

SECURITISATION IN MALTA

SECURITISATION VEHICLES

The 2006 Maltese Securitisation Act provides an attractive tailored and flexible legal, regulatory and tax framework for securitisation vehicles while offering a maximum of security for the acquired assets and for the investors therein.

Securitisation is defined as any financing process by which an entity (originator) transfers one or more assets or risks to a dedicated vehicle (securitisation vehicle) which subsequently issues securities backed by the assets transferred (collateral) and the income generated by those assets.

The common advantage is that it provides a lower cost of capital, enables a company to convert illiquid assets into cash and transfers the risks related to some assets to third parties.

Malta offers the possibility to create securitisation cell structures, allowing for multiple cells with clear segregation of assets and liabilities between each cell. This allows the issuer to create specific products with varied risk metrics and investment terms to target a specific profile of investor whilst being able to leverage on timing and cost efficiency that using such structure brings with it.

Issuers have the possibility to list their issues on any reputable exchanges. Coupled with access to more than 65 double taxation treaties Malta has seen an increase of securitisation vehicles for international transactions and corporate finance deals across a number of jurisdictions, including but not limited to private equity deals, aviation, and intellectual property assets.

ADVANTAGES OF MALTA SECURITISATION VEHICLES?

FLEXIBILITY

- Wide range of asset classes that qualify for securitisation
- Possibility to have multi-compartment segregation
- Securitisation transaction can be "true sale" (assets transfer) or "synthetic" (risk transfer)
- Supervision by the MFSA in limited cases (issuance of securities to the public on a continuous basis)
- No portfolio risk diversification required
- No restriction on eligible investors
- Possibility of liquidation by compartment
- Broad bankruptcy remoteness mechanism: limited recourse clause; non-petition clause; subordination provision
- Out of scope of AIFMD for ad-hoc securitisation vehicle

TAX NEUTRALITY

- No withholding tax
- Access to the double taxation treaties
- Access to the EU Parent Subsidiary Directive
- No debt-to-equity ratio
- No capital/stamp duty
- Flexible tax environment (advanced tax clearance)
- VAT exemption on management services
- All commitments remuneration or direct remuneration of investors and other creditors are fully tax-deductible
- Tax neutrality in respect of a securitisation transaction
- Specific tax regulation for securitisation vehicles resulting in tax neutrality for such vehicles

MALTA SOFT FACTORS

- Only European member state with cell company structures allowing the establishment of one or more segregated cells
- High degree of expertise of market players
- Broad track record in successful securitisation transactions
- Tax authorities using an economic approach
- Proximity and accessibility of the regulator
- Rules protecting investors, the originator and other securitisation creditors

WHY CHOOSE ALTER DOMUS TO ADMINISTER YOUR SECURITISATION VEHICLES ?

OUR CREDENTIALS

- Dedicated Securitisation Desk composed of highly qualified professionals with strong expertise in the field
- We administer over 100 dedicated securitisation / structured finance SPVs
- Regulated and unregulated SVs
- Debt, Private Equity & Infrastructure and Real Estate type of assets

INTEGRATED SOLUTIONS

- Global network of more than 40 offices and desks
- End to end solutions: from outsourced fund administration to management of local structure
- In-house technical pools :
VAT & Corporate Tax, Corporate Law, Liquidation, IFRS and Transfer Pricing
- Alter Domus' resource of 2,400 employees across multiple jurisdictions
- Continuous investment in technical (accounting, tax, legal) and industry trainings

OUR SERVICES FOR SECURITISATION VEHICLES

We provide :

- Set up and licencing / notification process
- Accounting, payment processing and preparation of financial statements
- Corporate, legal and secretarial administration
- Regulatory and central bank reporting
- VAT and Tax compliance
- Governance / Mandates
- Investor Services
- Security Trustee Services
- Other Services (middle office services, payroll and residency related services, project management, and secondment of staff)

INDEPENDENCE

- Independent & majority management owned
- As an independent service provider, our partners are selected based on their competency and added value to our clients

FLEXIBILITY AND CLIENT FOCUS

- Tailored approach responding to each fund's requirements
- Open, fast and easy communication through a single contact person
- Local services are performed in accordance with local working practices where the client's activity is carried out
- All tax, accounting and legal matters are managed by the same team

ALTER DOMUS CONNECT

- Online publication of all corporate documents managed by Alter Domus
- Highly secure web access
- User-friendly interface, available 24/7
- Qualified scanning and indexing team
- Dedicated IT team for system maintenance and software updates

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Alter Domus Fund Services (Malta) Limited is recognised by the MFSA in terms of Article 9A(1) of the Investment Services Act (the "Act") and has been granted a Category 4B licence in terms of Article 6 of the Act by the MFSA.

YOUR MALTESE SECURITISATION TEAM



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Alter Domus is a fully integrated fund and corporate services provider, dedicated to international private equity & infrastructure houses, real estate firms, private debt managers, multinationals, capital markets issuers and private clients. Our vertically integrated approach offers tailor-made administration solutions across the entire value chain of investment structures, from fund level down to local special purpose vehicles.

Founded in Luxembourg in 2003, Alter Domus has continually expanded its global service offering and today counts more than 40 offices across 20 countries. This international network enables clients to benefit globally from the expertise of more than 2,400 experienced professionals active in fund administration, corporate secretarial, accounting, consolidation, tax and legal compliance, depositary services and debt administration services.

We are proud to serve 17 of the 20 largest private equity houses, 19 of the 20 largest real estate firms and 16 of the 20 largest private debt managers in the world.

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