

# Prospects

BORZA TA'  
MALTA  
MALTA STOCK EXCHANGE



***KSi Malta is a tax, legal advisory and corporate services firm providing a wide range of services to both local and international clients.***

For 45 years the firm has provided cost effective solutions and custom-made advice to hundreds of established clients worldwide. KSi Malta specialises in tax advice, and has several tax consultants assisting clients in this regard both in Malta and also on an international scale.

*Currency*

**Euro €**

*Capital City*

**Valletta - UNESCO World Heritage Site & European Capital of Culture for 2018**

*Climate*

**Guaranteed 300 days of sunshine**

*Accessibility*

**Direct flights to and from all major cities in Europe and beyond. Mediterranean cruise liners regularly include Valletta as one of the ports on their itinerary**

*Languages*

**Maltese and English**



## What is Prospects MTF?

- The Prospects MTF, introduced by the Maltese Government in 2016, is a multilateral trading facility of the Malta Stock Exchange (MSE), created specifically to give SMEs access to alternative sources of finance, such as: the raising capital by issuing bonds or by issuing or selling company shares through a listing on the exchange.
- This platform, which is fully compliant with the Markets in Financial Instruments Directive (MiFID), encourages the flourishing of SMEs by providing them with a cost-effective opportunity to raise up to €8 million per issue, without falling under the ambit of the prospectus regulation.
- The Prospects MTF avoids bureaucracy and encourages efficiency through a simplified admissions process and through the brief period within which an application is processed (the MSE shall reach a definite decision on an application within solely 10 business days from full submission).

## What are the eligibility criteria?

- Both Maltese and foreign public limited companies falling within the EU definition of an SME, including start-ups, are eligible to apply for listing.
- In order for a company to qualify, it must satisfy the following conditions, depending upon its category:

Company Category	Employees	Turnover		Balance Sheet Total
Medium	<250	< €50,000,000	OR	< €43,000,000
Small	<50	< €10,000,000	OR	< €10,000,000
Micro	<10	< € 2,000,000	OR	< € 2,000,000

- There is no minimum value for an initial public offering (IPO); however, the MSE envisages IPOs of between €1 million and €8 million.
- In order for an applicant's application to be considered, it is obligatory for him/her to have a corporate advisor both before and following an admission process of Prospects.

## Admission Process



- An applicant is obliged to notify the MSE of its intention to submit an application for Admission on Prospects at least one month before submitting the application.
- The Admission Process incorporates within it a five-step approach which ascertains a smooth process for admission.

### Phase 1

An introductory meeting will be held between the MSE, the Corporate Advisor, and the prospective Applicant, where the Applicant will summarise its setup and activities, present its business plan, and outline any specific aspects of its financing requirements.

### Phase 2

The Corporate Advisor will carry out all the necessary correspondence with the Applicant in order to compile the Admission Document.

### Phase 3

A meeting between the Corporate Advisor and the MSE is carried out. All documentation which is relevant to the Application is checked to ascertain that it will meet the expected standard of the Prospects Committee. An applicant is obliged to notify the MSE of its intention to submit an application for Admission on Prospects at least one month before submitting the application.

### Phase 4

Both the Admission document and the Application should be finalised, and they should be submitted to the Prospects Committee, together with the necessary fees.

### Phase 5

When the Prospects Committee has finalised the review of the Application, it will make a recommendation on whether to approve or decline admission to Prospects to the Board of the MSE.

*Prospects MTF gives SMEs access to alternative sources of finance, such as: the raising capital by issuing bonds or by issuing or selling company shares through a listing on the exchange.*

## Application fee

- A fee of €5,000 (excluding VAT), shall be payable for the admission of securities to Prospects MTF.
- A separate document handling fee amounting to €3,000 (excluding VAT) shall also be payable when the proposed bond is secured by tangible assets.
- The annual fees shall be calculated in the manner shown hereunder:

Annual Fees	
On the first €3,500,000	€3,500
On the next €1,500,000	€5,000
On the next €2,000,000	€7,000
On the excess over €7,000,000	€8,000

## What can KSi Malta offer?

KSi Malta can act as a corporate advisor both before and following an admission process of Prospects. Our professional team takes all steps necessary to ensure that our client's (the applicant's) transparency, compliance and corporate governance objectives are attained and maintained in order to instil greater investor confidence.

Moreover, KSi Malta will carry out all the necessary drafting and submission of the required documents, including but not limited to: the company admission document and the memorandum and articles of association. All the requisite due diligence on the company, shareholders and key management personnel shall also be undertaken and we will endeavour to give the best advice throughout the application process.

## KSi Malta Services



Accounting, Corporate and Personal Tax



Audit and Assurance



Aviation



Company Formation



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**PROSPECTS AND FINANCIAL PLANNING**



Residency and Citizenship



Risk and Compliance



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