

FACT Newsletter



Message from the Managing Director of FACT Group

Dear Reader

Hope you all had a good summer and trust you also had a chance to break the usual work routine and recharge.

In Malta, the summer was a hot and long one, with record number of tourists visiting our shores and visiting our ancient temples, cathedrals, restaurants etc.

We at FACT have an annual summer shut down, although I worked through most of it! We have been busy with the set up of new services and meeting of deadlines.

Well it is time for another FACT newsletter in which we round up some of the important happenings in Malta, and help you who are overseas keep abreast of what is going on here.

In this edition we will see the latest tax treaty to be effect, a broad look at Malta's economy as well as the important 5 + 5 conference which was held here.

Enjoy!



Jesmond Pace
Managing Director



Contents

Special Interest Articles

| | |
|--|---|
| Hong Kong, Malta tax treaty in force. | 2 |
| A look at Malta's Economy | 2 |
| The Dynamics of Malta's Online Gaming Sector | 4 |
| Malta and Italy sign Agreement to Strengthen Bilateral Cooperation | 5 |
| 5+5 Dialogue between 10 Mediterranean countries | 6 |
| Staff Lunch - Celebration | 7 |



Hong Kong, Malta tax treaty in force

The agreement between Hong Kong and Malta for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income has entered into force, a Hong Kong government spokesman said on 30 July.

The agreement was signed in November last year. It came into force on 18 July after completion of ratification procedures on both sides. It will have effect in Hong Kong for any year of assessment beginning on or after 1 April, 2013.

Malta now enjoys 59 tax treaties with various countries.

July 2012

A look at Malta's Economy - FinanceMalta helps enable the continuing growth of Malta's IFC

FinanceMalta recognises that, like jurisdictions everywhere, success in the **financial services** arena is the product of considerable vision, unstinting hard work and a clear strategic focus.

Financial Services is now a primary pillar of the local economy, accounting for some 12% of gross domestic product. FinanceMalta contends that how the Maltese community responds to international challenges is the crucial factor in our competitiveness and our success.

New companies being registered with the MFSA are on the increase: just under 10,000 in the past three years, the best year being 2011 when 3,458 new companies made the register.

This has taken the employment tally for the financial services segment to approximately 10,000 when including the wider sector which supports the financial services industry, including legal, IT infrastructure, and other professional services.

Earlier this year the world's leading business broadcaster Bloomberg carried a major story on the jurisdiction under the headline, "Malta Lures Hedge Funds With 300 Days of Sun Aided by EU Rules" saying, "*the number of funds in Malta and the amount of their assets are expanding*". Bloomberg reported at the time that the number of funds located in Malta had grown to more than 500 with \$10.7 billion under management from 165 funds with less than €5 billion euros under management in 2006. This is a demonstration of the strength of the brand carefully managed by FinanceMalta's nimble team.



Financial services is firmly established as one of the key pillars of the Maltese economy along with tourism, manufacturing and business services, providing over €1 billion of revenue to the economy. Its contribution to the national economy is growing, and the sector is benefitting from Malta's productive labour force. Malta is a financial gateway to Europe. Its finance industry offers a number of attractions including a stable economy, liquid markets, skilled workforce, cost-efficient business infrastructure, and advanced IT support. Within itself, the financial services sector in Malta is very diversified. There are now 25 banks, more than 600 funds, and 54 insurance companies. New legislation introduced 2 years ago to allow the setting up of pension management schemes in Malta has resulted in 13 such schemes being managed from the Islands.

2nd August 2012

FACT Group offers a wide range of services related to incorporation, back office and compliance. Please visit our [Business Advisory services](#)



The Dynamics of Malta's Online Gaming Sector

On 13 September, the Malta Business Network hosted a business meeting entitled The Dynamics of Malta's Online Gaming Sector at Malta's High Commission in Piccadilly, London.

The business meeting was jointly addressed by the Lotteries and Gaming Authority's chairman, Nick Xuereb and its CEO, Reuben Portanier. Malta's High Commissioner in the UK, Joseph Zammit Tabona opened the business meeting which was targeted at specific professionals in the fields of gaming, accounting, venture capital, law and financial services.

Mr Xuereb, LGA's chairman gave an overview of key regulatory objectives of remote gaming in and from Malta and presented the achievements over the past four years. Mr Portanier, LGA's CEO illustrated the regulatory approach adopted by Malta, the major milestones achieved at international levels, and gave some highlights of regulatory innovations that are in the pipeline. An active Q&A session followed, thus showing the vibrant interest about Malta.

Mr Zammit Tabona remarked that the business meeting was organised with a dual purpose: firstly as one of the investment promotion initiatives undertaken by the Malta Business Network and secondly to mark the first of a series of events to commemorate the LGA's 10th anniversary.

During the event Mr Xuereb unveiled the 10th year anniversary logo of the LGA.

9th September 2012

Read more about FACT Group's latest services related to Remote Gamingservices on IT Consulting and IT certification etc on our website www.factgroup.net and particularly those related to remote gaming [here](#)

Malta and Italy sign Agreement to Strengthen Bilateral Cooperation

This September, Deputy Prime Minister and Minister of Foreign Affairs, the Hon. Dr Tonio Borg together with the Italian Foreign Minister, Onor. Giulio Terzi signed a Memorandum of Understanding on Reinforced Cooperation between the Ministries of Foreign Affairs of the two countries. The Memorandum was signed at the Ministry of Foreign Affairs in Malta during an official visit by Minister Terzi in Malta.

This agreement will pave the way for a more structured approach in bilateral meetings between Malta and Italy. Meetings will be held alternately in both countries at least once a year. They will delve into issues related to political, economic and cultural cooperation, mainly those related to the Mediterranean, EU and other multilateral affairs.

The two sides expressed the willingness to further pursue their engagement on issues of mutual concern in the Mediterranean region particularly in light of recent developments in North Africa and the Middle East. The two Ministers expressed their confidence that the upcoming 5+5 meeting will be an important landmark in this respect. Minister Terzi praised Malta's initiative to host the summit on 5th and 6th October, which comes at a most opportune moment for the entire region.

As far as trade and investments are concerned, trade exchanges between the two countries rose sharply in 2011. Trade exchanges rose to €1.6 billion. Exports increased by 11 percent in 2011 when compared to the previous year. There are currently 644 firms registered with the Malta Financial and Services Authority with Italian Shareholding.

14th September 2012

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5+5 Dialogue between 10 Mediterranean countries — 'always a pioneer and a laboratory of ideas'



In Malta, in the presence of President Barroso, the leaders of 10 Mediterranean countries continued their 5+5 dialogue, established in 1990. Together they reflected on the opportunities and challenges which the 'Arab Spring' presents for everyone.

The 5+5 Dialogue comprises 10 countries from the Mediterranean basin: Italy, France, Spain, Portugal, and Malta for the northern coast; Algeria, Libya, Morocco, Mauritania and Tunisia (the Arab Maghreb Union) for the southern coast.

The President of the European Commission, Jose Barroso underlined that 'the 5+5 group has always been a pioneer and a laboratory of ideas'.

He left no doubt that the 'European Union will continue to support the transition process under way, and political and economic reform'.

He said: 'I believe in open regionalism, in a Europe oriented towards its neighbours and not inward-looking, and in a natural complementarity between the northern and southern coasts of the Mediterranean'.

The 5+5 group can make a significant contribution to resolving the challenges faced by the region. It can establish links between the 10 countries present here today with a view to proposing new support projects in the region.'

6th October 2012

*FACT Group offers a wide range of services related to Tax Planning.
[Read more here](#)*



President Barroso said that Malta was doing better than most of the other EU member states but reforms had to continue to be made.

Staff Lunch - Celebration

FACT Group staff lunched together at "The Avenue" to celebrate William Schembri's marriage to Maria in October, FACT Group staff wished William all the best in his new married life.

William has been with FACT for the past 16 months and is in charge of Corporate Services.



Fact Group

Cornerline,
Dun Karm Street,
Birkirkara
BKR 9039
Malta

Phone: (+356) 2142 2564
Facsimile: (+356) 2142 2560
E-mail: info@factgroup.net

Find us on the Web:
www.factgroup.net

Keep yourself updated:

 Follow us on Twitter: [@FACTgroup](https://twitter.com/FACTgroup)
& also check out our [Linked in](#) profile



About FACT Group

FACT Group evolved from a small practice established in 1998 by Jesmond Pace, the Senior Partner and FACT group Managing Director. Services have rapidly evolved for a significant portfolio of clients and expanded to an international client base as well as servicing the local business community.

Its successful growth may be attributable to establishing an ethos within the organisation of efficiency and fairness based upon personnel dedication & commitment to plying their profession at FACT. Over the years, FACT group employed young, experienced and qualified and semi-qualified staff to compliment the respective teams in each service area.

All management and staff at FACT group are cultured and trained to give attention to quality, commitment, diligence and efficiency in the way we work and for each assignment that we do.

We apply a "can-do" and "responsible" attitude in all that we do to exceed the expectations of our clients.

Disclaimer: Information on this newsletter is intended mainly to provide information about FACT Group's activities and general news relative to the industry where FACT Group operates and is also used as an informative / marketing tool to provide general information on particular, selected and specific subjects.

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