

## MALTA'S NEW SPECIAL LP FUND FOR PE MANAGERS

THE SPECIAL LIMITED PARTNERSHIP FUND (SLPF) WAS INTRODUCED BY THE MALTA FINANCIAL SERVICES AUTHORITY (MFSA) IN FEBRUARY 2025 TO ENHANCE MALTA'S APPEAL AS A JURISDICTION FOR ALTERNATIVE INVESTMENT FUNDS. THIS DEVELOPMENT ALIGNS MALTA MORE CLOSELY TO INTERNATIONAL BEST PRACTICES, OFFERING GREATER STRUCTURAL FLEXIBILITY AND TAX TRANSPARENCY, AS WELL AS REGULATORY AND COST EFFICIENCY.

The regime has also significantly streamlined structuring options for private equity (PE) managers. As a result, PE managers with existing structures in Malta, or those considering establishing one, stand to benefit substantially from using an SLPF as part of their toolkit.

### KEY FEATURES OF THE REFORM

#### Greater Structural Flexibility for PE Funds

- > **Limited partnerships without separate legal personality:** Collective investment schemes can now be structured as limited partnerships without separate legal personality, mirroring familiar models in Luxembourg and Delaware.
- > **Tailored governance through the LPA:** The Limited Partnership Agreement (LPA) is now central to the fund's constitution, giving managers greater control over governance, profit distribution, and decision-making.

#### Streamlined Regulatory Framework

- > **Targeted investor base:** These structures are designed for non-retail investors, including qualifying and professional investors, matching the typical PE fund profile.
- > **Simplified amendment process:** Amendments to the LPA only require MFSA approval if they affect core regulatory elements. Otherwise, only a notification to the MFSA is needed, reducing administrative burden.

#### Enhanced Tax Transparency and Efficiency

- > **Pass-through taxation:** Partnerships are treated as transparent for tax purposes unless they elect for corporate treatment. This allows profits to be taxed at partner level.
- > **Attractive fiscal regime:** Malta's tax system now extends favourable treatment not just to companies but also to partnerships, making it more attractive for fund domiciliation.

#### Stronger Global Positioning

- > **Regulatory modernisation:** The Companies (Amendment) Act and related MFSA initiatives have modernized Malta's corporate and partnership frameworks to better serve the financial industry, including PE and asset management sectors.
- > **Alignment with global standards:** These reforms bring Malta closer to international best practices.

## SUMMARY FOR PE MANAGERS

TAX FEATURE	BENEFIT FOR PE MANAGERS
PASS-THROUGH TAXATION	Avoids entity-level tax; income taxed at investor level
TAX REFUND SYSTEM	Reduces effective tax rate significantly
NO DIVIDEND WITHHOLDING TAX	Enhances post-tax returns for investors
CAPITAL GAINS EXEMPTIONS	Foreign gains often fall outside Maltese tax scope
TREATY NETWORK	Facilitates cross-border tax efficiency

## HOW WE CAN ASSIST

PE structures can be complex, and adopting the SLPF regime requires expert guidance. Our team can help you assess the implications of using the SLPF and determine how it fits within your overall fund strategy.

For more information, please contact Albert Cilia, Managing Director of our Malta office, at [acilia@tridenttrust.com](mailto:acilia@tridenttrust.com).

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