

Why Malta's Fast Growth Diversifying and Welcoming Economy Resonates in Asia

Who would like to visit Malta? Who would want to be resident there, or have Maltese citizenship? Most people would be the answer to the first question, for those who are aware of its charms and beauty as a holiday. And many high-net-worth families and entrepreneurs is the answer to the second question. Malta is a small economy in the Mediterranean, but it has been growing at rates comparable to those of China and Vietnam over the past years, is in the European Union and in the British Commonwealth, and has an increasingly diverse economic base, as well as a wonderful lifestyle. Federico Vasoli, lawyer, director of dMTV Europe, with offices in Malta, Vietnam, Dubai and Singapore, and Member of FinanceMalta, gave a presentation to the Hubbis Asian Wealth Management Forum in Hong Kong to highlight its many appeals for Asia's wealthy individuals and families, as well as the wealth management community at large.

“THERE IS A LITTLE ISLAND SOMEWHERE in the Mediterranean that you might have heard of, it is Malta,” Vasoli said on opening his presentation. Vasoli is director of the law and tax firm dMTV, standing for his family's surnames de Masi Taddei Vasoli, an organisation that offers legal, tax and corporate services to companies and entrepreneurs, with offices in Malta, Vietnam, Dubai and Singapore and a close co-operation with the law firm of the same name in his native Milan, Italy. And he is a member of FinanceMalta, the government body that promotes inward investment into the country.

Malta - small but growing...and welcoming

Malta is less than half the size of Singapore, with fewer than half a million people living there, of which many are expatriates



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from virtually all over the world, yet it is enjoying an extraordinary growth of 5.6% year on year GDP growth. “We are talking here about a very small economy, the absolute number for GDP being EUR12 billion, but it is a happy island in the middle of the Mediterranean Sea in a strategic location and with great appeals, including safety, English as one of the two official languages, diversity and the generally high level of education and professionalism of the people that shape its economy”

Vasoli is a lawyer admitted to the Bar of Milan and to the Malta’s Chamber of Advocates as a European Union lawyer and by the Vietnamese Ministry of Justice as a foreign lawyer in Hanoi. He resides in Malta and is the managing partner of the international legal and tax advisory firm dMTV Global, headquartered in Singapore, and director of its Maltese subsidiary dMTV Europe.

Malta’s multi-culturalism

Vasoli lives in Malta and works with many people from many countries, some of whom turn to

Malta for alternative residence and citizenship, which also naturally brings them EU freedom of movement rights.

He has over ten years of experience in international business law and assists large groups as well as small and medium enterprises and start-ups based virtually in any jurisdiction, primarily in dealing with domestic and international contracts and company law, trusts, international tax matters, in a multiplicity of industries, including blockchains and IoT, wealth management and funds.

His exposure to both traditional European and dynamic Asian markets and cultures already at a young age has allowed him to develop an ability to work on multi-jurisdictional materials and cases and to understand corporate clients’ needs and aims, as well as those of HNW families.

He is a keen promoter of the merits of Malta as a destination for inward investment and as a host for new residents and citizens. “Political stability,” Vasoli explained, “is driving Malta’s

growth, which is running at about 5.6% year-on-year, by far the best in the entire EU, of which it is a member since 2004, having thereafter adopted the Euro. There is a government in power now with the largest ever parliamentary majority in the history of Malta, there is great cultural diversity, there is the history of British law and customs and a very enjoyable Mediterranean approach to life. Infrastructures such as roads and public transportation need to be revamped, but the government is doing that and is welcoming foreign expertise in this and other fields that are pivotal to Malta’s continuous and sustainable growth. The fact that the island is wealthy but not entirely developed yet and slightly cheaper than other major global hubs, coupled with tax incentives, the rule of law and hard-working, professional people on the ground only means tremendous opportunities”.

Blockchain island

He observed that there is a growing diversity in the economy, broadening the

country away from its traditional tourism, which remains robust. He highlighted, for example, logistics such as shipping and freight forwarding, pharmaceuticals, high added value manufacturing, packaging, foods, digital currencies and technologies such as blockchain. “Moreover,” he noted, “Malta is the very first and so far only jurisdiction in the world with a comprehensive legal framework for blockchains and other distributed ledger technologies, and what they call virtual financial assets. And the country is a leader in iGaming, with defined rules and taxation.”

Finally, Malta has developed its financial services, including the fund industry, asset management, fund

administration and processes. “There is also a dedicated listing on Malta Stock Exchange for small capitalisation companies, called Prospects, which is adding to the growth there.”

Tax efficiency

Vasoli also highlighted a key growth factor of low effective tax rates relative to other mainstream jurisdictions, in Europe at least. “They have adopted a so-called two-tier system whereby a shareholder owns the shares in a holding company, which in the case of families and companies exposed to Asia could easily be in Hong Kong or Singapore, and with tax rebates, the final effective tax rate on income can be as low as 5%. It is very attractive, also

because it has been vetted and approved by the EU.”

The same, he noted, goes for a special category of professional investment funds (PIFs), which Vasoli said are relatively cheap to manage, to set up, and to maintain, vis-à-vis more established jurisdictions in Europe.

And finally, Vasoli focused on the benefits of relocating either residence to Malta or achieving citizenship via investment. “Citizenship programme in Malta is cheaper than Cyprus,” he reported. “It implies investments in property and the property market is going up, in bonds and here the current accounts of Malta are quite good at the moment. And it involves the contribution to the national development and social fund of Malta.” ■

