



MALTA
**INSTITUTE
OF TAXATION**



**Joint Press Release
by the**

**Malta Institute of Taxation and the Institute of Financial Services Practitioners
12 November 2021**

The Malta Institute of Taxation and the Institute of Financial Services Practitioners have considered the provisions and implications of the Exemption from Tax on Property Transfers (Set-off of Tax Arrears) Rules, S.L. 123.202 (the 'Rules') and are of the view that the Rules are not only undesirable but are indeed untenable.

Any amnesty or other prescribed or conventional mechanism which effectively rewards defaulting taxpayers, is patently inequitable and should not be entertained, much less promulgated and implemented, in a modern and mature democracy. If at all possible, the injustice inherent in this specific amnesty is all the more nefarious insofar as the Rules apply selectively by favouring defaulting taxpayers who own immovable property situated in Malta – acquired on or prior to 31 March, 2021 – and who choose to dispose of such property prior to 31 December, 2022.

Why the Government has seen fit to promulgate these Rules at the current time (specifically in view of, inter alia, concerns that Malta has not been suitably rigorous in identifying and/or proceeding against defaulting taxpayers) is beyond our comprehension.

Since Malta was grey-listed earlier this year, both the Malta Institute of Taxation and the Institute of Financial Services Practitioners have been actively participating in and contributing to national efforts to procure Malta's removal from the grey list. In the opinion of the institutes, the publication of the Rules is not helpful in this regard. The lack of any prior consultation in connection with the Rules and the Government's failure to explain the underlying rationale or justification for their introduction is regrettable.

In light of the above, the Malta Institute of Taxation and the Institute of Financial Services Practitioners are compelled to decry the Rules and the apparent motivations underpinning their promulgation. Both institutes call on the authorities to recognize and reward compliant taxpayers and to proceed, as required, against all those in default.

The Malta Institute of Taxation and the Institute of Financial Services Practitioners invite the authorities to reconsider their implicit endorsement of unlawful behaviour of this nature and to repeal the Rules with immediate effect.

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