



# REITS: Designed for Scale



# 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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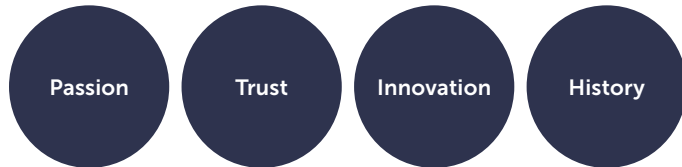
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# CLA Malta

**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 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.



## Overview

Malta introduced Real Estate Investment Trusts (REITs) into national legislation, following their announcement in the 2019 budget. This creates a new, scalable financing model that allows investors to access large, income-generating property portfolios through a single structure.

For developers, investors, and asset owners, this isn't just a legal change; it's a smarter way to unlock capital, increase liquidity, and expand access to high-quality real estate opportunities across the Maltese market.

## What REITs Actually Are

REITs are companies that own and operate income-generating property portfolios. They generate revenue from rent, distribute profits to investors as dividends, and grow value through long-term property appreciation.

In simple terms:

*You invest in property without owning, managing, or maintaining property.*

REITs are already established across major global markets, including the EU, and are typically publicly listed, giving investors transparency, pricing visibility, and liquidity.

## Qualification Criteria

To qualify as a REIT on the Malta Stock Exchange:

- 1. Listed Entity:** The REIT must be publicly listed on the MSE's main market and comply with listing rules.
- 2. Property Rental Business:** The company's business must primarily be owning or leasing immovable property for rental income (not primarily developing and selling).
- 3. Portfolio Requirements:**
  - Must hold at least 3 distinct, non-contiguous properties with a minimum total value around €9 million.
  - No single property should exceed a set maximum percentage (eg. ~30-40%) of total portfolio value.
  - At least 75 % of revenue must come from rental (property rental business).
  - At least 75 % of the asset value must relate to income-generating properties.
- 4. Dividend Distribution:** Must distribute at least 85 % of net profits from the property rental business as annual dividends.

These conditions aim to align Maltese REITs with global standards while promoting transparency and investor protection.

## Why REITs Benefit Property Owners



### Capital Access

Can unlock equity in existing property portfolios.



### Professional Management

Managed by specialised teams.

## Why REITs Benefit Investors



### Liquidity

Shares can be traded on the stock exchange (unlike direct property).



### Diversification

Access to a diversified real estate portfolio.



### Regular Income

High dividend payout requirements provide steady cash flows.



### Lower Barrier to Entry

Investors can invest with smaller capital than direct property purchases.

## Taxation & Income

Tax treatment for Maltese REITs is generally favourable:

- REITs can opt to have rental income taxed at a 15 % final withholding tax, applicable at the REIT level, provided properties are not rented to related parties.
- Shareholders receiving REIT dividends typically are not taxed again on those dividends in Malta, subject to certain conditions.
- Other income of the REIT (non-rental) remains subject to the standard 35 % corporate tax.

Other reporting tax nuances and credits (e.g., shareholder refunds under Malta's full imputation system) may apply in practice, depending on structure.

## What This Means for the Maltese Market

A REIT framework in Malta changes the financing landscape:

- More funding channels for developers
- More investment access for individuals and institutions
- Stronger project stability
- Higher-quality asset management
- Greater market confidence

This isn't just about investment products — it's about building a more scalable, resilient real estate ecosystem.



## REIT Structure & Focus Areas

REITs usually specialise by sector to maximise performance and returns:

- Residential
- Commercial offices
- Retail
- Industrial
- Mixed-use portfolios

Some REITs also focus on social-impact assets, including:

- Healthcare facilities
- Elderly care homes
- Medical centres
- Social and affordable housing

This creates opportunities for ethical investing alongside financial returns.

## The Bottom Line

REITs give large property holding owners:

- An exit strategy without losing full ownership
- Equity release and cash flow for other projects
- Release from the burden of daily management

REITs give investors:

- A new investment opportunity
- A way to diversify property holding risk
- Professional asset management
- Transparent governance

If implemented properly, Malta's REIT framework won't just create a new investment product, it will modernise real estate finance, expand opportunity, and unlock capital across the entire property sector.

**Innovative structure.**  
**Smarter capital.**  
**Better outcomes.**

If you're considering launching, structuring, or investing in a REIT, the decisions you make at the outset matter.

This is where expert structuring makes the difference.

# Industry Expert



**Bernard Charles Gauci**

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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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**Malta**

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