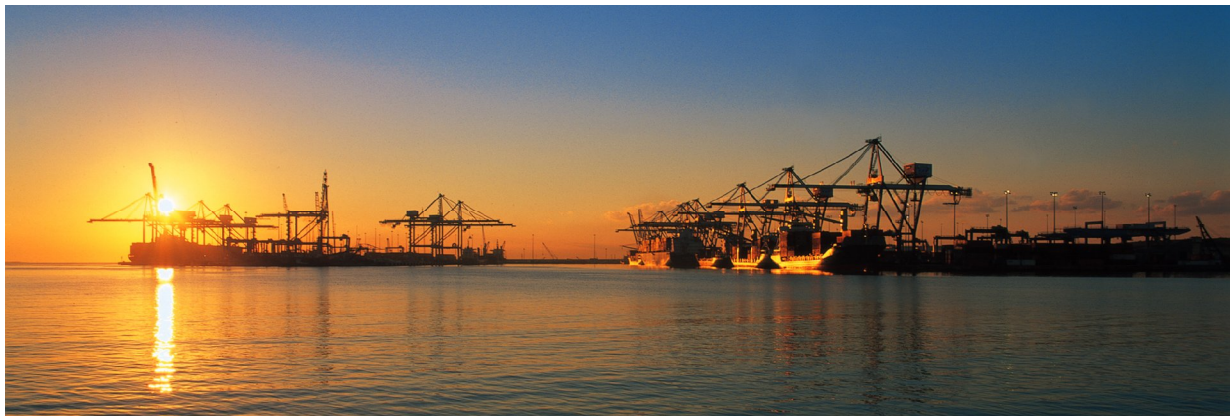


Shipping Companies & the Malta Flag Making the complex simple



Malta offers a regime with complete tax exemption for ship owners, charterers and financiers of Maltese ships over 1,000 net tons. These ships qualify as 'exempted ships'. The use of English as an official language in all legislation, very competitive vessel registration charges and Malta's accession to the European Union has placed Malta in the top five ship registers globally.

Malta Tax Treatment

A shipping organisation is exempt from tax on any income derived from shipping activities and any income or gains derived from the sale or other transfer of a tonnage tax ship or from the disposal of any rights to acquire a ship which when delivered or completed would qualify as a tonnage tax ship. Any gains arising upon the liquidation, redemption, cancellation, or any other disposal of shares, securities or any other interest, including goodwill, held in any licensed shipping organisation owning, operating, administering or managing a tonnage tax ship while she was a tonnage tax ship are exempt from tax in Malta. No Malta tax is charged upon any payments of interest or other income in relation to the financing of the operations of shipping

organisations or the financing of any tonnage tax ship and no Malta tax is chargeable upon dividends distributed by a shipping organisation to its shareholders, out of profits derived from shipping activities.

Furthermore, no duty is payable in respect of any instrument connected with or involving the registration of a tonnage tax ship, the sale or other transfer of a tonnage tax ship or any share thereof, the assignment of any rights and interests or the assumption of obligations in respect of any ship or share thereof. No duty is payable in respect of any instrument connected with or involving the issue or allotment of any security or interest of a licensed shipping organisation or the purchase, transfer, assignment or negotiation of any security or interest of any licensed shipping organisation. Any instrument connected with or involving the registration of any mortgage or other charge over or in relation to any ship or licensed shipping organisation, any transfer or discharge thereof, any receipt relative thereto, and any assignments granted in connection therewith is likewise not subject to duty in Malta.

With effect from 1 January 2009, the Malta Tax Treatment as outlined above has also been extended, where applicable, to Ship Managers licenced as shipping organizations, which are responsible for either or both of the technical or crew management of tonnage tax ships.

Furthermore, the concept of a tonnage tax ship has been extended to cover foreign flagged vessels, in particular those registered in an EU/EEA state, in respect of which the Maltese tonnage tax has been paid.

Deloitte Malta has a dedicated shipping team that can deal with all maritime regulatory matters, company incorporation matters, accounting and taxation. We can provide a comprehensive range of services which include:

- Formation of shipping companies
- Audit, accountancy and secretarial support services
- Registration of vessels and mortgages under the Malta Flag
- The handling of all flag administration matters
- Technical assistance in matters concerning authorisations, exemptions and extensions by the local authorities to the relevant classification society
- Directing our clients to an authorised surveyor in whatever region of the world they may be
- Obtaining all certificates necessary in order for our clients to benefit from Malta's various agreements
- Dealing with the Malta Maritime Authority and other local authorities
- Tax planning for merchant vessels
- Tax planning for yacht owners
- Ship registration

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