



MALTA
INSTITUTE
OF TAXATION

VAT REGISTRATION

April 2023
Brandon Gatt

1

DISCLAIMER

This material is the intellectual property of Malta Institute of Taxation. It is for the sole use of the registered attendee of the MIT Course on Tax Compliance to whom it was made available, exclusively for their educational purposes. The publication, whether in whole or in part, reproduction, distribution and/or editing of the content is prohibited. Likewise, the recording of a lecture in audio or video, including by means of screenshots, is strictly prohibited.

Any views and opinions that may be expressed during the lecture are those of the speaker and may not necessarily reflect or represent the views and opinions of the Malta Institute of Taxation. Any reference to practices, whether past or present, should not be construed as an endorsement thereof.

As this material is intended for educational purposes only, it does not in any way constitute advice and should not be relied upon as such.

The content of this presentation is intended to reflect the Lecturer's understanding of the legislation and/or practices applicable as at the date of first delivery, that is, the date specified below.

Date: 27 April 2023



MALTA
INSTITUTE
OF TAXATION

© Malta Institute of Taxation 2023

2

What are the different VAT REGISTRATIONS in Malta?

WHO need to be identified for VAT purposes and under what CIRCUMSTANCES?

What is a VAT IDENTIFICATION NUMBER?

What if a person makes a ONE-OFF sale transaction?

Are there any VAT registration THRESHOLDS in Malta?

What are the RIGHTS & OBLIGATIONS under a VAT registration?

Are there any SIMPLIFICATION MEASURES for VAT registrations?

What are the relative ADMINISTRATIVE PENALTIES and how to do these apply?



MALTA
INSTITUTE
OF TAXATION

3

AGENDA

- VAT Registrations; Article 10, Article 11 and Article 12
- OSS/IOSS Registration
- VAT Group Registration in Malta
- VAT Registration outside Malta
- VAT Deregistration
- VAT Re-activation



MALTA
INSTITUTE
OF TAXATION

4

LEGAL BASIS & IDENTIFICATION

5

Legal Basis

Council Directive 2006/112/EC ("VAT Directive")

Articles 213 – 216, 272

Malta VAT Act (Chapter 406 of the Laws of Malta)("VATA")

Articles 10 – 12, 13

Section 2, 3 and 4 of Part Seven to the Fourteenth Schedule

Sub. Leg. 406.21 & 406.09

CFR Guidelines



© Malta Institute of Taxation 2023

6

Legal Basis;

The VAT Directive

- places an obligation on every taxable person to state when his activity as a taxable person commences, changes or ceases.
- Member States shall allow, and may require, the above statement to be made by electronic means, in accordance with conditions which they lay down.
[Art. 213 of VAT Directive]
- states that Member States shall take the measures necessary to ensure that taxable persons are identified by means of an individual number.
[Art. 214 of VAT Directive]



© Malta Institute of Taxation 2023

7

Legal Basis;

The VAT Directive

- establishes the VAT identification number format i.e., Member State prefix + digits.
[Art. 215 of VAT Directive]
- Provides that Member States shall take the measures necessary to ensure that their identification systems enable the taxable persons to be identified. [Art. 216 of VAT Directive]

However,

- Member States may release certain taxable persons from certain VAT obligations, such as VAT identification [Art. 272 of VAT Directive]



© Malta Institute of Taxation 2023

8

Legal Basis;

The Malta VAT Act...

Article 10	Main registration article
Article 11	Small businesses registration article
Article 12	For taxable persons not registered under Art. 10 or non-taxable legal persons*
Article 13	General provisions with respect to VAT registration
Article 13(6)	VAT group registration enabling provision

**solely for the purpose of making intra-community acquisitions of goods or to pay the tax on services in respect of which they would be the persons liable to pay it in Malta*



MALTA
INSTITUTE
OF TAXATION

© Malta Institute of Taxation 2023

9

Legal Basis; The Malta VAT Act...

Section 2, Part Seven of the Fourteenth Schedule	OSS registration for non-EU established taxable persons
Section 3, Part Seven of the Fourteenth Schedule	OSS registration for EU established taxable persons
Section 4, Part Seven of the Fourteenth Schedule	IOSS registration for distance sales of goods imported from third territories or third countries
Sub. Leg. 406.21	VAT Registration as a Single Taxable Person Regulations
Sub. Leg. 406.09	VAT Forms Regulations (Application and Deregistration Forms)
CFR Guidelines	VAT Grouping Registration User Manual



MALTA
INSTITUTE
OF TAXATION

© Malta Institute of Taxation 2023

10

VAT Identification;

The EU VAT Identification System

- A **value added tax identification number** is a **unique identifier** used in many countries, including the Member States of the EU for value added tax purposes.
- In the EU, a VAT identification number can be verified online at the EU's official VIES website.
- It confirms that the number is currently allocated and can provide the name or other identifying details of the entity to whom the identifier has been allocated (some Member States limit the information to just the VAT number).
- In a cross-border transaction, it is fundamental to ensure that both VAT identification numbers i.e., of supplier and of customer, are currently **valid**.



© Malta Institute of Taxation 2023

11

VAT Identification;

Verification of an EU VAT Identification Number - How?

This can be done online by accessing the
EU Commission's VIES weblink:
http://ec.europa.eu/taxation_customs/vies/

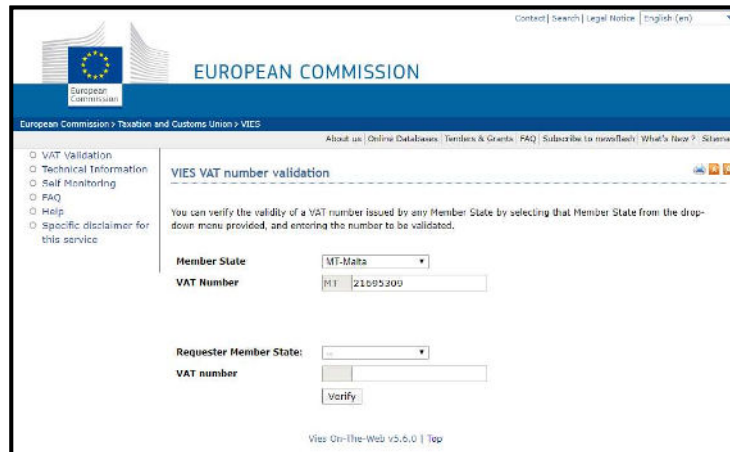


© Malta Institute of Taxation 2023

12

VAT Identification;

Verification of an EU VAT Identification Number - How?



The screenshot shows the 'VIES VAT number validation' page. On the left is a navigation menu with links: VAT validation, Technical Information, Self Monitoring, FAQ, Help, and a disclaimer. The main content area has a heading 'VIES VAT number validation' and a sub-heading 'You can verify the validity of a VAT number issued by any Member State by selecting that Member State from the drop-down menu provided, and entering the number to be validated.' Below this are two input sections. The first section, 'Member State', has a dropdown menu set to 'MT-Malta' and a 'VAT Number' field containing 'MT 21095309'. The second section, 'Requester Member State', has an empty dropdown menu and an empty 'VAT number' field. A 'Verify' button is located below the second section. At the bottom, it says 'Vies On-The-Web v5.6.0 | Top'.



© Malta Institute of Taxation 2023

13

VAT Identification;

Verification of an EU VAT Identification Number - Validation Result Screen



The screenshot shows the 'VIES VAT number validation' page with the result 'Yes, valid VAT number' displayed in green. Below the result is a table of details:

Member State	MT
VAT Number	MT 21095309
Date when request received	2020/03/31 09:23:16
Name	Matthew Zampa & John Debonata
Address	230, Second Floor Triq il-Kangress Evkaristiku MST 9039 Mosta
Consultation Number	

At the bottom left is a 'Back' link. At the bottom right, it says 'Vies On-The-Web v5.6.0 | Top'.



© Malta Institute of Taxation 2023

14

VAT REGISTRATIONS (In Malta)

15

VAT Registration *Article 10 – Who is required to register?*

A taxable person established in Malta

Not registered under Art. 10 or under Art. 11

Making a *taxable* and *exempt with credit* supplies for a *consideration* in Malta

By not later than thirty (30) days from the date on which he makes a supply

OBLIGATION



The above does not apply to a person who is treated as a taxable person only by reason of the fact that makes, from time to time, an intra-community supply of new means of transport



MALTA
INSTITUTE
OF TAXATION

© Malta Institute of Taxation 2023

16

VAT Registration

Article 10 – Who is required to register?



METHODOICAL APPROACH	
<i>Parties Involved</i>	B2B – Business to Business
<i>Nature of Transaction</i>	Consultancy Services
<i>Place of Supply</i>	Domestic Supply – Malta
<i>Exempt</i>	Taxable
<i>Liable to pay</i>	Supplier



© Malta Institute of Taxation 2023

17

VAT Registration

Article 10 – Who is required to register?

A taxable person established in Malta

Not registered under Art. 10 or under Art. 11

Supplies services within the territory of another Member State for which the tax is payable solely by the recipient

By not later than thirty (30) days from the date on which he makes a supply for consideration



OBLIGATION



© Malta Institute of Taxation 2023

18

VAT Registration

Article 10 – Who is required to register?



METHODICAL APPROACH	
<i>Parties Involved</i>	B2B – Business to Business
<i>Nature of Transaction</i>	Consultancy Services
<i>Place of Supply</i>	Article 44 – Where the customer is established - Malta
<i>Exempt</i>	Taxable
<i>Liable to pay</i>	Customer – XYZ Limited



© Malta Institute of Taxation 2023

19

VAT Registration

Article 10 – Who is required to register?

A taxable person established in Malta

Not registered under Art. 10

If so requested by the Commissioner

By not later than thirty (30) days from the date on which he is served with a notice containing such a request



OBLIGATION



© Malta Institute of Taxation 2023

20

VAT Registration
Article 10 – Who is required to register?



- A taxable person who is not established in Malta
- Not registered under Art. 10
- Who is liable for the payment of the tax on a supply in terms of article 20
- By not later than thirty (30) days from the date of the supply.



© Malta Institute of Taxation 2023

21

VAT Registration
Article 10 – Who is required to register?



Methodical Approach	
Parties Involved	B2C – Business to Consumer
Nature of Transaction	Goods with installation
Place of Supply	Article 36 – Where the goods are installed - Malta
Exempt	Taxable
Liable to pay	Supplier – ABC Limited



© Malta Institute of Taxation 2023

22

OPTION

VAT Registration

Article 10 – Who is required to register?

Any person

Not registered under Art. 10

Who carries on or intends to carry on an economic activity

May apply to be registered under this article



MALTA
INSTITUTE
OF TAXATION

© Malta Institute of Taxation 2023

23

VAT Registration

Article 10 – Who is required to register?

What are the obligation and rights under this article?

- Charge VAT on supplies at the appropriate VAT rate
- Right of deduction of Input VAT
- Full compliance obligations

Article 10 VAT Registration Number:

- MT1234 5678 (Valid for Intra-Community trade and domestic transactions)



MALTA
INSTITUTE
OF TAXATION

© Malta Institute of Taxation 2023

24

VAT Registration

Article 11 – Who may apply?

OPTION

A taxable person established in Malta

Not registered under Art. 10

Carries on an economic activity which qualifies as a *small undertaking*

May apply to the Commissioner to be registered under this article

TABLE

First Column Category		Second Column Entry Threshold €	Third Column Exit Threshold €
A	Economic activities consisting principally in the supply of goods	35,000	28,000
B	Other economic activities	30,000	24,000



MALTA
INSTITUTE
OF TAXATION

© Malta Institute of Taxation 2023

25

VAT Registration

Article 11 – Who may apply?



METHODICAL APPROACH	
Parties Involved	B2B – Business to Business
Nature of Transaction	Consultancy Services
Place of Supply	Domestic Supply – Malta
Exempt	Taxable
Liable to pay	Supplier – Obligation to register?



MALTA
INSTITUTE
OF TAXATION

© Malta Institute of Taxation 2023

26

VAT Registration

Article 11 – Who may apply?

What are the obligation and rights under this article?

- Exempt from accounting for and charging VAT on supplies made
- No right to claim Input VAT (irrecoverable cost)
- Limited compliance obligations (but obliged to issue Fiscal Receipts)

Article 11 VAT Registration Number:

- 1234 5678 (Valid for domestic transaction – Not valid for IC-transaction)



© Malta Institute of Taxation 2023

27

VAT Registration

Article 12 – Who is required to register?

OBLIGATION

A taxable person established in Malta

A non-taxable legal person

Not registered under Article 10

Intends to make an intra-community acquisition

And on account of that acquisition, the value his intra-community acquisitions in Malta exceed €10,000

He shall apply to be registered under this article, by not later than the date of that acquisition



© Malta Institute of Taxation 2023

28

VAT Registration

Article 12 – Who is required to register?



METHODOLOGICAL APPROACH	
<i>Parties Involved</i>	B2B – Business to Business
<i>Nature of Transaction</i>	Intra-Community Acquisition
<i>Place of Supply</i>	Article 40 – Where the transport ends – Malta
<i>Exempt</i>	Taxable
<i>Liable to pay</i>	Customer – Insurance Co Malta



© Malta Institute of Taxation 2023

29

VAT Registration

Article 12 – Who is required to register?

OPTION

A taxable person established in Malta	A non-taxable legal person
Not registered or liable to be registered under Article 10	
Intends to make an intra-community acquisition	
At any time apply to be registered under this Article	



© Malta Institute of Taxation 2023

30

VAT Registration

Article 12 – Who is required to register?

OBLIGATION

A taxable person established in Malta

Not registered under Article 10

Who receive services for which he is liable to pay the tax pursuant to Article 20(2)

NO THRESHOLDS

Shall apply to be registered under this article by not later than the date on which he receives a service

MALTA
INSTITUTE
OF TAXATION

© Malta Institute of Taxation 2023

31

VAT Registration

Article 12 – Who is required to register?



ABC Ltd

€1,500
Consultancy Services

Insurance
Co Malta

METHODICAL APPROACH

Parties Involved	B2B – Business to Business
Nature of Transaction	Consultancy Services
Place of Supply	Article 44 – Where the customer is established - Malta
Exempt	Taxable
Liable to pay	Customer – Insurance Co Malta

MALTA
INSTITUTE
OF TAXATION

© Malta Institute of Taxation 2023

32

VAT Registration

Article 12 – Who is required to register?

What are the obligation and rights under this article?

- Pay the VAT (self-charged) on Intra-Community acquisitions made or services received
- Limited compliance obligations

Article 12 VAT Registration Number:

- MT 1234 5678 (Number is only valid for Intra-Community Transactions)



© Malta Institute of Taxation 2023

33

VAT GROUPING

34

VAT Registration

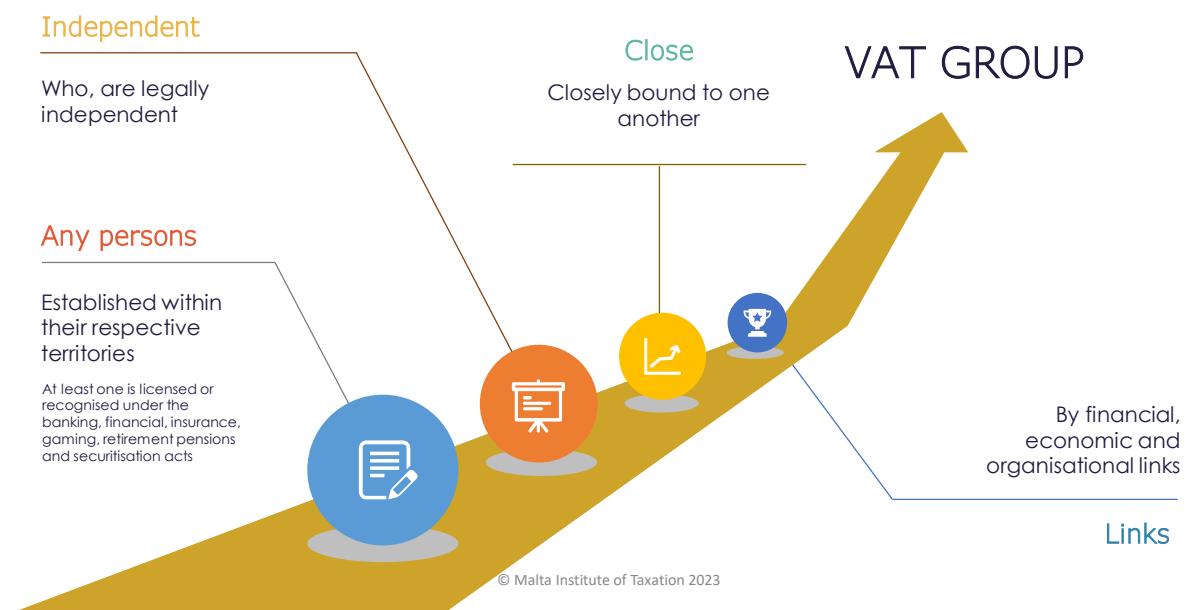
VAT Grouping

- It is an extension of the concept of a *taxable person* whereby Member State may treat two or more persons as a single taxable person



© Malta Institute of Taxation 2023

35



36

VAT Registration

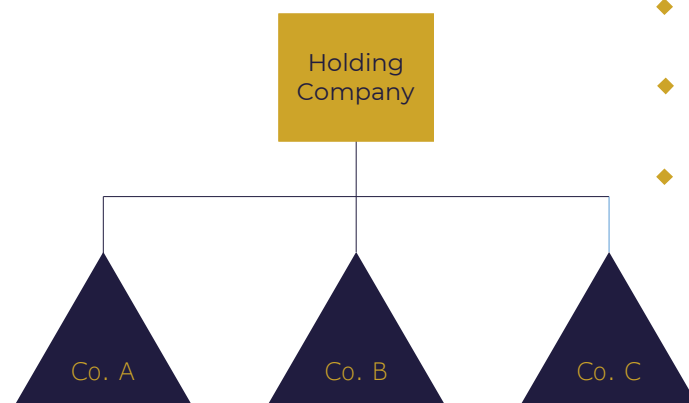
VAT Grouping – Eligibility criteria as defined in the regulations



37

VAT Registration

VAT Grouping



- ◆ 3 VAT Registrations
- ◆ Multiple VAT Returns to be submitted
- ◆ VAT to be charged on intra-group supplies

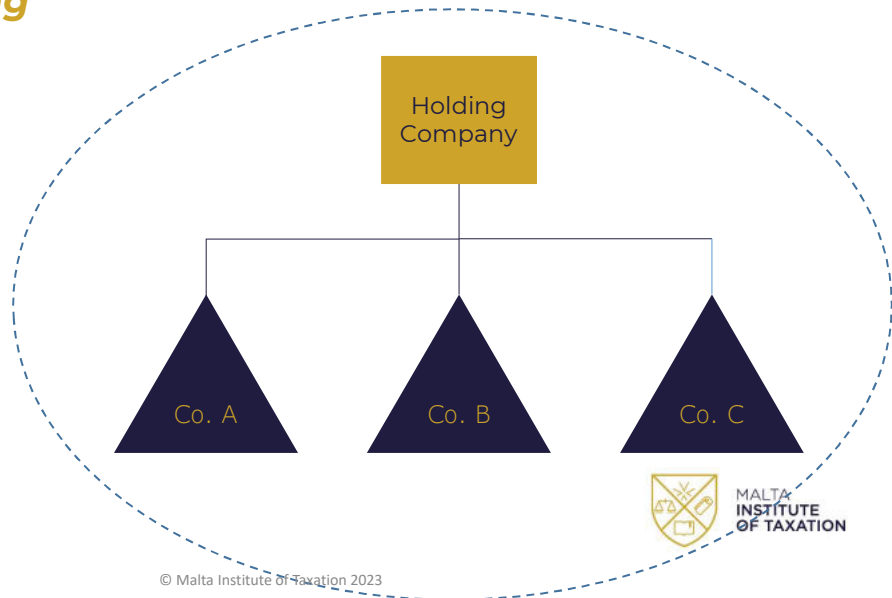


© Malta Institute of Taxation 2023

38

VAT Registration VAT Grouping

- ◆ 1 VAT Registration
- ◆ 1 VAT Return to be submitted
- ◆ No VAT to be charged on intra-group supplies
- ◆ Supplies to/by group treated as supplies to/by one person



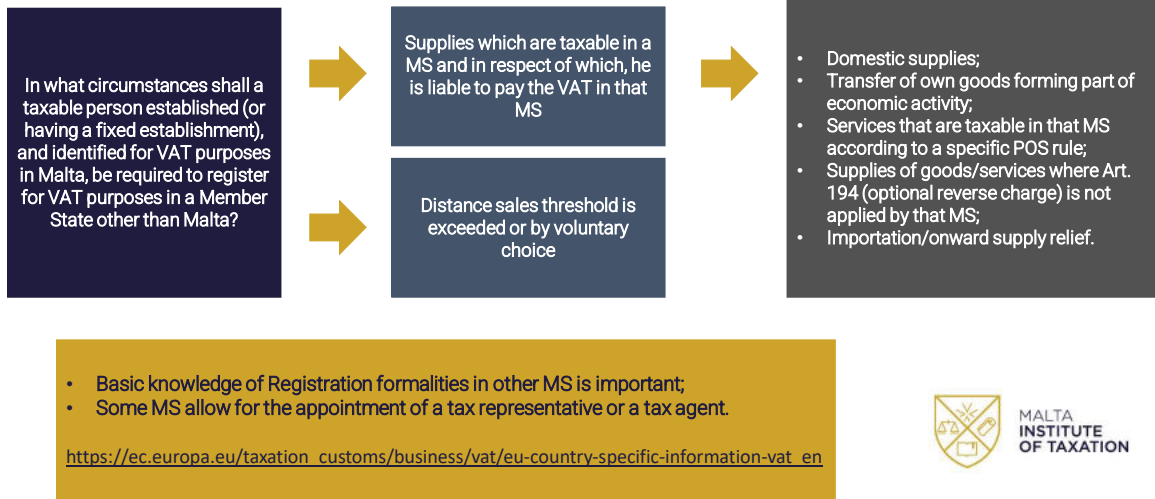
39

REGISTRATIONS OUTSIDE OF MALTA

40

VAT Registration;

In Member States other than Malta



© Malta Institute of Taxation 2023

41

OSS/IOSS REGISTRATIONS

42

OSS – Simplification Measure

This 'One Stop Shop' is a step forward to the 'Mini-One Stop Shop' which was introduced with effect from 1 July 2021

This Scheme allows taxable persons to avoid registering in each Member State of Consumption..

Who may apply to register?

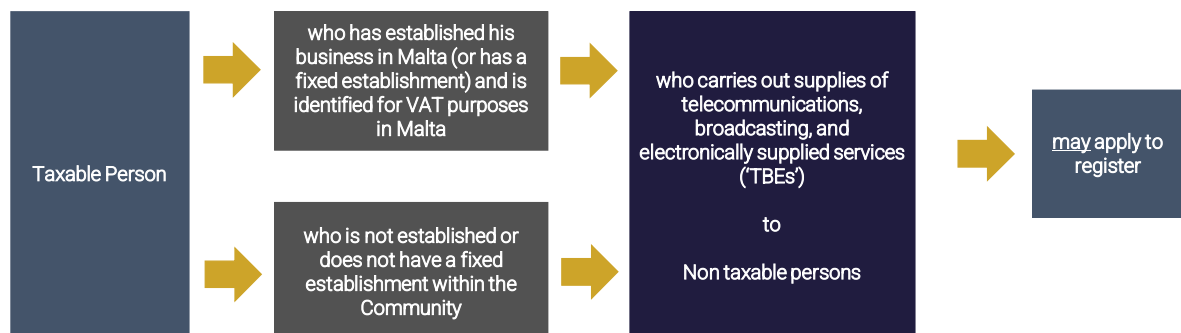


© Malta Institute of Taxation 2023

43

MOSS – Prior to 01 July 2021

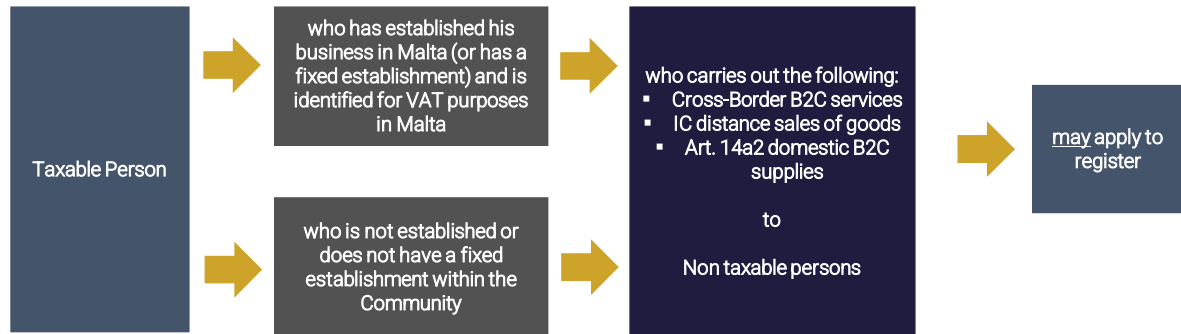
PRIOR 01 JULY 2021



© Malta Institute of Taxation 2023

44

POST 01 JULY 2021

OSS (Union Scheme) – w.e.f. 01 July 2021MALTA
INSTITUTE
OF TAXATION

© Malta Institute of Taxation 2023

45

POST 01 JULY 2021

OSS (Non-Union Scheme) – w.e.f. 01 July 2021MALTA
INSTITUTE
OF TAXATION

© Malta Institute of Taxation 2023

46

OSS – Rights & Obligations

- **Charge VAT** on taxable supplies made in the MS's of Consumption;
- Full **compliance obligations** (in general, there is no obligation for the supplier to issue an invoice);
- Submission of the **quarterly OSS returns** together with the payment;
 - Has a **right of deduction**.

MT12345678
EU 470 12345678



© Malta Institute of Taxation 2023

47

OSS – How does it work?



Calendar quarter OSS return **to be submitted** – by end of the month following the end of quarter.



Declare transactions carried out in each MS at the applicable rate.



To **pay the VAT** due on the transaction with OSS return using the **unique reference number**.



Member State of identification to **distribute the VAT** so received to each MS of Consumption.



Member State of consumption has **right to carry out verifications** on OSS suppliers to ensure the correct amount of VAT due to them.



© Malta Institute of Taxation 2023

48

IOSS – Post 01 July 2021

POST 01 JULY 2021

Type of suppliers	Direct/Indirect Registration	Member State of Identification	Intermediary
EU suppliers (sales via e.g. own website)	Direct registration	EU Member State of establishment	Can appoint an intermediary
Non-EU suppliers from countries with a mutual assistance agreement with the EU on VAT (sales from that country via e.g. own website)	Direct registration	EU Member State of choice	Can appoint an intermediary
All other non-EU suppliers (sales via e.g. own website)	Indirect registration	EU Member State of establishment of the intermediary	Has to appoint an intermediary
EU electronic interfaces being a deemed supplier	Direct registration	EU Member State of establishment	Can appoint an intermediary
Non-EU electronic interfaces from countries with a mutual assistance agreement with the EU on VAT for supplies from that country	Direct registration	EU Member State of choice	Can appoint an intermediary
All other non-EU electronic interfaces being a deemed supplier	Indirect registration	EU Member State of establishment of the intermediary	Has to appoint an intermediary



MALTA
INSTITUTE
OF TAXATION

© Malta Institute of Taxation 2023

49

IOSS – How does it work?



One calendar month IOSS return **to be submitted** – by end of the month following the end of month.



May be submitted by the taxable person or the intermediary.



To **pay the VAT** due on the transaction with IOSS return using the **unique reference number**.



Member State of identification/Intermediary to **distribute the VAT** so received to each MS of Consumption.



Member State of consumption has **right to carry out verifications** on IOSS suppliers to ensure the correct amount of VAT due to them.



MALTA
INSTITUTE
OF TAXATION

© Malta Institute of Taxation 2023

50

VAT REGISTRATIONS; *APPLICATION FORMS*

51

Application Form for VAT Registration;

Art. 10, Art. 11 & Art. 12

Article 13(1) of the Malta VAT Act states that an application for registration or for the cancellation of a registration ... shall be **made on such form as the Minister may by regulations prescribe and shall contain the particulars specified in that form.**

The forms prescribed are included in the Subsidiary Legislation 406.09

However, over the last few years the Malta VAT Department has been shifting all applications from manual to online and hence, most manual application forms can no longer be found on the CFR Web Page.



MALTA
INSTITUTE
OF TAXATION

© Malta Institute of Taxation 2023

52

Application Form for VAT Registration;

Art. 10, Art. 11 & Art. 12

- Filed electronically through the servizz@gov.mt weblink;
- Application shall include:

Applicant Details Full name, Company/Passport/Identity card number, Income tax number, Contact details etc.	Business & Mailing Address Are they the same?
Business Details such as Type, Ownership, Operation etc.	Economic Activity Start Date
Details on Employees Full time/Part time, Date of first employment etc.	Description of Business Activity
Estimated Sales made Locally, to EU, to Non EU	Estimated Purchases from EU
Bank Details	Copy of Identity Card/Passport of Signatory

The Commissioner reserves the right to request additional information such as:

- Partnership agreement (in case of Partnerships);
- Memorandum & Articles and Certificate of Incorporation (in case of Registered Entities).



MALTA
INSTITUTE
OF TAXATION

© Malta Institute of Taxation 2023

53

Application Form for VAT Registration;

Art. 10, Art. 11 & Art. 12

Article 13(8) of the Malta VAT Act also provides that every person registered under articles 10, 11 or 12 shall, **within fifteen days from the happening of any of the following events**, notify that event in writing to the Commissioner;

- **Changes in circumstances** that affects the particulars declared in his VAT registration application or otherwise, as furnished to the Commissioner in connection with such registration;
- **Cessation or transfer** of his economic activity or part thereof;
- Such **other events** as may be prescribed.

Ongoing changes to particulars declared such as:

- Changes to the Business &/or Mailing Address;
- Changes to Economic Activities;
- Changes to Bank Details;
- Changes to Employment Basis,

can be effected online, through the VAT Online Portal of the taxpayer.

© Malta Institute of Taxation 2023



MALTA
INSTITUTE
OF TAXATION

54

Application Form for Change in Register Type;

Art. 10 & Art. 11

- Filed electronically through the VAT Online Portal of the taxpayer (e-ID required);

Change in Register Type

VAT No:

Business Name:

I.D. Card No:

Company ID:

IR Tax Number:

Tick to confirm that you may wish to be transferred to Article 10 (Charge and Claim VAT): ☐

Turnover Details

Local Turnover: €

EU Sales: €

EU Purchases: €

Effective Change In Date

The change will be made in:

Change in Register Type

VAT No:

Business Name:

I.D. Card No:

Company ID:

IR Tax Number:

Tick to confirm that you may wish to be transferred to Article 11 (Exempt): ☐

Effective Change In Date

The change will be made in:



MALTA
INSTITUTE
OF TAXATION

© Malta Institute of Taxation 2023

55

Application Form for VAT Group;

- Once all qualifying group members have obtained their individual VAT number, a 'VAT Group Request' can be filed electronically through the VAT Online Portal, possibly of the elected Group Reporting Entity ("GRE");
- Online application as follows:

Vat Group Request

Section 1 - Group Details

Group Name	<input type="text"/>	Request Group/Entities to Making request	<input type="checkbox"/>
Group Address - Building Name	<input type="text"/>	Mailing Address - Building Name	<input type="text"/>
Country	<input type="text"/>	Country	<input type="text"/>
Town	<input type="text"/>	Town	<input type="text"/>
Street	<input type="text"/>	Street	<input type="text"/>
Postal Code	<input type="text"/>	Postal Code	<input type="text"/>
Proposed Date Of Commencement	<input type="text"/>	Applicant Contact No	<input type="text"/>
Current Principal Entity	<input type="text"/>	Principal Entity	<input type="text"/>
Current Principal Entity	<input type="text"/>	GRE Taxpayer No	<input type="text"/>

Section 2 - Group Economic Activity

Principal Entity 1	<input type="text"/>	Principal Entity 2	<input type="text"/>
Principal Entity 1 Turnover (€)	<input type="text"/>	Principal Entity 2 Turnover (€)	<input type="text"/>

Section 3 - Group Members

Entity Group (Dundee Ltd. Inc)	<input type="text"/>	<input type="button" value="ADD MEMBER"/>
Don't list all members	<input type="checkbox"/>	

Section 4 - Group Documents

Business Document	<input type="text"/>	Document Type	<input type="text"/>	Document Date	<input type="text"/>	<input type="button" value="Upload"/>
-------------------	----------------------	---------------	----------------------	---------------	----------------------	---------------------------------------

Section 5 - Declaration

I hereby declare that the information provided is true and correct.

© Malta Institute of Taxation 2023

The
'VAT Grouping User Manual'
can be found online through the
'CFR Web Page - VAT - Guidelines
to Certain VAT Procedures'



MALTA
INSTITUTE
OF TAXATION

56

Application Form for OSS;

EU SCHEME

- Registration can be done through the CFR Web Page – OSS eServices by **logging in using the e-ID or VAT Account**.
- Application shall include details on Taxpayer, Fixed Establishments, Identification in Other Member States etc.

NON-EU SCHEME

- Registration can be done **through an online application** that can be found on the CFR Web Page – OSS eServices.
- Application shall include details on Taxpayer including contact and website details and a declaration that they have no business or fixed establishment in the Community.

IOSS

- Registration can be done through the CFR Web Page – IOSS eServices by **logging in using the e-ID or VAT Account**.
- Application shall include details on Taxpayer, Fixed Establishments, Identification in Other Member States etc.

Following registration, the OSS Online Portal (for the submission of the returns) can be accessed through the CFR Web Page – OSS eServices, by using an e-ID or VAT Account.



MALTA
INSTITUTE
OF TAXATION

© Malta Institute of Taxation 2023

57

VAT DEREGISTRATIONS, REACTIVATION
& THE RESPECTIVE APPLICATION FORMS

58

VAT Deregistration;

Art. 10, Art. 11 & Art. 12

Article 13(8) of the Malta VAT Act provides that every person registered under articles 10, 11 or 12 shall, **within fifteen days from the happening of any of the following events**, notify that event in writing to the Commissioner;

- **Changes in circumstances** that affects the particulars declared in his VAT registration application or otherwise, as furnished to the Commissioner in connection with such registration;
- **Cessation or transfer** of his economic activity or part thereof;
- Such other events as may be prescribed.



MALTA
INSTITUTE
OF TAXATION

© Malta Institute of Taxation 2023

59

Application Form for VAT Deregistration;

Art. 10, Art. 11 & Art. 12

- Filed electronically through the VAT Online Portal of the taxpayer (e-ID required);
- Online application as follows:



MALTA
INSTITUTE
OF TAXATION

© Malta Institute of Taxation 2023

60

Application Form for VAT Reactivation;

Art. 10, Art. 11 & Art. 12

A person may apply to re-activate a cancelled VAT registration.

- Application is filed electronically through the CFR Web Page – VAT eServices;

© Malta Institute of Taxation 2023



61

OSS/IOSS Deregistration;

A taxable person can leave a scheme voluntarily (deregistration), or he can be excluded from the scheme by the Member State of identification. Similarly, an intermediary can cease to act an intermediary voluntarily or be deleted from the registry by the Member State of identification

- In order to deregister from the non-Union or the Union scheme, the taxable person is required to inform the Member State of identification at least 15 days before the end of the calendar quarter prior to which he intends to cease using the scheme.
 - ✓ If a taxable person wants to deregister from OSS as from 01 July, he must inform the Member State of identification by 15 June.
- In order to deregister from the import scheme, the taxable person (or intermediary) is required to inform the Member State of Identification at least 15 days before the end of the month prior to that in which he intends to cease using the scheme.



© Malta Institute of Taxation 2023

62

VAT Deregistration; Note

- The **Commissioner has power to cancel a VAT registration** if he has reason to believe that the person is **no longer entitled or required** to be so registered for VAT purposes or where that taxable person is **no longer entitled or eligible** to be registered under MOSS.
- Where a registration has been cancelled the Commissioner shall serve a notice to the applicant indicating the effective date of cancellation of the registration.
- Notwithstanding that a person's registration is cancelled he **remains liable for anything done or omitted to be done** under the provisions of the VATA at the time the registration was active.
- Nor is he relieved from the obligation to make a fresh registration in circumstances which require VAT registration.



MALTA
INSTITUTE
OF TAXATION

© Malta Institute of Taxation 2023

63

ADMINISTRATIVE PENALTIES & CRIMINAL
OFFENCES

64

VAT Registration;

Administrative Penalties – How to they apply?

Art. 39(1) of the VATA

Article 10 registrations, at the higher of:

- 1% of the tax payable in the first return due; or
- EUR 20 for every month that elapses from the date the registration should have been made to the date when it is made.

Capping applies:

- For a return with a tax payable of up to EUR 2,000, capped at EUR 250;
- For a return with a tax payable of over EUR 2,000, capped at 20% of that tax payable

Art. 39(2) of the VATA Article 12 registrations:

- Same penalties set up as applicable under Art. 39(1) including the capping.

Art. 39(3) of the VATA Notice under Art. 15:

- EUR 20 for every month or part thereof that elapses from the time the notice should have been given and the date when that notice is given to the Commissioner.
- Capped at EUR 250 for each such notice.

© Malta Institute of Taxation 2023

65

VAT Registration;

Criminal Offences – How to they apply?

Article 76(a) of the VATA

Any person who fails to apply for registration at the time and in the manner required by Art. 10 and Art. 12 shall, on conviction:

be liable to a fine of not less than EUR 700 and not exceeding EUR 3,500

and should comply with the law within a time sufficient for the purpose, but in any case **not exceeding three months**, as otherwise, the offender shall

be liable to the payment of a further penalty of EUR 5 for ever day that the default continues after the lapse of the time fixed by the Court*

**The offender may, in accordance with the provisions laid down in this article, apply to the Court which convicted him, requesting a total or partial remission of the penalty imposed.*



MALTA
INSTITUTE
OF TAXATION

© Malta Institute of Taxation 2023

66

Case Scenarios

67

Case Scenarios

Example 1

Mark, a Certified Public Accountant is employed on a full-time basis with ABC Limited, an accounting firm established in Malta. He is also registered with JobsPlus as a part-time self-employed and for this reason he is registered under article 11 of the Malta VAT Act, since he qualifies as a small undertaking and his revenue is below the threshold of €30,000. During 2022 he purchased a laptop amounting to €900 (excluding VAT) and incurred further stationery expenses amounting to €400 (excluding VAT).

State whether Mark has a right of deduction on the laptop and the other expenses? Explain your conclusions.



© Malta Institute of Taxation 2023

68

Case Scenarios

Example 1

Answer

- Since Mark, have been registered for VAT purposes under article 11 to the Malta VAT Act – he will not charge any VAT on his supplies and he will not have any right of deduction.
- An article 11 registration number is only valid for supplies taking place in Malta



© Malta Institute of Taxation 2023

69

Case Scenarios

Example 2

During 2022, Sue was employed with a law firm established in Italy. In December 2022 she decided to relocate in Malta and to start her own business. During the month of December, she submitted an application to be registered as a full-time self-employed lawyer in Malta.

Her intentions were to generate approximately more than €40,000 worth of services during 2023 and therefore she applied to be registered under article 10 of the Malta VAT Act.

During the first quarter of 2023, she did not generate any income, but she incurred marketing expenses worth of €2,000 (excluding VAT), she purchased a laptop worth €1,600 (excluding VAT) and she incurred €120 (excluding VAT) worth of fuel.

1. Considering that Sue did not generate any income during the first quarter of 2023, please state whether she had a right of deduction on the above expenses? Why?
2. If this is the case, comment on whether Sue had a full right of deduction on all her expenses? Also, comment on any VAT implications?



© Malta Institute of Taxation 2023

70

Case Scenarios

Example 2

Answer

- Irrespective of whether Sue has generated any revenue during the first quarter 2023, this will not have an affect on the right of deduction – Article 22(3)
- The provision of legal services – taxable for VAT purposes – therefore, in principle she has full right of deduction
- Marketing Expenses – Full Right of Deduction
- Laptop – Full Right of Deduction – Capital Good (>€1,160)
- Fuel – Blocked Item – No right of deduction



© Malta Institute of Taxation 2023

71

Case Scenarios

Example 3

ABC Limited is a company registered in Malta, registered under Article 12 of the VATA and licensed by the Malta Financial Services Authority (MFSA) and provide insurance services to both taxable persons and other non-taxable persons established both in the EU and outside the EU

State whether ABC Limited has a right to claim a credit for any of the input VAT it has suffered and if in the affirmative, how ABC Ltd can claim that input VAT?

Hint: First, determine the place of supply rules of each and every supply, distinguishing between EU and Non-EU customers.

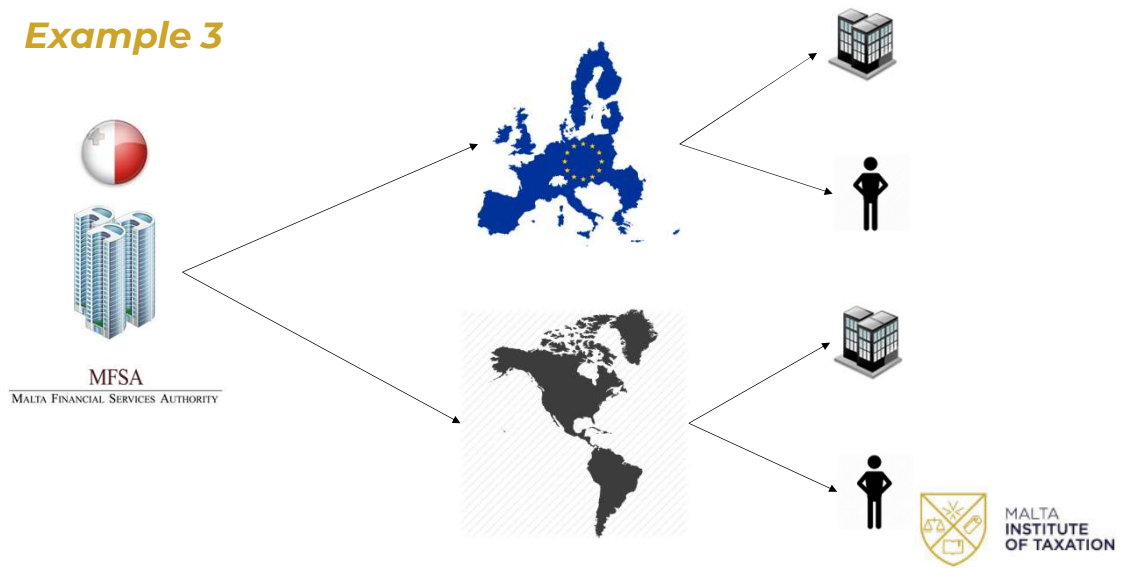


© Malta Institute of Taxation 2023

72

Case Scenarios

Example 3

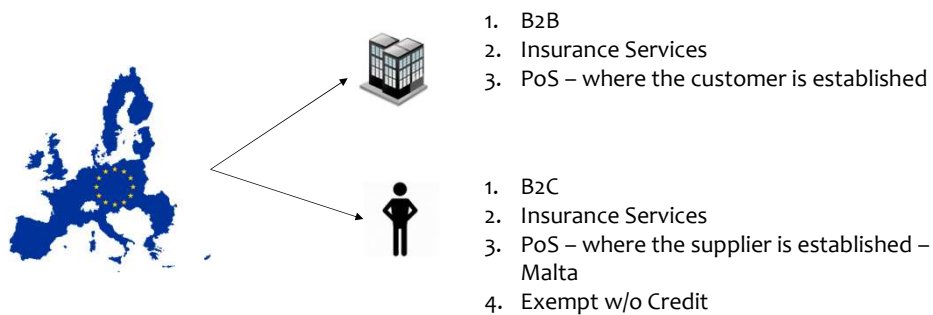


© Malta Institute of Taxation 2023

73

Case Scenarios

Example 3

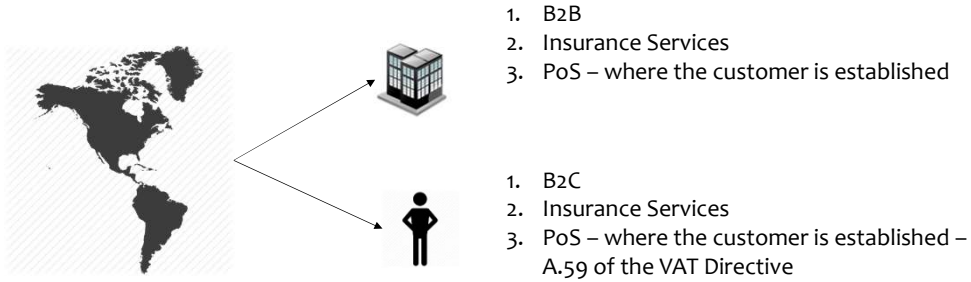


© Malta Institute of Taxation 2023

74

Case Scenarios

Example 3



© Malta Institute of Taxation 2023

75

Case Scenarios

Example 3

Answer

- In principle, since ABC Ltd provides insurance services, in accordance with the Fifth Schedule to the Malta VAT Act – supplies taking place in Malta are exempt without credit
- Article 22(4)(d)(i), provides that when someone is rendering insurance services to customers outside the Community, that person would have right of deduction on such portion and therefore, ABC Ltd should shift its registration to Article 10.



© Malta Institute of Taxation 2023

76

Thank you,

Brandon Gatt

Email: bg@zampadebattista.com



**MALTA
INSTITUTE
OF TAXATION**

© Malta Institute of Taxation 2023