



EUROPEAN COMMISSION
DIRECTORATE-GENERAL
TAXATION AND CUSTOMS UNION
Indirect Taxation and Tax administration
VAT and other turnover taxes

VAT in the European Community

**APPLICATION IN THE MEMBER STATES,
FACTS FOR USE BY
ADMINISTRATIONS/TRADERS
INFORMATION NETWORKS ETC.**

Note

This document collates a range of basic information on the application of VAT arrangements in the Member States which has been obtained from the tax authorities concerned.

The sole purpose of distributing details of national provisions is to create a work tool. In no way does this document reflect the views of the Commission of the European Communities. Nor does it signify approval of the relevant legislation.

MALTA

TABLE OF CONTENTS

GENERAL INFORMATION	3
VAT REGISTRATION OF FOREIGN TRADERS	4
THRESHOLDS	6
APPOINTMENT OF TAX REPRESENTATIVES BY FOREIGN (NON-EU) TRADERS.....	6
APPOINTMENT OF TAX REPRESENTATIVES BY FOREIGN TRADERS ESTABLISHED IN THE EU	8
INVOICING.....	9
RULES ABOUT INVOICING.....	9
ISSUANCE OF INVOICES	9
CONTENT OF INVOICES.....	10
ELECTRONIC INVOICING	11
STORAGE OF INVOICES	12
SIMPLIFIED INVOICES	13
PERIODIC VAT RETURNS	13
RECAPITULATIVE STATEMENTS	14
ELECTRONIC RETURNS	15
ADMINISTRATIVE REQUIREMENTS	15
RIGHT TO DEDUCTION	16
ANNEX 1: THRESHOLDS	18
ANNEX 2: VAT IDENTIFICATION NUMBERS.....	18
ANNEX 3: ABBREVIATIONS	18

GENERAL INFORMATION

1. IF A FOREIGN TRADER WANTS TO OBTAIN INFORMATION ABOUT YOUR VAT SYSTEM, WHOM SHOULD HE CONTACT? (ADDRESS, TELEPHONE, FAX, EMAIL)

Foreign traders can obtain information on the Maltese VAT system from:

VAT DEPARTMENT

Centre Point Building

Ta' Paris Road

Birkirkara BKR 13

MALTA

Tel: +356-21.49.93.30

Fax: +356-21.49.93.65

E-mail: vat@gov.mt

Information on the Maltese VAT system can be also consulted on the website of the VAT Department <http://www.vat.gov.mt/>

2. WHAT IS THE ADDRESS OF THE NATIONAL TAX ADMINISTRATION WEBSITE? WHICH CATEGORIES OF INFORMATION ON VAT IS AVAILABLE ON THAT WEBSITE (GENERAL INFORMATION, LEGISLATION, CONTACT POINTS, FORMS, ETC.)? AND IN WHICH LANGUAGE(S)?

The Maltese VAT authorities' website is: <http://www.vat.gov.mt/>

Information is available in English and Maltese on:

- VAT Legislation
- Comments on the VAT legislation
- VAT Forms and explanatory notes
- Application for Registration (download and on-line)
- Request for Fiscal Receipts (download and on-line)
- Electronic on-line VAT Return
- Frequently Asked Questions (FAQs)
- Quality Service Charter and Contact Information (Office Opening Times, etc.)
- Decisions
- European directives

3. WHERE IS IT POSSIBLE TO FIND NATIONAL VAT LEGISLATION AND REGULATIONS? IN WHICH LANGUAGE(S) ARE THEY AVAILABLE?

See answers to questions 1 and 2. In addition, you can purchase printed copies of VAT main and subsidiary legislation in English and Maltese from the Department of Information. In addition, VAT main and subsidiary legislation is available electronically on the websites of the Department of Information and the Ministry of Justice and Home Affairs (Laws of Malta).

3, Castille Place

Valletta CMR 02

E-mail:info@gov.mt

Website at www.doi.gov.mt/

VAT REGISTRATION OF FOREIGN TRADERS

4. WHAT ARE THE CIRCUMSTANCES GOVERNING THE NEED TO BE REGISTERED FOR VAT?

All foreign traders must be identified for VAT purposes in Malta if they effect in Malta transactions that are subject to VAT, for which they have the right to deduct input VAT and on which they are liable for VAT in Malta in accordance with the Maltese VAT Act.

A foreign trader who does not have a business establishment in Malta but must be registered for VAT purposes in Malta may choose to deal with his VAT obligations himself or appoint an agent or a tax representative to act on his behalf. In both cases, registration must be requested at the VAT Department.

DISTANCE SELLING

a) COMPULSORY REGISTRATION

Any business established in another EU Member State which sells goods, and is responsible for their delivery, to persons not registered for VAT in Malta, must register for VAT in Malta if the value of those sales to Malta exceeds the equivalent in Lm of €35,000 in a calendar year.

(b) VOLUNTARY REGISTRATION

A distance seller below the threshold of €35,000 may opt to make Malta the place of supply and must register in Malta as a result.

INTRA-COMMUNITY ACQUISITIONS

(a) COMPULSORY REGISTRATION

If a business or a non-taxable legal person (e.g. a Public Authority) is not registered for VAT in Malta and it acquires goods in Malta direct from a VAT registered supplier in another Member State, it will be required to register for VAT in Malta if the total value of all goods acquired in a calendar year exceeds €10,000. Such registration should be made immediately before the amount is exceeded.

(b) VOLUNTARY REGISTRATION

A business or a non-taxable legal person may also register voluntarily if it can satisfy the VAT Department that it makes, or has a firm intention to make, relevant acquisitions.

5. WHAT ARE THE SITUATIONS WHERE REGISTRATION IS UNNECESSARY BECAUSE THE RECIPIENT OF THE GOODS OR SERVICES IS LIABLE FOR THE TAX? IN SUCH SITUATION, IS IT POSSIBLE TO REGISTER ON A VOLUNTARY BASIS?

Where traders who are not established in Malta effect taxable supplies of goods or services in Malta, and where the recipients of the goods or services are liable for VAT the foreign trader would not be obliged to register in Malta. This is defined in Article 20(2) of the Act.. In such cases recipients have to calculate the tax on the net value and declare it to the VAT Department. The trader providing the goods or services does not have to register for VAT purposes. However, provided they fit the conditions for registration, foreign traders can voluntarily register for VAT in Malta if they wish to do so.

6. WHOM SHOULD A FOREIGN TRADER CONTACT TO GET REGISTERED FOR VAT? (DETAILS ABOUT THE DEPARTMENT, INCLUDING ADDRESS, TELEPHONE AND FAX E-MAIL...)

Foreign traders, whether they have a permanent establishment in Malta or not, can contact the VAT Department to apply for a VAT registration number (see address in question 1).

7. PLEASE DESCRIBE THE DETAILED PROCEDURES (INCLUDING NECESSARY DOCUMENTS) FOR ISSUING VAT IDENTIFICATION NUMBERS, SPECIFICALLY TO FOREIGN TRADERS.

In order to apply for a Maltese VAT registration number, foreign traders must first obtain a Registration Application Form. This form can be requested (by telephone, by e-mail or in person) from the VAT Department (addresses and numbers under question 1) or it can be downloaded from the VAT Department's website (address under question 1).

The duly completed and signed Registration Application Form, together with any required attachments must be sent back to the VAT Department by mail or delivered at the Department by hand.

Alternatively, the foreign trader can fill out the on-line Registration Application Form which can be found on the website of the VAT Department (click on "Register online" on the Home page of the site)..

A Registration Application Form must be accompanied by (in case of online application, these documents must be faxed or sent by e-mail as an image file attachment, with the originals sent by post at the same time):

- a statement issued by the relevant authorities of the country in which the taxable person is established, attesting that the applicant is a taxable person in that country;
- a copy of the entry in the official register of commercial entities held in the country in which the taxable person is established;
- a copy of the act of incorporation if the taxable person is a legal person;
- a copy of order forms or contracts showing that the person in question will be doing business in Malta.

After checking that the conditions for registration are satisfied, the VAT Department will notify the foreign trader and, where applicable, his or her tax representative, of the VAT registration number assigned in Malta (VAT Registration Certificate). The Member State of establishment of the foreign trader is informed about the details of the trader and is assigned a Malta VAT Registration Number as provided in Council Regulation 1798/2003.

THRESHOLDS

8. WHICH THRESHOLD DO YOU OPERATE AS REGARDS INTRA-COMMUNITY DISTANCE SELLING UNDER ARTICLE 34 OF THE VAT DIRECTIVE (2006/112/EC)?

http://ec.europa.eu/taxation_customs/resources/documents/taxation/vat/traders/vat_community/vat_in_EC_annexI.pdf

9. WHICH THRESHOLD DO YOU OPERATE AS REGARDS ACQUISITIONS BY NON-TAXABLE LEGAL PERSONS OR EXEMPT PERSONS UNDER ARTICLE 3 OF THE VAT DIRECTIVE (2006/112/EC)?

http://ec.europa.eu/taxation_customs/resources/documents/taxation/vat/traders/vat_community/vat_in_EC_annexI.pdf

APPOINTMENT OF TAX REPRESENTATIVES BY FOREIGN (NON-EU) TRADERS

10. WHAT ARE THE SITUATIONS IN WHICH THE APPOINTMENT OF A TAX REPRESENTATIVE IS OBLIGATORY?

If a foreign trader who is not established in the Community is required to be registered in Malta, he can designate any trader resident in Malta and acceptable to the Commissioner of VAT to be his representative. If he fails to do so, the Commissioner of VAT can, by notice in writing, designate as the representative of the foreign trader any person resident in Malta to whom that foreign trader makes a taxable supply or who is his agent or who otherwise has a business relationship with him.

11. WHAT ARE THE CONDITIONS GOVERNING THE APPOINTMENT OF A TAX REPRESENTATIVE?

A business based outside of the EU may voluntarily appoint a tax representative in Malta.

Only traders established in Malta may, on request, be registered as the tax representative of a foreign trader established outside the EU.

12. WHAT ARE THE RIGHTS AND OBLIGATIONS OF TAX REPRESENTATIVES?

The following are governed by Article 66 of the VAT Act:

66. (1) Any secretary, manager, director, liquidator or other principal officer of an entity or of a body of persons, any heir and any testamentary executor and any curator of the vacant inheritance of a deceased person, and any person who is a tutor, curator, administrator or trustee of any other person or of any trust, fund or other entity shall, for the purposes of this Act, be a representative of that body of persons, deceased person, other person, trust, fund or other entity, as the case may be.

(2) (a) When a person who is not established in Malta and is not established in the Community, is or is required to be registered under this Act any person resident in Malta to whom he makes a taxable supply or who is his agent or who otherwise has a business relationship with him shall, if so designated by the Commissioner by means of a notice in writing, and unless another person resident in Malta and acceptable to the Commissioner has been so designated by that first mentioned person, be a representative of the said person.

(b) When a person who is not established in Malta, but is established in the Community, is, or is required to be registered under this Act, he may, by means of a notice in writing to the Commissioner, nominate as his representative, any person resident in Malta who is acceptable to the Commissioner.

(c) For the purpose of this subarticle, the Minister may by regulations prescribe the conditions regulating such appointment.

(3) (a) Subject to the provisions of subarticle (5) a representative of a person shall be liable in the same manner and to the same extent as the person of whom he is a representative for all the obligations imposed by or under this Act.

(b) Anything done or omitted to be done by a representative acting as such shall for the purposes of this Act be deemed to have been done or omitted to be done by the person of whom he is a representative.

(c) Any notice served on or any refund paid to a representative in his capacity as such under any of the provisions of this Act shall be deemed to have been served on or to have been made to the person of whom he is a representative.

(d) The existence of or the designation of a person as a representative of another person shall not relieve the latter person from any obligation or liability under this Act.

(4) A representative who has under his management or control any funds or property belonging to or due to the person of whom he is a representative shall not dispose of such funds or property unless he has made adequate provision for any tax due under this Act.

(5) A representative shall be jointly and severally liable with the person of whom he is a representative for the tax due by that person: provided that where the representative has acted in good faith and is not knowingly in breach of subarticle (4) or of any other obligation under this Act, his liability under this subarticle shall

be limited to the funds or to the value of any property under his management or control which belongs or is due to the person of whom he is a representative.

13. WHAT ACTION CAN YOU TAKE IN THE EVENT OF FAILURE BY A TRADER IN ANOTHER COUNTRY TO DESIGNATE A TAX REPRESENTATIVE IN YOUR TERRITORY?

The Commissioner of VAT can, by notice in writing, designate as the representative of the foreign trader any person resident in Malta to whom that foreign trader makes a taxable supply or who is his agent or who otherwise has a business relationship with him.

If it is not possible to appoint a representative, the VAT Department may recover VAT, interest and any fines from the foreign traders' Maltese contracting parties. However, where such contracting parties prove that they have paid all or part of the VAT to suppliers they clearly identify, they may be relieved from paying the VAT.

14. IS IT NECESSARY TO SET UP A BANK GUARANTEE?

This is referred to in the Act's Subarticle 63(5) that reads:

63(5) Where it appears to the Commissioner that it is necessary for the protection of Government revenue, he may, at any time, under conditions approved by the Minister, require a taxable person, as a condition for that person to supply goods or services, to give such security, or further security, for that amount and in such manner as the Commissioner may determine, for the payment of any tax that is or may become due by him under this Act.

APPOINTMENT OF TAX REPRESENTATIVES BY FOREIGN TRADERS ESTABLISHED IN THE EU

15. IS IT POSSIBLE TO APPOINT A TAX REPRESENTATIVE?

Foreign traders established in another Member State are not obliged to appoint a tax representative and VAT registration in Malta is not dependent on the approval of a tax representative.

A foreign trader established in the Community who is required to be registered in Malta can either apply for registration in his own name or he may, by means of a notice in writing to the Commissioner, nominate as his representative, any person resident in Malta who is acceptable to the Commissioner.

16. WHAT ARE THE CONDITIONS GOVERNING THE APPOINTMENT OF A TAX REPRESENTATIVE?

A business based within the EU may voluntarily appoint a tax representative in Malta.

Only traders established in Malta may, on request, be registered as the tax representative of a foreign trader established within the EU.

17. WHAT ARE THE RIGHTS AND OBLIGATIONS OF A TAX REPRESENTATIVE?

See answer to question 12.

18. ARE THERE SITUATIONS WHERE IT IS OBLIGATORY TO SET UP A BANK GUARANTEE?

See answer to question 14.

INVOICING

RULES ABOUT INVOICING

19. WHERE CAN THE RELEVANT RULES (LAWS, REGULATIONS, INSTRUCTIONS, GUIDELINES...) BE FOUND?

-The relevant rules can be found under Article 50 of the VAT Act (Cap. 406) and its Schedule 12 that govern the issuing of invoices.

ISSUANCE OF INVOICES

20. CASES WHERE AN INVOICE NEEDS TO BE ISSUED

-Article 50 of the Act indicates:

- (1) "Every person registered under article 10 who makes a supply, other than an exempt without credit supply, to another person who identifies himself for the purpose of that supply by means of a value added tax identification number";
- (2) "When there is an application, disposal, transport or use of goods for which no consideration is charged or paid but which is deemed in terms of the Second Schedule to be a supply made by a person for consideration, that person shall, if he is a person registered under article 10, issue a tax invoice in which he indicates himself both as the person who made the supply and as the person to whom the supply is made";
- (3) "Where a person provides a document to himself which purports to be a tax invoice in respect of a taxable supply made to him by a person registered under article 10".

21. WHAT ARE THE RULES ON CORRECTIVE INVOICES (CREDIT / DEBIT NOTES)?

-Malta does not have specific rules on the issue.

22. WHAT IS THE TIME LIMIT FOR ISSUING INVOICES?

-Thirty one days from the date of supply or the date of the payment, whichever is the earlier.

23. WHAT ARE THE RULES FOR SUMMARY INVOICING?

-There are no rules in this regard.

24. WHAT ARE THE CONDITIONS IMPOSED ON SELF-BILLING?

-This is governed by Item 10 of the 12th Schedule that reads:

Document provided by a person to himself

10. When a taxable supply is made to a person and no tax invoice is provided for that supply, that person may provide a document to himself with respect to that supply and that document shall constitute a tax invoice if it complies with the requirements of this Schedule and if it is so approved by the Commissioner: provided that no such approval shall be required if that person is the person liable for the tax on that supply.

25. IS THERE ANY SPECIFIC RULE IN RELATION TO OUTSOURCING OF INVOICES TO A PERSON WHO IS ESTABLISHED OUTSIDE THE EU?

-No.

CONTENT OF INVOICES

26. UNDER WHAT CONDITIONS MUST THE VAT NUMBER OF THE CUSTOMER BE ON THE TAX INVOICE?

-A document will not constitute a tax invoice unless it has the customer's VAT Registration Number.

27. ANY OTHER SPECIFIC RULE IN RELATION TO THE CONTENT OF THE INVOICE

-An invoice has to conform to the following specification in the Act's Item 2 of the 12th Schedule that reads:

"2. (1) Saving the other provisions of this Schedule, a tax invoice shall contain the following particulars:

- (a) the date of issue;
- (b) a sequential number, based on one or more series, which uniquely identifies the invoice;
- (c) the name and address of the supplier and the Value Added Tax identification number under which he made the supply;

- (d) the name and address of the person to whom the supply is made and the Value Added Tax identification number under which he acquired the goods or services supplied to him;
- (e) the type of the supply by reference to the categories listed in item 3;
- (f) a description sufficient to identify the quantity and nature of the goods or the extent and nature of the services supplied;
- (g) the date on which the supply was made or completed or the date on which a payment on account of the supply was made insofar as that date can be determined and differs from the date of issue of the invoice;
- (h) the taxable value per rate or exemption, the unit price exclusive of tax and any discounts or rebates if they are not included in the unit price;
- (i) the amount of tax chargeable, if any, at each rate so chargeable;
- (j) the total amount of tax chargeable, if any.”

In addition, Item 4 reads:

Tax invoice by retailers

4. A tax invoice which is required to be provided by a retailer need contain only the following particulars:

- (a) a serial number of the transaction;
- (b) the date of the supply;
- (c) the name, address and the Value Added Tax identification number of the supplier;
- (d) the Value Added Tax identification number of the person to whom the supply is made;
- (e) a description sufficient to identify the goods supplied;
- (f) for each description, the quantity of the goods, the rate of tax chargeable thereon, and the price payable, including the tax;
- (g) the total amount of tax chargeable:

Provided that a fiscal receipt issued by means of a fiscal cash register as defined in the Thirteenth Schedule to this Act, shall be deemed to satisfy the requirements of this item if it contains, in addition to the particulars required by the said item, the machineprinted registration number of the person to whom the relative supply is made.

ELECTRONIC INVOICING

28. AS REGARDS INVOICES SENT WITH ADVANCED ELECTRONIC SIGNATURES, IS IT OBLIGATORY TO USE QUALIFIED CERTIFICATED AND SECURE-SIGNATURE-CREATION DEVICES? IF SO, PLEASE GIVE DETAILS.

-The Twelfth Schedule’s Item 11 caters for this and reads:

Invoices by electronic means

11. Invoices containing the details specified in item 2, and subject to the acceptance by the customer, may be sent by electronic means, provided that the authenticity of the origin and the integrity of the contents are guaranteed as may be provided for by national legislation with regard to the use of electronic signatures, or as may be required and approved by the Commissioner.

29. AS REGARDS INVOICES SENT BY ELECTRONIC DATA INTERCHANGE, IS AN ADDITIONAL SUMMARY DOCUMENT ON PAPER OBLIGATORY? IF SO, PLEASE GIVE DETAILS ABOUT ITS CONTENT AND PROCEDURE.

-As per Question 28.

30. DO YOU ALLOW INVOICES ISSUED PURSUANT TO ARTICLE 233(1) SECOND SUB PARAGRAPH OF THE VAT DIRECTIVE ("BY OTHER ELECTRONIC MEANS")? IF SO, UNDER WHICH CONDITIONS AND FORMALITIES?

- As per Question 28.

31. ANY OTHER SPECIFIC RULE IN RELATION TO ELECTRONIC INVOICING

-No.

STORAGE OF INVOICES

32. WHAT ARE THE RULES ON THE PLACE OF STORAGE OF INVOICES?

-Malta does not have any rules on this issue.

33. IS PRIOR NOTIFICATION OF INVOICES STORED IN ANOTHER COUNTRY AN OBLIGATION? IF SO, PLEASE SPECIFY.

-No.

34. WHAT IS THE OBLIGATORY STORAGE PERIOD FOR INVOICES?

-Article 48(4) of the Act stipulates that “documents and accounts shall be retained for a period of at least six years from the end of the year to which they relate”

In case of capital goods, the 6 years commence following 5 years for movable property, and followingr 20 years in the case of movable property.

35. WHAT ARE THE SPECIFIC RULES ON STORAGE FORM AND POSSIBLE CONVERSIONS?

-The only mention of storage in the VAT Act is in subarticle 48(4) that reads:

48.(4) The records referred to in subarticles (1), (2) and (3) shall be kept and stored in such manner, contain such details and be supported by such information, documents and accounts as set out in the Eleventh Schedule and such records, information, documents and accounts shall be retained for a period of at least six years from the end of the year to which they relate, or such other period or periods as the Minister may, in special cases, by regulations prescribe.

36. ANY OTHER SPECIFIC RULE IN RELATION TO INVOICE STORAGE.

-No.

SIMPLIFIED INVOICES

37. WHAT ARE THE SITUATIONS WHERE SIMPLIFIED INVOICING IS ALLOWED PURSUANT TO ARTICLE 238 OF THE VAT DIRECTIVE (2006/112/EC)? AND WHAT ARE THE SPECIFIC RULES?

-No.

PERIODIC VAT RETURNS

38. UNDER WHAT CIRCUMSTANCES IS A TRADER OBLIGED TO SUBMIT A VAT RETURN?

The following are required to submit periodic VAT returns:

1. taxable persons excluding persons who make only exempt without credit supplies and have therefore no right to deduct any input tax;
2. taxable persons who are registered in Malta as “exempt persons”(small undertakings)

The first category must submit to the VAT Commissioner a tax return for every tax period by not later than the fifteenth day of the second month following the month during which that tax period ends. A tax period is normally a period of three months but can, on request, be a period of one month for registered persons whose activity exclusively consists of zero-rated supplies of goods. The start and end of the first tax period of a newly registered person is determined by the Commissioner and will largely depend on the moment the registration of that person takes effect. After the first tax period, each tax period starts on the first day immediately following the end of the preceding tax period. For example, if a taxable person is registered on 12 September, his first tax period will normally start on 1 September and end on 30 November; his next period will then run from the 1st of December until the end of February.

Taxable persons who operate below the threshold for small businesses (see questions 4 and 23) but do not opt to be classified as exempt persons are assigned a 12 month tax period.

A periodic VAT return must be submitted for every tax period by not later than the fifteenth day of the second month following the month during which that tax period ends.

Any person registered as an exempt person is required, by the 15th February of each year, to submit a declaration (simplified tax return) stating his turnover for the previous calendar year (see also questions 4 and 23).

In addition, taxable persons who are not registered in Malta, including those making only exempt without credit supplies and non-taxable legal persons, must submit a special declaration whenever the following taxable transactions are effected:

– where they are liable for tax by virtue of being the recipients of certain services that are deemed to take place in Malta;

– where they effect intra-Community acquisitions of goods that are taxable in Malta (either because they have opted for these acquisitions to be taxed in Malta or because their acquisitions in Member States exceed the threshold of €10,000).

39. AT WHAT INTERVALS ARE VAT RETURNS AND ASSOCIATED PAYMENTS TO BE MADE?

The return referred to in the first paragraph of question 38 must be submitted quarterly, monthly or yearly as indicated and payment must be made by the date on which the return has to be submitted.

The special declaration to be made with regard to intra-community acquisitions and similar transactions by taxable persons who are not registered in Malta and by non-taxable legal persons must be submitted whenever a taxable transaction is effected. The VAT due must be paid by the date on which the declaration has to be submitted.

40. DOES A SPECIAL REGIME AS REGARDS PERIODIC VAT RETURNS EXIST FOR SMALLER TRADERS AND/OR CERTAIN CATEGORIES OF BUSINESS? IF SO, PLEASE DESCRIBE THEM.

A taxable persons who is registered as an exempt persons because he qualifies as a small business is required, by the 15th February of each year, to submit a declaration (simplified tax return) stating his turnover for the previous calendar year. A taxable person qualifies as a small business in the following cases:

- If the trader principally supplies taxable goods and his turnover during the immediately preceding twelve months was less than Lm 15,000.
- If the trader principally supplies taxable services with a relatively low value added (such as and his turnover during the immediately preceding twelve months was less than Lm 10,000
- If the trader supplies any other taxable services and his turnover during the immediately preceding twelve months was less than Lm 6,000.

41. DO YOU OPERATE SIMPLIFIED CALCULATIONS OF TAX LIABILITY? IF SO, WHAT ARE THE QUALIFYING CRITERIA, TO WHOM DO THEY APPLY AND WHAT IS THE NATURE OF THE SIMPLIFICATION?

The Maltese VAT legislation does not provide for any simplified methods of calculating tax liability.

RECAPITULATIVE STATEMENTS

42. AT WHAT INTERVALS ARE RECAPITULATIVE STATEMENTS TO BE SUBMITTED?

Each taxable person must submit a recapitulative statement for each calendar quarter in which he effected intra-Community supplies of goods.

43. IS ANY ADDITIONAL INFORMATION REQUIRED OTHER THAN THAT SET OUT IN CHAPTER 6 RECAPITULATIVE STATEMENTS OF TITLE XI OF THE VAT DIRECTIVE (2006/112/EC)?

No.

44. DO YOU OPERATE SIMPLIFIED PROCEDURES AS REGARDS RECAPITULATIVE STATEMENTS AS PROVIDED FOR IN ARTICLE 269 OF THE VAT DIRECTIVE (2006/112/EC)? IF SO, WHAT ARE THE RELATED THRESHOLDS FOR APPLYING SUCH PROCEDURES?

No.

ELECTRONIC RETURNS

45. IS IT POSSIBLE TO SUBMIT VAT RETURNS BY ELECTRONIC MEANS? IF SO, HOW AND USING WHICH TECHNOLOGY? WHO SHOULD BE CONTACTED TO APPLY TO SUBMIT RETURNS ELECTRONICALLY?

Only simplified VAT returns referring to exempt persons mentioned in question 38 can be submitted electronically through the Website of the VAT Department. Detailed instructions on the procedure to be followed can be found on the VAT Department's website <http://www.vat.gov.mt/>. No other VAT returns can be submitted electronically for the time being but action is being taken to have this facility available for all tax returns.

An electronic identification (issued by a Local Council) and a PIN no issued by the VAT Department is needed for the electronic lodgement of a simplified VAT return.

The same deadline applies for submission of a paper version to the VAT Department as for the submission of data by electronic means.

46. IS IT POSSIBLE TO SUBMIT RECAPITULATIVE STATEMENTS BY ELECTRONIC MEANS? IF SO, HOW AND USING WHICH TECHNOLOGY? WHO SHOULD BE CONTACTED TO APPLY TO SUBMIT STATEMENTS ELECTRONICALLY?

For the time being, Recapitulative statements cannot be submitted electronically.

ADMINISTRATIVE REQUIREMENTS

47. DO YOU OPERATE A FLAT-RATE SCHEME? IF SO, TO WHOM DOES THE SCHEME APPLY?

There are no flat-rate schemes operated in Malta.

48. DO YOU OPERATE SIMPLIFIED ADMINISTRATIVE REQUIREMENTS OTHER THAN THOSE ALREADY MENTIONED? IF SO, PLEASE GIVE A DESCRIPTION.

No.

49. IN WHICH LANGUAGE(S) ARE FORMS (PERIODIC VAT RETURNS AND RECAPITULATIVE STATEMENTS) AVAILABLE OR TRANSLATED INTO?

The forms are available in English and Maltese.

RIGHT TO DEDUCTION

50. FOR WHICH CATEGORIES OF GOODS AND SERVICES IS THERE NO RIGHT OF DEDUCTION?

Tax charged to a taxable person on the following supplies, acquisitions or importations is excluded from any deduction by that person:

(a) the supply to that person or the intra-community acquisition or importation by that person of:

- (i) tobacco or tobacco products;
- (ii) alcoholic beverages;
- (iii) works of art, collectors' items and antiques;
- (iv) motor vehicles, vessels or aircraft including the supply thereof for hire or leasing arrangements;
- (v) goods and services for the purpose of repairing, maintaining, fuelling and keeping any item to which item (iv) of this subparagraph applies.
- (vi) electricity.

(b) the supply of any goods and services or the intra-community acquisition or importation of any goods used in the provision by that person of receptions, entertainment or hospitality except where the said provision is made for consideration in the normal course of that person's economic activity;

(c) the supply of any goods and services or the intra-community acquisition or importation of any goods used in the provision by that person to his employees or, in the case of a body of persons, to its officers or employees, of transport or entertainment: provided that this provision shall not apply to transport provided by that person to his employees on vehicles with a seating capacity of not less than seven.

However, the exclusion does not apply to:

- (a) goods supplied to or acquired under an intra-community acquisition or imported by a person for the purpose of resale, whether in the state in which they were acquired or imported or after treatment or processing or inclusion in other goods supplied by that person, in the normal course of that person's economic activity;
- (b) motor vehicles, vessels or aircraft supplied to or acquired under an intra-community acquisition or imported by a person and used by him for the purpose of the carriage of goods or passengers for a consideration;

- (c) vessels and aircraft supplied to or acquired under an intra-community acquisition or imported by a person for the purpose of being provided by him under a charter or hire agreement;
- (d) motor vehicles supplied to or acquired under an intra-community acquisition or imported by a person for the purpose of being provided by him for hire with a driver or for self-drive hire (excluding fuelling for such self-drive vehicles), or of being used for driving instructions, provided they are so used, in each case, in the normal course of that person's economic activity;
- (e) motor vehicles designed and manufactured for the carriage of goods and so designed and manufactured with seating accommodation normally adjacent to the driver or with seating accommodation for nine persons or more.

51. ARE THERE CATEGORIES OF GOODS AND SERVICES IN WHICH THERE IS A PARTIAL RIGHT OF DEDUCTION? IF SO, WHAT IS THE PERCENTAGE?

All categories of goods and services may be subject to a partial right of deduction, depending on the use of the good or the services to the economic activity. The percentage is to be calculated on the ratio of taxable to exempt supplies.

ANNEX 1: THRESHOLDS

http://europa.eu.int/comm/taxation_customs/taxation/vat/traders/vat_community/index_en.htm#annexI

ANNEX 2: VAT IDENTIFICATION NUMBERS

http://europa.eu.int/comm/taxation_customs/taxation/vat/traders/vat_community/index_en.htm#annexII

ANNEX 3: ABBREVIATIONS

http://europa.eu.int/comm/taxation_customs/taxation/vat/traders/vat_community/index_en.htm#annexIII