



# Aviation



# Built Differently

To Make the Difference

With over half a century of dedicated experience, CLA Malta is committed to your financial success. Learn more about our services. We invest time in understanding your unique goals, ensuring personalised strategies to get you where you want to be.



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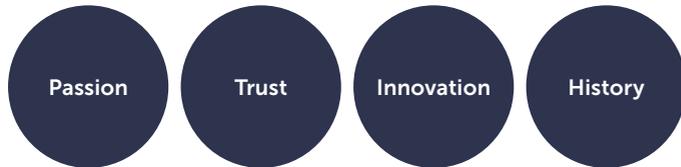
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# CLA Malta

**CLA Malta stands out from the rest. We are built differently and structured to provide innovative and client-first services in taxation, legal advisory, and corporate support to various industries.**

Our philosophy is rooted in creating a collaborative environment where our team and clients prosper, guided by our core values of flexibility, engagement, and dedication.

With half a century of expertise, CLA Malta is dedicated to providing top-tier service, ensuring efficiency, and driving businesses towards success.



We're passionate about staying adaptable and ensuring active participation from everyone to accomplish all goals.

Drawing from our extensive knowledge, we support local businesses' growth and assist international companies in establishing and succeeding in Malta.

At CLA Malta, building your success is not just our priority.  
**It's our passion.**

# CLA Global

**CLA Global Limited (CLA Global)** was founded on July 1, 2022, by CliftonLarsonAllen LLP and Evelyn Partners.

The organisation offers one of the largest financial outsourcing services and private client and wealth advisory platforms of any global accounting organisation. Moreover, it hosts a culture of diversity and inclusion that uses combined strengths as its greatest competitive advantage.

Professionals in its member firms support clients by speaking their language and serving as their eyes and ears from a business, regulatory, and tax perspective — so they can help them cross borders confidently and efficiently.





## Malta's Highlights in the Aviation Sector

**Malta offers low cost opportunities which are in line with the current market realities for aviation business. Being an EU member since 2004, Malta fully complies with the standards and regulations of the European Aviation Safety Agency.**

- Malta offers the possibility for an aircraft to be registered by its owner or by the operator (including the lessee) or by its buyer under a conditional sale
- Malta offers the possibility for aircrafts which are still under construction to be registered in Malta allowing fractional ownership of an aircraft
- Income derived by a non-Maltese resident operator from an ownership, leasing or operation of aircrafts or aircraft engines used in the international aviation business, such as the transportation of passengers or goods, will not be taxed in Malta unless such income is actually received in a Maltese bank account. This applies even in the case of an aircraft being registered and/or operated in/from Malta
- Should any Maltese tax be incurred, through our tax refund system this may be lowered to an effective tax rate of 5%, eventually
- With respect to operators who decide to setup a company in Malta, these may themselves of the highly attractive finance leasing rules which minimise the tax burden considerably. A favourable tax treatment for operating lease is also available
- Malta offers a considerable cash flow advantage by manifesting accelerated tax depreciation rates for the aviation sector (6 years for the aircraft and engines and 4 years for interiors)
- Qualifying companies may also benefit from various tax credit schemes and other incentives offered by the Malta Enterprise
- A 0% VAT rate applies in respect of the supply, acquisition, importation, chartering, maintenance, servicing and provisioning of aircrafts engaged in commercial operations.

**Malta offers the lowest effective corporate tax rate in Europe, generally ranging between 0% and 6.25% Malta levies no withholding taxes on the outbound payments of dividends, interest and royalties Malta has no CFC, Transfer Pricing and Thin Capitalisation legislation**

#### **The Accelerated rates of Depreciation**

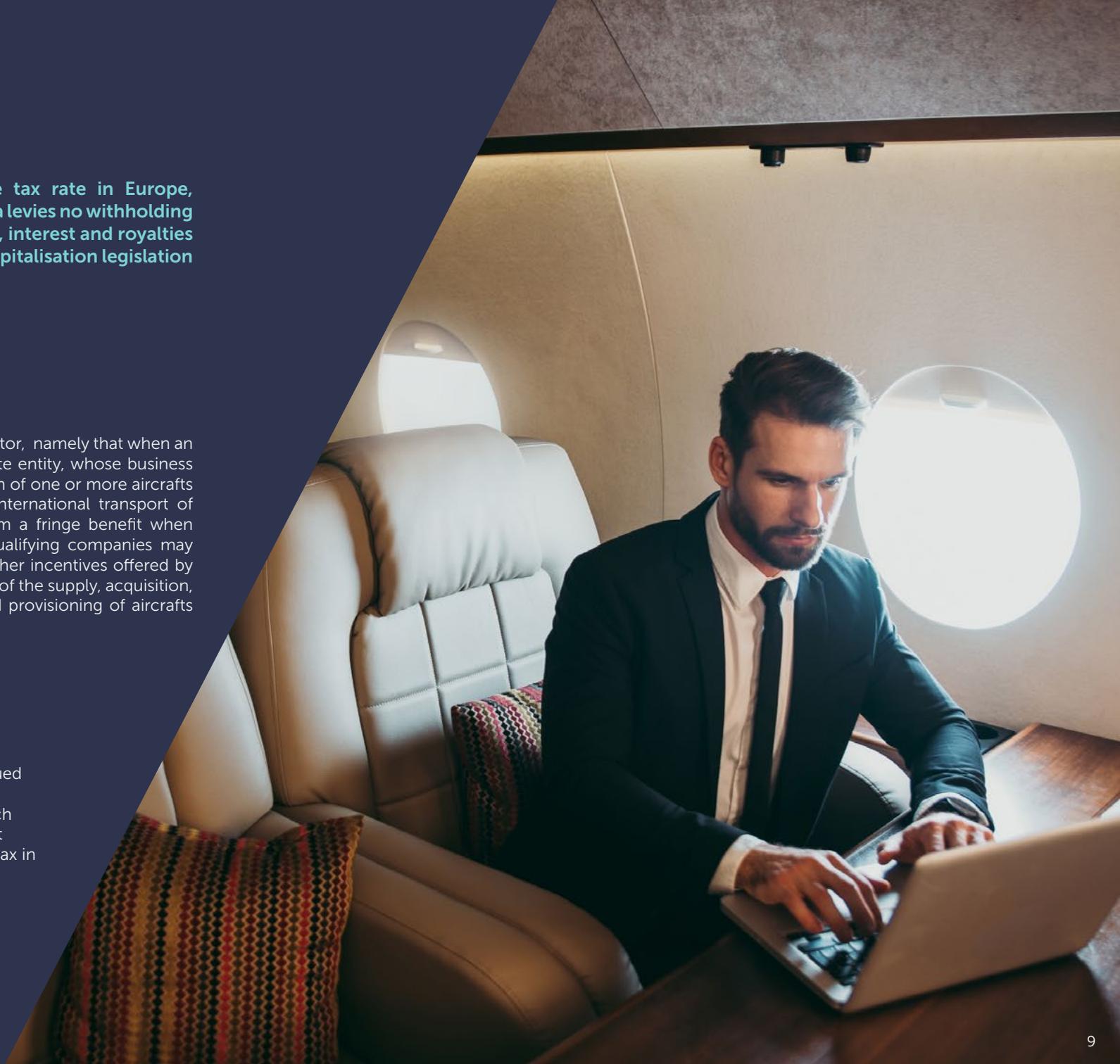
Aircraft Engine - 6 years (16.67%)  
Aircraft Interiors - 4 years (25%)

#### **The Fringe Benefit Exemption**

Malta has further fiscal advantages in the aviation sector, namely that when an employee or the officer of an employer or corporate entity, whose business activities include the ownership, leasing, or operation of one or more aircrafts or aircraft engines used for or employed in the international transport of passengers or goods, shall be deemed arising from a fringe benefit when making use thereof and therefore non-taxable. Qualifying companies may also benefit from various tax credit schemes and other incentives offered by the Malta Enterprise A 0% VAT rate applies in respect of the supply, acquisition, importation, chartering, maintenance, servicing and provisioning of aircrafts engaged in commercial operations.

## **Aviation Professionals**

Persons holding high ranking positions with Maltese undertakings holding an air operators' certificate issued by Transport Malta, could simply incur a flat tax rate of 15% on the employment income derived from such post. In addition, any income derived from such post exceeding €5,000,000 would not be subject to any tax in Malta.





## VAT Treatment

Whereas the supply of aircrafts to be used by international airline operators are generally exempt from VAT, owners of private jets or business jets do not qualify for such exemption. Nonetheless, a new VAT scheme has been introduced specifically for private and business jets which are acquired and then leased either to the owner themselves or to third parties. The scheme allows the buyer of such an aircraft to claim back all the 18% VAT incurred on the initial acquisition if this is leased on a monthly basis. Although each lease charge would be VAT taxable, only the portion which relates to the use of the aircraft within EU airspace (calculated on the basis of a specialised formula) is subject to an 18% VAT rate.

## Quick Facts:

- If a company derives income related to aviation is only resident but not incorporated in Malta, no Maltese tax is levied even if the aircraft is operated from Malta
- If any income is subject to Maltese tax, the effective tax rate is generally lowered to 5%, being the lowest rate in Europe
- Accelerated rates of tax depreciation for added cash flow benefits
- Fringe benefit exemptions
- Highly attractive VAT Scheme enabling reclaim of input VAT incurred

# Industry Experts



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## Your Success is Our Mission

At CLA Malta, we offer a wide range of services designed to support your financial journey. No matter your needs, we have the expertise to help. Discover all we have to offer and find the right solution for you.



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