

How do you register a Co-operative in Malta?

Thinking of registering a Co-operative?

Here's what you need to know about registering a co-operative in Malta.

What is a Co-operative?

A co-operative is an autonomous association of individuals who voluntarily come together to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.

In a co-operative, members are also the owners, working collaboratively to achieve shared goals. Co-operatives can take many forms, such as food and agricultural co-operatives, worker co-operatives, retail and consumer co-operatives, social services co-operatives, arts and culture co-operatives, and education co-operatives.

In Malta, a co-operative must have at least five members.

What is the Statute?

The founding members must approve a statute to establish the co-operative. The statute describes the co-operative's goals, outline roles and responsibilities, and describes the steps and methods of reaching these goals. You can view a model statute at the following link: <https://cooperatives-malta.coop/downloads/>

What about the Business Plan?

A business plan must be drafted with the help of a qualified professional. It should include financial projections demonstrating the co-operative's viability.

How do you register with the Malta Business Registry (MBR) and the Co-Operative's Board?

First, request approval from the Foundations and Associations Unit at the Malta Business Registry by submitting:

- Form 1 – Submission of Initial Information as per Civil Code (Second Schedule) (Register of Beneficial Owners – Associations), Regulations.
- A signed and dated copy of the Statute together with a copy of the Identification Document of the members of the co-operative.

Once the above steps are completed, the prospective founding members can propose the registration of the co-operative with the Co-Operative's Board by providing the following documents:

- Application for Registration of a Co-Operative Society form
- Business Plan
- The signed statute together with a certified copy of the Identification documents of each member.
- A copy of the Form 1 (stamped and approved by the MBR)
- A consent letter regarding the registered address of the co-operative

Once the Co-Operatives Board approves the application, a letter will be sent to the co-operative informing them of the approval. The letter will also indicate that a one-time registration fee of **€58.23** must be paid to finalise the registration.

Upon the registration of a Co-Operative Society, the Board will issue a certificate of registration and the registration will also be published in the Gazette.

What are the obligations after co-operative registration:

- Prepare audited financial statements at least once a year. These must be submitted to the co-operative's Board no later than five months after the end of each financial year.
- In spite of the fact that co-operatives are exempt from tax, they should still prepare and file an Income Tax Return at the end of each financial year.
- Maintain a register of members and register of shares held by each member.

- Changes in committee members must be reported to the Foundations and Associations Unit at the Malta Business Registry within 14 days of change by filing a Form 2. Failure to do so will result in penalties.

Who can help?

Koperattivi Malta

The process of setting up a co-operative is relatively straightforward. Koperattivi Malta was established specifically to assist those interested in the co-operative model and to guide them through every step.

If you are interested in learning more about the co-operative model and how you can benefit from it, please contact Koperattivi Malta at info@cooperatives-malta.coop.

DFK Malta

Contact experts at DFK Malta for assistance with the documentation preparation and submission related to your obligations when proposing the formation of a new co-operative as well as for your ongoing obligations once the co-operative is registered.

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**The objective of this summary is to outline the principal elements of the rules being summarized herein. Accordingly, it is not intended to be provided by way of comprehensive and definitive advice. Readers should seek professional advice by contacting DFK Malta Tax & Consultancy Limited before acting upon any information included in this document.*