

Business aviation in Malta

When it comes to business aviation Malta is no longer the new kid on the block but is a serious jurisdiction well-considered in the industry, Stanley Bugeja writes

Malta is anything but another offshore jurisdiction. The reason is fairly simple; as an EU country Malta cannot be an offshore jurisdiction. Malta is a member of EASA and operating an aircraft with the Maltese flag and with a Maltese commercial certificate gives one the peace of mind that the aircraft is being operated to the highest of aviation standards. This is not only important because in aviation safety is paramount but as any seasoned aircraft sales broker would tell you, the value of the aircraft goes hand in hand with how well the aircraft maintenance and its records have been kept. A signatory of the Cape Town convention operating on a Maltese flag and with a Maltese Air Ops Certificate (AOC) is ensuring that your valued asset is on one of the most reputable aviation registers worldwide.

Malta has a long aviation history, perhaps amongst the oldest in Europe. 2015 has been of particular significance because the island celebrated 100 years since the first flight to the island. On 13 February 1915, a British Shorts 135 aircraft was airlifted from HMS Ark Royal and gently lowered in to the waters of Grand Harbour, Valletta, to undertake the first-ever flight in Malta. This fateful flight marked the beginning of the first 100 years of aviation in Malta.

A bilingual island in the centre of the Mediterranean, Malta is well placed and equipped for international trade. Speaking recently to a Spanish CEO of one of the many AOC's on the island, he stated, *"Malta has a functional bureaucracy, if I cross all the t's and dot the i's I will reach my objectives with the help of the authorities."*, he continued *"You feel that everyone is trying to help you to succeed in your business, which is such a breath of fresh air"*. Another accountable manager of a South African organisation which is currently migrating all its operations to Malta, said, *"Malta, Open for business is what caught our eyes, experiencing how things really work here confirms your motto"*.

Malta Open for Business is the motto of Aviation Malta which is a co-operation between Malta Enterprise, a government investment support agency, and the Malta Business Aviation Association, a private enterprise consisting of private organisations in the aviation industry in Malta.

In mainland Europe business aviation falls into one of two categories, and the unluckier ones actually get the worst of both worlds; that is, business aviation is either a nuisance and hence given the cold shoulder, drowned in a mountain of bureaucracy, or else taxed heavily, both directly and indirectly, as it is labelled as an exuberance. This is where Malta comes across as really a business aviation friendly jurisdiction.

Authority fees in Malta for both registering an aircraft and operating commercially with a Maltese licence are amongst the cheapest in Europe. All legislation is in English and all application forms are in English. Operating an aircraft with a Maltese licence requires one to have a Maltese company with a principal place of business in Malta, but here again the process is fairly straight forward and in most cases one can have a company set up in one working week.

The advantages of operating on an Air Ops commercial licence are, amongst others, freedom of movement in the EU, VAT exemption of both acquisition and operation of the aircraft as well as the possibility to reduce one's cost by

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legally chartering out to third parties. All of this with a low tax structure of effectively 5%. Already a number of management companies have set shop in Malta with a number of very well-known brands in the industry now operating exclusively from Malta.

The above and more positive experiences by various entities have meant that the Maltese jurisdiction has now more than 100 business jets operating on approximately 25 EASA Air OPS AOC operating worldwide, and these numbers continue to grow on a daily basis. When it comes to business aviation Malta is no longer the new kid on the block but is a serious jurisdiction well-considered in the industry, whether it is aircraft owners, financiers, manufacturers, aircraft managers or operators.

The Maltese Civil Aviation authority boasts itself as one of the most approachable authorities in Europe, available 24/7. One of the major challenges for the authority has been to absorb the well the growth in the industry and this has been done extremely well through aggressive employment and investing in new facilities.

In the past 15 years Malta has seen huge development and investment in the aviation industry from both the private and public sector. A state-of-the-art airport which is barely 10 years old. A myriad of maintenance facilities which can service aircraft types from manufacturers such as Airbus, Boeing, and Bombardier. The government is building three brand new hangars and there is space for more.

In spite of this growth an area which has seen significant growth in the past years has been the aviation training sector. From initial pilot and technician training to mechanic type rating, cabin crew attestation as well as flight dispatchers and aviation English courses. As the number of operators on the island, continue to increase, so is the need for human resources and again the public private co-operation is ensuring that the local needs are being met both with regards to initial training as well as recurrent training. The high standard of this training is now attracting cus-

“Aviation Malta - Open for Business”

The Malta Business Aviation Association (MBAA) aims to promote excellence and professionalism amongst our Members to enable them to deliver best-in-class safety and operational efficiency, whilst representing their interests at all levels in Malta and consequently Europe. The MBAA will strive to ensure recognition of business aviation as a vital part of the aviation infrastructure and the Maltese economy.



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tomers from across the European and Asian continents. The latest of which is a multinational consortium which is said to even include aircraft simulators.

There are a number of challenges ahead, as the jurisdiction continues to grow so will the requirement for additional human resources both in the private and public sectors. However Malta is a fairly stable, secure cosmopolitan society which in past few years has ranked very high on list of desirable locations for expats. Being an island has its challenges, primarily amongst these is connectivity and the aviation sector plays a principal role in this challenge. Both the public and private sectors are aware of the significance of the success of the jurisdiction so every effort will continue to be placed to ensure its continued success.

Recently the government has launched a project which again will be a joint effort between the public and private sectors as well as EU funding to launch the National Aerospace Centre. The objectives the National Aerospace centre will be to bridge the gap between the training and educational institutes and the requirements of the industry. Furthermore it will be investing heavily in research and development for the enhancement and growth of the jurisdiction.

The Malta Business Aviation Association is confident that Malta will be able to emulate in aviation its success in shipping, where it has the largest shipping registry in Europe. The demand is there, the business aviation aircraft is a tool which supports the growth of the business and as such also the growth of the Maltese and European economy. We will continue to support the local authorities in ensuring that our legal framework is conducive to the business requirements, the existing local companies in continuing to prosper and the foreign parties wishing to either do business with existing local businesses or setting up shop in Malta. ■

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