

SUBSIDIARY LEGISLATION 123.163**PERSONAL RETIREMENT SCHEME RULES**

16th December, 2014

LEGAL NOTICE 468 of 2014, as amended by Legal Notices 117 and 241 of 2015, 113 of 2019 and 2 of 2021.

1. (1) The title of these rules is the Personal Retirement Scheme Rules.

Citation and commencement.

(2) These rules shall come into force with effect from the year of assessment 2015.

2. For the purposes of these rules:

Interpretation.
Amended by:
L.N. 113 of 2019.

"the Act" means the Income Tax Act;

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"the Commissioner" means the Commissioner for Revenue;

"European right" means the entitlement of an insurance undertaking to establish a branch, or provide services, in a Member State or an EEA State other than that in which it has its head office -

- (a) in accordance with the Treaty as applied in a Member State or an EEA State; and
- (b) subject to the requirements of the Single Market Directive and subject to any regulations made under the Act, or insurance rules issued by the competent authority pursuant to the Act, implementing such requirements;

"licence holder" means a company registered, licensed or authorised to administer retirement schemes under the Retirement Pensions Act, or any other law substituting the said Act, or to carry on long term business under the Insurance Business Act or a European Insurance Undertaking carrying on long term business of insurance in Malta in exercise of a European right;

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"long term business" means business of insurance of any of the classes specified in the Second Schedule to the Insurance Business Act;

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"notice" means notice in writing and "notify" shall be construed accordingly;

"personal retirement scheme" means a retirement scheme which is not an occupational retirement scheme and to which contributions are made for the benefit of an individual;

"qualifying contribution" means a contribution made to a qualifying scheme in respect of which a credit against the income tax chargeable in Malta may be claimed in terms of the Act;

"qualifying individual" means an individual who fulfils the requirements of rule 4(1);

"qualifying scheme" means a personal retirement scheme or a

	long term contract of insurance that fulfils the requirements of these rules;
	"year" means the year immediately preceding a year of assessment unless the context otherwise requires;
Cap. 403. Cap. 514.	unless otherwise defined, terms and expressions used in these rules shall have the meaning assigned to them in the Act, the Insurance Business Act, or the Retirement Pensions Act or any other law or laws substituting it or them, as the case may be.
Introductory.	3. These rules provide for the criteria to be satisfied by qualifying schemes and also lays down the criteria for individuals to make qualifying contributions to qualifying schemes.
General conditions for qualifying individuals.	4. (1) An individual contributing or making payments to a qualifying scheme may only claim the tax credit referred to in article 57 of the Act if the individual: (a) is eighteen years of age or over at the time when a contribution or payment to a qualifying scheme is made; and (b) is domiciled and, or resident for tax purposes in Malta; and (c) is in possession of a certificate issued by the licence holder administering the qualifying scheme where the administrator confirms that: (i) all the details required under sub-rule (3) have been provided by the individual, and (ii) the qualifying scheme satisfies all the requirements referred to in rule 5; and (d) is included in the statement referred to in rule 7(2). (2) When a qualifying individual intends to make any claim for a credit against the income tax chargeable in Malta in a particular year in relation to contributions or payments to a qualifying scheme, such individual must lodge an application with a licence holder who administers a qualifying scheme, which application need only be made in the year in which the qualifying individual first subscribes to that qualifying scheme. (3) Such an application shall include the following information: (a) the first year of assessment to which the application relates, (b) a declaration that all contributions or payments to be made to the qualifying scheme shall be from the applicant's own assets or those of applicant's spouse, and not of any other person, (c) a declaration that the individual is ordinarily resident for tax purposes in Malta, and that the applicant will inform the licence holder if he ceases to be so ordinarily resident, (d) the applicant's full name, (e) the applicant's residential address,

- (f) the applicant's tax registration number or the tax registration number of the applicant's spouse,
- (g) the applicant's identity card or passport number, and
- (h) the applicant's date of birth.

5. A qualifying scheme shall be one which satisfies the following conditions:

General conditions for qualifying schemes.
Amended by:
L.N. 241 of 2015.
Substituted by:
L.N. 113 of 2019.
Amended by:
L.N. 2 of 2021.

- (a) in the case of an retirement pension scheme, it is a scheme that is registered under the Retirement Pensions Act or any other law substituting that Act and, in the case of a long term contract of insurance issued by a licence holder, it provides for programmed withdrawal of arrangements as provided for in pension rules issued under the said Act or other law; and
- (b) it provides for the commencement of payment benefits to a qualifying individual on a date that is not earlier than the date on which the individual attains the age of sixty-one (61) and not later than the date when the individual attains the age of seventy (70), except in those cases where the scheme provides that the payment is made by reason of the permanent disability or death of the beneficiary; and
- (c) it satisfies such further conditions as the Commissioner may deem appropriate to impose.

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6. (1) Each licence holder who wishes to receive contributions or payments from a qualifying individual into a qualifying scheme shall notify the Commissioner in writing prior to accepting such contributions or payments.

Notification to the Commissioner.
Amended by:
L.N. 113 of 2019.

(2) Where the qualifying scheme is a long term contract of insurance, the notification referred to in sub-rule (1) shall include:

- (a) a declaration by the licence holder that the long term contract of insurance satisfies the conditions referred to in rule 5, and
- (b) an undertaking by the licence holder that he shall inform the Commissioner within fourteen days of any subsequent change which would result in the long term contract of insurance no longer satisfying any of the conditions referred to in rule 5.

(3) A licence holder who shall cease to be a licence holder in terms of the the Retirement Pensions Act or the Insurance Business Act, or ceases to carry on long term business in Malta in exercise of a European right, shall notify the Commissioner promptly, and in any case not later than fourteen days from the date when the licence holder ceases to hold a licence in terms of the Special Funds (Regulation) Act or the Insurance Business Act or from when it

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ceases to exercise such European right.

(4) A license holder shall at all times keep sufficient records in respect of qualifying individuals to enable the requirements of these rules to be satisfied, including full name, address, and legally valid identification document (or income tax registration) number of each individual, and details of both spouses in the case of a married couple.

Information to be provided to the Commissioner.

7. (1) The Commissioner may, after giving due notice, require any person who is or who at any time has been a license holder who administers or who administered a qualifying scheme, or a qualifying individual, to furnish him within such time (not being less than fourteen days) as may be provided by the notice, such information about any qualifying scheme (including copies of or extracts from any books or other records) as the Commissioner may reasonably require for the purposes of these rules or to make available for inspection, at a place within Malta, all relevant documents which are in the possession or under the control of a licence holder, a qualifying scheme, or a qualifying individual.

(2) Every licence holder shall, by the end of January of the year following that in which the contributions or payments were made, submit to the Commissioner a statement in electronic format as approved by the Commissioner showing the personal particulars concerning the qualifying individual's identity and other information required for income tax purposes, and the amount contributed or paid by the qualifying individual to the qualifying scheme.

Tax credit for a qualifying individual
Added by:
L.N. 117 of 2015.
Substituted by:
L.N. 113 of 2019.
Amended by:
L.N. 2 of 2021.
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8. The tax credit to which a qualifying individual is entitled in terms of article 57 of the Act is twenty-five percent (25%) of the aggregate amount of the qualifying contributions that he makes in the year immediately preceding the year of assessment:

Provided that the tax credit for any year of assessment may not exceed seven hundred and fifty euro (€750).
