

## Malta: Hollywood in the Mediterranean

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By **Jonathan Vassallo**, 16th May 2023

### **Foreign Films Being Shot in Malta**

Malta has established itself as a top film location in the Mediterranean and is gaining a strong global reputation that is managing to attract a large volume of foreign films and series over recent years.

Such films include; the movie Entebbe, Game of Thrones and the Netflix series Sense 8, as well as box offices movies such as Jurassic World Dominion and Gladiator 2 which is set to start production in the next half of the 2023. There has been an increase in crews from Hollywood and Bollywood as well as marketing agencies and production companies frequently visiting the island to take advantage of the benefits available to them.

In this article we will discuss the specific reasons as to why the film industry is continuing to grow in Malta and why it has attracted so much interest. In addition to; Malta's versatile location, the film servicing facilities and infrastructure as well as English being the first language, a significant bonus is the fiscal incentives offered by the Government.

### **Fiscal Incentives**

Currently there are several tax incentives in Malta, that can be enjoyed by both local and international film productions.

1. Cash Rebate - A cash rebate of up to 40% of the eligible expenditure incurred in Malta on film production, including; pre-production, production, and post-

production costs. The minimum expenditure threshold is €60,000 for feature films, documentaries, and TV drama series, and €100,000 for TV commercials, animation, and other productions.

2. VAT Refund – A refund of up to 25% of the VAT paid on eligible expenditure incurred in Malta on film production.
3. Tax Credit – A tax credit of up to 25% of the eligible expenditure incurred in Malta on film production. The credit can be used to offset tax payable on income earned in Malta.
4. Co-Production Fund – A fund that provides up to 25% of the eligible expenditure incurred in Malta on co-productions. The fund is available to international co-productions that involve a Maltese production company as a partner.
5. Malta Enterprise Investment Aid – A scheme that provides financial assistance to companies that invest in film production facilities in Malta. The assistance is in the form of a cash grant of up to 35% of the eligible costs of the project.

## **Geographics**

Malta has an ability to ‘double-up’ to become multiple locations, which gives it a great advantage over many other jurisdictions. Over the years the island has been transformed into; North Africa, ancient Rome, the South of France and Tel Aviv. Producers are attracted by the island’s natural beauty and the diverse architecture of Malta’s towns and villages, castles, palazzos, towers and farmhouses. Mother Nature also plays her role; with 300 days of sunshine a year, directors are re-assured that filming is far less likely to be unexpectedly interrupted.

## **Local Production Support in Malta**

Filmmakers are also given a warm welcome by the Malta Film Commission (MFC), which is responsible for the promotion and development of the industry. It offers assistance and guidance and is usually the first point of contact for any filmmaker considering Malta as a location.

The MFC runs an incentive scheme, which offers up to a 40% rebate of costs, in relation to; accommodation, transport and location hire.

Screen tourism is a growing phenomenon worldwide, and Malta’s film and tourism sectors have responded to this trend by offering dedicated tours that take visitors to the sites where movies were filmed.

Malta is also home to the Malta Film Studios which offer shallow water tanks to allow the shooting of water scenes in a controlled environment with an unlimited ocean backdrop.

The island is currently sharpening its focus on developing further film infrastructure. The Government is currently looking for a strategic partner to redevelop, renovate and operate the film studios, and world-renowned companies have expressed their interest in the project. There are plans for the building of one or two sound-stages to allow producers to work in a fully controlled environment, so that filming can flourish 365 days a year.

### **How Can Dixcart Malta Help?**

The Dixcart office in Malta has a wealth of experience in assisting companies in Malta and detailed knowledge of the benefits and financial incentives that are available to film production companies and how to claim these.

We also offer legal and regulatory compliance insights to meet specific needs and to ensure that all necessary legal requirements have been met. In addition our team of qualified Accountants and Lawyers are available to set up structures and to manage them efficiently if you decide to incorporate a new company or redomicile an existing structure.

### **To Contact Us**

Please do not hesitate to contact the Dixcart office in Malta and we will be delighted to assist you: [advice.malta@dixcart.com](mailto:advice.malta@dixcart.com).