



QUBE SERVICES LIMITED

## MALTESE BODIES CORPORATE

The Maltese Companies Act (the “Act”) came in to effect on 1 January 1995 in order “to regulate ... limited liability companies and other commercial partnerships”.

Substantial parts of the Act are based on the English Companies Act of 1985, including most of the provisions dealing with the limited liability company, accounting and insolvency.

### Forms of Commercial Partnerships

It is possible to register the following forms of commercial partnerships in Malta:

1. Limited Liability Company
2. Partnership *en commandite* (or limited partnership)
3. Partnership *en nom collectif*

A Maltese commercial partnership has legal personality distinct from that of its member / members and is in existence until the name of the commercial partnership is struck off the Maltese register. Furthermore, a commercial partnership formed and registered under the Act is governed by the Act irrespective of the place where the management and control of the commercial partnership is exercised. For more information in this regard, please see our separate commentary “Management and Control”.

### The Limited Liability Company

The limited liability company is the most common form of business entity in Malta, and may have status as a public company (plc) or a private company (ltd).

A private company is a company that must, by its memorandum or articles of association: (i) restrict the right to transfer its shares, (ii) limit the number of members to 50, and (iii) prohibit any invitation to the public to subscribe for any shares or debentures of the company.

A public company is a company that does not qualify as a private company. A public company may offer shares or debentures to the public (subject to relevant conditions being satisfied, e.g. that the offer is accompanied by a prospectus, etc.).

The maximum number of shareholders of a private company is 50, whilst there is no maximum number for a public company. The minimum number of shareholders is normally two, provided that a “single member” company may be registered in certain circumstances.

The Board of Directors of a Maltese company is responsible for its management. A private company must have at least 1 director, and a public company must have at least 2 directors. Companies must also have a Company Secretary.

Every company registered in Malta must have a registered office in Malta, and the minimum share capital for a private company is Lm500 (approx €1,165) - not less than 20% paid up, and for a public company Lm20,000 (approx €46,588) - not less than 25% paid up.



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### **Partnership *en commandite* (or limited partnership)**

A partnership *en commandite* (or limited partnership) operates under a partnership-name and has its obligations guaranteed by the unlimited and joint and several liability of one or more partners, called general partners, and by the liability, limited to the amount, if any, unpaid on the contribution, of one or more partners, called limited partners.

At least one of the general partners shall be either an individual or a body corporate which has its obligations guaranteed by the unlimited and joint and several liability of one or more of its members.

The administration and representation of the partnership *en commandite* is vested in the general partner(s), and unless the deed of partnership otherwise provides, such administration and representation shall vest in each of the general partners severally. A limited partner cannot take part in the management of a partnership *en commandite*.

The capital of a partnership *en commandite* may be divided into shares. In terms of the Maltese Income Tax Act, a partnership *en commandite* with its capital divided into shares will be treated as a company for Maltese income tax purposes.

Every partnership *en commandite* registered in Malta must have a registered office in Malta.

### **Partnership *en nom collectif***

A partnership *en nom collectif* may be formed by two or more partners and operates under a partnership name and has its obligations guaranteed by the unlimited and joint and several liability of all the partners.

At least one of the partners is to be either an individual or a body corporate which has its obligations guaranteed by the unlimited and joint and several liability of one or more of its members.

Every partnership *en nom collectif* registered in Malta must have a registered office in Malta.

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