



Effective since 1st of December 2016.

It doesn't matter where you are, it matters where your customers are. Your customer's location determines what VAT you charge.

VAT Standard rate

The standard VAT rate in Malta in 2023 is 18%.

VAT Reduced rate

There is no reduced rate established.

VAT calculation peculiarity

VAT= Total revenue * 18/118.

Threshold

The tax threshold is €0 for digital goods.

Pieces of evidence

A NETP (known as the Non-Established Taxable Person) who is established outside the EU and who chooses Malta as his place of identification has to apply to the Commissioner of Revenue by electronic means stating when his taxable activity commences.

He should also furnish the following information:

- Name;
- Postal address;
- Electronic addresses, including websites;
- National tax number, if any;
- Declaration, that he is not identified for value-added tax purposes within the Community.

E-services list

A digital product is any product that's stored, delivered, and used in an electronic format. These are goods or services that the customer receives via email, by downloading them from the Internet, or by logging into a website.

Electronic services are defined as:

- Services relating to website supply;
- Web-hosting;
- Distance maintenance of programs and equipment;
- Supply of software and updating thereof;
- Supply of images, text, and information, and making databases available;
- Supply of music, films, and games, including games of chance and gambling games;
- Supply of political, cultural, artistic, sporting, scientific, and entertainment broadcasts and events;
- Supply of distance teaching.

Registration procedure

For VAT registration non-resident businesses can apply to the VAT Department's headquarters by post or by submitting an online application through the VAT Department website. The Maltese Vat Department will require the appropriate forms to be completed, and submitted with the following documentation:

- Copy of Articles of Association;
- Copy of the certificate of registration at the Companies Register;
- Copy of the passport or identity card of the director signing the VAT registration application.

Registration usually takes three to four weeks. Once the registration has been granted, a unique Maltese VAT number is allocated to the company. All EU member states have a fixed format for their VAT numbers. In Malta, the format of the number depends on the category of registration.

Keeping records

In order to comply with VAT laws, Maltese invoices must include the following information:

- Your business' name and address;
- Our business' VAT number;
- Invoice date;
- Invoice sequencing number;
- Buyer's name and address;
- Buyer's VAT number. If you are using the reverse charge mechanism, you must also add the text «EU VAT reverse charged»;
- VAT (amount and rate) applied to each item;
- The final amount after VAT is added;
- The currency used.

Maltese VAT invoices must be issued within six months after you delivered the product or service. Then you need to store these invoices electronically for ten years. Yes, that sounds excessive, but you must keep them on file in case any authority wants to verify your tax history.

VAT payment date

Issuing invoices, no later than the 15th day of the month following the chargeable event, with the disclosure details outlined in the Maltese VAT Act. Electronic invoices with proper signature, authenticity and agreement by the recipient.

Filing VAT returns

EU VAT returns are due quarterly. At the end of each quarter, you have 20 days to file and pay whatever you owe:

- 20 April, for the first quarter ending 31 March;
- 20 July, for the second quarter ending 30 June;
- 20 October, for the third quarter ending 30 September;
- 20 January, for the fourth quarter ending 31 December.



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