



# Ship Registration in Malta

**Your Flag of Confidence**

January 2019

[kpmg.com.mt](http://kpmg.com.mt)





## Malta: Your Flag of Confidence

- Competitive registration fees and **Attractive Tonnage Tax Rules** also for non-Maltese vessels including Non-EU/EEA registered ships;
- Attractive Tonnage Tax Regime applicable also to **Ship & Yacht Management Companies**;
- Vessels fulfilling requirements under Maltese Tonnage Tax Rules are **exempt from tax on their income**;
- **No tax on profits or gains of a shipping organisation derived from the sale or other transfer of a tonnage tax ship** acquired and sold whilst under the Tonnage Tax Regime or from the disposal of any rights to acquire a ship which, when delivered or completed, would qualify as a tonnage tax ship;
- A number of **double taxation and bilateral maritime agreements** with other maritime nations;
- **Absence of Exchange Control** required for the purpose of incorporating or operating a shipping company (this also applies when taking security for loans or other facilities over Maltese-registered vessels owned by companies registered locally);
- Possibility for Shipping Companies to avail themselves from the advantages offered by the **Securitization Act** as an alternative to Tonnage Tax Rules.
- Malta is a **White List Paris MOU Member State** thus increasing the marketability of its vessels;
- **No navigation restrictions** imposed on Malta flagged vessels;
- No restrictions on the **nationality of crew members on board** Malta flagged vessels;
- **Competitive Social Security rates**;
- No restrictions on the **nationality of shareholders and directors of Maltese shipping companies**.

## Ship Financing

Malta created a secure environment for ship financiers by providing for their interests with a high and reliable level of protection with standards comparable to the ones found in the English Merchant Shipping Act.

### There are significant advantages in registering a Mortgage in Malta

- Mortgages constitute an executive title and are immediately enforceable upon default without prior court judgement or similar order;
- **High ranking of mortgaged secured interests**;
- Further mortgages, transfers and deletion of vessels can be completed only with mortgagee's prior written consent; if deleted by Maltese Authorities the mortgage would still continue to attach to the vessel;
- Mortgage attaches to insurance proceeds and to proceeds from indemnities for mishaps;
- A registered mortgage takes priority over special privileges or liens not previously recorded on appurtenances or accessories of a vessel;
- Possibility to register a mortgage in favour of a security trustee acting under a trust for the benefit of a person/s or a syndicate to whom a debt or other obligation is due.

# Numbers and Figures of a Growing Flag\*

\*source: Transport Malta

	<u>2017</u>		<u>2018</u>	
	75.2	Gross Tons registered under Malta Flag; Increase of 7.5% since previous year.	77.2	Gross Tons registered under Malta Flag; Increase of 2.7% since previous year.
	8123	Total No. of Vessels registered under Malta Flag as at 31.12.2017 Increase of 5.3% since previous year.	8286	Total No. of Vessels registered under Malta Flag as at 31.12.2017 Increase of 2% since previous year.
	687	No of Super - Yachts up to 31.12.2017 Increase in 19.5% since previous year	751	No of Super - Yachts up to 31.12.2018 Increase in 9.3% since previous year
	12 years	Average age of vessels registered in Malta as at 31.12. 2017	13 years	Average age of vessels registered in Malta as at 31.12.2018

## What we offer:

- Malta Flag Ship Registration Services
- IMO Conventions Compliance Services
- EU Ship Recycling Regulation Compliance
- Tonnage Tax Advice
- Tax Advice & Compliance
- Assurance Advisory
- Accounting Advisory
- Internal & External Audit
- VAT Advisory & Compliance
- Shipping Corporate Services
- Merger and Acquisitions
- Entity Management Support
- Securitization
- GDPR
- Employment and Payroll Services
- Anti-Money Laundering Compliance
- On Board Casino & Gaming Advisory Services



Malta developed a strong legal and regulatory platform that enabled the Maltese flag to become an established and reputable International Ship Register which is now one of the largest in the world.

The eight-pointed cross flag is one of the most recognizable in the seas and oceans of the world and in fact it ranks 1st in Europe and 6th worldwide in terms of registered tonnage. Such results were achieved through the constant updating of Malta's maritime legislative framework within the IMO's framework. This approach was consolidated by Malta's accession to the European Union in 2004, its placement within the Paris MOU White List as well as the maximization of opportunities deriving from the EU Tonnage Tax Guidelines and the adoption by the flag of a 24/7 customer oriented approach.

Against this background, the Maltese maritime authorities also developed specific legislation that takes into account the distinctive requirements of the yacht and super-yacht industry that makes registering private and commercial yachts under the Malta flag a very attractive proposition.



Juanita Brockdorff  
**Partner**  
**Tax Services**  
**+356 2563 1029**  
[juanitabrockdorff@kpmg.com.mt](mailto:juanitabrockdorff@kpmg.com.mt)



Paul Pace Ross  
**Director**  
**Tax Services**  
**+356 2563 1119**  
[paulpacross@kpmg.com.mt](mailto:paulpacross@kpmg.com.mt)



Darren Govus  
**Director**  
**Audit Services**  
**+356 2563 1055**  
[darrengovus@kpmg.com.mt](mailto:darrengovus@kpmg.com.mt)



Stephan Piazza  
**Manager**  
**Shipping and Yachting**  
**+356 2563 1156**  
[stephanpiazza@kpmg.com.mt](mailto:stephanpiazza@kpmg.com.mt)

Follow KPMG in Malta:



© 2019 KPMG, a Maltese civil partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.

The KPMG name and logo are registered trademarks or trademarks of KPMG International Cooperative (KPMG International).