

SEA BEYOND MALTA

A DOSE OF CORPORATE
INSIGHTS AND MORE

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THE EVOLUTION OF MONEY CONTINUES

— For long-time observers of the world of international finance, the terrible and tragic events of the 13th November in Paris offer an insight into how financial services are changing.

In the aftermath of many previous terrorist atrocities the financial services sector has come under intense scrutiny. While it may have been difficult to predict the actions of terrorists, it is possible to cut off their means of financing in the future. This time though, the news has barely had a mention of how the attacks were financed.

There are a number of factors that might be the reason for this and they demonstrate how the world of finance is changing before our eyes.

Firstly, since September 11th, international and offshore financial services have undergone quite substantial reform around the world. Pressure was brought and, in many ways, results were delivered. The reforms to tax rates that were hoped for and demanded have mostly failed to materialise but the Know Your Client regime of document verification has taken hold in the majority of locations and for most products and services. The impact of this is that it is now much more difficult to blame errant jurisdictions as being the weak point in the system.

Secondly, as you will likely have seen in the news during the past two years or so, ISIS controls a number of oil producing fields and is essentially trying to build its own economy. As tempting as it might have been in the past to blame anything

connected to an attack, you can't really blame oil for being the means of financing.

Thirdly, it has been reported that ISIS conducts some of its fund raising via Bitcoin. If you are not familiar with the world of crypto currencies, Bitcoin is a peer to peer distributed digital currency. The technology that underpins it is global and available to anyone that wishes to use it. While it is not completely anonymous, it does offer more anonymity than most modern day bank accounts do. Blaming Bitcoin is a little like blaming US dollars or Euros because the Terrorists spent some in a cafe and it is an argument that almost anyone can see through.

Additionally, many very major institutions are following and investing heavily in Bitcoin technology. Its potential to disrupt banking and commerce is something that many firms are taking seriously, to the extent that, within the crypto community, it is well known that the Bank of England is keenly interested in how the technology develops.

The problem seems to be that while the financial services sector has worked hard to implement rules to help prevent the types of attack that have happened, the means of generating revenue and the methods of moving it have evolved further.

<https://www.cryptocoinsnews.com/ghostsec-isis-bitcoin-wallet-worth-3-million/>

<https://www.cryptocoinsnews.com/bank-england-europol-seek-interns-blockchain-experience/>

OUR SERVICES

- Company incorporation and administration for multiple jurisdictions.
- Trust & fiduciary services.
- Bookkeeping services.
- Malta office and management facilities.
- Malta residency & Citizenship

SISTER MJM OFFICES ENJOY TOP YACHTING EVENTS IN THEIR RESPECTIVE COUNTRIES

MALTA



Rambler (Monohull line honours) | Photo by Rolex

As reported in an earlier issue of Sea Beyond Malta the Rolex Middle Sea Race is hosted annually from Malta; a 600+ nautical mile classic offshore race from Grand Harbour, Valletta, circumnavigating Sicily with turning marks around the islands of Stromboli, Favignana, Pantelleria and Lampedusa.

In this 36th edition of the race with 111 starters from 22 nations, first to finish was American Lloyd Thornburg's MOD70 trimaran *Phoedo3* closely followed by American George David's cant-keel Maxi *Rambler*, after less than 2 days, 17 hours, claiming monohull line honours.

Overall race victory was the closest in living memory. *B2*, an IRC 52 built by Cookson and owned by Italian Michelle Galli won by 9 seconds on corrected time over his fellow Italian Vincenzo Onorato's Cookson 50, *Marscalzone Latino* in 3 days, 10 hours, 52 minutes, 1 second corrected to 4 days, 19 hours, 30 minutes, 59 seconds.

BERMUDA



In action on Great Sound

The 35th edition of the America's Cup, presented by Louis Vuitton, will be hosted by Bermuda in June 2017. A purpose-built village is to be developed in the Royal Naval Dockyard to provide a home for the competing teams and optimum viewing for spectators.

As a taste of things to come, October 2015 saw the first ever Louis Vuitton America's Cup World Series event to be held in Bermuda. Points won in World Series events determine the starting points score in the 2017 America's Cup Qualifier. Six teams raced across Bermuda's Great Sound on foiling, wingsailed catamarans in attempts to improve their position in the World Series rankings. Sweden's *Artemis* arrived in Bermuda ranked 5th out of the 6 competing teams. Immediately before the start of a race in Great Sound, the yacht collided with an umpire boat causing serious damage. With remarkable endeavour, the crew managed to clear the damaged spar and sail, get back into something like sailing order, blast across the start line and win the race. *Artemis* finished top of the Bermuda leader board with 52 points.

Three World Series events have been held so far in 2015 (at least 4 are planned): Portsmouth, UK (July), Gothenburg, Sweden (August) and Hamilton, Bermuda (October). There will be 4-6 events held in 2016. Oracle Team USA must be a serious contender for 2017, having won the two previous America's Cups in 2010 & 2013. The points table after the Bermuda event read as follow.

- 122 Emirates Team New Zealand
- 112 Oracle Team USA
- 109 Land Rover UK
- 105 Artemis Racing, Sweden
- 100 SoftBank Team Japan
- 82 Groupama Team France

EVENTS OF INTEREST

START DATE	LOCATION	SUBJECT	INFO
11 JAN 2016	West Indies	Caribbean Citizenship Summit	http://ifcreview.com/eventsfull.aspx?eventId=221
20, 21 JAN 2016	Singapore	The 4th Offshore Investment Conference	http://www.offshoreinvestment.com/
26 JAN 2016	United Kingdom	International Cross Border Estate Planning for Divorce	http://ifcreview.com/eventsfull.aspx?eventId=221
4, 5 FEB 2016	Monaco	STEP Europe Conference	http://www.step.org/
25 FEB 2016	United Kingdom	Residence and Domicile	http://www.step.org/
9, 10 MAR 2016	Pamana	The 5th Offshore Investment Conference	http://www.offshoreinvestment.com/
22 MAR 2016	United Kingdom	Planning for Higher Wealth Clients Joint with CIOT	http://www.step.org/
25-27 APR 2016	Saint Lucia	Caribbean Conference 16	http://www.stepcaribbeanconference.com/
17-19 APR 2016	Bermuda	Regulation, Operations and Compliance 2016 Symposium	https://www.rcaonline.org/symposia/regulation-operations-compliance-bermuda/

Please visit our sister company, MJM Barristers & Attorneys, new website <http://mjm.bm/>

LET'S TALK CULTURE



CHURCHES IN MALTA

The Mosta Dome is perhaps the most impressive church in Malta, with its massive rotunda that is the third largest in the world. The Mosta Dome church was built in 1860. During the Second World War the church was almost destroyed when, during an air raid, a 200kg bomb fell through the dome without exploding. All the 300 people attending morning mass were left unharmed. On the 9th April, 1942 the detonator was removed and a replica is now on display inside the church as a famous tourist attraction. The Mosta Dome or Rotunda took 27 years to build and was designed by a French designer who resided in Mosta, George Grognet de Vasse.



MEET THE TEAM
KAREN BALDWIN

Karen Baldwin has a wealth of international corporate administrative experience having worked in Gibraltar and Malta before returning to her home county of Norfolk. Karen continues to provide far-reaching administrative and compliance support to our teams in both Malta and Bermuda.

TAKING THE ROUGH WITH THE SMOOTH MIGRATION TO MALTA

There are two classes of migrants to Malta – invited and uninvited. Almost 20,000 African refugees and migrants arrived in Malta during the last 13 years. Originally in small boats carrying a couple of dozen people but more recently in larger vessels with passengers measured in three figures.

Malta is not suffering the large volumes of illegal immigrants that currently descend on the shores of Italy and especially Greece. Malta has mostly been an unexpected landfall for people from Libya and sub-Saharan countries hoping to reach the Italian mainland. Nevertheless, the influx has had to be dealt with and it is fair to say that Malta has carried on its shoulders more than its share of the European migration crisis, pro-rata to its population. In that respect, Malta holds its head high.

The migrant that Malta welcomes intends to contribute to Malta's wellbeing as well as his own and is accordingly welcomed with open arms. Naturally, a country with a high proportion of ex-pats rests on a well-deserved reputation. Ex-pats live in a country by choice and the numbers in Malta speak for themselves.

2014 saw the introduction of an ambitious new and additional scheme aimed at HNWIs. Under the Individual Investor Programme (IIP), applicants are able to obtain a Maltese passport. There are stringent conditions relating to maintaining a Maltese residence and certain substantial financial obligations that have to be met.

The Regulator has published the following statistics for the period July 2014 – June 2015:

- 137 applicants of all types acquired Maltese citizenship
- 11 applications were rejected
- 75 letters of approval confirming the successful completion of the IIP process have been issued, broken down as follows:
 - 55% Europe including the former Soviet Republic
 - 16% North America
 - 15% Middle East
 - 8.5% Asia
 - 2.5% Gulf Region
 - 2.4% Africa
 - 1% South America
- Of the 75 applicants, 90% were male supporting 51 spouses, 81 dependents under 18 and 14 adult dependents
- 52% were self-employed while 36% were in employment
- 75% had a tertiary education to Bachelor's level, 17% a Master's degree and 15% a doctorate

In terms of investment, eight properties have been purchased at a total cost of €6.3 million (€787,000 average each). However, 75% of applicants chose to lease residential properties at an average annual lease of €119,000, substantially above the minimum threshold set at €16,000 p.a.

The total of funds received from IIP applicants (after deposits to government accounts and deduction of expenses) during the one year period was €44.7 million. The global value of all IIP input from property purchases, rent, investments and contributions equated to approximately 1% of GDP.

If you would like any further information about the IIP, please contact Tracy Lange of MJM Europe Limited, who is an Accredited Person authorised by Identity Malta

COMPANIES INCORPORATED IN MALTA IN 2015

Jan	441	Jul	449	● Number of Companies
Feb	404	Aug	384	
Mar	509	Sep	389	
Apr	538	Oct	412	
May	485	Nov	—	
Jun	443	Dec	—	

