

SUBSIDIARY LEGISLATION 123.190

**ENROLLED VOLUNTARY ORGANISATIONS
(TAX EXEMPTION) RULES**

1st January, 2020

LEGAL NOTICE 115 of 2019, as amended by Legal Notice 39 of 2021.

1. The title of these rules is the Enrolled Voluntary Organisations (Exemption) Rules. Citation.
2. In these rules, unless the context otherwise requires:

 "the competent authority" means the Commissioner for Voluntary Organisations established under the relevant Act;

 "the register" means the register of enrolled voluntary organisations maintained for the purposes of the relevant Act;

 "the relevant Act" means the Voluntary Organisations Act. Cap. 492.
3. Subject to the other provisions of these rules, a voluntary organisation shall be exempt from tax for any year of assessment in respect of which it satisfies all the following conditions:

 (a) it is an enrolled organisation;

 (b) its turnover for the year immediately preceding the year of assessment does not exceed fifty thousand euro (50,000); and

 (c) it is compliant with all the provisions of the relevant Act that are applicable to it. Tax exemption.
Amended by:
L.N. 39 of 2021.
4. (1) For the purpose of paragraph (a) of rule 3, an organisation shall be treated as an enrolled organisation if it was enrolled in the register as at the end of the year immediately preceding the year of assessment or, in the case of an organisation that ceased to exist during that year, if it was enrolled in the register immediately before it ceased to exist. Interpretation of
rule 3.
Amended by:
L.N. 39 of 2021.

 (2) When an organisation is enrolled in the register in any year, but it is not so enrolled for the whole of that year, it shall only be treated as having satisfied the condition mentioned in paragraph (b) of rule 3 if its turnover for that year did not exceed such portion of the amount of fifty thousand euro (50,000) as corresponds *pro rata* to the number of months during that year in which its name was on the register.

 (3) Without prejudice to the generality of the provisions of

paragraph (c) of rule 3, an organisation shall not be treated as being compliant with the provisions of the relevant Act if any sanction has been imposed against it in term of the provisions of article 19 or article 22 of the relevant Act or if any proceedings have been commenced for the imposition of any such sanction.

Applicability of tax exemption.

5. The tax exemption referred to in rule 3 shall apply for the year of assessment in respect of which a certificate is issued by the competent authority and delivered to the Commissioner for Revenue confirming that the organisation satisfied the conditions for the exemption during the year immediately preceding that year of assessment, and shall continue to apply for subsequent years of assessment unless and until the certificate is revoked.

Revocation of certificate.

6. (1) Where the competent authority has issued a certificate confirming that an organisation satisfied the conditions for exemption as provided in rule 5, and:

(a) it later results that the organisation was not actually entitled to the exemption; or

(b) the organisation does no longer satisfy the conditions for the exemption,

the competent authority shall revoke the certificate and shall inform the Commissioner for Revenue the year as from which the revocation is effective.

(2) The effect of a revocation of the certificate is that the organisation in question will be treated as never having been exempt from tax for the years of assessment to which the revocation applies, and the provisions of the Income Tax Acts, including those relating to the obligation to pay the tax, interest for late payment and additional tax for omissions and defaults, shall apply accordingly.

Issue of a certificate after withdrawal or conclusion of proceedings.

7. Where the issuance of a certificate as referred to in rule 5 has been withheld or where a certificate so issued has been revoked solely on the ground of proceedings against the organisation as contemplated in sub-rule (3) of rule 4 and those proceedings are then withdrawn or it results upon their conclusion that there are no grounds on which any sanctions should be imposed against the organisation, the competent authority shall issue the certificate or reverse the revocation with such retroactive effect as may be necessary in the circumstances.
