

A World Bank Group Flagship Report

16TH EDITION

DOING BUSINESS 2019

Training for Reform

Economy Profile

Malta



Comparing Business Regulation for Domestic Firms in 190 Economies

Economy Profile of Malta

*Doing Business 2019 Indicators
(in order of appearance in the document)*

Starting a business	Procedures, time, cost and paid-in minimum capital to start a limited liability company
Dealing with construction permits	Procedures, time and cost to complete all formalities to build a warehouse and the quality control and safety mechanisms in the construction permitting system
Getting electricity	Procedures, time and cost to get connected to the electrical grid, and the reliability of the electricity supply and the transparency of tariffs
Registering property	Procedures, time and cost to transfer a property and the quality of the land administration system
Getting credit	Movable collateral laws and credit information systems
Protecting minority investors	Minority shareholders' rights in related-party transactions and in corporate governance
Paying taxes	Payments, time, total tax and contribution rate for a firm to comply with all tax regulations as well as post-filing processes
Trading across borders	Time and cost to export the product of comparative advantage and import auto parts
Enforcing contracts	Time and cost to resolve a commercial dispute and the quality of judicial processes
Resolving insolvency	Time, cost, outcome and recovery rate for a commercial insolvency and the strength of the legal framework for insolvency
Labor market regulation	Flexibility in employment regulation and aspects of job quality

About Doing Business

The *Doing Business* project provides objective measures of business regulations and their enforcement across 190 economies and selected cities at the subnational and regional level.

The *Doing Business* project, launched in 2002, looks at domestic small and medium-size companies and measures the regulations applying to them through their life cycle.

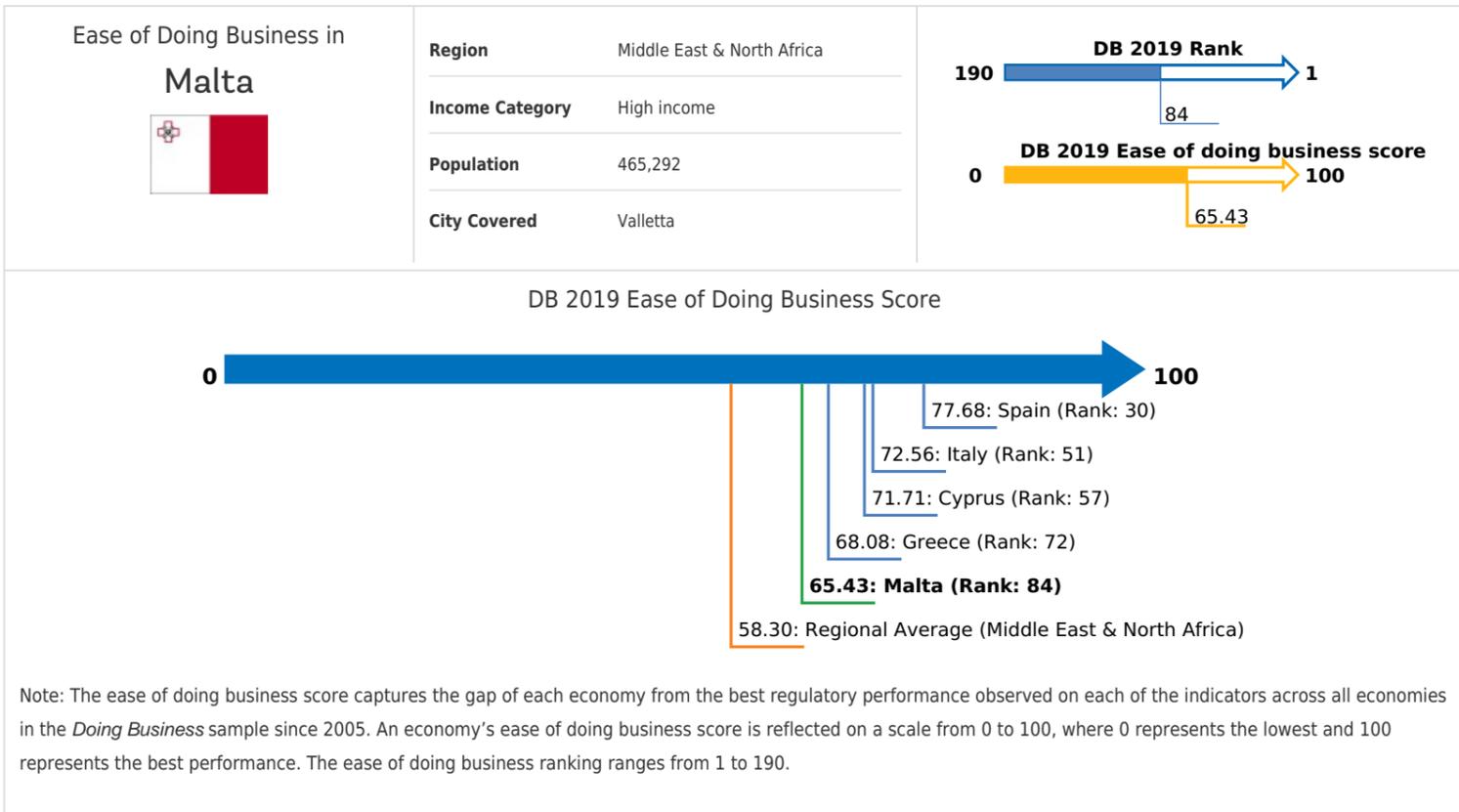
Doing Business captures several important dimensions of the regulatory environment as it applies to local firms. It provides quantitative indicators on regulation for starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency. *Doing Business* also measures features of labor market regulation. Although *Doing Business* does not present rankings of economies on the labor market regulation indicators or include the topic in the aggregate ease of doing business score or ranking on the ease of doing business, it does present the data for these indicators.

By gathering and analyzing comprehensive quantitative data to compare business regulation environments across economies and over time, *Doing Business* encourages economies to compete towards more efficient regulation; offers measurable benchmarks for reform; and serves as a resource for academics, journalists, private sector researchers and others interested in the business climate of each economy.

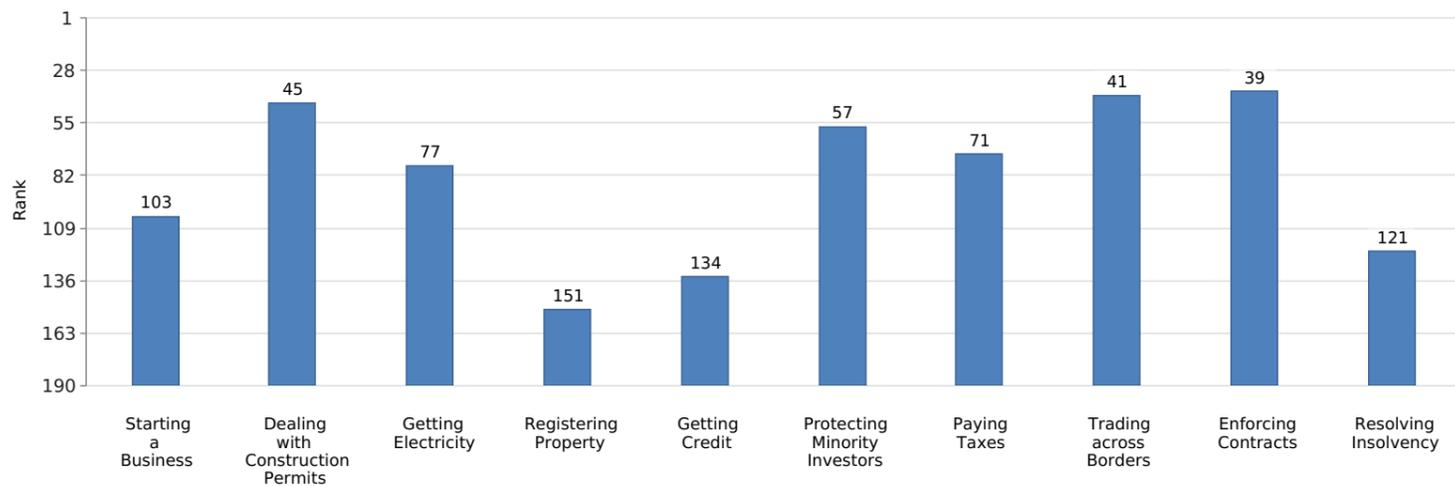
In addition, *Doing Business* offers detailed [subnational reports](#), which exhaustively cover business regulation and reform in different cities and regions within a nation. These reports provide data on the ease of doing business, rank each location, and recommend reforms to improve performance in each of the indicator areas. Selected cities can compare their business regulations with other cities in the economy or region and with the 190 economies that *Doing Business* has ranked.

The first *Doing Business* report, published in 2003, covered 5 indicator sets and 133 economies. This year's report covers 11 indicator sets and 190 economies. Most indicator sets refer to a case scenario in the largest business city of each economy, except for 11 economies that have a population of more than 100 million as of 2013 (Bangladesh, Brazil, China, India, Indonesia, Japan, Mexico, Nigeria, Pakistan, the Russian Federation and the United States) where *Doing Business* also collected data for the second largest business city. The data for these 11 economies are a population-weighted average for the 2 largest business cities. The project has benefited from feedback from governments, academics, practitioners and reviewers. The initial goal remains: to provide an objective basis for understanding and improving the regulatory environment for business around the world.

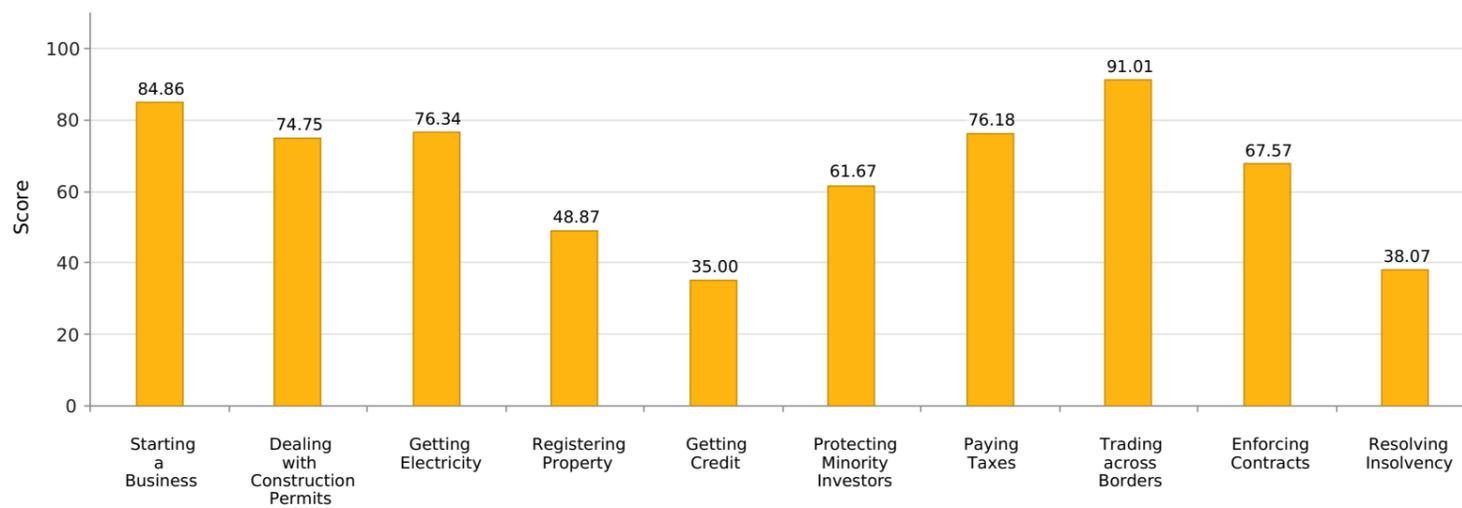
More about [Doing Business](#) (PDF, 5MB)



Rankings on Doing Business topics - Malta



Ease of Doing Business Score on Doing Business topics - Malta



Starting a Business

This topic measures the number of procedures, time, cost and paid-in minimum capital requirement for a small- to medium-sized limited liability company to start up and formally operate in each economy's largest business city.

To make the data comparable across 190 economies, *Doing Business* uses a standardized business that is 100% domestically owned, has start-up capital equivalent to 10 times the income per capita, engages in general industrial or commercial activities and employs between 10 and 50 people one month after the commencement of operations, all of whom are domestic nationals. Starting a Business considers two types of local limited liability companies that are identical in all aspects, except that one company is owned by 5 married women and the other by 5 married men. The ranking of economies on the ease of starting a business is determined by sorting their scores for starting a business. These scores are the simple average of the scores for each of the component indicators.

The most recent round of data collection for the project was completed in May 2018. [See the methodology for more information.](#)

What the indicators measure	Case study assumptions
<p>Procedures to legally start and formally operate a company (number)</p> <ul style="list-style-type: none"> • Preregistration (for example, name verification or reservation, notarization) • Registration in the economy's largest business city • Postregistration (for example, social security registration, company seal) • Obtaining approval from spouse to start a business or to leave the home to register the company • Obtaining any gender specific document for company registration and operation or national identification card <p>Time required to complete each procedure (calendar days)</p> <ul style="list-style-type: none"> • Does not include time spent gathering information • Each procedure starts on a separate day (2 procedures cannot start on the same day) • Procedures fully completed online are recorded as ½ day • Procedure is considered completed once final document is received • No prior contact with officials <p>Cost required to complete each procedure (% of income per capita)</p> <ul style="list-style-type: none"> • Official costs only, no bribes • No professional fees unless services required by law or commonly used in practice <p>Paid-in minimum capital (% of income per capita)</p> <ul style="list-style-type: none"> • Funds deposited in a bank or with third party before registration or up to 3 months after incorporation 	<p>To make the data comparable across economies, several assumptions about the business and the procedures are used. It is assumed that any required information is readily available and that the entrepreneur will pay no bribes.</p> <p>The business:</p> <ul style="list-style-type: none"> - Is a limited liability company (or its legal equivalent). If there is more than one type of limited liability company in the economy, the most common among domestic firms is chosen. Information on the most common form is obtained from incorporation lawyers or the statistical office. - Operates in the economy's largest business city. For 11 economies the data are also collected for the second largest business city. - The entire office space is approximately 929 square meters (10,000 square feet). - Is 100% domestically owned and has five owners, none of whom is a legal entity; has a start-up capital of 10 times income per capita and has a turnover of at least 100 times income per capita. - Performs general industrial or commercial activities, such as the production or sale of goods or services to the public. The business does not perform foreign trade activities and does not handle products subject to a special tax regime, for example, liquor or tobacco. It does not use heavily polluting production processes. - Leases the commercial plant or offices and is not a proprietor of real estate and the amount of the annual lease for the office space is equivalent to the income per capita. - Does not qualify for investment incentives or any special benefits. - Has at least 10 and up to 50 employees one month after the commencement of operations, all of whom are domestic nationals. - Has a company deed that is 10 pages long. <p>The owners:</p> <ul style="list-style-type: none"> - Have reached the legal age of majority. If there is no legal age of majority, they are assumed to be 30 years old. - Are sane, competent, in good health and have no criminal record. - Are married and the marriage is monogamous and registered with the authorities. - Where the answer differs according to the legal system applicable to the woman or man in question (as may be the case in economies where there is legal plurality), the answer used will be the one that applies to the majority of the population.

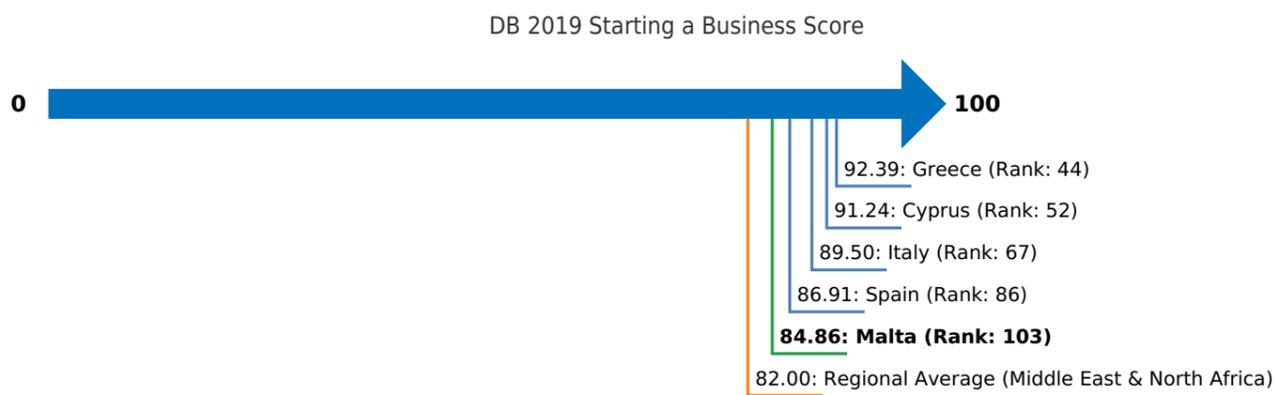
Starting a Business - Malta

Standardized Company

Legal form	Private Limited Liability company
Paid-in minimum capital requirement	EUR 233
City Covered	Valletta

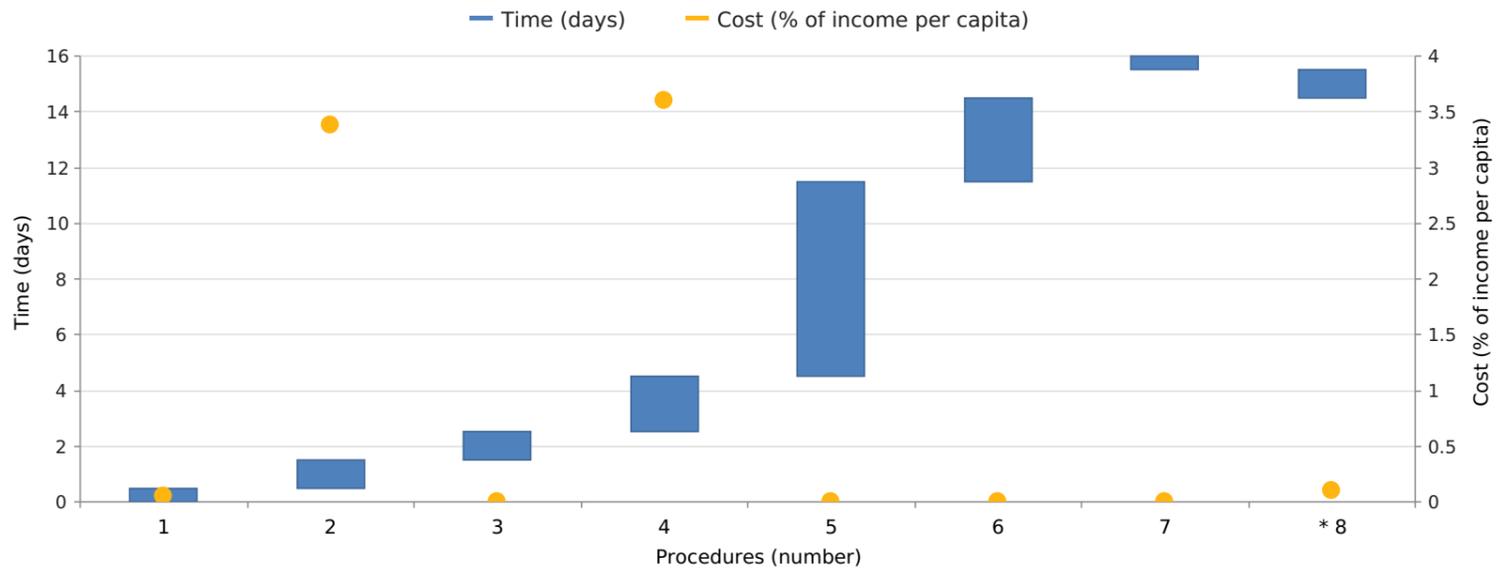
Indicator	Malta	Middle East & North Africa	OECD high income	Best Regulatory Performance
Procedure - Men (number)	8	7.2	4.9	1 (New Zealand)
Time - Men (days)	16	20.5	9.3	0.5 (New Zealand)
Cost - Men (% of income per capita)	7.1	22.6	3.1	0.0 (Slovenia)
Procedure - Women (number)	8	7.9	4.9	1 (New Zealand)
Time - Women (days)	16	21.2	9.3	0.5 (New Zealand)
Cost - Women (% of income per capita)	7.1	22.6	3.1	0.0 (Slovenia)
Paid-in min. capital (% of income per capita)	1.0	8.1	8.6	0.0 (117 Economies)

Figure - Starting a Business in Malta and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of starting a business is determined by sorting their scores for starting a business. These scores are the simple average of the scores for each of the component indicators.

Figure - Starting a Business in Malta - Procedure, Time and Cost



*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures reflected here, see the summary below.

Details - Starting a Business in Malta - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p>Reserve a unique company name <i>Agency</i> : Online Checking the availability of a company name can be made online through the website of the Registry of Companies or in person. The reservation confirmation is sent by email.</p>	Less than one day (online procedure)	EUR 10
2	<p>Draft the memorandum and articles of association <i>Agency</i> : Lawyer, accountant or a registered corporate services provider. Lawyers or corporate service providers draft the memorandum and articles of association.</p>	1 day	Between EUR 500 and EUR 1,000.
3	<p>Deposit the paid-in minimum capital <i>Agency</i> : Bank The Bank will open a company account once it receives reference letters from the signatories' respective banks. The following documents are necessary to open a bank account:</p> <ol style="list-style-type: none"> 1. A duly filled in Know-Your-Client (KYC) form 2. A completed request to open an account specifying the type of account, the currency and the preferred mode of tax payment 3. Copy of the Memorandum and Articles of Association together with a certified copy of the Certificate of Registration issued by the Registry of Companies once the company is registered. The bank may also require a description of the activities of the company and the anticipated turnover thereof. 4. Confirmation of the permanent address of the Directors through a completed identification statement certified by a Prime bank or Maltese Embassy in the country of residence. The bank also requires the authenticated identification documents for all the directors, signatories, beneficial owners and secretaries. An original copy of a utility bill to be certified by the bank may also be required. 5. A completed form signed by the directors of the company appointing the bankers. 	1 day	no charge
4	<p>Register at the Companies Registry and obtain Tax Identification Number (TIN) <i>Agency</i> : Registry The following documents are submitted to the Companies Registry in order to incorporate the company:</p> <ol style="list-style-type: none"> 1. Confirmation of name reservation; 2. Signed memorandum and articles of association; 3. Confirmation of deposit of share capital; 4. Information about beneficial owners; 4. Copy of the passport/ID of each shareholder, director and company secretary. <p>The Registry will take about 2 days to incorporate the company at which point the official memorandum and articles along with the certificate of registration bearing the registration number and registration date of the company are issued. These documents are then subsequently uploaded to the website of the Registry of Companies.</p> <p>The Registrar of Companies also provides an alternative service for the registration of Companies. Registration may now be carried out online through the Registry's portal. Prior to registration, an applicant must register for an account and obtain a personal Digital Certificate by registering for an e-ID. The MFSA would then vet the application within 5 working days.</p> <p>MFSA communicates C-number with the Office of the Commissioner for Revenue (OCR) and OCR then creates an Income Tax Number. This normally happens within a couple of hours. OCR will then communicate this number to the company through email without the entrepreneur having to make a separate visit to the OCR.</p> <p>Since January 1, 2018, all new companies are legally required to disclose information about beneficial ownership. The information can be submitted at the business registry for free at the time of business incorporation</p>	2 days	If share capital exceeds €100,000 but does not exceed €250,000, they payment for electronic submission is calculated as €736 with the addition of €8 for each €15,000 or part thereof in excess of €100,000.

5	<p>Register for VAT</p> <p><i>Agency</i> : Office of the Commissioner for Revenue - VAT Department</p> <p>To register for VAT, the entrepreneur submits the application form S.L. 406.09 "Value Added Tax (Forms) Regulations", along with the company Tax Identification Number (TIN). Furthermore, a copy of the memorandum and articles of association, and a copy of the original certificate of registration including the stamp of the Malta Financial Services Authority (MFSA) should be produced.</p> <p>Recently, a new electronic service was introduced through which companies can register with the VAT Department, obtain an employer identification number and notify the National Statistics Office on one application form. However, this was not used by the majority of users at the beginning of 2018. Such form shall become mandatory in the future.</p>	7 days	no charge
6	<p>Obtain a PE number (employer identification number) and register employees</p> <p><i>Agency</i> : Office of the Commissioner for Revenue - PE number</p> <p>Both the VAT number and the Income Tax number are required to obtain the PE number</p> <p>For PE number: the registration form is available, the entrepreneur can either complete it online or print it and send it to IRD. The entrepreneur has to provide:</p> <ul style="list-style-type: none"> - The tax ID number - The number of employees - Details of the business - Date of first employment 	3 days	no charge
7	<p>Register the employees with Jobplus</p> <p><i>Agency</i> : Jobplus</p> <p>The entrepreneur must declare the company's recruits to Jobplus. The PE number is required.</p>	Less than one day (online procedure)	no charge
⇒ 8	<p>Register for Data Protection</p> <p><i>Agency</i> : Office of the Information and Data Protection Commissioner</p> <p>Such registration must be done before the company carries out any data processing operations. VAT and registration numbers are required according to the form to be submitted.</p> <p>Such requirement is likely to change in May 2018.</p>	1 day (simultaneous with previous procedure)	EUR 23.29

⇒ Takes place simultaneously with previous procedure.

Dealing with Construction Permits

This topic tracks the procedures, time and cost to build a warehouse—including obtaining necessary the licenses and permits, submitting all required notifications, requesting and receiving all necessary inspections and obtaining utility connections. In addition, the Dealing with Construction Permits indicator measures the building quality control index, evaluating the quality of building regulations, the strength of quality control and safety mechanisms, liability and insurance regimes, and professional certification requirements. The most recent round of data collection was completed in May 2018. [See the methodology for more information](#)

What the indicators measure	Case study assumptions
<p>Procedures to legally build a warehouse (number)</p> <ul style="list-style-type: none"> • Submitting all relevant documents and obtaining all necessary clearances, licenses, permits and certificates • Submitting all required notifications and receiving all necessary inspections • Obtaining utility connections for water and sewerage • Registering and selling the warehouse after its completion 	<p>To make the data comparable across economies, several assumptions about the construction company, the warehouse project and the utility connections are used.</p>
<p>Time required to complete each procedure (calendar days)</p> <ul style="list-style-type: none"> • Does not include time spent gathering information • Each procedure starts on a separate day—though procedures that can be fully completed online are an exception to this rule • Procedure is considered completed once final document is received • No prior contact with officials 	<p>The construction company (BuildCo):</p> <ul style="list-style-type: none"> - Is a limited liability company (or its legal equivalent) and operates in the economy's largest business city. For 11 economies the data are also collected for the second largest business city. - Is 100% domestically and privately owned; has five owners, none of whom is a legal entity. Has a licensed architect and a licensed engineer, both registered with the local association of architects or engineers. BuildCo is not assumed to have any other employees who are technical or licensed experts, such as geological or topographical experts. - Owns the land on which the warehouse will be built and will sell the warehouse upon its completion.
<p>Cost required to complete each procedure (% of income per capita)</p> <ul style="list-style-type: none"> • Official costs only, no bribes 	<p>The warehouse:</p> <ul style="list-style-type: none"> - Will be used for general storage activities, such as storage of books or stationery. - Will have two stories, both above ground, with a total constructed area of approximately 1,300.6 square meters (14,000 square feet). Each floor will be 3 meters (9 feet, 10 inches) high and will be located on a land plot of approximately 929 square meters (10,000 square feet) that is 100% owned by BuildCo, and the warehouse is valued at 50 times income per capita. - Will have complete architectural and technical plans prepared by a licensed architect. If preparation of the plans requires such steps as obtaining further documentation or getting prior approvals from external agencies, these are counted as procedures. - Will take 30 weeks to construct (excluding all delays due to administrative and regulatory requirements).
<p>Building quality control index (0-15)</p> <ul style="list-style-type: none"> • Quality of building regulations (0-2) • Quality control before construction (0-1) • Quality control during construction (0-3) • Quality control after construction (0-3) • Liability and insurance regimes (0-2) • Professional certifications (0-4) 	<p>The water and sewerage connections:</p> <ul style="list-style-type: none"> - Will be 150 meters (492 feet) from the existing water source and sewer tap. If there is no water delivery infrastructure in the economy, a borehole will be dug. If there is no sewerage infrastructure, a septic tank in the smallest size available will be installed or built. - Will have an average water use of 662 liters (175 gallons) a day and an average wastewater flow of 568 liters (150 gallons) a day. Will have a peak water use of 1,325 liters (350 gallons) a day and a peak wastewater flow of 1,136 liters (300 gallons) a day. - Will have a constant level of water demand and wastewater flow throughout the year; will be 1 inch in diameter for the water connection and 4 inches in diameter for the sewerage connection.

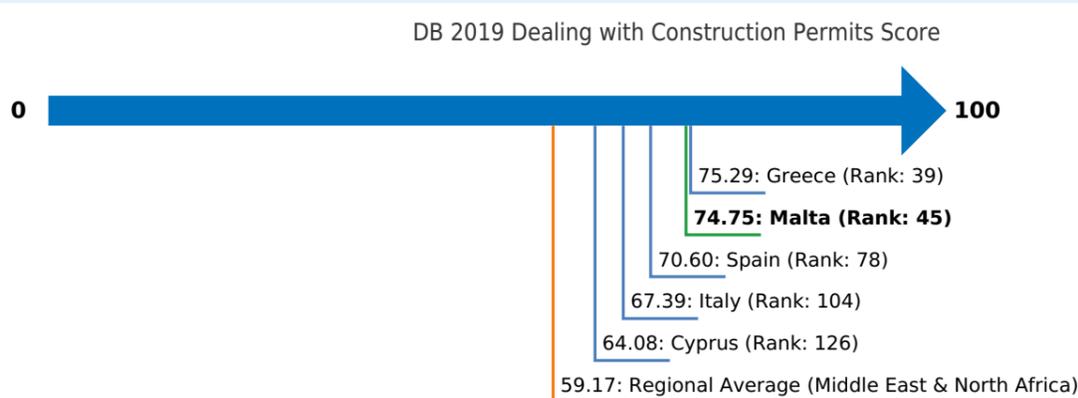
Dealing with Construction Permits - Malta

Standardized Warehouse

Estimated value of warehouse	EUR 1,110,950
City Covered	Valletta

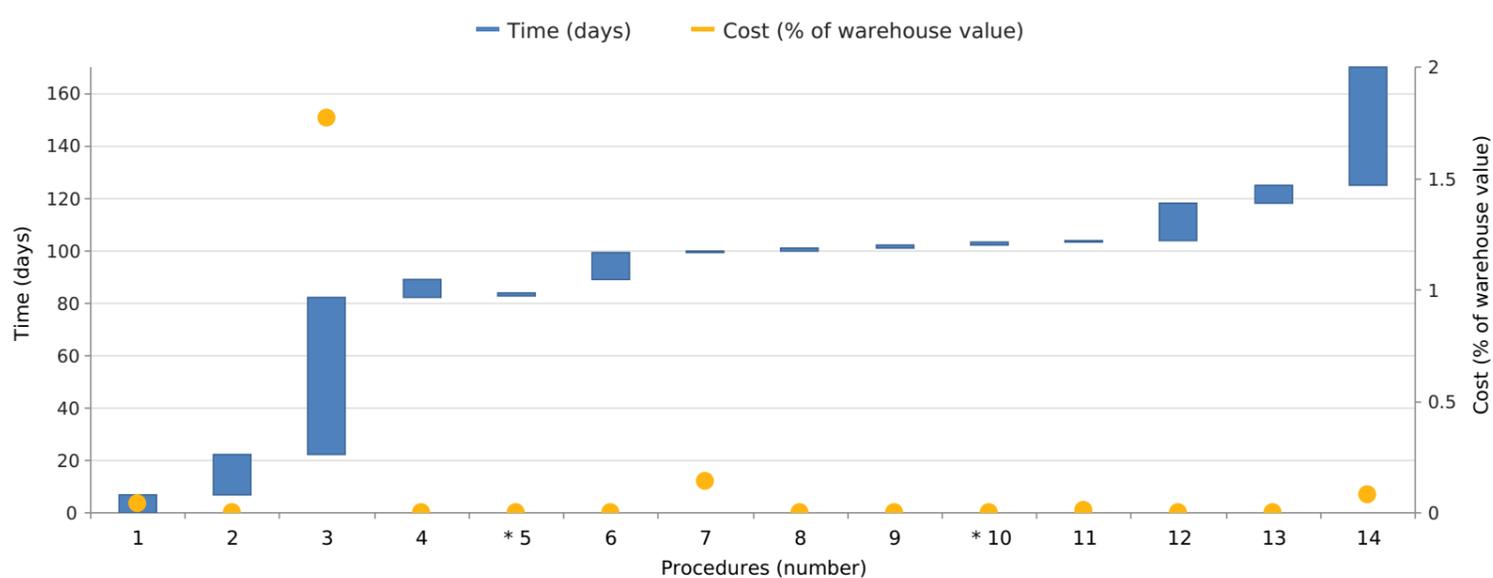
Indicator	Malta	Middle East & North Africa	OECD high income	Best Regulatory Performance
Procedures (number)	14	16.6	12.7	None in 2017/18
Time (days)	170	137.4	153.1	None in 2017/18
Cost (% of warehouse value)	2.0	4.7	1.5	None in 2017/18
Building quality control index (0-15)	13.0	12.1	11.5	15.0 (3 Economies)

Figure - Dealing with Construction Permits in Malta and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of dealing with construction permits is determined by sorting their scores for dealing with construction permits. These scores are the simple average of the scores for each of the component indicators.

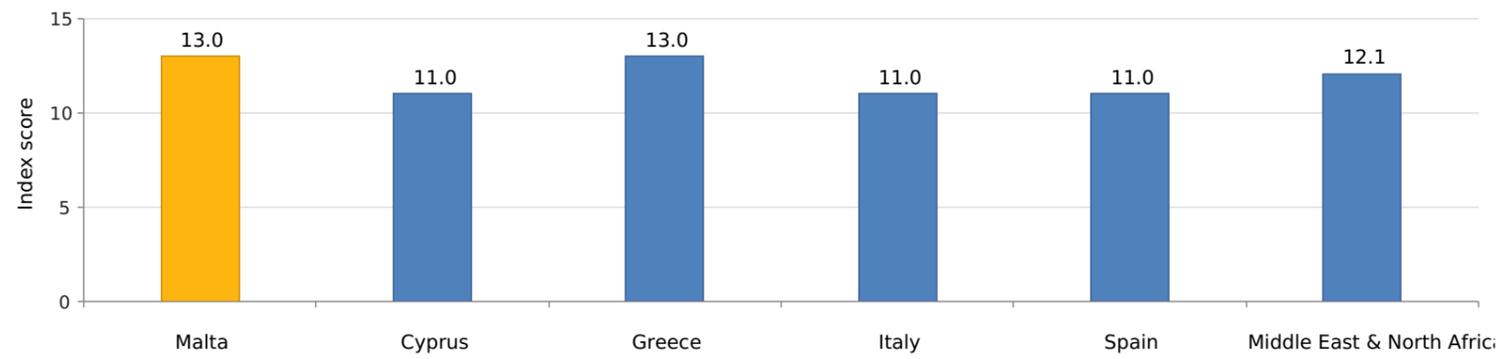
Figure - Dealing with Construction Permits in Malta - Procedure, Time and Cost



*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures reflected here, see the summary below.

Figure - Dealing with Construction Permits in Malta and comparator economies - Measure of Quality



Details - Dealing with Construction Permits in Malta - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p>Obtain fire and safety report for the plans of the building <i>Agency : Private consultant</i> An engineer's report dealing with fire safety and ventilation is required. A mechanical and electrical engineer is engaged to prepare this report which may be submitted to Planning Authority after the screening letter is issued.</p> <p>Upon completion of construction, the engineer must submit a statement to Planning Authority at the end of construction stating that the building has been built according to the proper fire safety standards.</p>	7 days	EUR 450
2	<p>Apply for building permit and await estimation of fees <i>Agency : Planning Authority</i> The architect to fill the online application, upload necessary drawings and documentation (including the fire and safety ventilation report) and pay an initial €50 fee (which is then deducted from the overall development planning fee). The application is reviewed by the Authority and a bill for the remainder of the development planning fee is sent electronically.</p>	15 days	EUR 50
3	<p>Obtain a Permit Application Report (DPAR), attend hearing in front of the Environmental Planning Commission (EPC) and receive building permit <i>Agency : Planning Authority</i> Once payment is effected the PA publishes a notice in the government gazette and the Department of Information website, informs the relevant local council and neighbours of the site, and affixes a notice on the site. This is done so that the public is informed that an application has been received, and the public may comment within 30 days from publication in the newspaper. Persons doing so will be recognised as interested parties during the processing of the application. At the same time the Authority will automatically consult with 11 government agencies whose input may be relevant to the application in question and these will send in their views within the above mentioned time period.</p> <p>The Development Control Directorate will prepare a DPAR assessing the application, and concludes with their recommendation as to whether the application should be approved or not. If the recommendation is favourable, a draft building permit with conditions is attached to the DPAR. The DPAR also specifies the bank guarantees that may be required to obtain the permit, such as for the protection of the surrounding road surface, archaeological or environmental sensitive site (which is not the case since warehouse is to be situated next to similar development), etc.</p> <p>The DPAR notice gives the date for the hearing in front of the PCDP (Planning Commission – Development Planning) which is held not later than 14 days from the conclusion of the same DPAR. The application is reviewed in a public hearing which is attended by the applicant and the Architect and Civil Engineer responsible for the application. The permit issued is valid for 5 years.</p>	60 days	EUR 19,695
4	<p>Obtain approval from Building Regulation Office prior to starting construction <i>Agency : Building Regulation Office (BRO)</i> At least 2 months before BuildCo can start construction work, it must submit the following documents to the Building Regulation Office and await approval:</p> <ul style="list-style-type: none"> - Condition report of adjoining properties - Construction method statement - Bank guarantee of 3,000 EUR per floor - Insurance of 500,000 EUR 	7 days	no charge

⇒ 5	Submit commencement of works notice and request for official alignment <i>Agency : Planning Authority</i> The building permit issued includes a site notice which is to be affixed on the site while works are ongoing, and a commencement notice which is to be submitted to Planning Authority not less than 5 days before commencement of works. The commencement notice requires details of the contractor and site manager (including 24-hour contact details) who will be engaged on the site. When submitting the commencement notice, the Architect and Civil Engineer can indicate whether Planning Authority is required to provide official alignment on site or not. If yes, Planning Authority will provide this within 10 days.	1 day	no charge
6	Request and receive initial inspection by Planning Authority for road alignments and levels <i>Agency : Planning Authority</i> Once the building permit is issued Planning Authority visits the site to provide the official road alignments and levels.	10 days	no charge
7	Hire an agency specialized in safety <i>Agency : Private consultant</i> A specialized agency in health and safety is generally hired to be in charge of safety issues to ensure that everything is done according to regulations on the construction site. The reason for this is that the legal responsibility lies with the owner and the contractor in case of an accident. The state will initiate a lawsuit against both if there is some form of accident or complaint. Hiring a specialized agency decreases the risk of accidents or non-observance of legislation on site.	1 day	EUR 1,500
8	Request and receive inspection from OHSA during construction works <i>Agency : Occupational Health and Safety Authority (OHSA)</i> The applicant / developer advises the OHSA with basic information regarding the construction works (i.e. presence of equipment such as cranes / scaffolding on site, as well as any specific additional details such as the requirement to close a road during works, etc). OHSA carries out random inspections during the works.	1 day	no charge
9	Request and receive inspection by the local council to release bank guarantee on roads <i>Agency : Local Council</i> The local council inspects that the roads are not damaged. It is done the same day.	1 day	no charge
⇒ 10	Receive final inspection for road alignments and levels from MEPA <i>Agency : Planning Authority</i> Once construction is completed, Planning Authority must visit the site to ensure that the building was built according to the approved road alignment and levels. This is a separate inspection from the final inspection to receive a compliance certificate and is conducted by a different department within Planning Authority.	1 day	no charge
11	Apply for a compliance certificate from Planning Authority <i>Agency : Planning Authority</i> The application for compliance takes the form of a declaration by the Architect and Civil Engineer that the building has been constructed in accordance with the building permit, or outlines any deviations therefrom. MEPA may then inspect the site (on a random basis) to verify or issue the compliance certificate on the basis of the architect's declaration.	1 day	EUR 60
12	Request and receive inspection by Planning Authority for the compliance certificate <i>Agency : Planning Authority</i> An inspector from Planning Authority visits the construction to check that the construction has been completed in accordance with the approved plans.	14 days	no charge
13	Obtain compliance certificate <i>Agency : Planning Authority</i> Once the client has received the compliance certificate, the bank guarantees are released. The compliance certificate is necessary to apply for electricity, water and sewage (but not telephone).	7 days	no charge
14	Request and obtain water and sewage connection <i>Agency : Water Services Corporation</i> The owner of the building must provide the following documents to make a request for water and sewage connection: <ul style="list-style-type: none"> • The compliance certificate issued by Planning Authority • A recent site plan showing the extents of the property • Color photos showing the property facades and adjacent properties • Copy of identity card • Company Board resolution authorizing the application • Proof of ownership • Completed application for a public sewer discharge permit 	45 days	EUR 842

Details - Dealing with Construction Permits in Malta - Measure of Quality

	Answer	Score
Building quality control index (0-15)		13.0
Quality of building regulations index (0-2)		2.0
How accessible are building laws and regulations in your economy? (0-1)	Available online; Free of charge.	1.0
Which requirements for obtaining a building permit are clearly specified in the building regulations or on any accessible website, brochure or pamphlet? (0-1)	List of required documents; Fees to be paid; Required preapprovals.	1.0
Quality control before construction index (0-1)		1.0
Which third-party entities are required by law to verify that the building plans are in compliance with existing building regulations? (0-1)	Licensed engineer.	1.0
Quality control during construction index (0-3)		2.0
What types of inspections (if any) are required by law to be carried out during construction? (0-2)	Inspections by in-house engineer.	1.0
Do legally mandated inspections occur in practice during construction? (0-1)	Mandatory inspections are always done in practice.	1.0
Quality control after construction index (0-3)		2.0
Is there a final inspection required by law to verify that the building was built in accordance with the approved plans and regulations? (0-2)	Yes, final inspection is done by government agency.	2.0
Do legally mandated final inspections occur in practice? (0-1)	Final inspection does not always occur in practice; Final inspection occurs most of the time.	0.0
Liability and insurance regimes index (0-2)		2.0
Which parties (if any) are held liable by law for structural flaws or problems in the building once it is in use (Latent Defect Liability or Decennial Liability)? (0-1)	Architect or engineer; Construction company.	1.0
Which parties (if any) are required by law to obtain an insurance policy to cover possible structural flaws or problems in the building once it is in use (Latent Defect Liability Insurance or Decennial Insurance)? (0-1)	No party is required by law to obtain insurance ; Owner or investor; Insurance is commonly taken in practice.	1.0
Professional certifications index (0-4)		4.0

What are the qualification requirements for the professional responsible for verifying that the architectural plans or drawings are in compliance with existing building regulations? (0-2)

Minimum number of years of experience; University degree in architecture or engineering; Being a registered architect or engineer; Passing a certification exam. 2.0

What are the qualification requirements for the professional who supervises the construction on the ground? (0-2)

Minimum number of years of experience; University degree in engineering, construction or construction management; Passing a certification exam. 2.0

⚡ Getting Electricity

This topic measures the procedures, time and cost required for a business to obtain a permanent electricity connection for a newly constructed warehouse. Additionally, the reliability of supply and transparency of tariffs index measures reliability of supply, transparency of tariffs and the price of electricity. The most recent round of data collection for the project was completed in May 2018. [See the methodology for more information.](#)

What the indicators measure

Procedures to obtain an electricity connection (number)

- Submitting all relevant documents and obtaining all necessary clearances and permits
- Completing all required notifications and receiving all necessary inspections
- Obtaining external installation works and possibly purchasing material for these works
- Concluding any necessary supply contract and obtaining final supply

Time required to complete each procedure (calendar days)

- Is at least 1 calendar day
- Each procedure starts on a separate day
- Does not include time spent gathering information
- Reflects the time spent in practice, with little follow-up and no prior contact with officials

Cost required to complete each procedure (% of income per capita)

- Official costs only, no bribes
- Value added tax excluded

The reliability of supply and transparency of tariffs index (0-8)

- Duration and frequency of power outages (0-3)
- Tools to monitor power outages (0-1)
- Tools to restore power supply (0-1)
- Regulatory monitoring of utilities' performance (0-1)
- Financial deterrents limiting outages (0-1)
- Transparency and accessibility of tariffs (0-1)

Price of electricity (cents per kilowatt-hour)*

- Price based on monthly bill for commercial warehouse in case study

*Note: *Doing Business* measures the price of electricity, but it is not included in the ease of doing business score nor the ranking on the ease of getting electricity.

Case study assumptions

To make the data comparable across economies, several assumptions about the warehouse, the electricity connection and the monthly consumption are used.

The warehouse:

- Is owned by a local entrepreneur and is used for storage of goods.
- Is located in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Is located in an area where similar warehouses are typically located and is in an area with no physical constraints. For example, the property is not near a railway.
- Is a new construction and is being connected to electricity for the first time.
- Has two stories with a total surface area of approximately 1,300.6 square meters (14,000 square feet). The plot of land on which it is built is 929 square meters (10,000 square feet).

The electricity connection:

- Is a permanent one with a three-phase, four-wire Y connection with a subscribed capacity of 140-kilo-volt-ampere (kVA) with a power factor of 1, when 1 kVA = 1 kilowatt (kW).
- Has a length of 150 meters. The connection is to either the low- or medium-voltage distribution network and is either overhead or underground, whichever is more common in the area where the warehouse is located and requires works that involve the crossing of a 10-meter road (such as by excavation or overhead lines) but are all carried out on public land. There is no crossing of other owners' private property because the warehouse has access to a road.
- Does not require work to install the internal wiring of the warehouse. This has already been completed up to and including the customer's service panel or switchboard and the meter base.

The monthly consumption:

- It is assumed that the warehouse operates 30 days a month from 9:00 a.m. to 5:00 p.m. (8 hours a day), with equipment utilized at 80% of capacity on average and that there are no electricity cuts (assumed for simplicity reasons) and the monthly energy consumption is 26,880 kilowatt-hours (kWh); hourly consumption is 112 kWh.
- If multiple electricity suppliers exist, the warehouse is served by the cheapest supplier.
- Tariffs effective in January of the current year are used for calculation of the price of electricity for the warehouse. Although January has 31 days, for calculation purposes only 30 days are used.

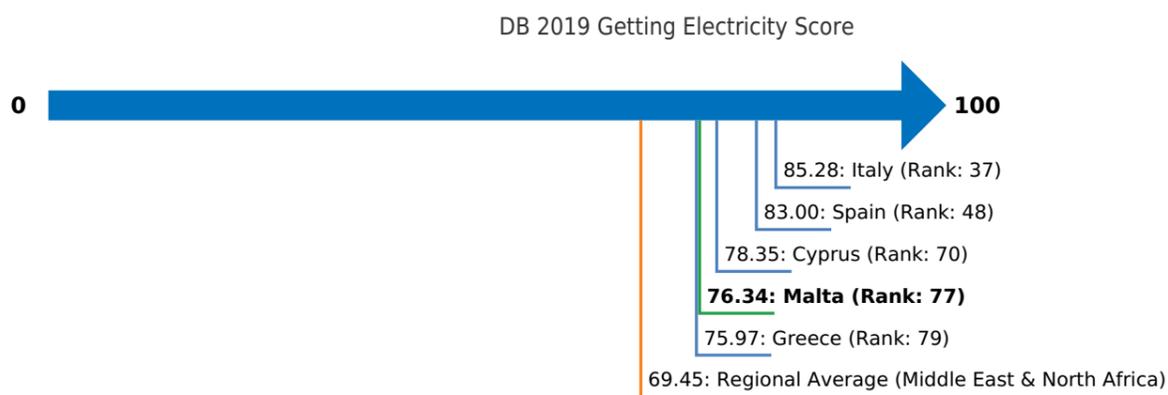
Getting Electricity - Malta

Standardized Connection

Price of electricity (US cents per kWh)	17.0
Name of utility	Enemalta PLC
City Covered	Valletta

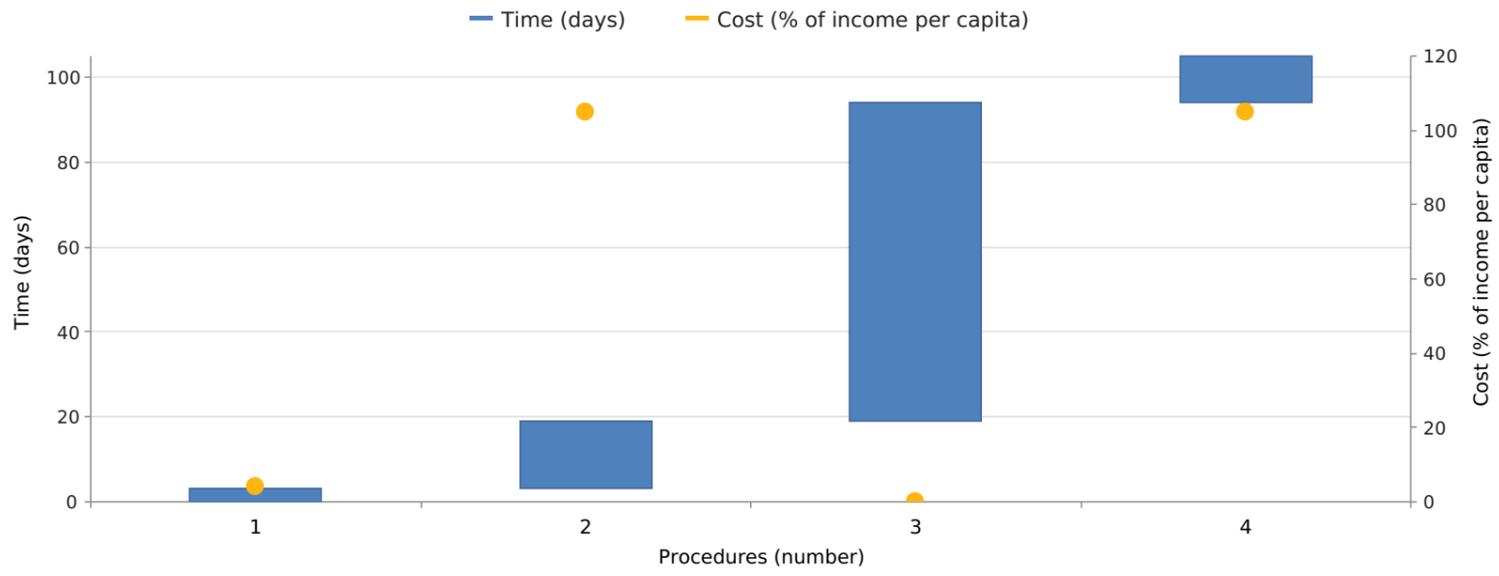
Indicator	Malta	Middle East & North Africa	OECD high income	Best Regulatory Performance
Procedures (number)	4	4.7	4.5	3 (25 Economies)
Time (days)	105	72.4	77.2	18 (3 Economies)
Cost (% of income per capita)	213.8	479.9	64.2	0.0 (3 Economies)
Reliability of supply and transparency of tariff index (0-8)	5	4.2	7.5	8.0 (27 Economies)

Figure - Getting Electricity in Malta and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of getting electricity is determined by sorting their scores for getting electricity. These scores are the simple average of the scores for all the component indicators except the price of electricity.

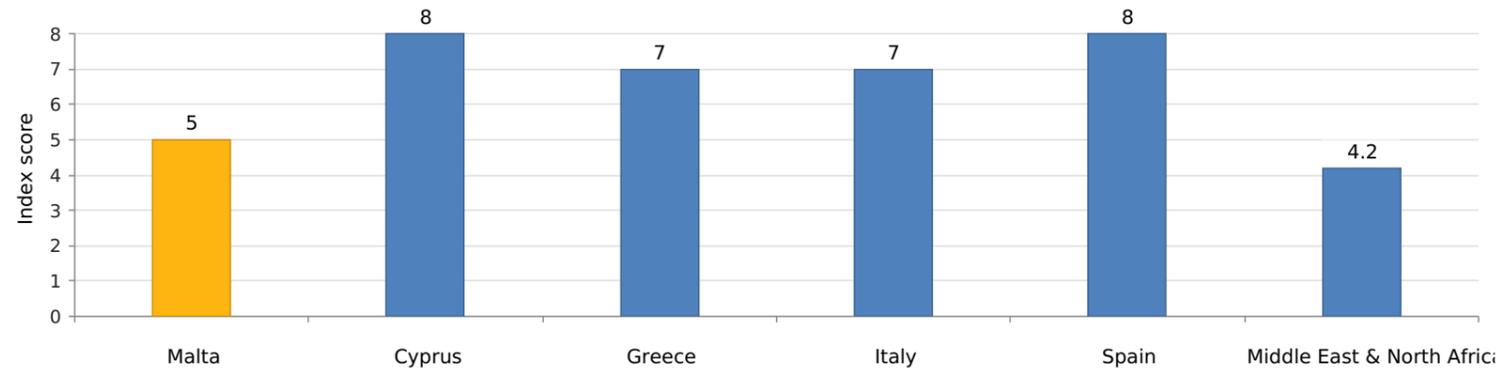
Figure - Getting Electricity in Malta - Procedure, Time and Cost



*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures reflected here, see the summary below.

Figure - Getting Electricity in Malta and comparator economies - Measure of Quality



Details - Getting Electricity in Malta - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p>Client submits completed application for a new connection to the Automated Revenue Management Services</p> <p><i>Agency</i> : Automated Revenue Management Services Client submits completed to the Automated Revenue Management Services Portal (ARMS) online: https://www.smartutilities.com.mt</p> <p>ARMS processes the application and forwards it to the utility - Enemalta PLC through a computerized system to notify the utility of a new connection request.</p> <p>The application needs to be accompanied by the following documentation:</p> <ul style="list-style-type: none"> 1- Valid electrician's License 2- Compliance certificate 3- Recent original Site Plan signed by architect 4- Photo of Facade: colored photo, showing premises facade and adjacent premises (from both sides) 5- Photo copy of Identity Card or Passport. 6- Company resolution: Authorizing the applicant to apply on behalf of the company 7- Notary declaration or contract of sale 	3 calendar days	EUR 900
2	<p>Enemalta meets client to discuss requirements and issue quote for external works</p> <p><i>Agency</i> : Enemalta PLC The utility's engineer will meet with the client requesting a new connection. The engineer discusses in detail the requirements for the connection and the how it can best be completed. Once the client and the utility agrees, Enemalta PLC will forward the quote for works to the client.</p>	16 calendar days	EUR 23,300
3	<p>Enemalta applies for excavation permit and completes external works</p> <p><i>Agency</i> : Enemalta PLC The utility is responsible for obtaining the excavation permit, required for crossing a road on public domain. The external works are completed by the utility connecting the new premises to the electric grid.</p> <p>The client also has the option to complete the external works through a private contractor following public procurement regulations.</p>	75 calendar days	EUR 0
4	<p>Enemalta installs meter and finalizes installation</p> <p><i>Agency</i> : Enemalta PLC Enemalta PLC's personnel installs the connection's meter, finalizes the connection and energizes the warehouse.</p>	11 calendar days	EUR 23,300

→ Takes place simultaneously with previous procedure.

Details - Getting Electricity in Malta - Measure of Quality

	Answer
Reliability of supply and transparency of tariff index (0-8)	5
Total duration and frequency of outages per customer a year (0-3)	1
System average interruption duration index (SAIDI)	7.4
System average interruption frequency index (SAIFI)	3.4
What is the minimum outage time (in minutes) that the utility considers for the calculation of SAIDI/SAIFI	0.0
Mechanisms for monitoring outages (0-1)	1
Does the distribution utility use automated tools to monitor outages?	Yes
Mechanisms for restoring service (0-1)	1
Does the distribution utility use automated tools to restore service?	Yes
Regulatory monitoring (0-1)	1
Does a regulator—that is, an entity separate from the utility—monitor the utility's performance on reliability of supply?	Yes
Financial deterrents aimed at limiting outages (0-1)	0
Does the utility either pay compensation to customers or face fines by the regulator (or both) if outages exceed a certain cap?	No
Communication of tariffs and tariff changes (0-1)	1
Are effective tariffs available online?	Yes
Link to the website, if available online	https://www.rews.org.mt/#/en/fa/31
Are customers notified of a change in tariff ahead of the billing cycle?	Yes

Note:

If the duration and frequency of outages is 100 or less, the economy is eligible to score on the Reliability of supply and transparency of tariff index.

If the duration and frequency of outages is not available, or is over 100, the economy is not eligible to score on the index.

If the minimum outage time considered for SAIDI/SAIFI is over 5 minutes, the economy is not eligible to score on the index.

Registering Property

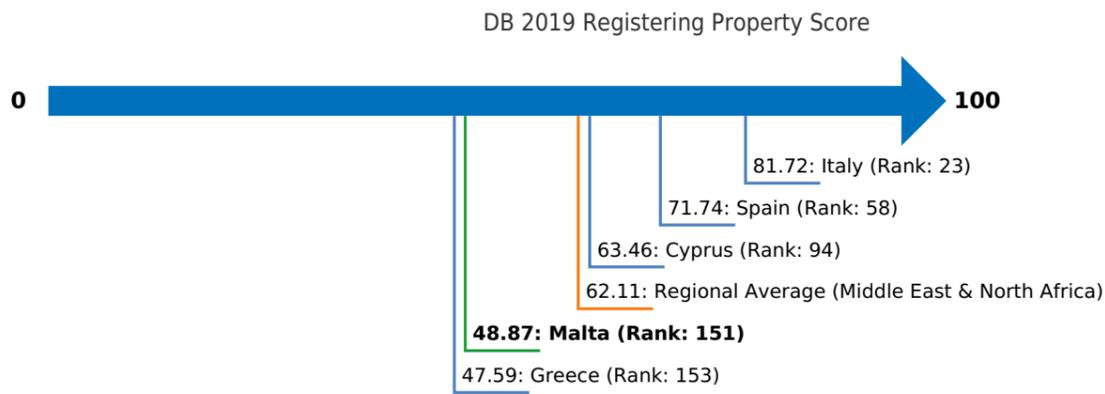
This topic examines the steps, time and cost involved in registering property, assuming a standardized case of an entrepreneur who wants to purchase land and a building that is already registered and free of title dispute. In addition, the topic also measures the quality of the land administration system in each economy. The quality of land administration index has five dimensions: reliability of infrastructure, transparency of information, geographic coverage, land dispute resolution, and equal access to property rights. The most recent round of data collection for the project was completed in May 2018. [See the methodology for more information.](#)

What the indicators measure	Case study assumptions
<p>Procedures to legally transfer title on immovable property (number)</p> <ul style="list-style-type: none"> • Preregistration procedures (for example, checking for liens, notarizing sales agreement, paying property transfer taxes) • Registration procedures in the economy's largest business city. • Postregistration procedures (for example, filling title with municipality) 	<p>To make the data comparable across economies, several assumptions about the parties to the transaction, the property and the procedures are used.</p>
<p>Time required to complete each procedure (calendar days)</p> <ul style="list-style-type: none"> • Does not include time spent gathering information • Each procedure starts on a separate day - though procedures that can be fully completed online are an exception to this rule • Procedure is considered completed once final document is received • No prior contact with officials 	<p>The parties (buyer and seller):</p> <ul style="list-style-type: none"> - Are limited liability companies (or the legal equivalent). - Are located in the periurban area of the economy's largest business city. For 11 economies the data are also collected for the second largest business city. - Are 100% domestically and privately owned. - Have 50 employees each, all of whom are nationals. - Perform general commercial activities.
<p>Cost required to complete each procedure (% of property value)</p> <ul style="list-style-type: none"> • Official costs only (such as administrative fees, duties and taxes). • Value Added Tax, Capital Gains Tax and illicit payments are excluded 	<p>The property (fully owned by the seller):</p> <ul style="list-style-type: none"> - Has a value of 50 times income per capita, which equals the sale price. - Is fully owned by the seller. - Has no mortgages attached and has been under the same ownership for the past 10 years. - Is registered in the land registry or cadastre, or both, and is free of title disputes. - Is located in a periurban commercial zone, and no rezoning is required. - Consists of land and a building. The land area is 557.4 square meters (6,000 square feet). A two-story warehouse of 929 square meters (10,000 square feet) is located on the land. The warehouse is 10 years old, is in good condition, has no heating system and complies with all safety standards, building codes and legal requirements. The property, consisting of land and building, will be transferred in its entirety. - Will not be subject to renovations or additional construction following the purchase. - Has no trees, natural water sources, natural reserves or historical monuments of any kind. - Will not be used for special purposes, and no special permits, such as for residential use, industrial plants, waste storage or certain types of agricultural activities, are required. - Has no occupants, and no other party holds a legal interest in it.
<p>Quality of land administration index (0-30)</p> <ul style="list-style-type: none"> • Reliability of infrastructure index (0-8) • Transparency of information index (0-6) • Geographic coverage index (0-8) • Land dispute resolution index (0-8) • Equal access to property rights index (-2-0) 	

Registering Property - Malta

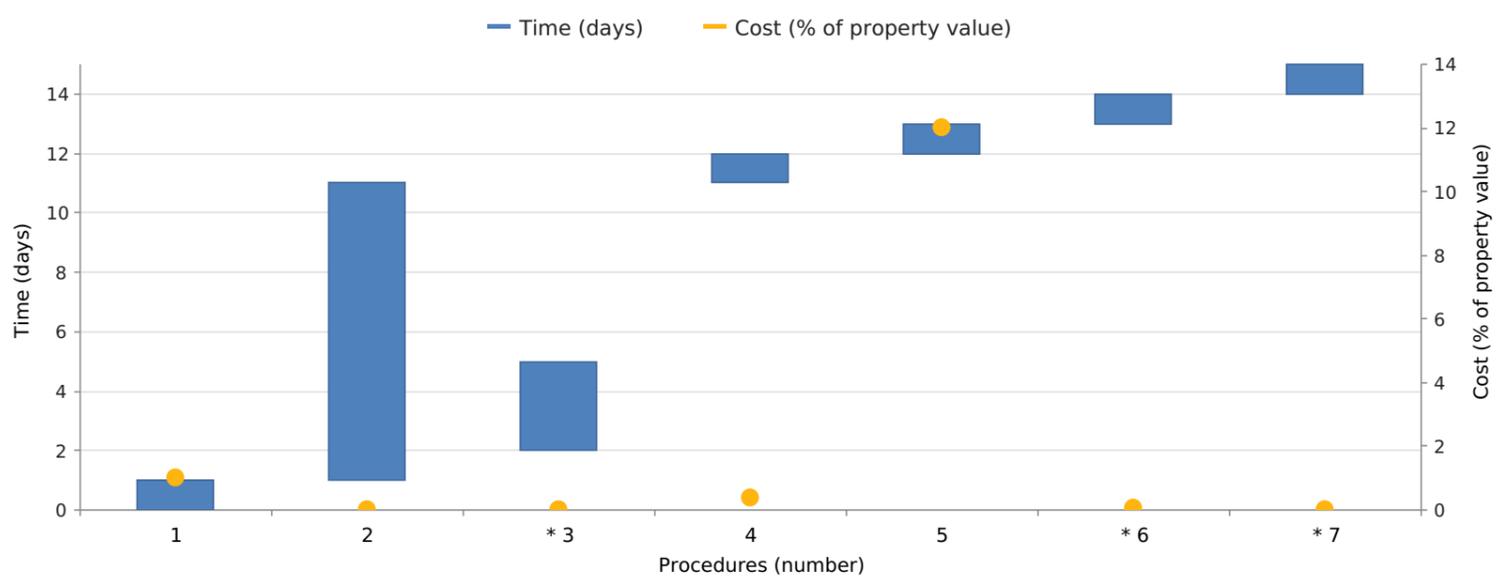
Indicator	Malta	Middle East & North Africa	OECD high income	Best Regulatory Performance
Procedures (number)	7	5.6	4.7	1 (4 Economies)
Time (days)	15	29.7	20.1	1 (New Zealand)
Cost (% of property value)	13.4	5.7	4.2	0.0 (Saudi Arabia)
Quality of the land administration index (0-30)	12.5	14.2	23.0	None in 2017/18

Figure - Registering Property in Malta and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of registering property is determined by sorting their scores for registering property. These scores are the simple average of the scores for each of the component indicators.

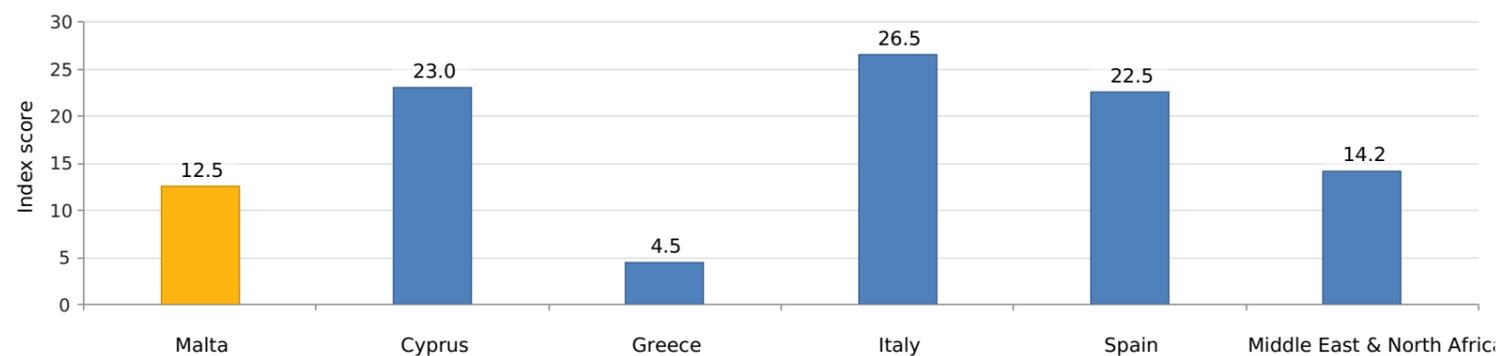
Figure - Registering Property in Malta - Procedure, Time and Cost



*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures reflected here, see the summary below.

Figure - Registering Property in Malta and comparator economies - Measure of Quality



Details - Registering Property in Malta - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p>Notary registers the promise of sales with Inland Revenue Department <i>Agency : Notary</i> The promise of sale has to be registered in the Inland Revenue Department by a notary</p>	1 day	EUR 11,109.5; (Pre-paid stamp duty paid by the buyer: 1% of property value (20% from the total amount of the Stamp duty (5%)))
2	<p>Notary orders a search of title at Land Registry <i>Agency : Land Registry</i> It is in this transitory time between signing of promise of sale and the final contract that the Notary is engaged with all necessary verifications and preparations that will in turn enable the final contract to be made. The Notary orders searches to ascertain that the Seller has good title and can proceed with the sale without being impeded by legal niceties. The Notary conducts a search at Land Registry by submitting an application (Form E) with a Land Registry plan of the property being transferred to verify if the property is in a registration area or not (since not all properties are in a registration area). If the property is in a registration area, the land registry informs the Notary whether the property is registered or not. If registered, the Land Registry notifies the Notary and issues a Certificate of Title with details on whom the property is registered and other details ancillary thereto (such as for e.g. contract details, if property is freehold or not etc..) The Land Registry will give an official search result within 8 working days from the date the request was submitted.</p>	10 days	EUR 5.15; ()
3	<p>Notary orders a search on people and companies from Public Registry <i>Agency : Identity Malta - this Government Agency incorporates the Land and Public Registries</i> The Notary orders searches of transfers and liabilities on persons and companies and public wills from Public Registry to acquire information as to how the seller acquired the property and to see if the seller has any liabilities that can affect the property being sold.</p>	3 days	EUR 31.7; (EUR 15.85 (regular) or EUR 31.7 (fast track))
4	<p>Parties sign a final deed of sale at Notary <i>Agency : Notary</i> To sign the final deed of sale the parties must provide the following: • Identity card, passport, or any other official document for personal identification for both parties • In the case of a company, a copy of the Memorandum and Articles of association or resolution of the board of directors authorising such person to represent the company • Copy of last receipts of payment due in view of ground rent, electricity/water bills etc. • Any other document (such as plans, permits, cancellation of hypothecs, etc.) asked for by the Notary • If for some reason the parties appearing on the promise of sale cannot all be present for the final contract, a power of attorney is required • All keys of the property being sold • Buyer brings cheque book in order to pay the balance on the final consideration, the duty on documents, as well as the dues for the act and notarial fees</p>	1 day	EUR 4,077.37; (Notary fee is regulated by 356 of 2012 - Notarial Profession and Notarial Archives Act (Schedule) (Substitution) Regulations, 2012 Government Gazette of Malta No. 18,979 - 19.10.2012 Notary fee for transfer of property: 1% of property value up to EUR10,000; 0.5% from EUR10,001 to EUR500,000; 0.25% from EUR500,001 onwards)

5	<p>Notary pays the taxes collected on the transaction <i>Agency</i> : Inland Revenue Department After the final contract has been duly signed, the Notary has 15 days within which to pay the tax collected on such contract.</p> <p>With effect from 1st January 2015, a taxpayer may no longer opt to be taxed at 35% on the capital gain. A final withholding tax of 8% (previously 12%) of the property's value will apply on all transfers of immovable property subject to two exceptions and a transitional measure as follows:</p> <p>1) A final withholding tax of 10% of the property's value will be applicable on transfers of property which was acquired prior to 1st January 2004;</p> <p>2) A final withholding tax of 4% of the property's value will be applicable on transfers of property which is transferred not later than five years from the date of acquisition where the transferor is an individual who does not habitually trade in property;</p> <ul style="list-style-type: none"> • As a transition measure, the current system will continue to apply to any transfers of property which occur following the entry into force of this new system where the Commissioner for Revenue was notified of the prospective transfer by 17th November 2014 by way of registration of the promise of sale or notification of the transfer. 	1 day	EUR 133,314; (Balance of stamp duty of 4% of purchase price and the final withholding tax of 8%.)
⇒ 6	<p>Notary registers the final deed of sale with Land Registry <i>Agency</i> : Land Registry After the final contract has been duly signed, the Notary has 15 days within which to enroll the deed in the Malta Public Registry or the Gozo Public Registry, or in the Land Registry, where applicable.</p>	1 day	EUR 606.75; (Fee schedule according to Subsidiary Legislation 296.01, specifically under the Second Schedule: up to EUR 11,646.87 EUR 15.4 over EUR 11,646.87 to EUR 23,293.73 EUR 20.50 over EUR 23,293.73 to EUR 46,587.47 EUR 30.75 over EUR 46,587.47 to EUR 69,881.20 EUR 41.00 over EUR 69,881.20 to EUR 93,174.94 EUR 51.25 for every additional EUR 23,293.73 or part thereof EUR 10.25.)
⇒ 7	<p>Notary registers the final deed of sale with Public Registry <i>Agency</i> : Public Registry After the final contract has been duly signed, the Notary has 15 days within which to enroll the deed in the Malta Public Registry or the Gozo Public Registry, where applicable.</p>	1 day	EUR 3.85

⇒ Takes place simultaneously with previous procedure.

Details - Registering Property in Malta - Measure of Quality

	Answer	Score
Reliability of infrastructure index (0-8)		6.0
What is the institution in charge of immovable property registration?	The Land Registry	
In what format are the majority of title or deed records kept in the largest business city—in a paper format or in a computerized format (scanned or fully digital)?	Computer/Scanned	1.0
Is there an electronic database for checking for encumbrances (liens, mortgages, restrictions and the like)?	Yes	1.0
Institution in charge of the plans showing legal boundaries in the largest business city:	The Land Registry	
In what format are the majority of maps of land plots kept in the largest business city—in a paper format or in a computerized format (scanned or fully digital)?	Computer/Scanned	1.0
Is there an electronic database for recording boundaries, checking plans and providing cadastral information (geographic information system)?	Yes	1.0
Is the information recorded by the immovable property registration agency and the cadastral or mapping agency kept in a single database, in different but linked databases or in separate databases?	Single database	1.0
Do the immovable property registration agency and cadastral or mapping agency use the same identification number for properties?	Yes	1.0
Transparency of information index (0-6)		3.5
Who is able to obtain information on land ownership at the agency in charge of immovable property registration in the largest business city?	Anyone who pays the official fee	1.0
Is the list of documents that are required to complete any type of property transaction made publicly available—and if so, how?	Yes, online	0.5
Link for online access:	https://mtip.gov.mt/en/landregistry/Pages/default.aspx	
Is the applicable fee schedule for any property transaction at the agency in charge of immovable property registration in the largest business city made publicly available—and if so, how?	Yes, online	0.5
Link for online access:	http://mgoz.gov.mt/en/Pages/Departments/DG%20perations/Land%20Registry/Registration-of-Property.aspx	
Does the agency in charge of immovable property registration commit to delivering a legally binding document that proves property ownership within a specific time frame—and if so, how does it communicate the service standard?	No	0.0
Link for online access:		
Is there a specific and separate mechanism for filing complaints about a problem that occurred at the agency in charge of immovable property registration?	No	0.0
Contact information:		
Are there publicly available official statistics tracking the number of transactions at the immovable property registration agency?	No	0.0
Number of property transfers in the largest business city in 2017:		
Who is able to consult maps of land plots in the largest business city?	Anyone who pays the official fee	0.5

Is the applicable fee schedule for accessing maps of land plots made publicly available—and if so, how?	Yes, on public boards	0.5
Link for online access:		
Does the cadastral or mapping agency commit to delivering an updated map within a specific time frame—and if so, how does it communicate the service standard?	Yes, on public boards	0.5
Link for online access:		
Is there a specific and separate mechanism for filing complaints about a problem that occurred at the cadastral or mapping agency?	No	0.0
Contact information:		
Geographic coverage index (0-8)		0.0
Are all privately held land plots in the economy formally registered at the immovable property registry?	No	0.0
Are all privately held land plots in the largest business city formally registered at the immovable property registry?	No	0.0
Are all privately held land plots in the economy mapped?	No	0.0
Are all privately held land plots in the largest business city mapped?	No	0.0
Land dispute resolution index (0-8)		3.0
Does the law require that all property sale transactions be registered at the immovable property registry to make them opposable to third parties?	No	0.0
Is the system of immovable property registration subject to a state or private guarantee?	Yes	0.5
Is there a specific compensation mechanism to cover for losses incurred by parties who engaged in good faith in a property transaction based on erroneous information certified by the immovable property registry?	Yes	0.5
Does the legal system require a control of legality of the documents necessary for a property transaction (e.g., checking the compliance of contracts with requirements of the law)?	Yes	0.5
If yes, who is responsible for checking the legality of the documents?	Registrar; Notary;	
Does the legal system require verification of the identity of the parties to a property transaction?	Yes	0.5
If yes, who is responsible for verifying the identity of the parties?	Registrar; Notary;	
Is there a national database to verify the accuracy of identity documents?	Yes	1.0
For a standard land dispute between two local businesses over tenure rights of a property worth 50 times gross national income (GNI) per capita and located in the largest business city, what court would be in charge of the case in the first instance?	First Hall Civil Court	
How long does it take on average to obtain a decision from the first-instance court for such a case (without appeal)?	More than 3 years	0.0
Are there any statistics on the number of land disputes in the first instance?	No	0.0
Number of land disputes in the largest business city in 2017:		
Equal access to property rights index (-2-0)		0.0
Do unmarried men and unmarried women have equal ownership rights to property?	Yes	
Do married men and married women have equal ownership rights to property?	Yes	0.0

Getting Credit

This topic explores two sets of issues—the strength of credit reporting systems and the effectiveness of collateral and bankruptcy laws in facilitating lending. The most recent round of data collection for the project was completed in May 2018. [See the methodology for more information.](#)

What the indicators measure

Strength of legal rights index (0-12)

- Rights of borrowers and lenders through collateral laws (0-10)
- Protection of secured creditors' rights through bankruptcy laws (0-2)

Depth of credit information index (0-8)

- Scope and accessibility of credit information distributed by credit bureaus and credit registries (0-8)

Credit bureau coverage (% of adults)

- Number of individuals and firms listed in largest credit bureau as a percentage of adult population

Credit registry coverage (% of adults)

- Number of individuals and firms listed in credit registry as a percentage of adult population

Case study assumptions

Doing Business assesses the sharing of credit information and the legal rights of borrowers and lenders with respect to secured transactions through 2 sets of indicators. The depth of credit information index measures rules and practices affecting the coverage, scope and accessibility of credit information available through a credit registry or a credit bureau. The strength of legal rights index measures the degree to which collateral and bankruptcy laws protect the rights of borrowers and lenders and thus facilitate lending. For each economy it is first determined whether a unitary secured transactions system exists. Then two case scenarios, case A and case B, are used to determine how a nonpossessory security interest is created, publicized and enforced according to the law. Special emphasis is given to how the collateral registry operates (if registration of security interests is possible). The case scenarios involve a secured borrower, company ABC, and a secured lender, BizBank.

In some economies the legal framework for secured transactions will allow only case A or case B (not both) to apply. Both cases examine the same set of legal provisions relating to the use of movable collateral.

Several assumptions about the secured borrower (ABC) and lender (BizBank) are used:

- ABC is a domestic limited liability company (or its legal equivalent).
- ABC has up to 50 employees.
- ABC has its headquarters and only base of operations in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Both ABC and BizBank are 100% domestically owned.

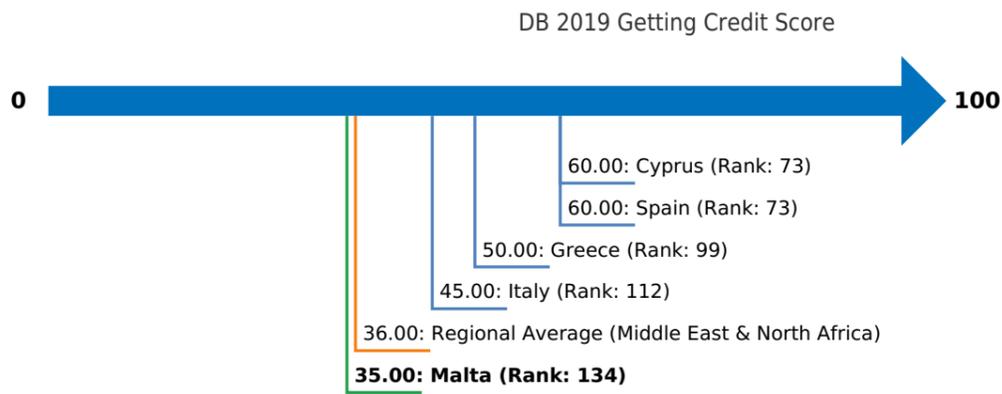
The case scenarios also involve assumptions. In case A, as collateral for the loan, ABC grants BizBank a nonpossessory security interest in one category of movable assets, for example, its machinery or its inventory. ABC wants to keep both possession and ownership of the collateral. In economies where the law does not allow nonpossessory security interests in movable property, ABC and BizBank use a fiduciary transfer-of-title arrangement (or a similar substitute for nonpossessory security interests).

In case B, ABC grants BizBank a business charge, enterprise charge, floating charge or any charge that gives BizBank a security interest over ABC's combined movable assets (or as much of ABC's movable assets as possible). ABC keeps ownership and possession of the assets.

Getting Credit - Malta

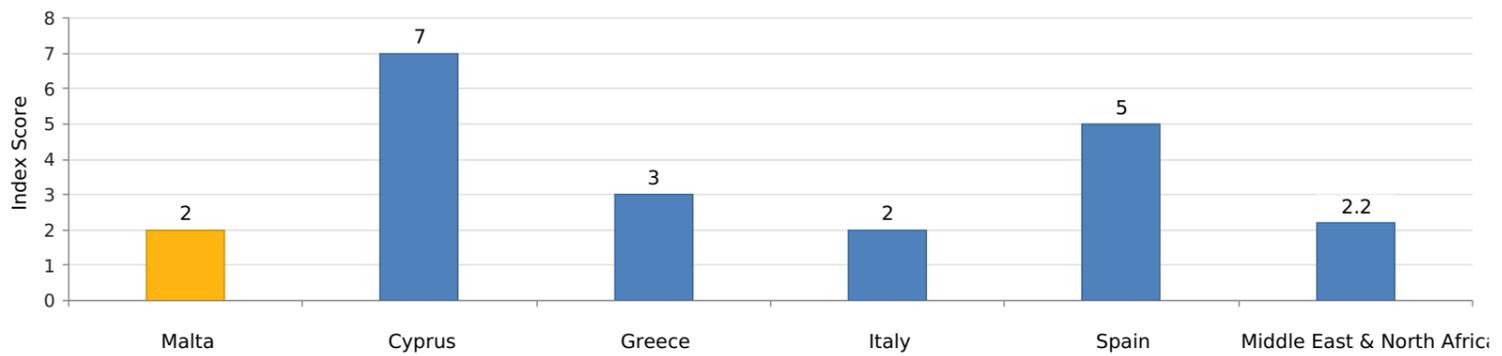
Indicator	Malta	Middle East & North Africa	OECD high income	Best Regulatory Performance
Strength of legal rights index (0-12)	2	2.2	6.1	12 (5 Economies)
Depth of credit information index (0-8)	5	5.1	6.7	8 (42 Economies)
Credit registry coverage (% of adults)	54.7	14.7	21.8	100.0 (4 Economies)
Credit bureau coverage (% of adults)	0	15.5	65.3	100.0 (25 Economies)

Figure - Getting Credit in Malta and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of getting credit is determined by sorting their scores for getting credit. These scores are the sum of the scores for the strength of legal rights index and the depth of credit information index.

Figure - Legal Rights in Malta and comparator economies

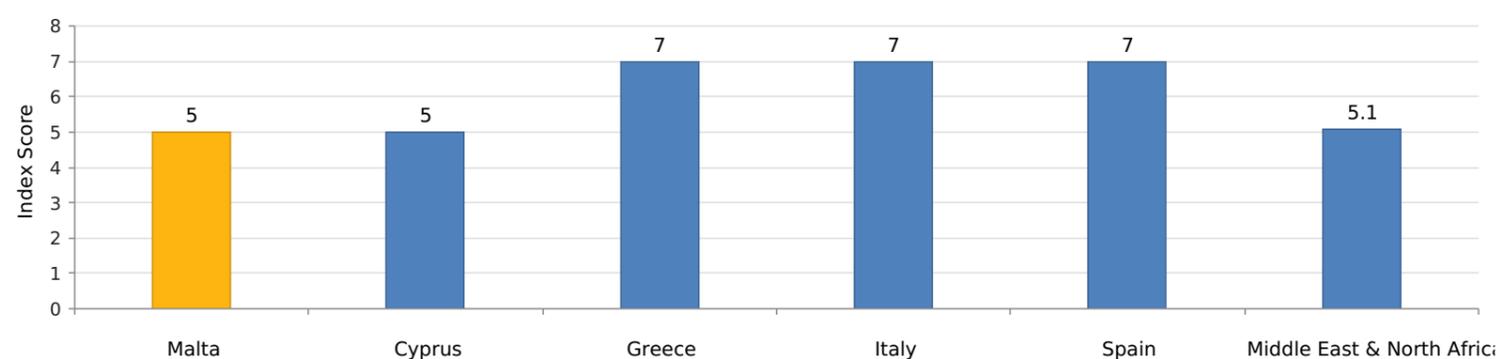


Details - Legal Rights in Malta

Strength of legal rights index (0-12) **2**

Does an integrated or unified legal framework for secured transactions that extends to the creation, publicity and enforcement of functional equivalents to security interests in movable assets exist in the economy?	No
Does the law allow businesses to grant a non possessory security right in a single category of movable assets, without requiring a specific description of collateral?	No
Does the law allow businesses to grant a non possessory security right in substantially all of its assets, without requiring a specific description of collateral?	Yes
May a security right extend to future or after-acquired assets, and does it extend automatically to the products, proceeds and replacements of the original assets?	No
Is a general description of debts and obligations permitted in collateral agreements; can all types of debts and obligations be secured between parties; and can the collateral agreement include a maximum amount for which the assets are encumbered?	Yes
Is a collateral registry in operation for both incorporated and non-incorporated entities, that is unified geographically and by asset type, with an electronic database indexed by debtor's name?	No
Does a notice-based collateral registry exist in which all functional equivalents can be registered?	No
Does a modern collateral registry exist in which registrations, amendments, cancellations and searches can be performed online by any interested third party?	No
Are secured creditors paid first (i.e. before tax claims and employee claims) when a debtor defaults outside an insolvency procedure?	No
Are secured creditors paid first (i.e. before tax claims and employee claims) when a business is liquidated?	No
Are secured creditors subject to an automatic stay on enforcement when a debtor enters a court-supervised reorganization procedure? Does the law protect secured creditors' rights by providing clear grounds for relief from the stay and sets a time limit for it?	No
Does the law allow parties to agree on out of court enforcement at the time a security interest is created? Does the law allow the secured creditor to sell the collateral through public auction or private tender, as well as, for the secured creditor to keep the asset in satisfaction of the debt?	No

Figure - Credit Information in Malta and comparator economies



Details - Credit Information in Malta

Depth of credit information index (0-8)	Credit bureau	Credit registry	Score
Are data on both firms and individuals distributed?	No	Yes	1
Are both positive and negative credit data distributed?	No	Yes	1
Are data from retailers or utility companies - in addition to data from banks and financial institutions - distributed?	No	No	0
Are at least 2 years of historical data distributed? (Credit bureaus and registries that distribute more than 10 years of negative data or erase data on defaults as soon as they are repaid obtain a score of 0 for this component.)	No	Yes	1
Are data on loan amounts below 1% of income per capita distributed?	No	No	0
By law, do borrowers have the right to access their data in the credit bureau or credit registry?	No	Yes	1
Can banks and financial institutions access borrowers' credit information online (for example, through an online platform, a system-to-system connection or both)?	No	Yes	1
Are bureau or registry credit scores offered as a value-added service to help banks and financial institutions assess the creditworthiness of borrowers?	No	No	0
Total Score ("yes" to either public bureau or private registry)			5

Note: An economy receives a score of 1 if there is a "yes" to either bureau or registry. If the credit bureau or registry is not operational or covers less than 5% of the adult population, the total score on the depth of credit information index is 0.

Coverage	Credit bureau	Credit registry
Number of individuals	0	152,245
Number of firms	0	16,045
Total	0	168,290
Percentage of adult population	0	54.7

Protecting Minority Investors

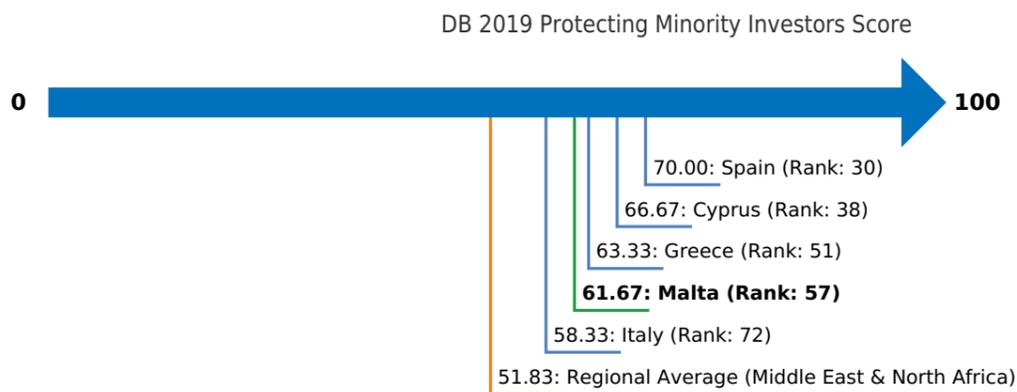
This topic measures the strength of minority shareholder protections against misuse of corporate assets by directors for their personal gain as well as shareholder rights, governance safeguards and corporate transparency requirements that reduce the risk of abuse. The most recent round of data collection for the project was completed in May 2018. [See the methodology for more information.](#)

What the indicators measure	Case study assumptions
<ul style="list-style-type: none"> • Extent of disclosure index (0-10): Review and approval requirements for related-party transactions; Disclosure requirements for related-party transactions • Extent of director liability index (0-10): Ability of minority shareholders to sue and hold interested directors liable for prejudicial related-party transactions; Available legal remedies (damages, disgorgement of profits, fines, imprisonment, rescission of the transaction) • Ease of shareholder suits index (0-10): Access to internal corporate documents; Evidence obtainable during trial and allocation of legal expenses • Extent of conflict of interest regulation index (0-10): Simple average of the extent of disclosure, extent of director liability and ease of shareholder indices • Extent of shareholder rights index (0-10): Shareholders' rights and role in major corporate decisions • Extent of ownership and control index (0-10): Governance safeguards protecting shareholders from undue board control and entrenchment • Extent of corporate transparency index (0-10): Corporate transparency on ownership stakes, compensation, audits and financial prospects • Extent of shareholder governance index (0-10): Simple average of the extent of shareholders rights, extent of ownership and control and extent of corporate transparency indices • Strength of minority investor protection index (0-10): Simple average of the extent of conflict of interest regulation and extent of shareholder governance indices 	<p>To make the data comparable across economies, a case study uses several assumptions about the business and the transaction.</p> <p>The business (Buyer):</p> <ul style="list-style-type: none"> - Is a publicly traded corporation listed on the economy's most important stock exchange. If there are fewer than ten listed companies or if there is no stock exchange in the economy, it is assumed that Buyer is a large private company with multiple shareholders. - Has a board of directors and a chief executive officer (CEO) who may legally act on behalf of Buyer where permitted, even if this is not specifically required by law. - Has a supervisory board in economies with a two-tier board system on which Mr. James appointed 60% of the shareholder-elected members. - Has not adopted bylaws or articles of association that go beyond the minimum requirements. Does not follow codes, principles, recommendations or guidelines that are not mandatory. - Is a manufacturing company with its own distribution network. <p>The transaction involves the following details:</p> <ul style="list-style-type: none"> - Mr. James owns 60% of Buyer, sits on Buyer's board of directors and elected two directors to Buyer's five-member board. - Mr. James also owns 90% of Seller, a company that operates a chain of retail hardware stores. Seller recently closed a large number of its stores. - Mr. James proposes that Buyer purchase Seller's unused fleet of trucks to expand Buyer's distribution of its food products, a proposal to which Buyer agrees. The price is equal to 10% of Buyer's assets and is higher than the market value. - The proposed transaction is part of the company's principal activity and is not outside the authority of the company. - Buyer enters into the transaction. All required approvals are obtained, and all required disclosures made—that is, the transaction was not entered into fraudulently. - The transaction causes damages to Buyer. Shareholders sue Mr. James and the executives and directors that approved the transaction.

Protecting Minority Investors - Malta

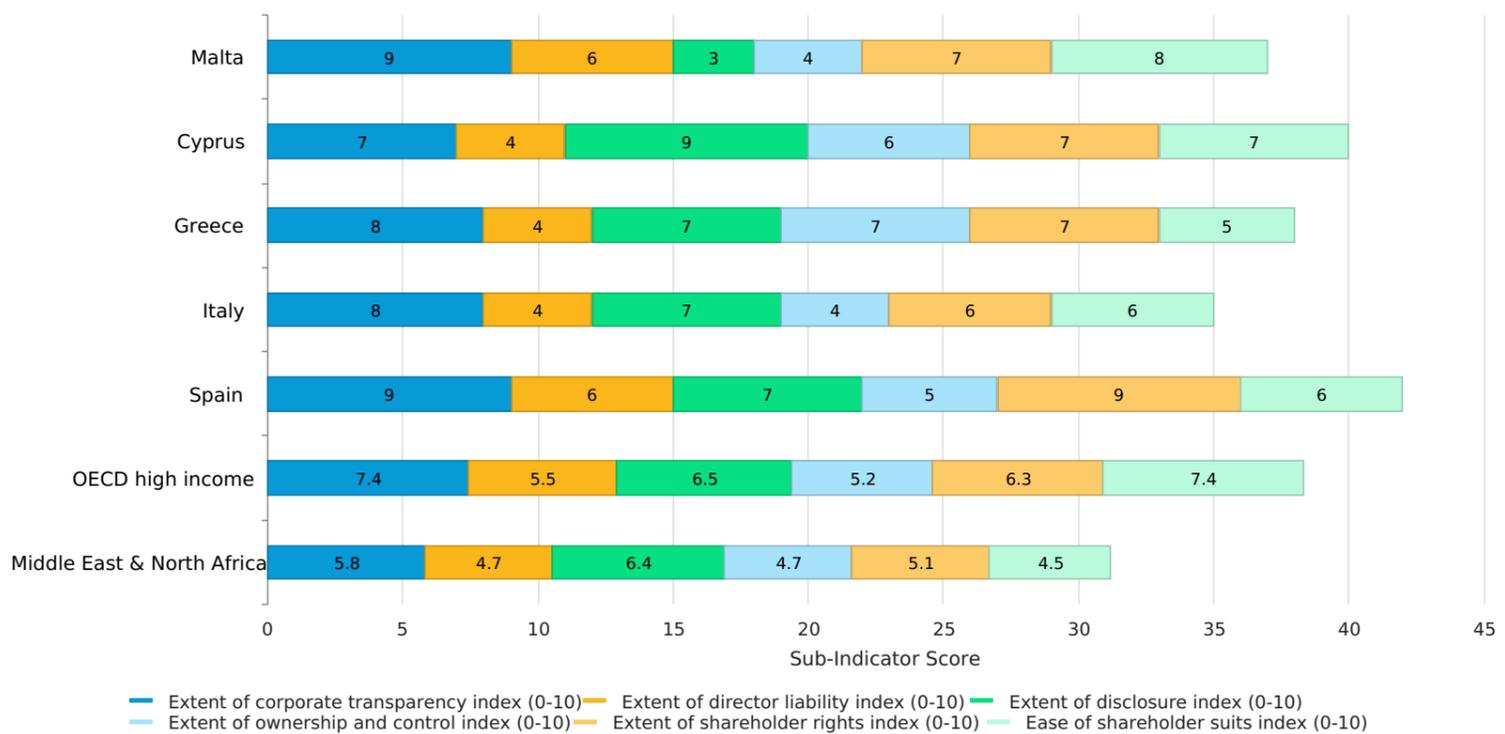
Indicator	Malta	Middle East & North Africa	OECD high income	Best Regulatory Performance
Extent of disclosure index (0-10)	3.0	6.4	6.5	10 (13 Economies)
Extent of director liability index (0-10)	6.0	4.7	5.3	10 (Cambodia)
Ease of shareholder suits index (0-10)	8.0	4.5	7.3	10 (Djibouti)
Extent of shareholder rights index (0-10)	7.0	5.1	6.4	10 (Kazakhstan)
Extent of ownership and control index (0-10)	4.0	4.7	5.4	None in 2017/18
Extent of corporate transparency index (0-10)	9.0	5.8	7.6	10 (6 Economies)

Figure - Protecting Minority Investors in Malta and comparator economies - Ranking and Score



Note: The ranking of economies on the strength of minority investor protections is determined by sorting their scores for protecting minority investors. These scores are the simple average of the scores for the extent of conflict of interest regulation index and the extent of shareholder governance index.

Figure - Protecting Minority Investors in Malta and comparator economies - Measure of Quality



Details - Protecting Minority Investors in Malta - Measure of Quality

	Answer	Score
Extent of conflict of interest regulation index (0-10)		5.7
Extent of disclosure index (0-10)		3.0
Whose decision is sufficient to approve the Buyer-Seller transaction? (0-3)	Board of directors excluding interested members	2.0
Must an external body review the terms of the transaction before it takes place? (0-1)	No	0.0
Must Mr. James disclose his conflict of interest to the board of directors? (0-2)	Existence of a conflict without any specifics	1.0
Must Buyer disclose the transaction in periodic filings (e.g. annual reports)? (0-2)	No disclosure obligation	0.0
Must Buyer immediately disclose the transaction to the public? (0-2)	No disclosure obligation	0.0
Extent of director liability index (0-10)		6.0
Can shareholders representing 10% of Buyer's share capital sue for the damage the transaction caused to Buyer? (0-1)	Yes	1.0
Can shareholders hold Mr. James liable for the damage the transaction caused to Buyer? (0-2)	Liable if unfair or prejudicial	2.0
Can shareholders hold the other directors liable for the damage the transaction caused to Buyer (0-2)	Liable if unfair or prejudicial	2.0
Must Mr. James pay damages for the harm caused to Buyer upon a successful claim by shareholders? (0-1)	Yes	1.0
Must Mr. James repay profits made from the transaction upon a successful claim by shareholders? (0-1)	No	0.0
Is Mr. James disqualified upon a successful claim by shareholders? (0-1)	No	0.0
Can a court void the transaction upon a successful claim by shareholders? (0-2)	Only in case of fraud or bad faith	0.0
Ease of shareholder suits index (0-10)		8.0
Before suing, can shareholders representing 10% of Buyer's share capital inspect the transaction documents? (0-1)	Yes	1.0
Can the plaintiff obtain any documents from the defendant and witnesses at trial? (0-3)	Any relevant document	3.0
Can the plaintiff request categories of documents from the defendant without identifying specific ones? (0-1)	Yes	1.0
Can the plaintiff directly question the defendant and witnesses at trial? (0-2)	Yes	2.0
Is the level of proof required for civil suits lower than that of criminal cases? (0-1)	Yes	1.0
Can shareholder plaintiffs recover their legal expenses from the company? (0-2)	At the discretion of the court	0.0
Extent of shareholder governance index (0-10)		6.7
Extent of shareholder rights index (0-10)		7.0
Does the sale of 51% of Buyer's assets require shareholder approval?	Yes	1.0
Can shareholders representing 10% of Buyer's share capital call for a meeting of shareholders?	Yes	1.0
Must Buyer obtain its shareholders' approval every time it issues new shares?	Yes	1.0

Do shareholders automatically receive preemption rights every time Buyer issues new shares?	Yes	1.0
Must shareholders approve the election and dismissal of the external auditor?	Yes	1.0
Are changes to the rights of a class of shares only possible if the holders of the affected shares approve?	Yes	1.0
Assuming that Buyer is a limited company, does the sale of 51% of its assets require member approval?	No	0.0
Assuming that Buyer is a limited company, can members representing 10% call for a meeting of members?	Yes	1.0
Assuming that Buyer is a limited company, must all or almost all members consent to add a new member?	No	0.0
Assuming that Buyer is a limited company, must a member first offer to sell their interest to the existing members before they can sell to non-members?	No	0.0
Extent of ownership and control index (0-10)		4.0
Is it forbidden to appoint the same individual as CEO and chairperson of the board of directors?	No	0.0
Must the board of directors include independent and nonexecutive board members?	No	0.0
Can shareholders remove members of the board of directors without cause before the end of their term?	Yes	1.0
Must the board of directors include a separate audit committee exclusively comprising board members?	Yes	1.0
Must a potential acquirer make a tender offer to all shareholders upon acquiring 50% of Buyer?	Yes	1.0
Must Buyer pay declared dividends within a maximum period set by law?	No	0.0
Is a subsidiary prohibited from acquiring shares issued by its parent company?	Yes	1.0
Assuming that Buyer is a limited company, must Buyer have a mechanism to resolve disagreements among members?	No	0.0
Assuming that Buyer is a limited company, must a potential acquirer make a tender offer to all shareholders upon acquiring 50% of Buyer?	No	0.0
Assuming that Buyer is a limited company, must Buyer distribute profits within a maximum period set by law?	No	0.0
Extent of corporate transparency index (0-10)		9.0
Must Buyer disclose direct and indirect beneficial ownership stakes representing 5%?	Yes	1.0
Must Buyer disclose information about board members' primary employment and directorships in other companies?	Yes	1.0
Must Buyer disclose the compensation of individual managers?	No	0.0
Must a detailed notice of general meeting be sent 21 days before the meeting?	Yes	1.0
Can shareholders representing 5% of Buyer's share capital put items on the general meeting agenda?	Yes	1.0
Must Buyer's annual financial statements be audited by an external auditor?	Yes	1.0
Must Buyer disclose its audit reports to the public?	Yes	1.0
Assuming that Buyer is a limited company, must members meet at least once a year?	Yes	1.0
Assuming that Buyer is a limited company, can members representing 5% put items on the meeting agenda?	Yes	1.0
Assuming that Buyer is a limited company, must Buyer's annual financial statements be audited by an external auditor?	Yes	1.0

Paying Taxes

This topic records the taxes and mandatory contributions that a medium-size company must pay or withhold in a given year, as well as the administrative burden of paying taxes and contributions and complying with postfiling procedures (VAT refund and tax audit). The most recent round of data collection for the project was completed in May 2018 covering for the Paying Taxes indicator calendar year 2017 (January 1, 2017 – December 31, 2017). [See the methodology for more information.](#)

What the indicators measure

Tax payments for a manufacturing company in 2017 (number per year adjusted for electronic and joint filing and payment)

- Total number of taxes and contributions paid or withheld, including consumption taxes (value added tax, sales tax or goods and service tax)
- Method and frequency of filing and payment

Time required to comply with 3 major taxes (hours per year)

- Collecting information, computing tax payable
- Preparing separate tax accounting books, if required
- Completing tax return, filing with agencies
- Arranging payment or withholding

Total tax and contribution rate (% of commercial profits)

- Profit or corporate income tax
- Social contributions, labor taxes paid by employer
- Property and property transfer taxes
- Dividend, capital gains, financial transactions taxes
- Waste collection, vehicle, road and other taxes

Postfiling Index

- Time to comply with a VAT refund (hours)
- Time to obtain a VAT refund (weeks)
- Time to comply with a corporate income tax correction (hours)
- Time to complete a corporate income tax correction (weeks)

Case study assumptions

Using a case scenario, *Doing Business* records taxes and mandatory contributions a medium size company must pay in a year, and measures the administrative burden of paying taxes, contributions and dealing with postfiling processes. Information is also compiled on frequency of filing and payments, time taken to comply with tax laws, time taken to comply with the requirements of postfiling processes and time waiting.

To make data comparable across economies, several assumptions are used:

- TaxpayerCo is a medium-size business that started operations on January 1, 2016. It produces ceramic flowerpots and sells them at retail. All taxes and contributions recorded are paid in the second year of operation (calendar year 2017). Taxes and mandatory contributions are measured at all levels of government.

The VAT refund process:

- In June 2017, TaxpayerCo. makes a large capital purchase: the value of the machine is 65 times income per capita of the economy. Sales are equally spread per month (1,050 times income per capita divided by 12) and cost of goods sold are equally expensed per month (875 times income per capita divided by 12). The machinery seller is registered for VAT and excess input VAT incurred in June will be fully recovered after four consecutive months if the VAT rate is the same for inputs, sales and the machine and the tax reporting period is every month. Input VAT will exceed Output VAT in June 2017.

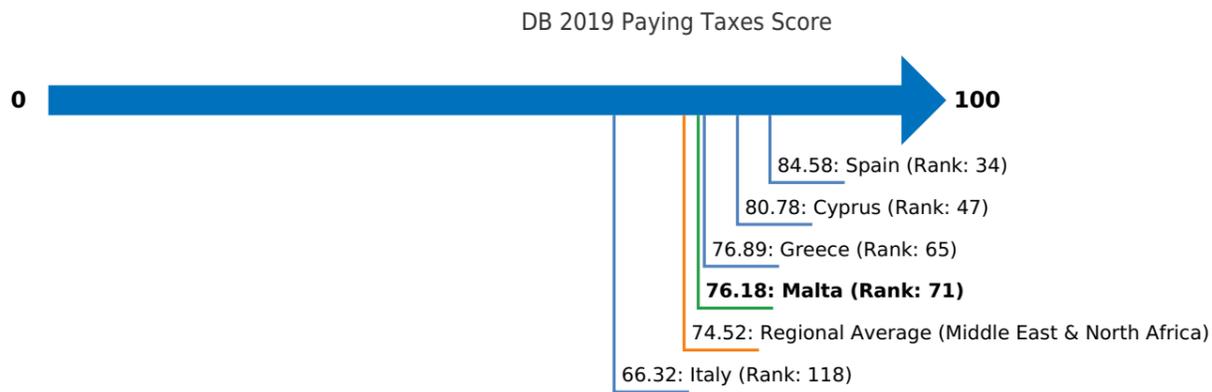
The corporate income tax audit process:

- An error in calculation of income tax liability (for example, use of incorrect tax depreciation rates, or incorrectly treating an expense as tax deductible) leads to an incorrect income tax return and a corporate income tax underpayment. TaxpayerCo. discovered the error and voluntarily notified the tax authority. The value of the underpaid income tax liability is 5% of the corporate income tax liability due. TaxpayerCo. submits corrected information after the deadline for submitting the annual tax return, but within the tax assessment period.

Paying Taxes - Malta

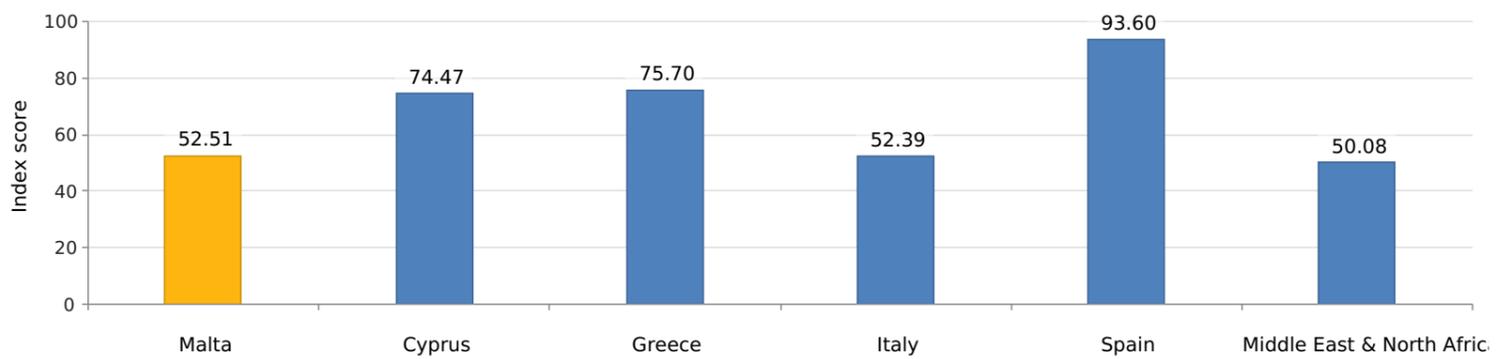
Indicator	Malta	Middle East & North Africa	OECD high income	Best Regulatory Performance
Payments (number per year)	8	17.7	11.2	3 (Hong Kong SAR, China)
Time (hours per year)	139	196.7	159.4	49 (Singapore)
Total tax and contribution rate (% of profit)	44.0	32.7	39.8	26.1% (32 Economies)
Postfiling index (0-100)	52.51	50.08	84.41	None in 2017/18

Figure - Paying Taxes in Malta and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of paying taxes is determined by sorting their scores for paying taxes. These scores are the simple average of the scores for each of the component indicators, with a threshold and a nonlinear transformation applied to one of the component indicators, the total tax and contribution rate. The threshold is defined as the total tax and contribution rate at the 15th percentile of the overall distribution for all years included in the analysis up to and including Doing Business 2015, which is 26.1%. All economies with a total tax and contribution rate below this threshold receive the same score as the economy at the threshold.

Figure - Paying Taxes in Malta and comparator economies - Measure of Quality



Details - Paying Taxes in Malta

Tax or mandatory contribution	Payments (number)	Notes on Payments	Time (hours)	Statutory tax rate	Tax base	Total tax and contribution rate (% of profit)	Notes on TTCR
Corporate income tax	1.0	online	23.0	35%	taxable profit	27.62	
Employer paid - Social security contributions	1.0	online	92.0	10%	gross salaries	10.78	
Tax on property transfers	1.0	withheld		8%	sales price minus brokerage fees	4.71	
Tax on interest	1.0			15%	interest income	0.38	
Maternity Leave Fund Contribution	0.0	online and jointly		0.3%	basic salary	0.32	
Annual registration fee	1.0	online		various rates	authorized share capital	0.13	
Annual circulation fee	1.0			various rates	# of axles, maximum authorized mass and age	0.01	
Employee paid - Social security contributions	0.0	jointly		10%	gross salaries	0.00	withheld
Fuel tax	1.0			various rates	fuel consumption	0.00	small amount
Value added tax (VAT)	1.0	online	24.0	18%	value added	0.00	not included
Totals	8		139			44.0	

Details - Paying Taxes in Malta - Tax by Type

Taxes by type	Answer
Profit tax (% of profit)	32.3
Labor tax and contributions (% of profit)	11.1
Other taxes (% of profit)	0.5

Details - Paying Taxes in Malta - Measure of Quality

	Answer	Score
Postfiling index (0-100)		52.51
VAT refunds		
Does VAT exist?	Yes	
Does a VAT refund process exist per the case study?	Yes	
Restrictions on VAT refund process	None	
Percentage of cases exposed to a VAT audit (%)	25% - 49%	
Is there a mandatory carry forward period?	No	
Time to comply with VAT refund (hours)	0.0	100
Time to obtain a VAT refund (weeks)	27.9	52.26
Corporate income tax audits		
Does corporate income tax exist?	Yes	
Percentage of cases exposed to a corporate income tax audit (%)	25% - 49%	
Time to comply with a corporate income tax correction (hours)	24.5	57.8
Time to complete a corporate income tax correction (weeks)	46.3	0

Notes: Names of taxes have been standardized. For instance income tax, profit tax, tax on company's income are all named corporate income tax in this table.

The hours for VAT include all the VAT and sales taxes applicable.

The hours for Social Security include all the hours for labor taxes and mandatory contributions in general.

The postfiling index is the average of the scores on time to comply with VAT refund, time to obtain a VAT refund, time to comply with a corporate income tax correction and time to complete a corporate income tax correction.

N/A = Not applicable.

Trading across Borders

Doing Business records the time and cost associated with the logistical process of exporting and importing goods. *Doing Business* measures the time and cost (excluding tariffs) associated with three sets of procedures—documentary compliance, border compliance and domestic transport—within the overall process of exporting or importing a shipment of goods. The most recent round of data collection for the project was completed in May 2018. [See the methodology for more information.](#)

What the indicators measure

Documentary compliance

- Obtaining, preparing and submitting documents during transport, clearance, inspections and port or border handling in origin economy
- Obtaining, preparing and submitting documents required by destination economy and any transit economies
- Covers all documents required by law and in practice, including electronic submissions of information

Border compliance

- Customs clearance and inspections
- Inspections by other agencies (if applied to more than 20% of shipments)
- Handling and inspections that take place at the economy's port or border

Domestic transport

- Loading or unloading of the shipment at the warehouse or port/border
- Transport between warehouse and port/border
- Traffic delays and road police checks while shipment is en route

Case study assumptions

To make the data comparable across economies, a few assumptions are made about the traded goods and the transactions:

Time: Time is measured in hours, and 1 day is 24 hours (for example, 22 days are recorded as $22 \times 24 = 528$ hours). If customs clearance takes 7.5 hours, the data are recorded as is. Alternatively, suppose documents are submitted to a customs agency at 8:00a.m., are processed overnight and can be picked up at 8:00a.m. the next day. The time for customs clearance would be recorded as 24 hours because the actual procedure took 24 hours.

Cost: Insurance cost and informal payments for which no receipt is issued are excluded from the costs recorded. Costs are reported in U.S. dollars. Contributors are asked to convert local currency into U.S. dollars based on the exchange rate prevailing on the day they answer the questionnaire. Contributors are private sector experts in international trade logistics and are informed about exchange rates.

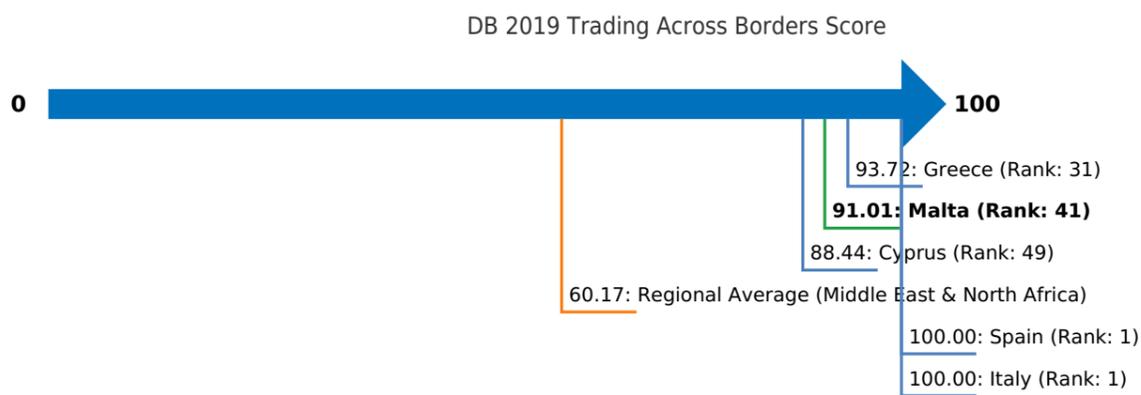
Assumptions of the case study:

- For all 190 economies covered by *Doing Business*, it is assumed a shipment is in a warehouse in the largest business city of the exporting economy and travels to a warehouse in the largest business city of the importing economy.
- It is assumed each economy imports 15 metric tons of containerized auto parts (HS 8708) from its natural import partner—the economy from which it imports the largest value (price times quantity) of auto parts. It is assumed each economy exports the product of its comparative advantage (defined by the largest export value) to its natural export partner—the economy that is the largest purchaser of this product. Shipment value is assumed to be \$50,000.
- The mode of transport is the one most widely used for the chosen export or import product and the trading partner, as is the seaport or land border crossing.
- All electronic information submissions requested by any government agency in connection with the shipment are considered to be documents obtained, prepared and submitted during the export or import process.
- A port or border is a place (seaport or land border crossing) where merchandise can enter or leave an economy.
- Relevant government agencies include customs, port authorities, road police, border guards, standardization agencies, ministries or departments of agriculture or industry, national security agencies and any other government authorities.

Trading across Borders - Malta

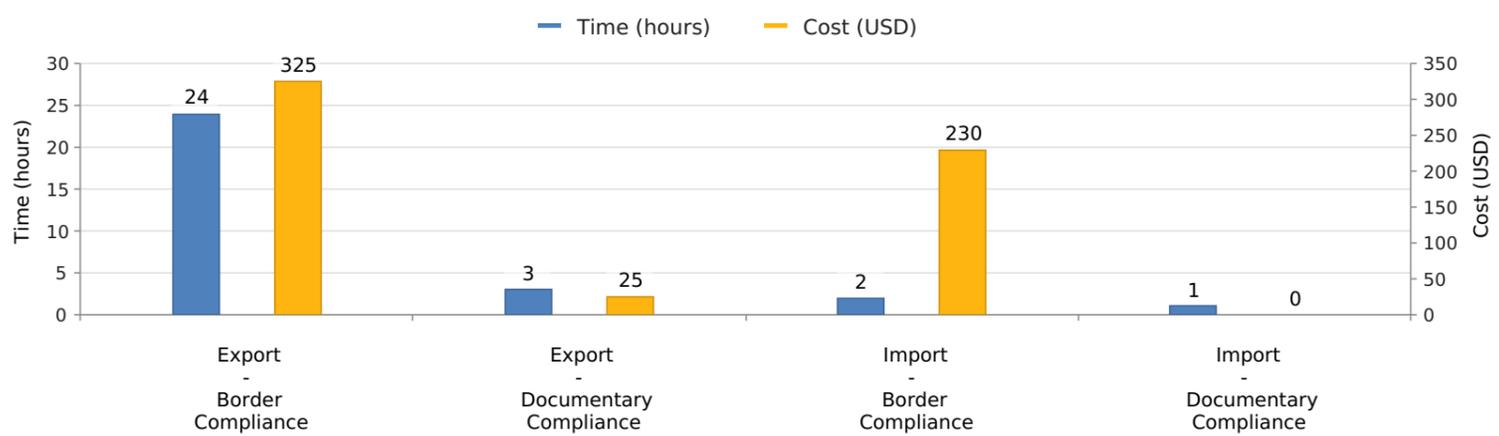
Indicator	Malta	Middle East & North Africa	OECD high income	Best Regulatory Performance
Time to export: Border compliance (hours)	24	58.0	12.5	1 (19 Economies)
Cost to export: Border compliance (USD)	325	442.4	139.1	0 (19 Economies)
Time to export: Documentary compliance (hours)	3	67.9	2.4	1 (26 Economies)
Cost to export: Documentary compliance (USD)	25	244.6	35.2	0 (20 Economies)
Time to import: Border compliance (hours)	2	105.4	8.5	0 (25 Economies)
Cost to import: Border compliance (USD)	230	536.0	100.2	0 (28 Economies)
Time to import: Documentary compliance (hours)	1	75.5	3.4	1 (30 Economies)
Cost to import: Documentary compliance (USD)	0	269.0	24.9	0 (30 Economies)

Figure - Trading across Borders in Malta and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of trading across borders is determined by sorting their scores for trading across borders. These scores are the simple average of the scores for the time and cost for documentary compliance and border compliance to export and import.

Figure - Trading across Borders in Malta - Time and Cost



Details - Trading across Borders in Malta

Characteristics	Export	Import
Product	HS 85 : Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles	HS 8708: Parts and accessories of motor vehicles
Trade partner	Singapore	Italy
Border	Malta Freeport Terminals port	Valletta port
Distance (km)	16	9
Domestic transport time (hours)	1	1
Domestic transport cost (USD)	233	150

Details - Trading across Borders in Malta - Components of Border Compliance

	Time to Complete (hours)	Associated Costs (USD)
Export: Clearance and inspections required by customs authorities	3.0	50.0
Export: Clearance and inspections required by agencies other than customs	0.0	0.0
Export: Port or border handling	24.0	275.0
Import: Clearance and inspections required by customs authorities	0.0	0.0
Import: Clearance and inspections required by agencies other than customs	0.0	0.0
Import: Port or border handling	1.6	230.0

Details - Trading across Borders in Malta - Trade Documents

Export	Import
Bill of lading	CMR waybill
Commercial invoice	Commercial invoice
Packing list	Packing list
Terminal handling receipt	Intrastat
Customs Export Declaration	SOLAS certificate
SOLAS certificate	

Enforcing Contracts

The enforcing contracts indicator measures the time and cost for resolving a commercial dispute through a local first-instance court, and the quality of judicial processes index, evaluating whether each economy has adopted a series of good practices that promote quality and efficiency in the court system. The most recent round of data collection was completed in May 2018. [See the methodology for more information.](#)

What the indicators measure	Case study assumptions
<p>Time required to enforce a contract through the courts (calendar days)</p> <ul style="list-style-type: none"> • Time to file and serve the case • Time for trial and to obtain the judgment • Time to enforce the judgment <p>Cost required to enforce a contract through the courts (% of claim)</p> <ul style="list-style-type: none"> • Attorney fees • Court fees • Enforcement fees <p>Quality of judicial processes index (0-18)</p> <ul style="list-style-type: none"> • Court structure and proceedings (-1-5) • Case management (0-6) • Court automation (0-4) • Alternative dispute resolution (0-3) 	<p>The dispute in the case study involves the breach of a sales contract between 2 domestic businesses. The case study assumes that the court hears an expert on the quality of the goods in dispute. This distinguishes the case from simple debt enforcement.</p> <p>To make the data comparable across economies, <i>Doing Business</i> uses several assumptions about the case:</p> <ul style="list-style-type: none"> - The dispute concerns a lawful transaction between two businesses (Seller and Buyer), both located in the economy's largest business city. For 11 economies the data are also collected for the second largest business city. - The buyer orders custom-made goods, then fails to pay alleging that the goods are not of adequate quality. - The value of the dispute is 200% of the income per capita or the equivalent in local currency of USD 5,000, whichever is greater. - The seller sues the buyer before the court with jurisdiction over commercial cases worth 200% of income per capita or \$5,000. - The seller requests the pretrial attachment of the defendant's movable assets to secure the claim. - The dispute on the quality of the goods requires an expert opinion. - The judge decides in favor of the seller; there is no appeal. - The seller enforces the judgment through a public sale of the buyer's movable assets.

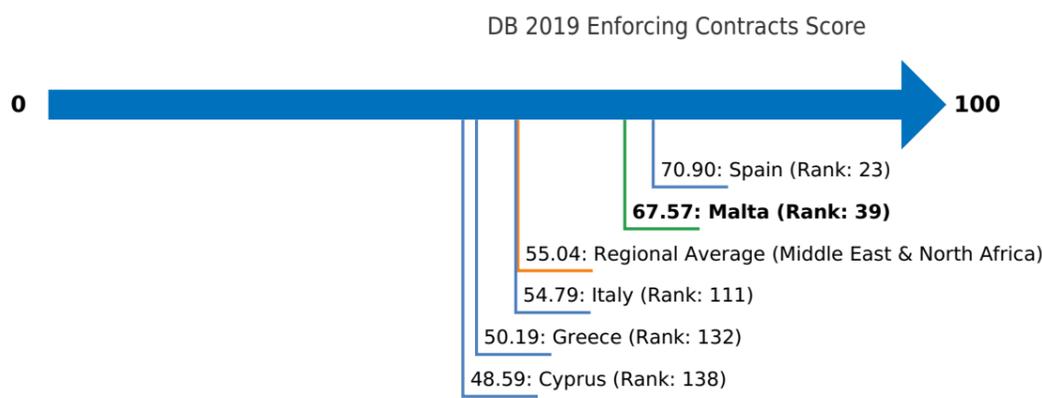
Enforcing Contracts - Malta

Standardized Case

Claim value	EUR 42,705
Court name	First Hall of the Civil Court
City Covered	Valletta

Indicator	Malta	Middle East & North Africa	OECD high income	Best Regulatory Performance
Time (days)	505	622.0	582.4	None in 2017/18
Cost (% of claim value)	21.5	24.7	21.2	None in 2017/18
Quality of judicial processes index (0-18)	10.5	6.1	11.5	None in 2017/18

Figure - Enforcing Contracts in Malta and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of enforcing contracts is determined by sorting their scores for enforcing contracts. These scores are the simple average of the scores for each of the component indicators.

Figure - Enforcing Contracts in Malta - Time and Cost

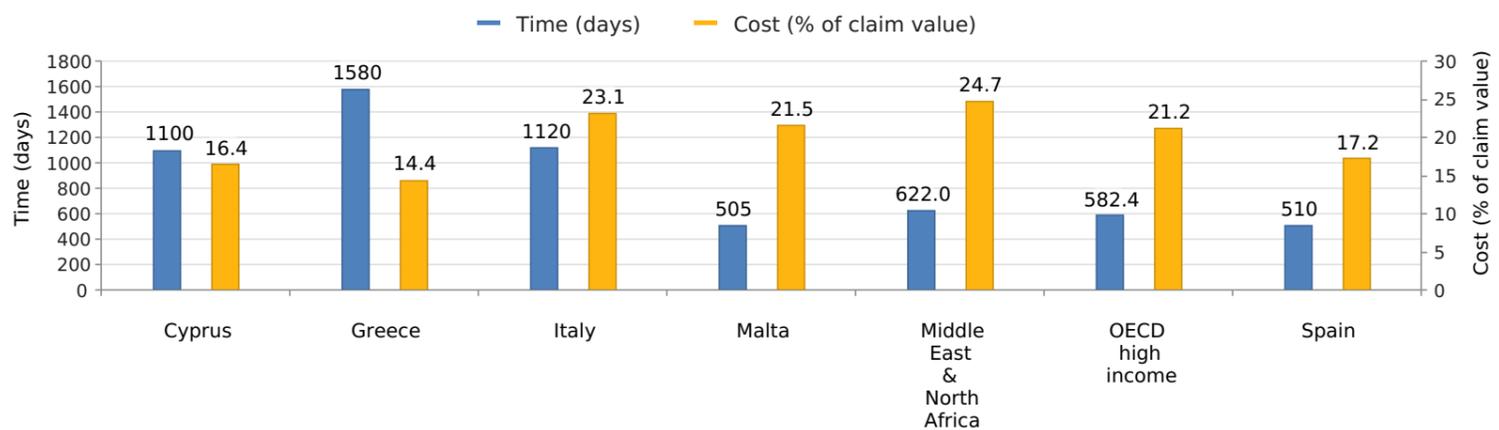
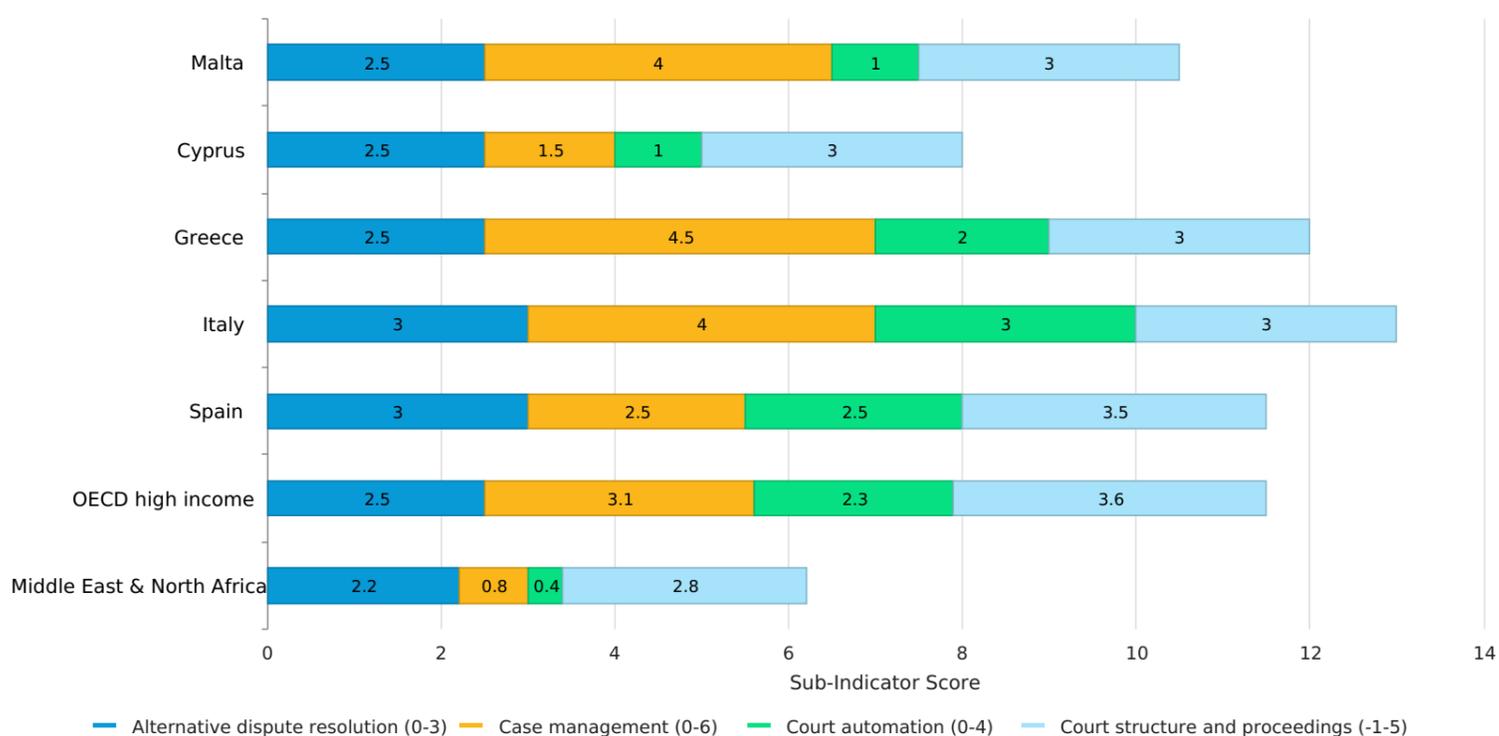


Figure - Enforcing Contracts in Malta and comparator economies - Measure of Quality



Details - Enforcing Contracts in Malta

	Indicator
Time (days)	505
Filing and service	15
Trial and judgment	365
Enforcement of judgment	125
Cost (% of claim value)	21.5
Attorney fees	15
Court fees	5.2
Enforcement fees	1.3
Quality of judicial processes index (0-18)	10.5
Court structure and proceedings (-1-5)	3.0
Case management (0-6)	4.0
Court automation (0-4)	1.0
Alternative dispute resolution (0-3)	2.5

Details - Enforcing Contracts in Malta - Measure of Quality

	Answer	Score
Quality of judicial processes index (0-18)		10.5
Court structure and proceedings (-1-5)		3.0
1. Is there a court or division of a court dedicated solely to hearing commercial cases?	No	0.0
2. Small claims court		1.5
2.a. Is there a small claims court or a fast-track procedure for small claims?	Yes	
2.b. If yes, is self-representation allowed?	Yes	
3. Is pretrial attachment available?	Yes	1.0
4. Are new cases assigned randomly to judges?	Yes, but manual	0.5
5. Does a woman's testimony carry the same evidentiary weight in court as a man's?	Yes	0.0
Case management (0-6)		4.0
1. Time standards		1.0
1.a. Are there laws setting overall time standards for key court events in a civil case?	Yes	
1.b. If yes, are the time standards set for at least three court events?	Yes	
1.c. Are these time standards respected in more than 50% of cases?	Yes	
2. Adjournments		0.0
2.a. Does the law regulate the maximum number of adjournments that can be granted?	No	
2.b. Are adjournments limited to unforeseen and exceptional circumstances?	No	
2.c. If rules on adjournments exist, are they respected in more than 50% of cases?	n.a.	
3. Can two of the following four reports be generated about the competent court: (i) time to disposition report; (ii) clearance rate report; (iii) age of pending cases report; and (iv) single case progress report?	Yes	1.0
4. Is a pretrial conference among the case management techniques used before the competent court?	No	0.0
5. Are there any electronic case management tools in place within the competent court for use by judges?	Yes	1.0
6. Are there any electronic case management tools in place within the competent court for use by lawyers?	Yes	1.0
Court automation (0-4)		1.0
1. Can the initial complaint be filed electronically through a dedicated platform within the competent court?	no	0.0
2. Is it possible to carry out service of process electronically for claims filed before the competent court?	No	0.0
3. Can court fees be paid electronically within the competent court?	No	0.0
4. Publication of judgments		1.0
4.a. Are judgments rendered in commercial cases at all levels made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	Yes	
4.b. Are judgments rendered in commercial cases at the appellate and supreme court level made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	Yes	
Alternative dispute resolution (0-3)		2.5
1. Arbitration		1.5

1.a. Is domestic commercial arbitration governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all its aspects?	Yes	
1.b. Are there any commercial disputes—aside from those that deal with public order or public policy—that cannot be submitted to arbitration?	No	
1.c. Are valid arbitration clauses or agreements usually enforced by the courts?	Yes	
2. Mediation/Conciliation		1.0
2.a. Is voluntary mediation or conciliation available?	Yes	
2.b. Are mediation, conciliation or both governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all their aspects?	Yes	
2.c. Are there financial incentives for parties to attempt mediation or conciliation (i.e., if mediation or conciliation is successful, a refund of court filing fees, income tax credits or the like)?	No	

Resolving Insolvency

Doing Business studies the time, cost and outcome of insolvency proceedings involving domestic legal entities. These variables are used to calculate the recovery rate, which is recorded as cents on the dollar recovered by secured creditors through reorganization, liquidation or debt enforcement (foreclosure or receivership) proceedings. To determine the present value of the amount recovered by creditors, *Doing Business* uses the lending rates from the International Monetary Fund, supplemented with data from central banks and the Economist Intelligence Unit. The most recent round of data collection was completed in May 2018. [See the methodology for more information.](#)

What the indicators measure

Time required to recover debt (years)

- Measured in calendar years
- Appeals and requests for extension are included

Cost required to recover debt (% of debtor's estate)

- Measured as percentage of estate value
- Court fees
- Fees of insolvency administrators
- Lawyers' fees
- Assessors' and auctioneers' fees
- Other related fees

Outcome

- Whether business continues operating as a going concern or business assets are sold piecemeal

Recovery rate for creditors

- Measures the cents on the dollar recovered by secured creditors
- Outcome for the business (survival or not) determines the maximum value that can be recovered
- Official costs of the insolvency proceedings are deducted
- Depreciation of furniture is taken into account
- Present value of debt recovered

Strength of insolvency framework index (0- 16)

- Sum of the scores of four component indices:
- Commencement of proceedings index (0-3)
- Management of debtor's assets index (0-6)
- Reorganization proceedings index (0-3)
- Creditor participation index (0-4)

Case study assumptions

To make the data on the time, cost and outcome comparable across economies, several assumptions about the business and the case are used:

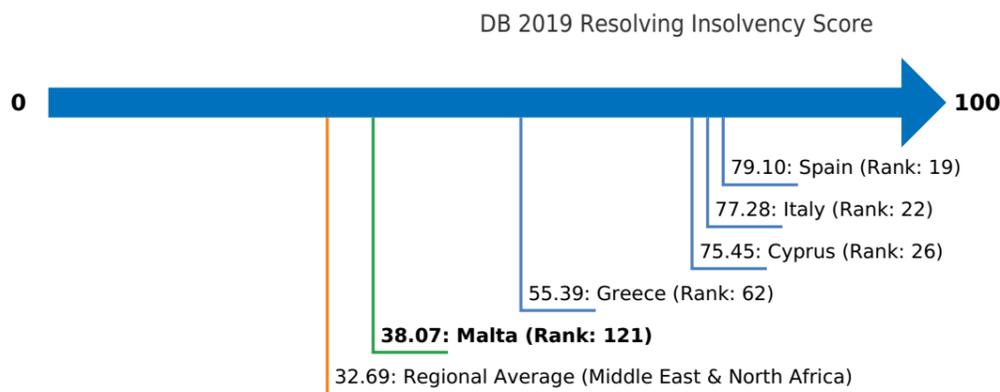
- A hotel located in the largest city (or cities) has 201 employees and 50 suppliers. The hotel experiences financial difficulties.
- The value of the hotel is 100% of the income per capita or the equivalent in local currency of USD 200,000, whichever is greater.
- The hotel has a loan from a domestic bank, secured by a mortgage over the hotel's real estate. The hotel cannot pay back the loan, but makes enough money to operate otherwise.

In addition, *Doing Business* evaluates the quality of legal framework applicable to judicial liquidation and reorganization proceedings and the extent to which best insolvency practices have been implemented in each economy covered.

Resolving Insolvency - Malta

Indicator	Malta	Middle East & North Africa	OECD high income	Best Regulatory Performance
Recovery rate (cents on the dollar)	38.8	26.3	70.5	None in 2017/18
Time (years)	3.0	2.8	1.7	0.4 (Ireland)
Cost (% of estate)	10.0	13.8	9.3	1.0 (Norway)
Outcome (0 as piecemeal sale and 1 as going concern)	0
Strength of insolvency framework index (0-16)	5.5	5.9	11.9	None in 2017/18

Figure - Resolving Insolvency in Malta and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of resolving insolvency is determined by sorting their scores for resolving insolvency. These scores are the simple average of the scores for the recovery rate and the strength of insolvency framework index.

Figure - Resolving Insolvency in Malta - Time and Cost

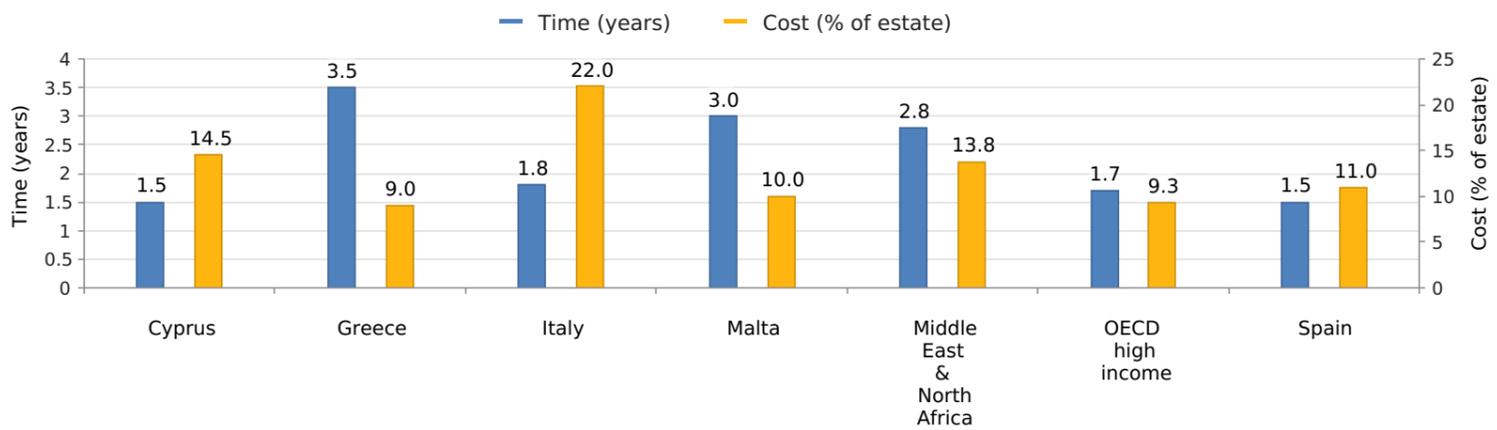
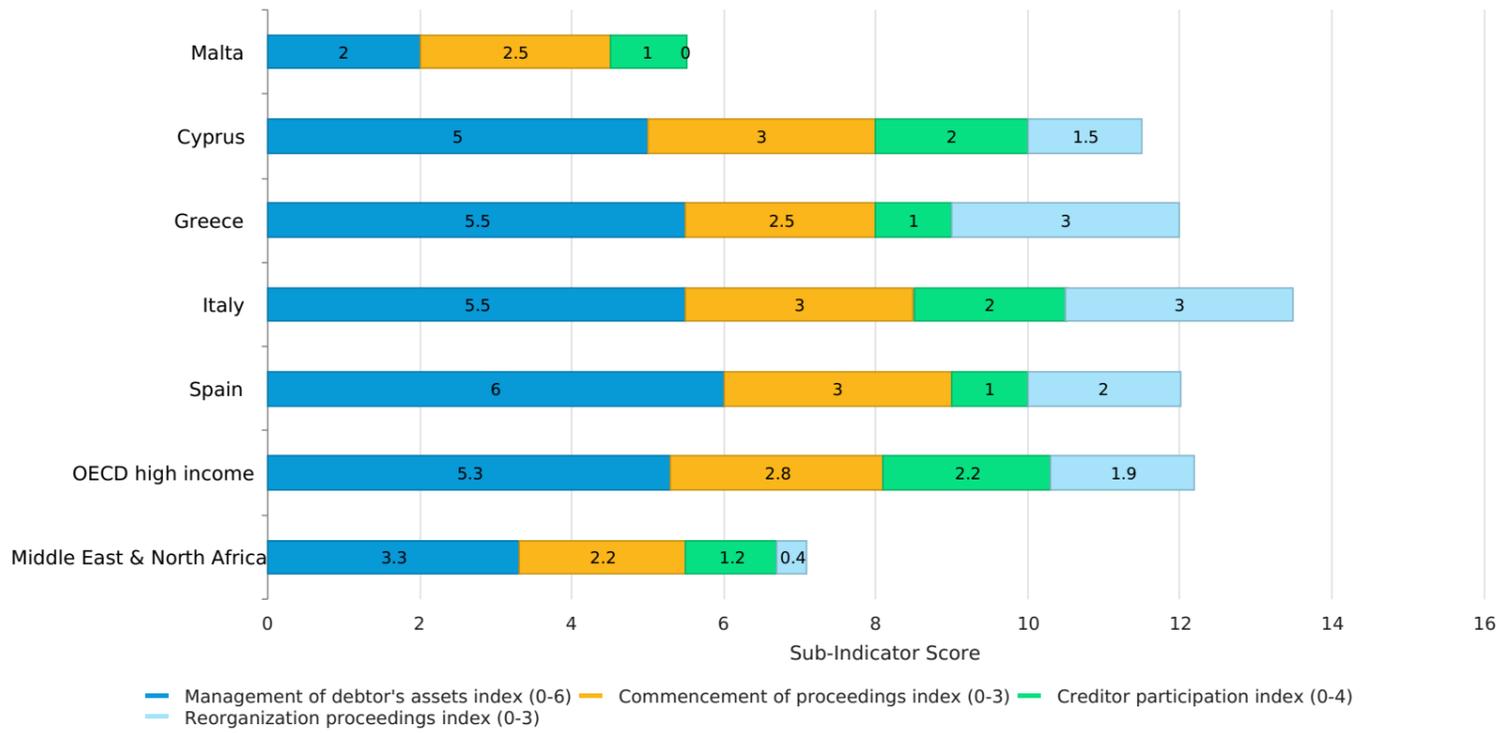
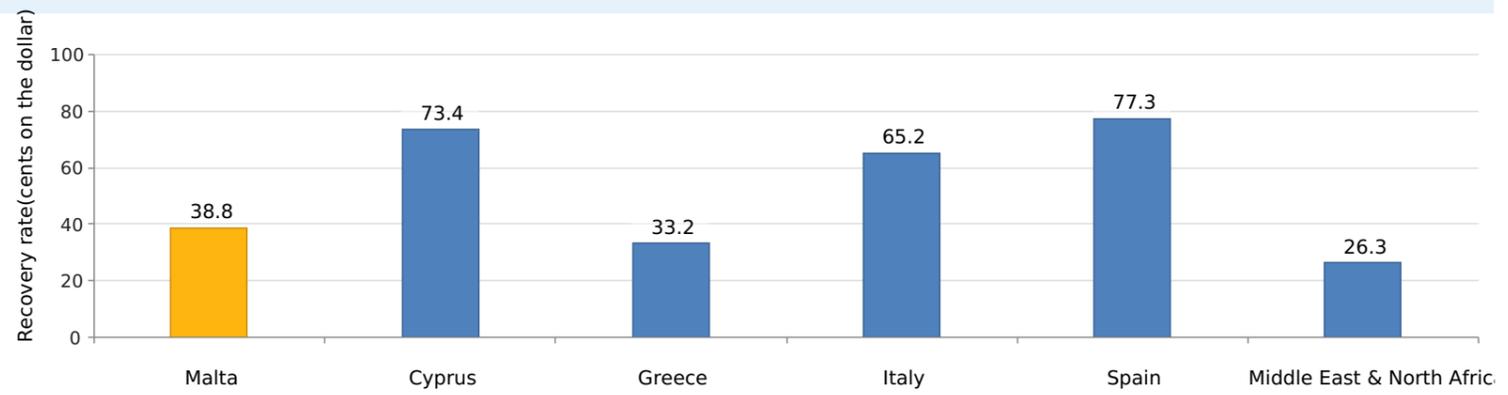


Figure - Resolving Insolvency in Malta and comparator economies - Measure of Quality



Note: Even if the economy's legal framework includes provisions related to insolvency proceedings (liquidation or reorganization), the economy receives 0 points for the strength of insolvency framework index, if time, cost and outcome indicators are recorded as "no practice."

Figure - Resolving Insolvency in Malta and comparator economies - Recovery Rate



Details - Resolving Insolvency in Malta

Indicator	Answer	Score
Proceeding	liquidation (after an attempt at reorganization)	BizBank will likely initiate foreclosure proceedings, because that is the quickest and most efficient way to enforce its interest. To prevent foreclosure, Mirage's management will initiate insolvency proceedings and will propose reorganization. BizBank, however, will be interested in recovering the debt as quickly as possible, so it is unlikely to agree to reorganization. The proceedings, therefore, will be converted into liquidation.
Outcome	piecemeal sale	Although it is possible under the legislation to sell the hotel as a going concern, such cases are rare in Malta.
Time (in years)	3.0	Bank's foreclosure attempt and Mirage's subsequent reorganization attempt will take approximately 1 year. BizBank will try to enforce its executive title first. Then, Mirage's management will file for insolvency in order to prevent foreclosure. The court will hold its first hearing, where a receiver will be appointed. The court will grant a 6 months moratorium while the receiver analyzes the financials of the company. This period can be extended, during which time Mirage could propose a reorganization plan. BizBank will reject the plan and the proceedings will be converted into liquidation. After proceedings are converted into liquidation, it will take approximately 24 months to complete the process. The court will issue a decision on liquidation of the company and a liquidator will be appointed. The liquidator will hold a creditors' meeting, after which creditors will submit their claims. The liquidator will analyze the company's financials and will make a decision on acceptance of creditors' claims. This decision is likely to be disputed by creditors and appealed. After all the claims are finalized, the court will appoint an auctioneer, who will review the assets and prepare them for sale. The sale process may take up to 6 months.
Cost (% of estate)	10.0	The cost of the procedure will amount to approximately 10% of the debtor's estate. The main expenses will include attorneys' fees - 4%, remuneration of the insolvency representative - 2%, fees of other professionals involved in the case, such as accountants and assessors - 2%, and court's fees - 2%.
Recovery rate (cents on the dollar)		38.8

Details - Resolving Insolvency in Malta - Measure of Quality

	Answer	Score
Strength of insolvency framework index (0-16)		5.5
Commencement of proceedings index (0-3)		2.5
What procedures are available to a DEBTOR when commencing insolvency proceedings?	(a) Debtor may file for both liquidation and reorganization	1.0
Does the insolvency framework allow a CREDITOR to file for insolvency of the debtor?	(b) Yes, but a creditor may file for liquidation only	0.5
What basis for commencement of the insolvency proceedings is allowed under the insolvency framework?	(a) Debtor is generally unable to pay its debts as they mature	1.0
Management of debtor's assets index (0-6)		2.0
Does the insolvency framework allow the continuation of contracts supplying essential goods and services to the debtor?	No	0.0
Does the insolvency framework allow the rejection by the debtor of overly burdensome contracts?	No	0.0
Does the insolvency framework allow avoidance of preferential transactions?	Yes	1.0
Does the insolvency framework allow avoidance of undervalued transactions?	Yes	1.0
Does the insolvency framework provide for the possibility of the debtor obtaining credit after commencement of insolvency proceedings?	No	0.0
Does the insolvency framework assign priority to post-commencement credit?	(c) No priority is assigned to post-commencement creditors	0.0
Reorganization proceedings index (0-3)		0.0
Which creditors vote on the proposed reorganization plan?	(c) Other	0.0
Does the insolvency framework require that dissenting creditors in reorganization receive at least as much as what they would obtain in a liquidation?	No	0.0
Are the creditors divided into classes for the purposes of voting on the reorganization plan, does each class vote separately and are creditors in the same class treated equally?	No	0.0
Creditor participation index (0-4)		1.0
Does the insolvency framework require approval by the creditors for selection or appointment of the insolvency representative?	Yes	1.0
Does the insolvency framework require approval by the creditors for sale of substantial assets of the debtor?	No	0.0
Does the insolvency framework provide that a creditor has the right to request information from the insolvency representative?	No	0.0
Does the insolvency framework provide that a creditor has the right to object to decisions accepting or rejecting creditors' claims?	No	0.0

Note: Even if the economy's legal framework includes provisions related to insolvency proceedings (liquidation or reorganization), the economy receives 0 points for the strength of insolvency framework index, if time, cost and outcome indicators are recorded as "no practice."

Labor Market Regulation

Doing Business presents detailed data for the labor market regulation indicators on the *Doing Business* website (<http://www.doingbusiness.org>). The report does not present rankings of economies on these indicators or include the topic in the aggregate ease of doing business score or ranking on the ease of doing business.

The most recent round of data collection was completed in May 2018. [See the methodology for more information.](#)

What the indicators measure

Hiring

(i) whether fixed-term contracts are prohibited for permanent tasks; (ii) maximum cumulative duration of fixed-term contracts; (iii) length of the probationary period; (iv) minimum wage.

Working hours

(i) maximum number of working days allowed per week; (ii) premiums for work: at night, on a weekly rest day and overtime; (iii) whether there are restrictions on work at night, work on a weekly rest day and for overtime work; (iv) whether nonpregnant and nonnursing women can work same night hours as men; (v) length of paid annual leave.

Redundancy rules

(i) whether redundancy can be basis for terminating workers; (ii) whether employer needs to notify and/or get approval from third party to terminate 1 redundant worker and a group of 9 redundant workers; (iii) whether law requires employer to reassign or retrain a worker before making worker redundant; (iv) whether priority rules apply for redundancies and reemployment.

Redundancy cost

(i) notice period for redundancy dismissal; (ii) severance payments due when terminating a redundant worker.

Job quality

(i) whether law mandates equal remuneration for work of equal value and nondiscrimination based on gender in hiring; (ii) whether law mandates paid or unpaid maternity leave; (iii) length of paid maternity leave; (iv) whether employees on maternity leave receive 100% of wages; (v) availability of five fully paid days of sick leave a year; (vi) eligibility requirements for unemployment protection.

Case study assumptions

To make the data comparable across economies, several assumptions about the worker and the business are used.

The worker:

- Is a cashier in a supermarket or grocery store, age 19, with one year of work experience.
- Is a full-time employee.
- Is not a member of the labor union, unless membership is mandatory.

The business:

- Is a limited liability company (or the equivalent in the economy).
- Operates a supermarket or grocery store in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Has 60 employees.
- Is subject to collective bargaining agreements if such agreements cover more than 50% of the food retail sector and they apply even to firms that are not party to them.
- Abides by every law and regulation but does not grant workers more benefits than those mandated by law, regulation or (if applicable) collective bargaining agreements.

Labor Market Regulation - Malta

Details - Labor Market Regulation in Malta

	Answer
Hiring	
Fixed-term contracts prohibited for permanent tasks?	No
Maximum length of a single fixed-term contract (months)	48.0
Maximum length of fixed-term contracts, including renewals (months)	48.0
Minimum wage applicable to the worker assumed in the case study (US\$/month)	806.5
Ratio of minimum wage to value added per worker	0.3
Maximum length of probationary period (months)	6.0
Working hours	
Standard workday	8.0
Maximum number of working days per week	6.0
Premium for night work (% of hourly pay)	0.0
Premium for work on weekly rest day (% of hourly pay)	100.0
Premium for overtime work (% of hourly pay)	50.0
Restrictions on night work?	No
Whether nonpregnant and nonnursing women can work the same night hours as men	Yes
Restrictions on weekly holiday?	No
Restrictions on overtime work?	No
Paid annual leave for a worker with 1 year of tenure (working days)	24.0
Paid annual leave for a worker with 5 years of tenure (working days)	24.0
Paid annual leave for a worker with 10 years of tenure (working days)	24.0
Paid annual leave (average for workers with 1, 5 and 10 years of tenure, in working days)	24.0
Redundancy rules	
Dismissal due to redundancy allowed by law?	Yes
Third-party notification if one worker is dismissed?	No
Third-party approval if one worker is dismissed?	No
Third-party notification if nine workers are dismissed?	No
Third-party approval if nine workers are dismissed?	No
Retraining or reassignment obligation before redundancy?	No
Priority rules for redundancies?	Yes
Priority rules for reemployment?	Yes
Redundancy cost	
Notice period for redundancy dismissal for a worker with 1 year of tenure	2.0
Notice period for redundancy dismissal for a worker with 5 years of tenure	8.0
Notice period for redundancy dismissal for a worker with 10 years of tenure	12.0
Notice period for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure)	7.3
Severance pay for redundancy dismissal for a worker with 1 year of tenure	0.0

Severance pay for redundancy dismissal for a worker with 5 years of tenure	0.0
Severance pay for redundancy dismissal for a worker with 10 years of tenure	0.0
Severance pay for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure)	0.0
Job quality	
Equal remuneration for work of equal value?	Yes
Gender nondiscrimination in hiring?	Yes
Paid or unpaid maternity leave mandated by law?	Yes
Minimum length of maternity leave (calendar days)?	126.0
Receive 100% of wages on maternity leave?	Yes
Five fully paid days of sick leave a year?	Yes
Unemployment protection after one year of employment?	Yes
Minimum contribution period for unemployment protection (months)?	6.0

Business Reforms in Malta

In the past year, *Doing Business* observed a peaking of reform activity worldwide. From June 2, 2017, to May 1, 2018, 128 economies implemented a record 314 regulatory reforms improving the business climate. Reforms inspired by *Doing Business* have been implemented by economies in all regions. The following are reforms implemented since *Doing Business* 2008.

✓ = *Doing Business* reform making it easier to do business. ✗ = Change making it more difficult to do business.

DB2019

✓ **Dealing with Construction Permits:** Malta made dealing with construction permits easier by streamlining the process of obtaining a building permit. On the other hand, the time to issue building permits has increased.

DB2018

✓ **Starting a Business:** Malta made starting a business easier by removing the requirement for a trading license for general commercial activities.

DB2017

✓ **Starting a Business:** Malta simplified the process of starting a business by reducing the time needed to register a company.

✓ **Getting Credit:** Malta improved access to credit information by launching a new credit registry.

✗ **Paying Taxes:** Malta made paying taxes more costly by replacing the capital gains tax with a property transfer tax, increasing the maximum social security contribution paid by employers.

DB2016

✓ **Getting Electricity:** The utility in Malta reduced the time required for getting an electricity connection by improving its supervision of trenching works.

✗ **Registering Property:** Malta made the transfer of a property more expensive by introducing the new property transfer tax.

DB2015

✓ **Starting a Business:** Malta made starting a business easier by creating an electronic link between the Registrar of Companies and the Inland Revenue Department to facilitate issuance of a tax identification number.

DB2014

✓ **Dealing with Construction Permits:** Malta made dealing with construction permits less costly by significantly reducing the building permit fees.

Doing Business 2019 is the 16th in a series of annual reports investigating the regulations that enhance business activity and those that constrain it. The report provides quantitative indicators covering 11 areas of the business environment in 190 economies. The goal of the *Doing Business* series is to provide objective data for use by governments in designing sound business regulatory policies and to encourage research on the important dimensions of the regulatory environment for firms.

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