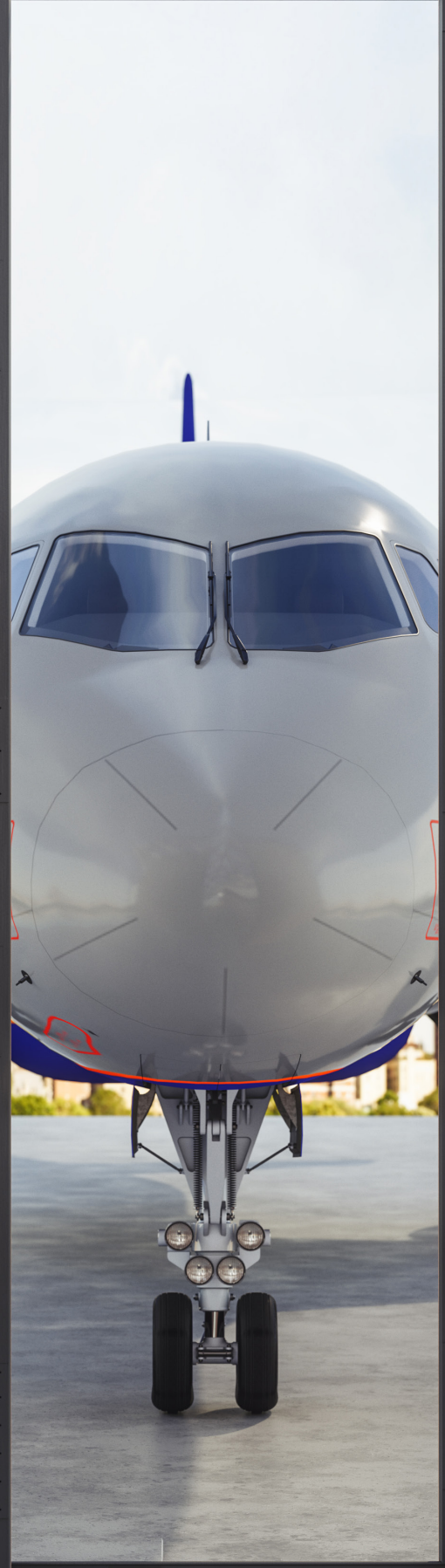




Aviation in Malta



Since the recent regulatory changes, the aviation sector in Malta has experienced significant growth, with the Maltese aircraft register listing over 340 aircraft and the number of Air Operator Certificate (AOC) holders approaching 40. The Aircraft Registration Act together with the Cape Town Convention on International Interests in Mobile Equipment and its Aircraft Protocol has spearheaded such growth, where the existence of a strong Maintenance, Repair and Overhaul (MRO) sector, flight training and aviation software providers, as well as increased interest in UAV Development – have offered interested individuals and entities with a holistic aviation framework.

Aircraft Registration



- Recognition of fractional ownership interests of aircraft
- Registration possibilities for commercial aircraft, private aircraft, aircraft under construction or aircraft which is temporarily not being operated or managed
- Permitted registration of irrevocable de-registration and export power of attorney and other special power of attorney granted as security
- Companies resident in Malta may benefit from an extensive tax treaty network with over 70 jurisdictions, including the United States
- No withholding tax on lease payments where the lessor is not a tax resident of Malta
- Attractive direct and indirect tax opportunities for leasing of aircraft, including tax depreciation, and partial shareholder tax refunds
- Malta forms part of the Eurozone
- Visibility of those holding rights and interests in aircraft upon request
- The private use of aircraft will not be treated as a fringe benefit, subject to a number of conditions
- Cape Town Convention on International Interests in Mobile Equipment and its Aircraft Protocol providing creditors with a higher degree of protection and more effective remedies whilst allowing lower borrowing costs
- Competitive Social Security rates
- No restrictions on the nationality of shareholders and directors of Maltese companies.

Drone Regulation



- Great opportunities for drone operators within the videography, photography and media industries as well as emerging industries
- Regulated by European Union rules on the technical and operational requirements for drone usage within the European Union
- Application is required with the Civil Aviation Directorate at Transport Malta.



Maintenance, Repair and Overhaul (MRO) Sector



- Malta boasts various operators within the maintenance, repair and overhaul sector for both fixed wing and rotary aircraft, flight training, unmanned aerial vehicles including companies involved in UAV Development, software and ICT development and flight training service providers
- Safi Aviation Park, provides secure, airside facilities for the aviation and related industries
- Offers a highly qualified workforce.

Business Incentives



- Fiscal incentives are provided by authorities such as the Malta Enterprise Corporation in order to facilitate the set-up process and ongoing operations of enterprises in Malta
- Entities within the aviation industry may benefit from access to industrial space within the Safi Aviation Park
- Access to finance in the form of soft loans, loan subsidies and/or loan guarantees
- Investment aid in the form of a tax credit on the basis of the size of the investment
- Business development and continuity incentives, and
- Research & Development schemes, also including personal tax incentives.

What we offer:



- Registration of aircraft, including helicopters and drones
- Regulatory and safety compliance services
- Aircraft Financing & Leasing
- Tax Advice & Compliance
- Assurance Advisory
- Accounting Advisory
- Internal or External Audit
- Advisory & Compliance
- Aviation Corporate Services
- Mergers and Acquisitions
- Entity Management Support
- Securitization
- GDPR
- Employment, Social Security and Payroll Services
- Anti-Money Laundering Compliance.
- Automation & Robotics



Contact Us



Anthony Pace

Partner

Tax

+356 2563 1137

anthonypace@kpmg.com.mt



Paul Pace Ross

Director

Tax - International Tax Advisory

+356 2563 1119

paulpaceross@kpmg.com.mt



Louise Grima

Associate Director

Tax - VAT Compliance/Advisory

+356 2563 1253

louisegrima@kpmg.com.mt

Follow KPMG in Malta:



© 2021 KPMG, a Maltese civil partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.