

WHPARTNERS

**NAVIGATING
MALTA'S
INVESTMENT
SERVICES
LANDSCAPE**

whpartners.eu

Financial services — including investment services — contribute about 10% to 12% of Malta's GDP. Malta has a robust regulatory regime under the Investment Services Act aligned with EU directives (like MiFID II). The sector employs over 12,000 people directly, with many more in supporting roles.

Malta offers a cost-effective, EU-compliant regulatory environment, making it appealing for small-to-medium investment managers and boutique firms. Operating and staffing costs in Malta are lower than in Ireland, Luxembourg, or mainland Europe.

REGULATORY AUTHORITY

The Malta Financial Services Authority (MFSA) is responsible for regulating investment services under the Investment Services Act ("ISA").

SCOPE OF ISA

ISA applies to the following:

- Maltese firms providing investment services domestically or abroad.
- Foreign firms offering investment services into Malta (unless passported under MiFID II).
- Individuals providing professional investment services (e.g., financial advisors, portfolio managers).
- Collective Investment Schemes (CIS) such as funds that are managed or marketed in/from Malta.

INVESTMENT SERVICE ACTIVITIES

The ISA covers anyone carrying out the following activities by way of business:

- Investment advice
- Reception and transmission of orders
- Execution of orders on behalf of clients
- Dealing on own account
- Portfolio management
- Underwriting of financial instruments
- Placing of instruments without a firm commitment basis
- Operating a multilateral trading facility (MTF) or organised trading facility (OTF)
- Custody or administration of financial instruments for clients

CAPITAL REQUIREMENTS

Type of Investment Service	Minimum Capital Requirement
<p>Licence holders authorised to provide one or more of the following Investment Services:</p> <ul style="list-style-type: none"> • Reception and transmission of orders in relation to one or more instruments; • Execution of orders; • Portfolio management; • Investment advice; • Placement of instruments without a firm commitment basis; <p>but not to hold or control clients' money or customers' assets</p>	<p>EUR 75,000</p>
<ul style="list-style-type: none"> • Reception and transmission of orders in relation to one or more instruments; • Execution of orders; • Portfolio management; • Investment advice; • Placement of instruments without a firm commitment basis; <p>and to hold or control clients' money or customers' assets</p>	<p>EUR 150,000</p>
<p>Licence holders authorised to provide any Investment Service and to hold or control clients' money or customers' assets</p>	<p>EUR 750,000</p>

LICENSING PROCESS



PASSPORTING RIGHTS

Maltese-licensed investment firms can passport their services across the entire EU and EEA, meaning they can offer services in France, Germany, Italy, etc., without setting up subsidiaries in each country. This has made Malta attractive for startups and boutique firms that want low-cost, EU-wide access.

KEY BENEFITS OF ESTABLISHING IN MALTA

If you want to serve EU clients, keep costs reasonable, access a skilled workforce, and benefit from a responsive regulator — **Malta is one of the top smaller jurisdictions** for investment services.

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STRONG INTERNATIONAL REPUTATION

Malta is a well-regarded financial center for smaller and mid-sized investment firms. It complies with EU law but is still perceived as business-friendly and cost-effective.
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COST EFFICIENCY

Lower operating, setup, and compliance costs compared to Ireland, Luxembourg, or Germany — making it ideal for startups, boutique firms, and niche fund managers.
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TAX EFFICIENCY

Malta has a system where corporate tax can be partially refunded, resulting in an effective tax rate of 5% for qualifying structures (depending on setup).
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FLEXIBLE REGULATORY APPROACH

The MFSA is responsive and relatively approachable compared to many larger regulators. They encourage dialogue during licensing and supervision (especially for small to mid-sized firms).
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INNOVATION OPPORTUNITIES

Malta has been forward-thinking with fintech, crypto, blockchain, and alternative investment structures, encouraging innovation while maintaining EU compliance.
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ENGLISH-SPEAKING JURISDICTION

All official documentation, licensing, legal proceedings, and communication with regulators are conducted in English — a major advantage for international firms.

For more information please contact:



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