. fishery product sanitary certificate is a combination of Commission Decision 2006/199/EC for the public health attestation and of Regulation 1012/2012 for the general template and animal health attestation. Unlike for fishery products, the U.S. shellfish sanitation system is not equivalent to that of the EU's. The EU and the U.S. are currently negotiating a veterinary equivalency agreement on shellfish. In the meantime, the EU still has a ban in place (since July 1, 2010), that prohibits the import of U.S. bivalve mollusks, in whatever form, into EU territory. This ban does not apply to wild roe-off scallops.

Since June 2009, the only U.S. competent authority for issuing sanitary certificates for fishery and aquaculture products is the U.S. Department of Commerce, National Marine Fisheries Service (NOAA-NMFS).

In addition to sanitary certificates, the EU requests all third countries wishing to export fishery products into its territory to provide a catch certificate. This catch certificate certifies that the products in question are legal.

For detailed information on import documentation for seafood, please contact the NOAA Fisheries office at the U.S. Mission to the EU (stephane.vrignaud@trade.gov) or visit the following NOAA dedicated web site: http://www.seafood.nmfs.noaa.gov/EU_Export.html

U.S. Export Controls

[Return to top](#)

The U.S. Department of Commerce's Bureau of Industry and Security (BIS) 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: <http://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 available at: <http://www.bis.doc.gov/enforcement/redflags.htm>

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

If there is reason to believe a violation is taking place or has occurred, report it to the Department of Commerce by calling the 24-hour hotline at 1(800) 424-2980, or via the confidential lead page at: <https://www.bis.doc.gov/forms/eeleadsntips.html>

The EAR does not control all goods, services, and technologies. Other U.S. government agencies regulate more specialized exports. For example, the U.S. Department of State has authority over defense articles and services. A list of other agencies involved in export control is available on the BIS web.

It is important to note that in August 2009, the President directed a broad-based interagency review of the U.S. export control system, with the goal of strengthening national security and the competitiveness of key U.S. manufacturing and technology sectors by focusing on current threats, as well as adapting to the changing economic and technological landscape. As a result, the Administration launched the Export Control Reform Initiative (ECR Initiative) designed to enhance U.S. national security and strengthen the United States' ability to counter threats such as the proliferation of weapons of mass destruction.

The Administration is implementing the reform in three phases. Phases I and II reconcile various definitions, regulations, and policies for export controls, all the while building toward Phase III, which will create a single control list, single licensing agency, unified information technology system, and enforcement coordination center.

For additional information on ECR see: <http://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 is available at: <https://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 at: <http://www.bis.doc.gov/>

Temporary Entry

[Return to top](#)

The Temporary Importation (TI) procedure allows temporary importation of goods or materials into Malta. Such temporary imports are not assessed by customs and other duties. In order 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 intended for display in an exhibition, goods imported for testing, and samples. In most cases the goods will have to remain in overseas ownership and re-exported within the prescribed time limit.

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

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.

Labeling and Marking Requirements

[Return to top](#)

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 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.

Manufacturers are to note that 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.

The EU has mandated the selling of certain products in standardized quantities. Council Directive 2007/45/EC harmonizes packaging of wine and spirits throughout the EU. The EU will abolish existing national sizes with only a few exceptions for domestic producers.

Key Link: <http://ec.europa.eu/enterprise/sectors/legal-metrology-and-prepack/documents/pack-sizes/>

A market research report compiled with an overview of EU mandatory and voluntary labeling and marking requirements is available at:
http://buyusainfo.net/docs/x_366090.pdf

Prohibited and Restricted Imports

[Return to top](#)

All items which are 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 customs territory of the EU, or in some cases, those exported from it. 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:

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

Customs Regulations and Contact Information

[Return to top](#)

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: www.contracts.gov.mt

The following provides information on the major regulatory efforts of the EC Taxation and Customs Union Directorate:

Electronic Customs Initiative – This initiative deals with EU Customs modernization developments to improve and facilitate trade in the EU member states. The following three pieces of legislation make up the electronic customs initiative:

- The [Security and Safety Amendment to the Customs Code](#), which provides for full computerization of all procedures related to security and safety;
- The Decision on the paperless environment for customs and trade ([Electronic Customs Decision](#)) which sets the basic framework and major deadlines for the electronic customs projects;
- The [Modernized Community Customs Code \(recast as Union Customs Code\)](#) which provides for the completion of the computerization of customs.

Key Link:

http://ec.europa.eu/taxation_customs/customs/policy_issues/electronic_customs_initiative/electronic_customs_legislation/index_en.htm

Homepage of Customs and Taxation Union Directorate (TAXUD) Website

Key Link: http://ec.europa.eu/taxation_customs/customs/index_en.htm

Customs Valuation – The EU denotes most of the customs duties and value added tax (VAT) as a percentage of the value of goods declared for importation. Thus, it is necessary to dispose of a standard set of rules for establishing the goods' value, which will then serve for calculating the customs duty.

Given the magnitude of EU imports every year, it is important to accurately measure the value of such commerce 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.

The EU meets these objectives by applying an internationally accepted concept - the rules on '[customs value](#)'.

The value of imported goods is one of the three 'elements of taxation' that provides the basis for assessment of the customs debt, which is the technical term for the amount of duty that has to be paid, the other ones being the origin of the goods and the customs tariff.

Key Link:

http://ec.europa.eu/taxation_customs/customs/customs_duties/declared_goods/index_en.htm

Standards

[Return to top](#)

- [Overview](#)
- [Standards Organizations](#)
- [Conformity Assessment](#)
- [Product Certification](#)
- [Accreditation](#)
- [Publication of Technical Regulations](#)
- [Labeling and Marking](#)
- [Contacts](#)

Overview

[Return to top](#)

Products tested and certified in the United States to American standards are likely to have to undergo retesting and re-certification according to EU requirements as a result of the EU's different approach to the protection of the health and safety of consumers and the environment. When US products do not fall under specific EU technical legislation, they are always subject to the EU's General Product Safety Directive as well as to possible additional national requirements.

The New Approach has harmonized European Union legislation and standards across the member states and European Economic Area countries to allow for the free flow of goods. A feature of the New Approach is CE marking. For a list of new approach legislation, go to <http://ec.europa.eu/enterprise/newapproach/nando/index.cfm?fuseaction=directive.main>.

The concept of new approach legislation is likely to disappear as the New Legislative Framework (NLF), which entered into force in January 2010. The EU introduced the NLF to serve as a blueprint for existing and future CE marking legislation. Since 2010/2011, the EU has reviewed existing legislation to bring them in line with the NLF concepts.

While harmonization of EU legislation can facilitate access to the EU Single Market, manufacturers should be aware that regulations (mandatory) and technical standards (voluntary) might also function as barriers to trade if U.S. standards are different from those of the European Union.

The objective of the Malta Competition and Consumer Affairs Authority (MCCAA) is to coordinate standardization and related activities in accordance with European and internationally recognized standards and practices.

Agricultural Standards

The establishment of harmonized EU rules and standards in the food sector has been ongoing for several decades, but it took until January 2002 for the publication of a general food law establishing the general principles of EU food law. This Regulation introduced mandatory traceability throughout the feed and food chain as of Jan 1, 2005. For specific information on agricultural standards, please refer to the Foreign Agricultural Service's website at: <http://www.usda-eu.org>

There are also export guides to import regulations and standards available on the Foreign Agricultural Service's website:
<http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/certification/fairs-export-certificate-report/>

Standards Organizations

[Return to top](#)

Although the primary role of the Malta Competition and Consumer Affairs Authority (MCCAA) is to coordinate the application of international standards in Malta, it also has developed some standards that are specific to the local market, such as those governing Maltese lace and filigree work.

EU standard setting is a process based on consensus initiated by industry or mandated by the European Commission and carried out by independent standards bodies, acting at the national, European or international level. There is strong encouragement for non-governmental organizations, such as environmental and consumer groups, to actively participate in European standardization.

The EU adopts many standards from international standards bodies such as the International Standards Organization (ISO). Three European standards organizations handle the drafting of specific EU standards, as follows:

1. CENELEC, European Committee for Electrotechnical Standardization (<http://www.cenelec.eu/>)
2. ETSI, European Telecommunications Standards Institute (<http://www.etsi.org/>)
3. CEN, European Committee for Standardization, handling all other standards (<http://www.cen.eu/cen/pages/default.aspx>)

Experts in Technical Committees or Working Groups Standards create or modify standards. The members of CEN and CENELEC are the national standards bodies of the member states, which have "mirror committees" that monitor and participate in

ongoing European standardization. Individual member states standards bodies sell CEN and CENELEC standards. ETSI is different in that it allows direct participation in its technical committees from non-EU companies that have interests in Europe and gives away some of its individual standards at no charge on its website. In addition to the three standards developing organizations, the European Commission plays an important role in standardization through its funding of the participation in the standardization process of small- and medium-sized companies and non-governmental organizations, such as environmental and consumer groups. When the Commission mandates standards development from European Standards Organization for harmonized and linkage to EU technical legislation it provides money to the standards bodies. Mandates – or requests for standards – are available online at:

http://ec.europa.eu/enterprise/policies/european-standards/standardisation-requests/index_en.htm

Given the EU's vigorous promotion of its regulatory system as well as its generous funding for its development, the EU has an expansive standards regime - extending well beyond the EU's political borders to include affiliate members (countries which are hopeful of becoming full members in the future) such as Albania, Belarus, Israel, and Morocco among others. Another category, called "partner standardization body" includes the standards organization of Mongolia, Kyrgyzstan and Australia, which are not likely to become a CEN member or affiliate for political and geographical reasons.

To know what CEN and CENELEC have in the pipeline for future standardization, it is best to visit their websites. Other than their respective annual work plans, CEN's "what we do" page provides an overview of standards activities by subject. Both CEN and CENELEC offer the possibility to search their respective database. ETSI's portal (http://portal.etsi.org/Portal_Common/home.asp) leads to ongoing activities.

In 2011 and 2012 the EU reviewed the European Standardization system and strategy. The new standards regulation 1025, adopted in November 2012, clarifies the relationship between regulations and standards and confirms the role of the three European standards bodies in developing EN harmonized standards. The emphasis is also on referencing international standards where possible. The EU recognized the importance of interoperability standards for information, communication and technology (ICT) products. Through a newly established mechanism, a "Platform Committee" reporting to the European Commission will decide which deliverables from fora and consortia might be acceptable for public procurement specifications. The European standards bodies have been encouraged to improve efficiency in terms of delivery and to look for ways to include more societal stakeholders in European standardization.

Key Link:

http://ec.europa.eu/enterprise/policies/european-standards/standardisation-policy/index_en.htm

NIST Notify U.S. Service

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries. **Notify U.S.** is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL:

<http://www.nist.gov/notifyus/>

Conformity Assessment

[Return to top](#)

The Malta Competition and Consumer Affairs Authority (MCCAA) is responsible for conformity assessment in Malta. For example, MCCAA issues an ISO 9000 to local organizations that have reached a high level of management. MCCAA assesses food processing and manufacturing concerns, through a service it offers, to determine companies preparedness for the implementation of the EU food safety management system HACCP.

Conformity Assessment is a mandatory step for the manufacturer in the process of complying with specific EU legislation. The purpose of conformity assessment is to ensure consistency of compliance during all stages, from design to production, to facilitate acceptance of the final product. EU product legislation gives manufacturers some choice regarding conformity assessment, 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 full quality assurance system. The European Commission's website lists the conformity assessment bodies in individual member states in NANDO.

Key Link: <http://ec.europa.eu/enterprise/newapproach/nando/>

To promote market acceptance of the final product, there are a number of voluntary conformity assessment programs. The EU CEN certification system is known as the "Keymark". Neither CENELEC nor ETSI offer conformity assessment services.

Product Certification

[Return to top](#)

In general, to conform with EU regulations all products sold in Malta that may pose a health or safety risk bear a CE marking. A manufacturer essentially use the CE marking as a declaration for the product's design and manufacture meeting 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 an EU specific product legislation applies to a U.S. product, the U.S. exporter is required to apply CE marking in order to sell the product in the EU market of 28 member states as well as in Norway, Liechtenstein and Iceland. CE marking product legislation offers manufacturers a number of choices and requires decisions to determine which safety/health concerns need to address, which conformity assessment module is best suited to the manufacturing process, and whether or not to use EU-wide harmonized standards. There is no easy way for U.S. exporters to understand and go through the process of CE marking, but hopefully this section provides some background and clarification.

Manufactures can assume 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. With these, the EU allows the product to circulate freely within its member states. 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 EU found market surveillance lacking; as a result it adopted the New Legislative Framework, which went into force in 2010. As mentioned before, this framework is like a blueprint for all CE marking legislation, harmonizing definitions, responsibilities, European accreditation and market surveillance.

The CE marking intention is not to 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

[Return to top](#)

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" (<http://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

[Return to top](#)

Proposed and final technical regulations are published in local newspapers and on MCCA's web site (<http://www.mccaa.org.mt>). Furthermore, national technical regulations are published on the Commission's website to allow other countries and interested parties to comment (http://ec.europa.eu/enterprise/tris/index_en.htm).

The Official Journal is the official publication of the European Union. The EU publishes it daily on the internet and consists of two series covering adopted legislation as well as case law, studies by committees, and more (<http://eur-lex.europa.eu/JOIndex.do?ihmlang=en>). It lists the standards reference numbers linked to legislation (http://ec.europa.eu/enterprise/policies/european-standards/harmonised-standards/index_en.htm).

Labeling and Marking

[Return to top](#)

The Eco-label

The EU eco-label is a voluntary label which U.S. exporters can display on products that meet high standards of environmental awareness. The eco-label's intention is to act as a marketing tool to encourage consumers to purchase environmentally-friendly products. The criteria for displaying the eco-label are strict, covering the entire lifespan of the

product from its manufacture, use, and disposal. The EU reviews the criteria every three to five years to take into account advances in manufacturing procedures. There are currently 13 different product groups, and the EU has awarded more than 17,000 licenses.

A U.S. exporter needs to direct an application to display the eco-label to the competent body of the member state in which the product is sold. The application fee will be somewhere between €275 and €1600 depending on the tests required to verify if the product is eligible, and an annual fee for the use of the logo (typically between \$480 to \$2000), with a 20% reduction for companies registered under the [EU Eco-Management and Audit Scheme](#) (EMAS) or certified under the international standard [ISO 14001](#). Discounts are available for small and medium sized enterprises (SMEs).

Key Links:

[Eco-label Home Page](#)

Contacts

[Return to top](#)

U.S. Embassy, Valletta
Maria Cassar, Commercial /Economic Specialist
Tel: 00356 2561 4120
cassarm@state.gov

National Institute of Standards & Technology

Mr. George W. Arnold
Director
Standards Coordination Office
100 Bureau Dr.
Mail Stop 2100
Gaithersburg, Maryland 20899
Tel: (301) 975-5627
Website: <http://ts.nist.gov/Standards/Global/about.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: <http://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: <http://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: <http://www.etsi.org>

SBS – Small Business Standards

4, Rue Jacques de Lalaing
B-1040 Brussels
Tel: +32.2.285.07.27
Website: under development (<http://www.ueapme.com/spip.php?rubrique220>)

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: <http://www.anec.org>

ECOS – European Environmental Citizens Organization for Standardization

Rue d'Edimbourg 26
B – 1050 Brussels, Belgium
Tel: 32.2.894.46.55
Fax: 32.2.894.46.10
Website: <http://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: <http://www.eota.be/>

Trade Agreements

[Return to top](#)

For a list of trade agreements that US has with the EU and its member states, as well as concise explanations, please see http://tcc.export.gov/Trade_Agreements/index.asp

Web Resources

[Return to top](#)

Malta Competition and Consumer Affairs Authority:
<http://www.mccaa.org.mt>
Commerce Division, Ministry of Finance, the Economy and Investment:
<http://www.commerce.gov.mt/>
WasteServ Malta:
<http://www.wasteservmalta.com/>

EU websites:

Online customs tariff database (TARIC):

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

The Modernized Community Customs Code MCCC):
http://europa.eu/legislation_summaries/customs/do0001_en.htm

ECHA:
<http://echa.europa.eu>

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

Security and Safety Amendment to the Customs Code - Regulation (EC) 648/2005:
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32005R0648:en:HTML>

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

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

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

International Level:

What is Customs Valuation?:
http://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:
http://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:
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32005R0648:en:HTML>

Pre Arrival/Pre Departure Declarations:
http://ec.europa.eu/taxation_customs/customs/procedural_aspects/general/prearrival_predeparture/index_en.htm

AEO: Authorized Economic Operator:
http://ec.europa.eu/taxation_customs/customs/policy_issues/customs_security/aeo/index_en.htm

Contact Information at National Customs Authorities:

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

New Approach Legislation:

http://ec.europa.eu/enterprise/policies/european-standards/documents/harmonised-standards-legislation/list-references/index_en.htm

CENELEC, European Committee for Electrotechnical Standardization:

<http://www.cenelec.eu/>

ETSI, European Telecommunications Standards Institute:

<http://www.etsi.org/>

CEN, European Committee for Standardization, handling all other standards:

<http://www.cen.eu/cenorm/homepage.htm>

Standardisation – Mandates:

http://ec.europa.eu/enterprise/policies/european-standards/standardisation-requests/index_en.htm

http://ec.europa.eu/enterprise/policies/european-standards/index_en.htm

http://ec.europa.eu/enterprise/standards_policy/mandates/database/index.cfm?fuseaction=txtSearch.main&CFID=34648468&CFTOKEN=6ef965fc96926526-52EF213E-DE68-5C5C-981D1CB14CA6CF99&jsessionid=f412d234ecac366e803c2593f323e576c666TR

ETSI – Portal – E-Standardisation :

http://portal.etsi.org/Portal_Common/home.asp

CEN – Sector Fora:

<http://www.cen.eu/cenorm/sectors/index.asp>

NANDO (New Approach Notified and Designated Organizations) Information System:

<http://ec.europa.eu/enterprise/newapproach/nando/>

Mutual Recognition Agreements (MRAs):

http://ec.europa.eu/enterprise/policies/single-market-goods/international-aspects/mutual-recognition-agreement/usa/index_en.htm

European Co-operation for Accreditation:

<http://www.european-accreditation.org/content/home/home.htm>

Eur-Lex – Access to European Union Law:

<http://eur-lex.europa.eu/en/index.htm>

Standards Reference Numbers linked to Legislation:

European Standards

http://ec.europa.eu/enterprise/policies/european-standards/harmonised-standards/index_en.htm

What's New:

http://ec.europa.eu/enterprise/policies/european-standards/news/index_en.htm

National technical Regulations:

http://ec.europa.eu/enterprise/tris/index_en.htm

NIST - Notify U.S.:

<http://tsapps.nist.gov/notifyU.S./data/index/index.cfm>

Metrology, Pre-Packaging – Pack Size:

<http://ec.europa.eu/enterprise/sectors/legal-metrology-and-prepack/documents/pack-sizes/>

European Union Eco-label Homepage:

http://ec.europa.eu/comm/environment/ecolabel/index_en.htm

Eco-Label Catalogue:

<http://www.eco-label.com/default.htm>

U.S. websites:

National Trade Estimate Report on Foreign Trade Barriers:

<http://www.ustr.gov/about-us/press-office/reports-and-publications/2009/2009-national-trade-estimate-report-foreign-trad>

Agricultural Trade Barriers:

<http://www.fas.usda.gov/posthome/Useu/>

Trade Compliance Center:

<http://www.trade.gov/tcc>

U.S. Mission to the European Union:

<http://useu.usmission.gov/>

The New EU Battery Directive:

http://www.buyusainfo.net/docs/x_8086174.pdf

The Latest on REACH:

<http://export.gov/europeanunion/reachclp/index.asp>

WEEE and RoHS in the EU:

<http://export.gov/europeanunion/weeerohs/index.asp>

Overview of EU Certificates:

<http://www.fas.usda.gov/posthome/useu/certificates-overview.html>

Center for Food Safety and Applied Nutrition:

<http://www.fda.gov/Food/default.htm>

EU Marking, Labeling and Packaging – An Overview:

http://www.buyusainfo.net/docs/x_4171929.pdf

The European Union Eco-Label:

http://buyusainfo.net/docs/x_4284752.pdf

Trade Agreements:

http://tcc.export.gov/Trade_Agreements/index.asp

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 6: Investment Climate

- [Executive Summary](#)
- [Openness to Foreign Investment](#)
- [Conversion and Transfer Policies](#)
- [Expropriation and Compensation](#)
- [Dispute Settlement](#)
- [Performance Requirements and Incentives](#)
- [Right to Private Ownership and Establishment](#)
- [Protection of Property Rights](#)
- [Transparency of Regulatory System](#)
- [Efficient Capital Markets and Portfolio Investment](#)
- [Competition from State Owned Enterprises](#)
- [Corporate Social Responsibility](#)
- [Political Violence](#)
- [Corruption](#)
- [Bilateral Investment Agreements](#)
- [OPIC and Other Investment Insurance Programs](#)
- [Labor](#)
- [Foreign-Trade Zones/Free Ports](#)
- [Foreign Direct Investment Statistics](#)
- [Web Resources](#)

Executive Summary

[Return to top](#)

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 has weathered the recent global economic crisis relatively well. For 2013, Malta had a real Gross Domestic Product (GDP) growth of 2.4%, compared to slow growth of 0.1% in the EU-28 countries. In terms of unemployment, Malta is one of the best performers in the EU. For 2013, unemployment in Malta stood at 6.5%, compared to 10.9% recorded in the EU generally.

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

- S&P, BBB+ with a stable outlook
- Moody's, A3 with a stable outlook
- Fitch, A with a stable outlook

In 2013, the Government of Malta established the Individual Investor Program (IIP), which assigns 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 (additionally, €25,000 for spouses and for dependents under age 18; €50,000 for

dependents over age 18). This amendment to the Maltese Citizenship Act, (Chapter 188 of the Laws of Malta) was passed in November 2013 and has been criticized as mainly attracting investors due to Malta's EU member state status and participation in Schengen zone. In response, the Government has modified the law in some ways, such as adding a one-year residency requirement and publicizing the names of new citizens. IIP conditions include a € 350,000 threshold for purchasing immovable property; or a € 16,000/year threshold for leasing immovable property (which must be retained for at least five years); or a € 150,000 threshold for investment in stocks, bonds, or debentures.

Openness to Foreign Investment

[Return to top](#)

Attitude Towards FDI

Malta seeks foreign direct investment (FDI) to increase its rate of economic growth. Malta provides incentives to attract investment in high-tech manufacturing (especially **health technologies** such as pharmaceuticals manufacturing and life sciences), **information and communications** technology (ICT), R&D, **aerospace & defense**/aviation maintenance, registration of ships and aircrafts, electronics, 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 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.

Other Investment Policy Reviews

The government organization "Malta Enterprise", established to promote foreign direct investment in Malta, provides information to prospective investors, processes applications for government investment incentives, and serves as liaison between investors and other government entities. Malta Enterprise offers an attractive investment package for American and other investors (see section 5 entitled Performance Requirements and Incentives).

The following are the most important laws that 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 is effectively reduced to 5 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 Act 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, responsible for the regulation of banking and investment services in Malta.
- The Investment Services Act of 1994 contains a package regulating investment services in the banking and insurance sectors.

Virtually all manufacturing sectors are open to FDI. There are no legal prohibitions against FDI oriented toward sales in Malta's domestic market. The Government of Malta seeks, as a top priority, companies operating in the following fields:

- **Information & communications** technology, including electronic components and digital gaming;
- **Health technologies**, medical equipment, pharmaceuticals and life sciences;
- **“Back office”** and regional support operations including call centers;
- **Knowledge-based services**, including **aerospace & defense** (aviation maintenance), education and training, and research and development;
- **Logistics-based services**, including **marine technology**, warehousing, and oil/gas services; **Film Industry** (Malta has one of the few sets in the world for water/boating scenes)

Limits on Foreign Control

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

Privatization Program

The Maltese government in recent years has privatized a number of state-controlled firms, including its shares in the country's largest bank, the postal service, shipyards, and the wireless telecommunications industry. Air Malta, the national airline, is currently not part of the restructuring process, but the Government of Malta has not ruled this possibility out in the future.

The government welcomes private investors, Maltese and non-Maltese, in privatization projects. It affords foreign investors equal treatment to that given to domestic investors and sets few limitations on their operations. Foreign investors have the right to repatriate or reinvest profits without restriction and can take disputes before the International Center for the Settlement of Investment Disputes (ICSID).

Screening of FDI

Malta is a free trade, open economy country. The government does not approve or restrict any foreign direct investment, as long as it meets EU and national regulations. Malta Enterprise reviews FDI only before granting any incentives requested by the private entity/business. A due diligence process is carried out prior to approving greenfield investments. Company formation can be completed within a 10 day period. The Malta Financial Services Authority (MFSA) undertakes the filings and regulatory screenings on financial investments.

Investment Climate Benchmarks

| Measure | Year | Rank or value | Website Address |
|---|------|---------------|---|
| Transparency International's Corruption Perceptions index | 2013 | 45 of 175 | http://cpi.transparency.org/cpi2013/results/ |
| Heritage Foundation's Economic Freedom index | 2013 | 58 of 177 | http://www.heritage.org/index/ranking |
| World Bank's Doing Business Report | 2013 | 103 of 189 | http://doingbusiness.org/rankings |
| Global Innovation Index | 2013 | 24 of 142 | http://www.globalinnovationindex.org/content.aspx?page=gii-full-report-2013#pdfopener |
| World Bank GNI per capita | 2012 | \$19,710 | http://data.worldbank.org/indicator/NY.GNP.PCAP.CD |

Conversion and Transfer Policies

[Return to top](#)

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.

Expropriation and Compensation

[Return to top](#)

Private property may, in exceptional instances, be expropriated for public purposes, 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. There have not been any expropriations in the last decade. There are no particular sectors at risk for expropriation or similar actions, nor are there any laws that force local ownership.

Dispute Settlement

[Return to top](#)

There have been no significant investment disputes over the past few years involving U.S. or other foreign investors or contractors in Malta. Courts in Malta are known to be slow in processing cases, although a reform is currently being implemented in order to increase efficiency in the judicial system. Investment/commercial dispute resolution proceedings in Malta generally take a minimum of three years, possibly more. Generally speaking, summary proceedings which involve debt collection related to liquidation take less time.

Malta has a distinct Commercial Code which 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. The jurisdiction of the Inferior Court is restricted to minor offenses of a criminal nature and to small civil matters. Traditionally the judiciary functions through the Criminal, Civil, and Constitutional courts. Commercial cases are adjudicated by the First Hall of the Civil Court. There is a Criminal Court of Appeal and a Court of Appeal for all other jurisdictions. 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. In 1987 Malta adopted the European Convention of Human Rights as part of Malta's domestic law.

The Maltese judiciary has a long tradition of independence. Once appointed to the bench, judges and magistrates have fixed salaries which do not require annual approval. Judges cannot be dismissed except by a two-thirds vote in the House of Representatives for a proven inability to exercise their function properly or proven misbehavior. The Constitution guarantees the separation of powers between the executive and the judiciary. Fair trial is also recognized as an enforceable human right under the Maltese Constitution.

The Maltese Parliament is the highest law-making institution; its members are elected every five years by proportional representation. The number of members of parliament is normally 65, but may be adjusted according to the constitution to provide a governing majority to the party winning the popular vote in a general election. Government functions through a cabinet of ministers, headed by the Prime Minister.

In 2002, Malta signed the Convention on the Settlement of Investment Disputes (ICSID). Malta is also a member of the New York Convention of 1958 on the recognition and enforcement of foreign arbitration awards (UNCITRAL). As such, Malta honors the enforcement of foreign court judgments and foreign arbitration awards. Modes of settlement of disputes are also provided in bilateral investment treaties, which Malta has with several countries (see section 14, Bilateral Investment Agreements).

Performance Requirements and Incentives

[Return to top](#)

The Government of Malta offers several investment incentives for priority industrial projects to attract FDI. All investment incentives are specified by law and not 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 the target sector are entitled to a tax credit which is calculated either:

- As a percentage of qualifying capital expenditure (currently granting 30% for a large enterprise; 40% for a small to medium enterprise, and 50% for a micro enterprise);
- As a percentage of the wage cost for the first 24 months of a newly created job (currently, 30% for a large enterprise; 40% for a small to medium enterprise, and 50% for a 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 & Training: Administered by the Employment and Training Corporation, enterprises are supported in recruiting new employees and training their staff.

SME Development: Grants targeting the creation and development of innovative start-ups and the development of forward looking small and medium-sized firms.

Enterprise Support: Assistance to businesses to support development of international competitiveness, improving processes, and networking with other businesses.

Research & Development: Incentives to encourage enterprises to engaged in industrial research and experimental development.

Allocation of Factory Space for manufacturing companies: Availability of factory space built to specification offering attractive financing terms.

Competitive rental rates: European Union Structural Funds and Regional Development Funds for FDI in Malta were available for the period 2007-2013. Support in the form of similar assistance and cash grants for approved projects will be available again in 2015 for the period 2014-2020. 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% tax rate on profits. However, the fact that the Maltese tax system is the only remaining full imputation system in the EU means that tax paid by company will essentially remain a prepaid tax on behalf of the tax liability of shareholders. Shareholders will then be entitled to claim a tax refund which may be equivalent to 6/7 (in the case of trading income) of the tax paid at the corporate level.

Companies operating within the Malta Freeport, a customs-free zone, benefit from reduced rates of taxation and investment tax credits (see section 17, Foreign Trade Zones).

Right to Private Ownership and Establishment

[Return to top](#)

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 of Malta normally 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 the electricity generation, are now 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.

Protection of Property Rights

[Return to top](#)

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. Procedures for registering and enforcing judgments of foreign courts are laid out in the Code of Organization and Civil Procedures. Rights in 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.

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 World Trade Organization (WTO) Trade-Related Aspects on Intellectual Property Rights (TRIPS). Malta has fully incorporated the EU and WTO rules into national law. Additional information on EU-wide provisions on copyright, patents, trademarks, and designs is obtainable from:

- http://www.europa.eu/comm/internal_market/copyright/news/news_en.htm
- http://www.europa.eu/comm/internal_market/indprop/index_en.htm

Malta is additionally 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; the Universal Copyright Convention (UCC); and the World Trade Organization (WTO).

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 currently 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/>.

Embassy point of contact: Maria Cassar Tel: 00356 2561 4120; email: maltabusiness@state.gov

Local lawyers list: http://malta.usembassy.gov/list_of_attorneys.html

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

Commerce Department

Tel: +356 2122 6688

Email: commerce@gov.mt

Website: <http://commerce.gov.mt/contact.asp>

Address: Commerce Department, Lascaris Bastion, Valletta, VLT 2000, Malta

Transparency of Regulatory System

[Return to top](#)

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

Efficient Capital Markets and Portfolio Investment

[Return to top](#)

The Maltese banking system is considered sound. Local commercial banks have in recent years expanded the scope of their lending portfolios. Capital is available from both public and private sources; both foreign and local companies can avail themselves of 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.

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 Malta Financial Services Authority (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.

The small numbers of companies publicly listed on the Malta Stock Exchange have not faced the threat of hostile takeovers to date. 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 correspondents.

Competition from State Owned Enterprises

[Return to top](#)

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 initially 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, most SOEs were groomed for privatization and sold off.

Today, the list of Maltese SOEs under MIMCOL scrutiny has shrunk to 11 (excluding companies falling under the responsibility of other ministries and investments held directly by government). This portfolio is not well-defined. Most Government investments are held by either the Board of Trustees within the Ministry of Finance, the Economy, and Investment, or by MGI as agent for the Government of Malta. There are other state entities which hold shares in companies which are typically special purpose vehicles set up in furtherance of that entity's operations.

MIMCOL falls under the responsibility of the Ministry of Finance, the Economy, and Investment, supporting the Ministry's efforts to ensure that SOEs within its authority operate within a sustainable and cost-efficient environment, enhance service delivery, and improve organizational effectiveness. MIMCOL's sister company, Malta Government Investments Limited (MGI), holds a portfolio of equity and debt investments as an agent of the Government of Malta. However, the Government of Malta does not have a Sovereign Wealth Fund.

The following lists have been prepared by MIMCOL from MIMCOL's and MGI's records and from Government's Financial Estimates for 2008. These are not necessarily exhaustive; there could be other entities not captured by these sources.

TABLE 1: Companies with Government of Malta shareholding through MGI or MIMCOL

| Entity | Form | Ownership | Responsibility |
|------------------------------------|-------------|------------------|--------------------------|
| Casma | Ltd | MGI | MIMCOL/MEISB |
| Gozo Channel | Ltd | MGI | MIMCOL/MEISB |
| Gozo Ferries | Ltd | MGI | MIMCOL/MEISB |
| Gozo Heliport | Ltd | MGI | MIMCOL/MEISB |
| Grand Harbour Regeneration | plc | MGI | MIMCOL/MITC |
| Libma International Construction | Ltd | MGI 20% | MIMCOL/MEISB |
| Malta Air Traffic Services | Ltd | MGI | MIMCOL/MEISB |
| Malta Govt. Technology Investments | Ltd | MGI | MITC |
| Malta National Laboratory | Ltd | MGI | Competitiveness Ministry |
| Malta Marketing | Ltd | MGI | Malta Tourism Authority |

| | | | |
|-----------------------|-----|-----|----------------------|
| Malta Venture Capital | plc | MGI | MIMCOL/MEISB |
| National Orchestra | Ltd | MGI | MEDC |
| Wasteserv Malta | Ltd | MGI | Environment Ministry |

Corporations falling under Investments Ministry's portfolio

| Entity | Form | Ownership | Responsibility |
|------------------|-------------|------------------|-----------------------|
| Enemalta | Corp | Government | MIMCOL/MITC |
| Water Services | Corp | Government | MIMCOL/MITC |
| Malta Enterprise | Corp | Government | MIMCOL/MIIT |

Other Government direct investments

| Entity | Form | Ownership | Responsibility |
|---------------------------------|-------------|------------------|-----------------------|
| Air Malta | plc | MFEI 97.9% | MIMCOL/MEISB |
| Libyan Arab Maltese Holding | Ltd | MFEI 51% | MIIT/MEISB |
| Bank of Valletta | plc | MOF 25.2% | MIIT/MOF |
| Malta Dairy Products | Ltd | ME 30% | MIIT |
| Malta Freeport Corporation | Ltd | MFEI | MITC |
| Malta University Sports Complex | Ltd | MOE 49% | |
| Medelec Switchgear | Ltd | MFEI 5% | LAMHCO |
| Mediterranean Power Electric | Ltd | MFEI 5% | LAMHCO |
| Viset Malta | plc | MOF 28.6% | |

Abbreviations:

| | |
|--------|---|
| Ltd | Limited Liability company |
| Plc | Public limited company |
| Corp | Corporation set up by Act of Parliament |
| LAMHCO | Libyan Arab Maltese Holding Company Limited |
| ME | Malta Enterprise |
| MITC | Ministry of Information Technology and Communications |
| MITA | Malta Information Technology Agency |
| MEDC | Ministry of Education, Culture, Youth and Sport |
| MEISB | Ministry for the Economy, Investment and Small Business |
| MSA | Malta Statistics Authority |
| MSE | Malta Stock Exchange |
| OPM | Office of the Prime Minister |
| WSC | Water Services Corporation |

Corporate Social Responsibility

[Return to top](#)

Corporate social responsibility (CSR) has gained in profile in recent years, as global concerns such as climate change have risen to the fore 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

Political Violence

[Return to top](#)

There have been no recent incidents involving politically motivated damage to projects and/or installations, and there are no signs that civil disturbances may become more likely. There are no signs that U.S. investor properties might become targets in the future.

Corruption

[Return to top](#)

Maltese law provides criminal penalties for official corruption, and the government generally implemented these laws effectively. Police and the Permanent Commission Against Corruption are responsible for combating official corruption. The U.S. Embassy is aware of only isolated reports of government corruption.

Exporters and investors should be aware that generally all countries prohibit the bribery of their public officials, and under domestic law, prohibit their officials from soliciting bribes. Most countries are required to criminalize such bribery and other acts of corruption by virtue of being parties to various international conventions discussed above.

Public sector corruption, including bribery of public officials, is a minor challenge for U.S. firms operating in Malta. According to a report released by the Council of Europe's Group of States Against Corruption (GRECO) in January 2005, "de facto instances of corruption within the public administration are rare." GRECO also noted that: "Malta promotes international and coordinated actions to prevent and fight corruption, organized crime and money laundering and takes account of the link between these crimes. It has taken several initiatives to adopt the legal provisions concerning the seizure and forfeiture of proceeds of crime as well as the criminal and civil liability of legal persons with a view of implementing the Criminal Law Convention on Corruption. Minor adaptations are still required. It also adapted in 1995 a Code of Ethics for employees in the public sector and subsequently several other codes of ethics." For additional details, please see the following site:

[http://www.coe.int/t/dg1/greco/evaluations/round2/GrecoEval2\(2004\)14_Malta_EN.pdf](http://www.coe.int/t/dg1/greco/evaluations/round2/GrecoEval2(2004)14_Malta_EN.pdf)

Since the 2004 GRECO report, Malta has passed legislation to adapt Maltese law to EU requirements, including the Prevention of Money Laundering and Funding of Terrorism Regulations of July 2008 [which conforms to the European Union legislation under Directive 2005/60/EC (the Third Directive) and Directive 2006/70/EC (the Implementation Directive)].

A 2008 report by the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL) confirms that Maltese Authorities have taken measures to ensure that the AML/CFT (anti-money laundering - combating the financing of terrorism) regime in Malta is consistent with recognized international standards and practices. The MONEYVAL report is available at: [http://www.fiumalta.org/pdfs/MONEYVAL\(2008\)41ProgRep-MLT_en.pdf](http://www.fiumalta.org/pdfs/MONEYVAL(2008)41ProgRep-MLT_en.pdf).

Additionally, the government of Malta has established a Financial Intelligence Analysis Unit to support domestic and international law enforcement investigative efforts.

Every company (apart from SMEs) and government department in Malta has established a whistle-blowing unit which, if it receives information related to a crime, will pass this on to a unique external whistle-blowing unit. Small and medium-sized enterprises are not required to set up their own internal unit. Informers may also be admitted to the Witness Protection Program.

The Act to Remove Prescription (the maximum time after an event that legal proceedings based on that event may be initiated – equivalent to a statute of limitations in a common law legal system) on Corruption by Public Officials effectively abrogates the right of ministers, parliamentary secretaries, MPs, mayors and councilors to use prescription when charged with corruption. The State was given the right to file civil action to recoup assets that an elected official would have acquired from monies derived from corruption.

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 U.S. and Foreign Commercial Service (USFCS) can provide assistance with navigating the host country's legal system and obtaining a list of local legal counsel.

- **Corruption:** On June 14, 2013 authorities amended the Criminal Code to remove the statute of limitations on corruption charges for elected officials and to increase penalties for those found guilty. The amendment also includes provisions from the Criminal Law Convention on Corruption of the Council of Europe.
- **Whistleblower Protection:** On July 19, 2013, the government enacted the Protection of the Whistleblower Act. The law provides protection to public and private employees for making internal disclosures of evidence of illegal activity, such as the solicitation of bribes or other corrupt acts, gross waste or fraud, mismanagement, abuse of power, or other betrayals of public trust that employees discover or witness on the job.
- **Financial Disclosure:** Government officials are subject to financial disclosure laws; courts have the authority to compel disclosure, depending on the circumstances.
- **Public Access to Information:** In September 2012, a freedom of information law enacted in 2008 came into full force. The act established the right to request information held by public authorities, but also enumerated several exceptions, such as documents held by the Electoral Commission, the Employment Commission, the Public Service Commission, the Office of the Attorney General, the National Audit Office, the Security Service, the ombudsman, and the Broadcasting Authority when the latter authority was exercising its constitutional function.

- Additionally, the Press Act established procedures to provide members of the press information to help them “fulfill their public tasks.” The government has not, however, defined the scope of this mandate. Access to government information in certain specified areas – those dealing with matters of public interest, security, or ongoing court proceedings – was excluded from this requirement. For government activities not subject to disclosure under the Press Act, there is no legal entitlement to government-held information, although authorities generally provide access in specific instances.

Local Resources: Complaints or reports can be forwarded to the following in Malta:

Malta Police Commissioner
Email: cmru.police@gov.mt
Phone: +356 2122 4001
Address: San Kalcidonju Square, Floriana, Malta

The Office of the Ombudsman
Email: office@ombudsman.org.mt
Phone: +356 2248 3200
Address: 11, St Paul Street, Valletta VLT 1210, Malta

Internal Audit and Investigations Department
Email: info.iaid@gov.mt
Phone: +356 2123 7737
Address: Valletta Buildings, Lower Ground Floor, South Street, Valletta, VLT 1103, Malta

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 USFCS 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 USFCS can be reached directly through its offices in every major U.S. and foreign city, 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 Commerce Department’s Advocacy Center and 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. 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 http://www.ogc.doc.gov/trans_anti_bribery.html. More general information on the FCPA is available at the Websites listed below.

Additional Anti-Corruption Resources

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

- Information about the U.S. Foreign Corrupt Practices Act (FCPA), including a “Lay-Person’s Guide to the FCPA” is available at the U.S. Department of Justice’s Website at: <http://www.justice.gov/criminal/fraud/fcpa>.
- Information about the OECD Anti-bribery Convention including links to national implementing legislation and country monitoring reports is available at: http://www.oecd.org/department/0,3355,en_2649_34859_1_1_1_1_1,00.html. See also new Anti-bribery Recommendation and Good Practice Guidance Annex for companies: <http://www.oecd.org/dataoecd/11/40/44176910.pdf>
- General information about anticorruption initiatives, such as the OECD Convention and the FCPA, including translations of the statute into several languages, is available at the Department of Commerce Office of the Chief Counsel for International Commerce Website: http://www.ogc.doc.gov/trans_anti_bribery.html.
- 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. The CPI is available at: http://www.transparency.org/policy_research/surveys_indices/cpi/2009.
- 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. See <http://www.transparency.org/publications/gcr>.
- 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. See http://info.worldbank.org/governance/wgi/sc_country.asp. The World Bank Business Environment and Enterprise Performance Surveys may also be of interest and are available at: <http://go.worldbank.org/RQQXYJ6210>.
- 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. See <http://www.weforum.org/en/initiatives/gcp/GlobalEnablingTradeReport/index.htm>.
- 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/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. The report is available at: <http://report.globalintegrity.org/>.

Bilateral Investment Agreements

[Return to top](#)

In 2010, the U.S. signed a double taxation agreement with Malta. Malta also enjoys double taxation agreements with: Albania, Australia, Austria, Bahrain, Barbados, Belgium, Bulgaria, Canada, China, Croatia, Cyprus, Czech Republic, Denmark, Egypt, Estonia, Finland, France, Georgia, Germany, Greece, Guernsey, Hong Kong, Hungary, Iceland, India, Ireland, Isle of Man, Israel, Italy, Jersey, Jordan, Korea (Rep. Of), Kuwait, Latvia, Lebanon, Libya, Liechtenstein, Lithuania, Luxembourg, Malaysia, Mexico, Montenegro, Morocco, Netherlands, Norway, Pakistan, Poland, Portugal, Romania, Russia, San Marino, Saudi Arabia, Serbia, Singapore, Slovakia, Slovenia, South Africa, Spain, Sweden, Switzerland, Syria, Tunisia, Turkey, Qatar, Ukraine, United Arab Emirates, the United Kingdom, and Uruguay.

The U.S. has maintained a Commerce and Navigation Treaty with Malta since 1815, initially in its capacity as a British colony, and, upon 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 Austria, Belgium/Luxembourg Economic Union, Bulgaria, Canada, Croatia, Cyprus, Czech Republic, Egypt, France, Germany, Italy, Kuwait, Libya, Netherlands, Slovak Republic, Slovenia, Sweden, Tunisia, Turkey, and UK.

OPIC and Other Investment Insurance Programs

[Return to top](#)

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

Labor

[Return to top](#)

Malta's labor force population is approximately 190,372 (63% male). The country's population is about 421,364 (2013), the smallest in the EU. For 2013, the national minimum monthly wage was 961 USD (697 Euros). The estimated average gross annual salary of employees stood at 21,272 USD (16,022 Euros); this amount refers to the basic salary and excludes extra payments such as overtime, bonuses and allowances. In 2013, on a sectoral basis, the highest recorded average gross annual salary for employees was in financial and insurance activities. Social insurance contributions add 10% 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 annual leave and public holidays that fall on a week day. 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 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 strictly adheres to the ILO convention protecting workers' rights.

Foreign-Trade Zones/Free Ports[Return to top](#)

Malta's Freeport container port offers modern trans-shipment facilities, storage, assembling and processing operations as well as an oil terminal and bunkering facilities. A private company, Malta Freeport Terminals Ltd. operates the Freeport under a long term concession. The operator ascertains that goods which have been processed in the Freeport are not labelled as having Malta as their country of origin, unless their identity has been substantially transformed. Companies operating within the Freeport must be licensed and benefit from reduced tax rates as well as investment tax credits.

Foreign Direct Investment Statistics[Return to top](#)**TABLE 2: Key Macroeconomic data, U.S. FDI in Malta**

| | Year | Amount (Millions U.S. Dollars)* | Year | Amount (Millions U.S. Dollars) |
|---|-----------|---------------------------------------|------|--------------------------------------|
| Economic Data | | | | |
| Malta Gross Domestic Product (GDP) | 2013 | 9,541.2 | 2012 | 8,969.6 |
| Foreign Direct Investment | | | | |
| U.S. FDI in Malta (<i>stock positions</i>) | June 2013 | 12.3 | 2012 | 16.9 |
| Malta's FDI in the United States (<i>stock positions</i>) | June 2013 | 8.1 | 2012 | 7.4 |
| Total inbound stock of FDI as % GDP | 2013 | -22%** | 2012 | 0.04% |

Source: National Statistics Office Malta

*Rate of Exchange \$1= €0.7532

**In 2013, direct investment in Malta decreased by an exceptional transaction, wholly driven by a significant drop in equity of a financial intermediary resident in Malta.

TABLE 3: Sources and Destination of FDI

| Direct Investment from/in Counterpart Economy Data | | | | | |
|--|--------|------|----------------------------------|-------|------|
| From Top Five Sources/To Top Five Destinations (US Dollars, Millions) | | | | | |
| <i>Inward Direct Investment</i> | | | <i>Outward Direct Investment</i> | | |
| Total Inward: | 16,273 | 100% | Total Outward: | 1,399 | 100% |
| Germany | 6,667 | 41% | Netherlands | 221 | 16% |
| Austria | 1,713 | 11% | United Kingdom | 179 | 13% |
| Turkey | 802 | 5% | Italy | 64 | 5% |
| Netherlands | 764 | 5% | Cyprus | 31 | 2% |

| | | | | | |
|-------|-----|----|--------|----|----|
| Italy | 524 | 3% | Turkey | 10 | 1% |
|-------|-----|----|--------|----|----|

Source: International Monetary Fund

TABLE 4: Sources of Portfolio Investment

| Portfolio Investment Assets | | | | | | | | |
|--|--------|------|--------------------------|-------|------|------------------------------|--------|------|
| Top Five Partners (Millions, US Dollars) | | | | | | | | |
| <i>Total</i> | | | <i>Equity Securities</i> | | | <i>Total Debt Securities</i> | | |
| World | 27,306 | 100% | World | 1,552 | 100% | World | 25,754 | 100% |
| Turkey | 14,155 | 52% | United Kingdom | 494 | 32% | Turkey | 14,155 | 55% |
| United Kingdom | 2,689 | 10% | Luxembourg | 373 | 24% | United Kingdom | 2,194 | 9% |
| France | 1,544 | 6% | Ireland | 288 | 19% | France | 1,514 | 6% |
| Netherlands | 1,098 | 4% | Switzerland | 87 | 6% | Netherlands | 1,086 | 4% |
| Ireland | 1,052 | 4% | United States | 51 | 3% | United States | 844 | 3% |

Source: International Monetary Fund

Contact Point at Post

[Return to top](#)

Maria Cassar
Economic – Commercial Specialist
U.S. Embassy, Malta
Tel: 00356 2561 4120
Email: maltabusiness@state.gov

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 7: Trade and Project Financing

- [How Do I Get Paid \(Methods of Payment\)](#)
- [How Does the Banking System Operate](#)
- [Foreign-Exchange Controls](#)
- [U.S. Banks and Local Correspondent Banks](#)
- [Project Financing](#)
- [Web Resources](#)

How Do I Get Paid (Methods of Payment)

[Return to top](#)

Maltese importers try to avoid paying via letters of credit and drafts, as these increase the cost of the imported goods. Maltese firms often seek cash against documents or extended credit terms of 30-60 days. Before giving credit, U.S. companies should obtain credit background information on the companies involved. The Commercial Section of the U.S. Embassy will be happy to provide basic background information. Other sources of information include:

The Malta Chamber of Commerce and Enterprise:

<http://www.maltachamber.org.mt/>

The General Retailers and Traders Union (GRTU):

<http://www.grtu.org.mt/data/>

Creditinfo provides full background credit reports (local agents of Dun & Bradstreet):

<http://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 and/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.

How Does the Banking System Operate

[Return to top](#)

The 2002 Central Bank of Malta Act and by 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 Gozo, 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.

The banks provide standard lending services: overdraft, loan, and trade finances. Banks in Malta are flexible in considering applications for finance.

Foreign-Exchange Controls

[Return to top](#)

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. Businessmen 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.

U.S. Banks and Local Correspondent Banks

[Return to top](#)

No U.S. bank has a branch in Malta. However, 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.

Project Financing

[Return to top](#)

The GOM's budget revenue finances most current infrastructure projects in Malta. The EU, through the European Structural and Investments Funds, also co-finances projects—such as roads and other major projects.

Banks constitute the main source of financing. Government bonds majorly dominate the 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 between 2009 and 2012. In December 2006, the GOM set up the Malta Venture Capital plc in order to spearhead venture capital, especially for new entrepreneurs who had previously found it difficult to satisfy local commercial banks' requests for collateral assets. Malta Venture Capital's activities have encouraged the development of a venture capital market.

Usage of checks is predominantly for commercial transactions. Credit cards are widely available and frequently used for retail transactions. Most commercial bank liabilities are in the form of savings deposits. Most bank loans issued 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.

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

The European Union provides project financing through grants from the European Commission and loans from the European Investment Bank. The EU distributes grants from the Structural Funds budget through the Member States' national and regional authorities—these are only available for projects within the 27 EU Member States. The Managing Authority for Structural Funds in Malta is the Planning and Priorities Coordination Division within the Office of the Prime Minister.

Key Link: <https://eufunds.gov.mt/en/Pages/Home.aspx>

EU Structural and Investment Funds (ESIF)

In 1975, the EU created EU Structural Funds, including the European Regional Development Fund created to assist economically depressed regions of the European Union that required industrial restructuring. For the period of 2014 – 2020, the EU has earmarked 352 billion euros for projects under the EU's cohesion policy. In addition to funding economic development projects proposed by member states or local authorities, EU Structural and Investment Funds (ESIF) also support specialized projects promoting EU environmental and socioeconomic objectives. Member states negotiate regional and “sectoral” programs with EC officials. For information on approved programs that will result in future project proposals, please visit:

http://ec.europa.eu/regional_policy/index_en.cfm

For projects financed through ESIF, member state regional authorities are the key decision-makers. They assess the needs of their country, investigate projects, evaluate bids, and award contracts. To become familiar with available financial support programs in the member states, it is advisable for would-be contractors to 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. National authorities co-finance all ESIF projects 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:

<http://export.gov/europeanunion/marketresearch/index.asp>

The Cohesion Fund

The Cohesion Fund is another instrument of the EU's cohesion policy. Its 63 billion euro (2014-2020) budget will fund projects in two areas: Trans-European Network projects in transport infrastructure and environmental projects, including areas related to sustainable development and energy for projects with environmental benefits.

The fund will support projects in Bulgaria, Croatia, Cyprus, the Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia and Slovenia.

These projects are, in principle, co-financed by national authorities, the European Investment Bank, and the private sector:

Key Link: http://ec.europa.eu/regional_policy/thefunds/cohesion/index_en.cfm

Other EU Grants for Member States

Another set of sector-specific grants offer assistance to EU member states in the fields of science, technology, communications, energy, security, environmental protection, education, training and research. European Commission posts tenders related to these grants on the various websites of its directorates-generals. Conditions for participation are strict and participation is usually restricted to EU firms or tied to EU content.

For information pertaining to each of these programs go to:

http://ec.europa.eu/grants/index_en.htm

External Assistance Grants

“Development and Cooperation – EuropeAid” is the Directorate-General (DG) responsible for implementing EU development policies through programs and projects across the world. Its website offers extensive information on the range of grant programs, the kind of projects that are eligible, as well as manuals to help interested parties understand the relevant contract law. However, these programs reserve participation in these calls for tender for enterprises located in the EU member states or in the beneficiary countries and requires that the products used to respond to these projects are manufactured in the EU or in the aid recipient country. European subsidiaries of U.S. firms are eligible to participate in these calls for tender as well as consultants of U.S. nationality employed by a European firm.

For more information: http://ec.europa.eu/europeaid/index_en.htm

The EU also provides specific Pre-Accession financial assistance to the accession candidate countries that seek to join the EU through the “Instrument for Pre-accession Assistance” (IPA). Also, the European Neighborhood Instrument (ENI) will provide assistance to countries that are the Southern Mediterranean and Eastern neighbors of the EU.

The European Neighborhood Policy program (ENPI) covers the EU’s neighbors to the east and along the southern and eastern shores of the Mediterranean (i.e. Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, the occupied Palestinian territory, Syria, Tunisia and Ukraine). The ENI budget is 15.4 billion euros for 2014-2020. For additional information:

http://ec.europa.eu/world/enp/index_en.htm

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 makes loans to both 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). In 2013, the EIB loaned 75 billion euros for projects, an increase of 37% over 2012. 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 that contribute to the European objectives cited above, 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 to be considered for approval. As such, the EIB website is a source of intelligence on upcoming tenders related to EIB-financed projects:

<http://www.eib.org/projects/pipeline/index.htm>

For more information, see our report on the EIB:

<http://export.gov/europeanunion/marketresearch/index.asp>

Web Resources

[Return to top](#)

The Central Bank of Malta:

<http://www.centralbankmalta.com/index.asp>

The Malta Financial

<http://www.mfsa.com.mt/pages/default.aspx>

Planning and Priorities Coordination Division

<http://ppcd.gov.mt/home?!=1>

Bank of Valletta:

<http://www.bov.com>

HSBC Malta Ltd:

<http://www.hsbcmalta.com/>

EU websites:

The EU regional policies, the EU Structural and Cohesion Funds:

http://ec.europa.eu/regional_policy/index_en.htm

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

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

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

The European Investment Bank: <http://www.eib.org>

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

U.S. websites:

Market research section on the website of the U.S. Mission to the EU:

<http://export.gov/mrktresearch/index.asp>

Export-Import Bank of the United States: <http://www.exim.gov>

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

OPIC: <http://www.opic.gov>

Trade and Development Agency: <http://www.ustda.gov/>

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

U.S. Agency for International Development: <http://www.usaid.gov>

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 8: Business Travel

- [Business Customs](#)
- [Travel Advisory](#)
- [Visa Requirements](#)
- [Telecommunications](#)
- [Transportation](#)
- [Language](#)
- [Health](#)
- [Local Time, Business Hours and Holidays](#)
- [Web Resources](#)

Business Customs

[Return to top](#)

In general, good business practices applicable in the United States also apply to doing business in Malta. Business people 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 as well as punctuality by visitors for meetings.

Maltese buyers appreciate quality and service but are also interested in delivery times and prices. Care must be taken to honor delivery dates and provide prompt after-sales service.

While Maltese is the first official language in Malta, English is also an official language and therefore widely spoken and understood. The Maltese virtually transact all business in English.

Travel Advisory

[Return to top](#)

Current travel advisory information for Malta is available on the Department of State's website at: http://travel.state.gov/travel/cis_pa_tw/cis/cis_963.html

Travel advisory information for all countries is available at:
http://travel.state.gov/travel/travel_1744.html

Visa Requirements

[Return to top](#)

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 for longer stays a visa is required. 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 Immigration Section of the Police Department in 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 <https://esta.cbp.dhs.gov/esta/> prior to commencing travel
- The traveler has a valid return ticket
- 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 American Embassy website (see below). U.S. Companies that require Maltese citizens to travel to the United States for business purposes should advise the visa applicants to consult the website below.

State Department Visa Website: http://travel.state.gov/visa/visa_1750.html

U.S. Companies that require travel of foreign businesspersons to the United States should be advised that security evaluations are handled via an interagency process. Visa applicants should go to the following links:

State Department Visa Website: <http://travel.state.gov/visa/>

Consular/Visa Section, U.S. Embassy, Valletta, Malta:
<http://malta.usembassy.gov/visas.html>

Telecommunications

[Return to top](#)

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. Telephone calls to the U.S. are chargeable at around \$.045 per minute (via VOIP service). Businessmen may charge telephone calls to the U.S. to international telephone cards such as AT&T, MCI, and Sprint. 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 carryout 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 be able to make cell calls from Malta to the U.S. and vice versa. One can rent or purchase GSM cell phones locally.

Transportation

[Return to top](#)

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 (<http://www.freeport.com.mt>).
- Malta International Airport is a modern facility that handles 2.5 million passengers per annum (<http://www.malairport.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 (<http://airmalta.com>), and other air carriers.
- Malta is a major cruise ship destination with an average of 300 cruise ship visits yearly and an estimated 608,786 visitors in 2012 and 431,397 in 2013. In 2005, the government refurbished the cruise ship terminal, in the historic Grand Harbor, as part of the Valletta Waterfront project – a \$30 million venture (<http://www.vallettawaterfront.com>).
- Inland transportation is normally by bus, private car, or taxi. Buses are frequent, safe, and inexpensive. There are many car rental agencies around Malta. As in the UK, steering wheels are on the right and traffic drives on the left. Traffic is normally heavy during rush hours. A taxi service from the Malta International Airport offers trips to all localities on a fixed rate basis; it is advisable that one books and pays at the taxi office in the arrival lounge of the airport. A regular ferry service operates between Malta and its sister island, Gozo. (<http://www.gozochannel.com/>).

Language

[Return to top](#)

Maltese is the first official language of Malta. English is the second official language and is widely spoken and understood. English is the business language in Malta.

Health

[Return to top](#)

Good quality health care is widely available in Malta. A new state-of-the-art public hospital opened in 2007. The GOM maintains Health Centers in almost every town. There are also several private clinics. Both Malta's general hospital and the private facilities are equipped with modern diagnostic equipment. Both the Government hospital and private clinics handle general hospitalization, emergency care, and most routine surgery. The majority of Malta's medical and dental specialists are English-speaking, most of whom were trained in Western Europe or the U.S. Even support staff such as nurses are able to communicate in English.

Local Time, Business Hours, and Holidays

[Return to top](#)

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 am to 5:15 pm, Monday through Friday, from October to mid-June. Between mid-June and September, government working hours are reduced to 7:30 am to 1:30 pm, 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, 8:30 am through 2:00 pm, and 8:30 am through 3:30 pm on Friday. On Saturday, banking hours are 8:30 am to 12:00 pm, but some branches are closed during the summer. Commerce and industry business hours are 8:30 am through 5:30 pm, Monday through Friday, and on Saturday from 8:00 am through 1:00 pm. Retail establishments are closed on Sundays. However, several establishments located in tourist areas (or those that sell primarily tourist-related items) do open on Sundays and public holidays.

The following is a list of holidays observed by Malta during calendar year 2014

DAY & DATE

Wednesday, January 1
Monday, February 10
Wednesday, March 19
Monday, March 31
Friday, April 18
Thursday, May 1
Saturday, June 7
Sunday, June 29
Friday, August 15
Monday, September 8
Sunday, September 21
Monday, December 8
Saturday, December 13
Thursday, December 25

HOLIDAY

New Year's Day
Feast of St. Paul's Shipwreck
Feast of St. Joseph's
Freedom Day
Good Friday
Labor Day
Sette Giugno
Feast of S.S. Peter & Paul
Feast of the Assumption
Feast of our Lady of Victories
Independence Day
Feast of the Immaculate Conception
Republic Day
Christmas Day

Web Resources

[Return to top](#)

Go (mobile services provider):
<http://www.go.com.mt>

Vodafone Malta:
<http://www.vodafone.com.mt>

Onvol :
<http://www.onvol.net>
Health Department:
<https://ehealth.gov.mt/>

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 9: Contacts, Market Research and Trade Events

- [Contacts](#)
- [Market Research](#)
- [Trade Events](#)

Contacts

[Return to top](#)

Office of the Prime Minister:

<https://gov.mt/en/Government/Ministries-Interim-Subsites/OPM/Pages/The-Prime-Minister.aspx>

Minister for EU Affairs and Implementation of Electoral Manifesto:

<http://gov.mt/en/Government/Government%20of%20Malta/Ministries%20and%20Entities/Pages/MEAIM-Contacts.aspx>

Ministry for Home Affairs and National Security:

<http://gov.mt/en/Government/Government%20of%20Malta/Ministries%20and%20Entities/Pages/MHAS-Contact-Details.aspx>

Ministry for Foreign Affairs:

<http://www.foreign.gov.mt/Default.aspx?MDIS=547>

Ministry for Finance:

<http://gov.mt/en/Government/Government%20of%20Malta/Ministries%20and%20Entities/Pages/MFIN-Contact-Details.aspx>

Ministry for Transport and Infrastructure:

<http://gov.mt/en/Government/Government%20of%20Malta/Ministries%20and%20Entities/Pages/MTI-Contact-Details.aspx>

Ministry for Energy and the Conservation of Water:

<http://gov.mt/en/Government/Government%20of%20Malta/Ministries%20and%20Entities/Pages/MECW-Contact-Details.aspx>

Ministry for Sustainable Development, the Environment and Climate Change:

<https://www.gov.mt/en/Government/Government%20of%20Malta/Ministries%20and%20Entities/Pages/MSDEC-Contact-Details.aspx>

Ministry for Education and Employment :

<https://www.education.gov.mt/ContactUs.aspx?depid=13&pageid=137>

Ministry for Health:

<https://gov.mt/en/Government/Government%20of%20Malta/Ministries%20and%20Entities/Pages/MFH-Contact-Details.aspx>

Ministry for the Economy, Investment, and Small Business:

<http://gov.mt/en/Government/Government%20of%20Malta/Ministries%20and%20Entities/MEIB/Pages/Contact-Details-MEIB.aspx>

Air Malta:

<http://www.airmalta.com/>

Central Bank of Malta:

<http://www.centralbankmalta.com/>

Malta Competition and Consumer Affairs Authority:

<http://www.mccaa.org.mt/>

Malta Council for Economic and Social Development:

<http://www.mcesd.org.mt/>

Malta Enterprise:

<http://www.maltaenterprise.com/>

Malta Financial Services Authority:

<http://www.mfsa.com.mt/>

Malta Freeport Corporation:

<http://www.freeport.com.mt/>

Malta International Airport:

<http://www.maltairport.com/>

Transport Malta :

<http://www.transport.gov.mt/>

Malta Resources Authority:

<http://www.mra.org.mt/>

National Statistics Office:

<http://www.nso.gov.mt/>

Malta Stock Exchange:

<http://www.borzamalta.com.mt/>

Malta Tourism Authority:

<http://www.visitmalta.com/>

Go (mobile services provider):

<http://www.go.com.mt/>

Malta Chamber of Commerce and Enterprise and Industry:

<http://www.chamber.org.mt/>

GRTU – Malta Chamber of Small and Medium Enterprises:

<http://www.grtu.org.mt/>

Amcham Malta:

<http://www.amcham-malta.org/>

Commercial Section, U.S. Embassy, Malta -
<http://malta.usembassy.gov/commercial.html>

Market Research

[Return to top](#)

To view market research reports produced by the U.S. Commercial Service please visit the following website: <http://www.export.gov/mrktresearch/index.asp> and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, and is free.

Trade Events

[Return to top](#)

Please click on the link below for information on upcoming trade events.

<http://www.export.gov/tradeevents/index.asp>

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 10: Guide to Our Services

The President's National Export Initiative marshals Federal agencies to **prepare U.S. companies to export successfully, connect them with trade opportunities** and **support them once they do have exporting opportunities**.

The U.S. Commercial Service offers customized solutions to help U.S. exporters, particularly small and medium sized businesses, successfully expand exports to new markets. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers
- Gain access to the full range of U.S. government trade promotion agencies and their services, including export training and potential trade financing sources

To learn more about the Federal Government's trade promotion resources for new and experienced exporters, please click on the following link: www.export.gov

For more information on the services the U.S. Commercial Service offers to U.S. exporters, please click on the following link: (Insert link to Products and Services section of local buyusa.gov website here.)

U.S. exporters seeking general export information/assistance or country-specific commercial information can also contact the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRAD(E)**.

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.

[Return to table of contents](#)