



Blockchain in Malta

LOCAL KNOWLEDGE, GLOBAL EXPERTISE

BROUGHT TO YOU BY PKF MALTA

ABOUT MALTA

Malta, one of the smallest countries in the world is situated in the heart of the Mediterranean Sea between Europe and Africa. Due to its great strategic location, Malta was ruled by all the major world powers which include the Arabs, the Knights of St John, the French and the British, the latter under which Malta spent some 200 years under colonial rule.

Malta gained independence from the United Kingdom in 1964 and became a republic in 1974. After years of negotiations, Malta successfully became a member of the European Union in 2004 and presently forms part of the Schengen Agreement. In 2008 Malta acceded to the eurozone, making the Euro its currency, relinquishing the former Maltese Lira.

Its predominance of sunny days with only a very mild winter along with having English as one of its two official languages (the other being Maltese) helped Malta establish itself as a prime tourist destination over the years.

Malta as a Financial Hub

The financial services sector continues to be a central pillar of the Maltese economy in 2023, contributing significantly to the country's Gross Value Added. Experiencing a growth of 2.3% in terms of gross value added from the previous year, it has generated 430 new jobs, expanding the sector's total employment to 12,230. This workforce constitutes 4.9% of Malta's overall employment landscape.

Malta's Financial Services industry is a driven ecosystem of financial sector diversity. The key industry sectors include Pensions, Private Wealth, Credit and Financial Institutions, Insurance and Asset Management.

Furthermore, the sector clusters include Asset Management, Investment Funds, Insurance Operations, Credit and Financial Institutions, Foundation Administration, Trustees, Fund Administrators, Retirement Schemes and Scheme Administrators.



Capital City: Valletta



Maltese Passport: 4th strongest in the world



Languages: English, Maltese



Economy: Malta's 2021 GDP €17.36 billion



Population: 535,064 as of 2023



Health Care: Highly reputed, ranked 5th globally



A+ Credit Rating: FITCH confirmed Malta's credit rating of A+ with a stable outlook. DBRS Ratings Ltd changed Malta's rating from Stable to Positive



Taxation Treaties: 70+ double taxation treaties



Valletta Cruise Port: Awarded top-rated Mediterranean Cruise Destination



LGBTIQ Equality & Rights: Permanent Residence in Top EU Country for LGBTIQ Equality & Rights

About MALTA

OUR SERVICES

PKF is an international organisation with over 400 offices worldwide, operating in 150 countries across five regions. We specialise in audit & assurance, tax, advisory services and internal audit insurance.

Your reliable Service Provider for:

- Registered Accountants & Auditors
- Tax Advisors
- Advisory Economic Analysis, Feasibility, Cost-Benefit Analysis
- Licensed Trustee & Fiduciary Services
- Citizenship by Investment & Residency Programmes for Malta, Bulgaria, Turkey & Caribbean.

Licensed Corporate Service Providers & legal assistance for:

- Remote Gaming
- Blockchain and Cryptocurrency Solutions
- Insurance, Intermediaries, Captives Management
- Aviation, Shipping & Yacht registration

In addition, PKF Malta is a one-stop-shop offering:

- Commissioning of financial audit services
- Company formation
- Domain name registration;
- eCommerce consultancy;
- ICT setup and ancillary support services & other ICT and internet related services
- Office space allocation
- Opening of bank accounts
- Payroll & Accounting
- VAT & Tax advice



PKF MALTA
Your Trusted Provider

BLOCKCHAIN IN MALTA

DISTRIBUTED LEDGER TECHNOLOGY (DLT) AND VIRTUAL FINANCIAL ASSETS (VFA) IN MALTA

Malta has had a virtual financial assets regulatory framework since 2018.

As the regulator, the MFSA oversees the implementation of the VFA Act and the offering of four categories of VFA Licences to interested VFA Service Provider applicants as follows:

Class 1:

Licence holders authorised to receive and transmit orders and/ or provide investment advice in relation to one or more virtual financial assets and/ or the placing of virtual financial assets. Class 1 Licence Holders are not authorised to hold or control clients' assets or money.

Class 2:

Licence holders authorised to provide any VFA service but not to operate a VFA exchange or deal for their own account. Class 2 Licence Holders may hold or control clients' assets or money in conjunction with the provision of a VFA Service.

Class 3:

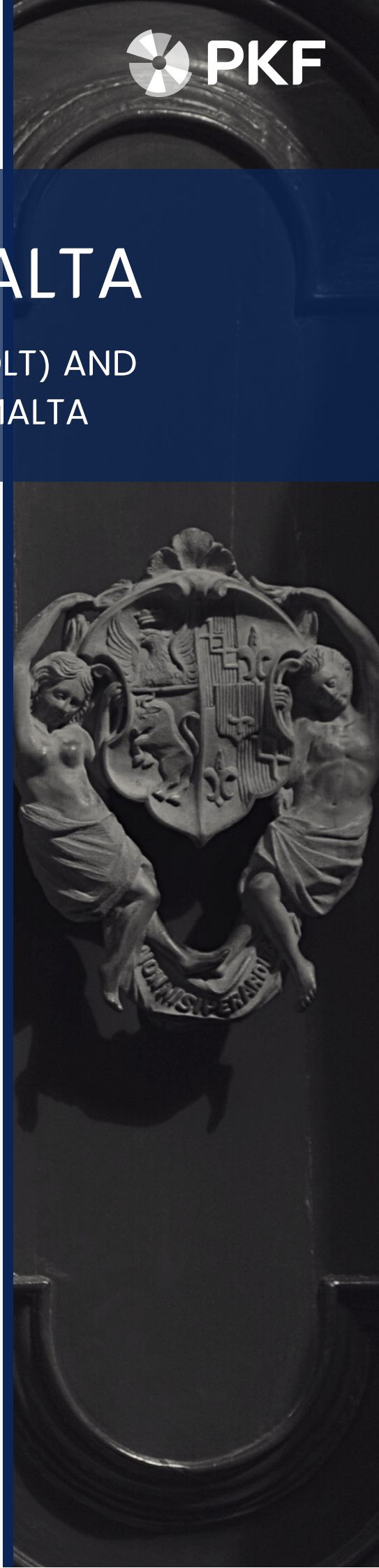
Licence holders authorised to provide any VFA service but not to operate a VFA exchange. Class 3 Licence Holders may hold or control clients' assets or money in conjunction with the provision of a VFA Service.

Class 4:

Licence holders authorised to provide any VFA service. Class 4 Licence Holders may hold or control clients' assets or money in conjunction with the provision of a VFA Service.

The MFSA introduced a Financial Instrument Test with the objective to determine whether a Distributed Ledger Technology (DLT) asset, based on its specific features, falls to be regulated under:

- (i) the existing EU legislation and the corresponding national legislation namely covering MIFID I and II and the E-Money Directive (in which case the provisions of the VFA would not apply),
- (ii) the Virtual Financial Assets (VFA) Act (in which case the provisions of the VFA would apply and applications





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