

Report of the Council of the Malta Institute of Taxation

Covering the period 17th June 2023 to 26th June 2024 (the “Period Under Review”)

About the Malta Institute of Taxation

The Malta Institute of Taxation (the “MIT” or the “Institute”) is a legal entity which has, as its main objectives: the advancement of education and good practice in taxation and contribution toward the development of local tax policy and legislation.

Election of Council

The MIT held its 27th Annual General Meeting (AGM) at St. Aloysius College on 17th June 2023 at 1600hrs.

During this AGM no elections were held. Trudy Muscat resigned from Council and Louise Grima was the only candidate that presented her nomination to Council was therefore appointed on Council.

At the first council meeting following the AGM, no members were co-opted to the Council.

Official Positions

The Council for the period being covered by this report was constituted as follows:

President:	Dr Conrad Cassar Torregiani
Vice-President	Ms Geraldine Schembri
Secretary:	Dr Rachel Zarb Cousin
Vice-Secretary:	Dr Robert Taylor East
Treasurer:	Mr Christian Vella
Vice-Treasurer:	Ms Sarah Casolani
Members:	Dr Edward Attard
	Dr Ramona Azzopardi
	Dr John Ellul Sullivan
	Ms Louise Grima

Throughout the Period under Review, Council meetings and management committee meetings were held.

Licensing with the Malta Further & Higher Education Authority (MFHEA)

In October 2022, the Institute became accredited as a blended educational institution and during the Period under Review, the Institute re-applied for accreditation to increase the number of lectures held in-person as a result of which 50% of the lectures in relation to the MIT Course on Taxation (MQF Level 6) and the MIT Course on Tax Compliance (MQF Level 5), take place in-person with lectures being held at St Aloysius College.

Membership

The Institute retains a good Membership base and continues to endeavor to provide a valuable service to Members and to encourage more tax professionals to become members. Since the last AGM 24 new membership applications were received. 24 applicants have been approved by the Council, whilst two other member applications are currently being vetted. The current number of members has so far increased from 406 to 418 members.

Membership subscription

The Institute has retained the membership terms which were introduced with effect from 1 January 2023:

- A membership benefit of two complimentary CPE events was offered to existing Associate and Fellow members who renewed their membership (with payment in full) by the end of February 2024. This benefit was not available to non-paying members, including students.
- New members joining in the first 6 months of the year, benefit from two complimentary CPE events, and those joining from June onwards are eligible to one complimentary CPE event.
- The membership fee for new members enrolling during the year is as follows: €20 admin fee plus €15 per month, starting from the 1st of the month, following membership approval.

Following the AGM on 16th June 2023, with effect from 1st January 2025, MIT members seeking to renew their membership shall be required to submit a declaration to the Institute confirming that they have completed a minimum number of taxation related CPE (Continuing Professional Education) hours in the immediately preceding calendar year. A CPE Policy was rolled out during the Period under Review.

Support to members and technical initiatives

The MIT supports members at different levels by: communicating tax news (both local and international), as well as updates received from the Malta Tax and Customs Administration (MTCA), issuing guidance to members, representing members at EU fora such as the EU VAT Expert Group and CFE Tax Advisers Europe, delivering training relevant for Continuing Professional Education (CPE), and actively participating in discussions and consultations with the relevant authorities around tax legislation and administration.

MIT Membership Directory

MIT Members have the option for their details to be included in the MIT's online Membership directory. This directory of Associate and Fellow Members, which will be accessible to the public, will give the general public a means through which they can identify individuals who, as MIT Members, have the status of "tax professional" for the purposes of the Schedule to the Income Tax Act.

Bridging the gap

The Institute continually strives to bridge the gap between the tax authorities and its members, seeking to bring further clarity to its members on various issues. In fulfilment of this objective, during the Period under Review, the Institute participated in several consultation processes with the MTCA, providing input on both draft legislation and official guidance documents. The Institute's representatives also participated in meetings and/or exchanges with the MTCA, on practical issues and concerns raised by its members.

Working with different stakeholders

The MIT has collaborated with other organisations which are similarly placed to support matters relevant to the Institute's strategy. As in previous years the MIT has collaborated with the Malta Institute of Accountants (MIA, and the Institute of Financial Services Practitioners (IFSP) on a number of MTCA consultations concerning draft legislation. The Institute has also collaborated with the Malta Stock Exchange Institute on a number of CPE events.

In addition in the Professional Affairs sphere, representatives of the Institute have attended a number of meetings with regulators, authorities and public officials and participated in a range of consultation processes, including the National Risk Assessment, on which the National Coordinating Committee on Combating Money Laundering and Funding of Terrorism took a lead.

New educational Initiatives

During the Period Under Review, the MIT calendar of events included new CPE events, including a Short Course on VAT Compliance and a new series of webinars covering the Global Minimum Tax Rules.

Committees

The Institute has various committees that are constantly working on various projects. These are:

- Technical committees - the Direct Tax Committee (which is divided into 3 sub-committees) and the Indirect Tax Committee;
- Professional Affairs Committee;
- Education Committee;
- Finance Committee;
- Tax Technology Committee
- Ethics and Disciplinary Committee;
- Membership Committee;

These committees have convened regularly to discuss the diverse initiatives that are being undertaken by MIT and, in the case of the technical committees, the technical issues of relevance to members and related initiatives. The notable developments relating to the MIT committees during the Period under Review are:

- **The Direct Tax Committee**

Each of the sub-committees dedicated time to reviewing and providing feedback on draft legislative proposals submitted for consultation by the MTCA. In addition the sub-committees' work also included discussion on topical, practical issues and the preparation of papers thereon.

- **International Tax sub-committee** – during this term Dr John Ellul Sullivan stepped down from the role of Chairperson (he had previously also chaired the Direct Tax Committee before its split into three specialised sub-committees) and Dr Christopher Bergedahl was appointed in his stead. The work of this sub-committee included:
 - Feedback on MTCA consultations including: the Pillar 2 Regulations; the Transfer Pricing Guidelines and the MTCA's TSI Project - Enhancing the quality and use of tax information exchanged between Member States in the context of the Directive on Administrative Cooperation
 - Finalisation of papers, including those on:
 - The definition of 'Participating Holding' in article 2(1) of the Income Tax Act, specifically paragraph (e) of the definition (183-day rule)
 - Allocation of Income Accruing to a Trust – Article 27D(3)(b) ITA

- **Domestic & Compliance sub-committee** (Chairperson: Daniel Caruana) The work of this sub-committee included:
 - Feedback on MTCA consultations including: on the changes to the corporate tax return; the article 14(1)(m) rules; the Tax Deduction rules guidance; the IFRS 17 rules; the new TRAs; MTCA survey on Real Time Reporting;
 - Discussion and identification of issues to raise with MTCA.
- **Personal Tax sub-committee** (Chairperson: Edward Attard) The work of this sub-committee included:
 - Feedback on MTCA consultations including: the proposed Individual Tax Programme Rules.
 - Finalisation of papers on:
 - The notion of 'casual nature' in the Nomad Rules
 - The income tax treatment of specific transactions in crypto assets by individuals
- **The Indirect Tax Committee**
 The work of the Indirect Tax Committee focused significantly on participating in consultations and MTCA working groups around legislative developments, including, the guidelines on the 12% VAT rate; the VAT budget measure; introduction of digital reporting requirements; the changes to the VAT SME scheme. This year the Indirect Tax Committee brought the second instalment of the VAT Practitioners' Forum, which focused on input tax recovery. The main publication of the Committee – the MIT Guide to Completing a VAT return – was reviewed and updated to reflect changes/developments.
- **The Professional Affairs Committee** (Chairperson - Edward Attard): The MIT's Professional Affairs Committee continues to support the Institute to better educate its members, and other relevant professionals and organizations (including the FIAU, the NCC and the Malta Bankers Association) on the importance of their role as an integral part of the law enforcement process. This continues to be relevant in the AML/ Tax Evasion/ Exchange of information space and to this end the MIT still maintains the publication of the list of Associate and Fellow members, feeds into the MIT's general membership process and promotes continued professional education for tax practitioners. The Committee continues to represent the MIT on European Fora for similar Committees, feeding on best practices.
- **The Tax Technology Committee** (Chairperson – Ramona Azzopardi): In recognition of the ever-increasing significance of technology and technological applications to taxation and tax administration and reporting, as well as of the impact of digitalisation and digital transformation on tax matters. The Committee identifies and discusses the key issues with a view to contributing to the broader discussion with the relevant stakeholders, including the MTCA, and will create awareness through publications and/or educational initiatives. The Committee is composed of ad hoc working groups covering different tech matters such as AI, crypto and gaming. The first series of the MIT Tax Meets Tech Talks covering Artificial Intelligence was held on 4th June 2024 at the Hyatt Regency Malta. The Committee aims to deliver more Tax Meet Tech Talks in the near future covering different tech matters.

The MIT Annual Tax Conference and other Events

The MIT Annual Tax Conference took place over 3 days between September and November 2023 in commemoration of 75 Years of the Income Tax Act. The Conference kicked off with two morning sessions on Thursday 28th September 2023 and Friday 20th October 2023 at the Hilton Malta, culminating in a full-day flagship event on Tuesday 14th November 2023 at the Westin Dragonara Resort. The theme of the conference, which was very well attended, was 'Malta's Tax System in a Changed World'.

The graduation ceremony for the graduands of the 2022-2023 intake of the MIT Course on Taxation and the MIT Course on Tax Compliance was held on 12th October 2023 at Malta Stock Exchange, Valletta.

MIT website and social media channels

Besides communicating through the MIT website, the Institute retains its online presence through its main social media channels, mainly Facebook, Instagram and LinkedIn. The various communication channels are constantly being updated to keep in touch with members, students and the general public.

Investments and Projects

A new initiative has been the IT platform project which, with a total budget of €50,000, has been split into two phases. The first phase has been completed, with an investment of €36,000. This phase has been set up to handle the tasks that the administrative team require in order to handle administrative tasks for: accredited courses, registrations, memberships, CPE certificates, event management and some aspects of billing. This project was done in conjunction with Smart Technology Ltd.,

The MIT Team

During the Period under Review, the MIT team underwent some changes and the team presently stands as follows: Sarah Cassar Torregiani - CTO, Francesca Sciberras - Academic Co-Ordinator and Maria Pisani - Office Support and Billing.

I would like to express my appreciation towards past and present employees, as well as our CTO, the President and the Council members and the committees for their continuous support towards the Institute.

Dr Rachel Zarb Cousin
Secretary General