

SUBSIDIARY LEGISLATION 123.55**FRINGE BENEFITS RULES**

1st January, 2001

LEGAL NOTICE 125 of 2001, as amended by Legal Notices 76 and 102 of 2006, 101, 147 and 409 of 2007, 292 and 336 of 2010, 205 of 2017 and 298 of 2023.

PART A - GENERAL

1. The title of these rules is the Fringe Benefits Rules.

Title.

2. (1) In these rules, unless the context otherwise requires -
"the Act" means the Income Tax Act;

Definitions.
Amended by:
L.N. 292 of 2010.
L.N.205 of 2017.
Cap. 123.

"associated company" means a company that is related to another company to which reference is made in the context in which this term is used in a way that -

- (a) the two companies form part of the same group; or
- (b) the two companies are owned or controlled directly or indirectly as to more than 50% by the same persons;

"beneficiary" means a person to whom a benefit is or is deemed to be provided;

"benefit" means anything that is deemed to be a benefit in terms of rule 9, 17, 20, 26, 28, 30, 32, 36, 39 or 45:

Provided that, notwithstanding anything to the contrary contained in these rules, the private use of an aircraft by an individual who -

- (a) is an employee or officer of an employer, company or partnership whose business activities include the ownership, leasing, or operation of any one or more aircraft or aircraft engine which is used for or employed in the international transport of passengers or goods, and
- (b) is not resident in Malta,

shall not be deemed to constitute a benefit for the purposes of these rules;

"controlling position" has the meaning assigned to it in sub-rule (2) of this rule;

"director" means -

- (a) any person occupying the position of director of a company by whatever name he may be called;
- (b) any person carrying out substantially the same functions in relation to the direction of the company as those carried out by a director;
- (c) any person in accordance with whose direction or instructions the directors of a company are accustomed

to act;

"employee" means an individual who performs services under a contract of employment whether written or not with another person;

"employer" means a person who engages or has engaged another person to perform services under a contract of employment;

"member of the family" of a person means the spouse, ascendant, direct descendant or an adoptive child of that person, or the spouse of such ascendant, descendant or adoptive child or an individual who ordinarily resides in the same residence as that person, whether related to him or not;

"officer" means the holder of an office and includes also an individual who -

- (a) is a director of a company; or
- (b) holds directly or indirectly more than 5% of the ordinary share capital or of the voting rights in a company; or
- (c) is a partner in a partnership;

"partnership" means a civil or commercial partnership constituted under or in accordance with Maltese law other than a company;

"property" means any kind of movable or immovable property;

"provider of a benefit" means a person who provides or who is deemed to provide a benefit.

(2) In these rules a person shall be deemed to be in a controlling position in a company if -

- (a) he is an individual who holds directly or indirectly 25% or more of the ordinary share capital or the voting rights in that company or in an associated company; or
- (b) he is an individual who holds, directly or indirectly, shares in that company and the shares so held, together with any shares held directly or indirectly in that company or an associated company by a member or members of his family, amount to or represent an aggregate of more than 50% of the ordinary share capital or the voting rights in that company; or
- (c) he is an individual who is a director of that company or of an associated company but is not registered with the competent authority set up under the Employment and Training Services Act as a whole time employee with that company or with an associated company.

Cap. 594.

Circumstances in which a benefit is deemed to be provided by reason of an employment or office.

3. (1) Except where otherwise provided in these rules, a benefit shall be deemed to be provided by reason of an employment or office if -

- (a) it is provided by an employer to his employee; or
- (b) it is provided by a company or a partnership to an individual who holds an office in that company or partnership; or

- (c) it is provided by a company to an individual who was an employee or officer of that company as a reward for, or in recognition of, services rendered to that company; or
 - (d) it is provided by a company on a continuing or regular basis to an individual who, at the time it was first provided or at the time that the company decided to provide it, was an employee or an officer of that company; or
 - (e) it is provided to the holder of an office by a person who is responsible for the payment of remuneration for duties performed under the terms of appointment to that office; or
 - (f) it is provided as a reward for services rendered by a person in the course of the performance of his duties as employee or officer of another person where that benefit is provided by a third party.
- (2) The presumptions referred to in sub-rule (1)(a), (b), (d) and (e) may be rebutted by evidence that -
- (a) the benefit is a donation made by an individual on purely personal considerations; or
 - (b) the benefit is provided in settlement or on account of a debt that is not related to any services rendered in the course of an employment or office; or
 - (c) the benefit is a distribution of profits by a company or a partnership to a person in his capacity as shareholder or partner of that company or partnership or represents drawings made by a partner on account of his share of profits of the partnership, and is accounted for as such in the records of that company or partnership.

3A. Where a benefit is deemed to arise by reason of an employment or office, the income represented by the value of that benefit shall be deemed to arise in the country where the services in terms of the relative contract of employment or office are wholly or principally performed:

Benefit arising by reason of an employment or office.
Added by: L.N.205 of 2017.

Provided that any benefit that is deemed to arise by reason of a directorship in a company shall be deemed to arise in the country where that company is managed and controlled.

4. For the purpose of rule 3 -

- (a) a benefit provided by a company to an individual who is not an employee or an officer of that company but who is an employee or an officer of an associated company shall be deemed to be a benefit provided by the associated company;
- (b) a benefit provided by a company to an individual who is not an employee or an officer of that company but who is a member of the family of an employee or an officer of that company or of an associated company shall be deemed to be a benefit provided to the said officer or employee;

Benefit provided by an associated company or to a member of the family.

- (c) a benefit provided by an employer, other than a company, to an individual who is not an employee of that employer but who is a member of the family of an employee of that employer shall be deemed to be a benefit provided to the said employee;
- (d) a benefit provided to an employee by a third party shall be deemed to be provided by the employer if the benefit is provided on the employer's instructions, whether direct or explicit or otherwise, or through his intervention.

Value of benefits.
Amended by:
L.N. 409 of 2007.

5. (1) The value of a benefit shall be determined in accordance with the provisions of these rules.

(2) Except where otherwise provided in these rules, when the value of a benefit is expressed as an annual value that benefit shall be deemed to have a value of one-twelfth of the annual value for each whole calendar month during which that benefit is provided and of one of three hundred and sixty-five of the annual value for each day of any part of a month during which it is provided.

(3) When the annual value of a benefit is changed by reason of any event that takes place after the commencement of the provision of that benefit then, for the purpose of determining the value of the benefit for the month during which that event takes place, the provisions of sub-rule (2) shall apply as if the benefit provided from the date when that event takes place were a separate benefit from that provided prior to that date.

(4) When any provision of these rules produces a negative value of a benefit that benefit shall be deemed to have no value.

(5) Any value determined in accordance with these rules shall be rounded up or down to the nearest euro.

(6) Where the benefit consists in the use of property and more than one beneficiary makes use of the same property the provider of that benefit shall determine the annual value of the benefit in accordance with the other provisions of these rules and he shall then apportion that value between the beneficiaries in such manner as to him may appear reasonable in the circumstances or as may be determined by the Commissioner.

Market price.
Amended by:
L.N. 336 of 2010.

6. (1) When the valuation of a benefit includes the determination of the price, hereinafter referred to as "the market price", which any property would fetch if sold in the open market then, subject to the other provisions of this rule, an expert valuation shall constitute sufficient evidence of that price.

(2) When an expert valuation is made at the request of the Commissioner, hereinafter referred to as "the Commissioner's valuation", and another expert valuation relating to the same property is made at the request of the provider of the benefit or of the beneficiary, hereinafter referred to as "the beneficiary's valuation", the following provisions shall apply:

- (a) if the beneficiary's valuation is produced to the Commissioner before the Commissioner's valuation is made and the market price indicated in the

Commissioner's valuation does not exceed by more than 15% that indicated in the beneficiary's valuation, the beneficiary's valuation shall constitute evidence of that price to the exclusion of the Commissioner's valuation;

- (b) if the beneficiary's valuation is produced after the Commissioner's valuation has been made, or if the market price indicated in the Commissioner's valuation exceeds by more than 15% that indicated in the beneficiary's valuation, the Commissioner's valuation shall, subject to the provisions of sub-rule (3) hereof, constitute evidence of that price to the exclusion of the beneficiary's valuation: provided that nothing in this sub-paragraph shall prevent the Commissioner's valuation from being questioned in an appeal against a tax assessment made in accordance with the relevant provisions of the Income Tax Management Act. Cap. 372.

(3) In an appeal filed in the Administrative Review Tribunal an expert valuation exhibited by either party, when confirmed by the valuer under oath, shall constitute sufficient evidence of the market price, unless the other party exhibits another expert valuation, likewise confirmed by the valuer under oath, in which case the following provisions shall apply:

- (a) when the provisions of sub-rule (2)(a) are applicable, the Tribunal shall decide the matter in accordance with those provisions;
- (b) in any other case the Tribunal shall appoint an independent expert valuer to draw up and confirm under oath a further expert valuation and, subject to any consideration which the Tribunal may consider appropriate, decide the matter accordingly.

(4) An expert valuation shall not, merely on the basis of the foregoing provisions of this rule, constitute evidence of any matter relevant to the determination of the value of a benefit other than the market price.

(5) When a declaration of the value of a benefit made by the beneficiary or by the provider of the benefit is supported by an expert valuation produced to the Commissioner, and the value declared results to be less than the value that is finally determined to be the correct value, the declaration shall not, to the extent that it is so supported, be held to represent an omission for the purposes of article 56(12) of the Act or an offence for the purposes of Part IX of the Income Tax Management Act or a default for the purposes of the Final Settlement System (FSS) Rules: S.L.372.14

Provided that the provisions of or prescribed under the Income Tax Acts relating to the tax (but not additional tax) chargeable and payable with respect to the benefit, to interest payable on the late payment of that tax and to the amount of tax that should be deducted from emoluments and remitted to the Commissioner by a payer shall apply by reference to the correct

value of the benefit as finally determined.

(6) In this rule "expert valuation" means a written opinion of the market price as on the date relevant for that purpose in accordance with the provisions of these rules drawn up by a person recognised by the Commissioner or by the Administrative Review Tribunal, as the case may be, as competent to express an expert opinion on that price containing a description of the property in question and stating briefly the relevant considerations.

Period during which a benefit is deemed to be provided.

7. (1) When a benefit consists in the use of property it shall be deemed to be first provided -

- (a) if the property is immovable property, on the day on which that property is first used by the beneficiary;
- (b) in any other case, on the day on which that property is first made available for the use of the beneficiary,

and, in any case, that benefit shall be deemed to continue to be provided for as long as that property remains available for the use of the beneficiary.

(2) When the property is movable property and it is not available to the beneficiary on account of repairs or some other temporary cause for a period that is less than 30 consecutive days, that property shall be deemed to remain available to the beneficiary during that period; and when the period of unavailability is 30 consecutive days or more that property shall not be deemed to be available to the beneficiary during that period.

(3) When property is made available to a beneficiary to replace similar property in a period during which, in accordance with sub-rule (2), the latter property is deemed to remain available to that beneficiary, the value of the benefit for that period shall be determined by reference to the value of the latter property without reference to the value of the former property.

(4) Property shall not be deemed to be available to a beneficiary for any period during which it is exclusively used by or specifically reserved for the exclusive use of third parties in the course of the business of the provider of the benefit.

PART B

CATEGORY 1 BENEFITS - BENEFITS RELATING TO MOTOR VEHICLES

Definitions of terms used in this Part.

Amended by:
L.N.205 of 2017.

8. In this Part, unless the context otherwise requires -

"vehicle" means any mechanically propelled vehicle constructed or adapted as a means of transport for individuals, and any vehicle which is constructed or adapted for the conveyance of goods but which is also suitable as a means of transport for individuals, but shall not apply to -

- (a) a vehicle with a design weight of more than 3500 kilograms;
- (b) a motor cycle;
- (c) a vehicle specially built or adapted for use by a severely disabled person and used by such person for

travelling between his home and his workplace;

- (d) a van;
- (e) such other vehicle as the Commissioner may specify by order in writing;

"van" means a mechanically propelled road panel vehicle or utility or any other commercial vehicle whose construction is primarily suited for the conveyance of goods with no seating capacity for passengers except for seating adjacent to the driver.

9. (1) The private use by an individual of a vehicle that is owned or held under a title of lease by another person shall be deemed to be a benefit provided by the said person to the said individual.

Private use of a vehicle.
Amended by:
L.N.205 of 2017.

(2) There shall be deemed to be private use of a vehicle by an individual in any of the following circumstances:

- (a) if the vehicle is placed at the exclusive disposal of that individual;
- (b) if the vehicle is regularly available for use by that individual outside the hours during which he normally performs his duties as an employee or an officer of the provider of the benefit;
- (c) if the vehicle is regularly kept overnight or during weekends under the charge of that individual in any place which is not the business premises of the provider of the benefit or within 100 meters thereof;
- (d) if the vehicle is regularly used by that individual for purposes not directly linked with his employment or office.

(3) The provisions of paragraph (c), but not of the other paragraphs, of sub-rule (2) shall not apply with respect to the use of a vehicle by an employee who is required to use that vehicle wholly in the performance of his duties as a messenger or a driver.

Substituted by:
L.N.205 of 2017.

(4) Notwithstanding the other provisions of this rule the use of a vehicle shall not be deemed to be a private use if the Commissioner determines that it constitutes an official use.

10. The annual value of the benefit referred to in rule 9, shall be arrived at first by finding the aggregate of:

- the vehicle use value determined in accordance with rule 11,
- the maintenance value of the vehicle determined in accordance with rule 12, and
- the fuel value of the vehicle determined in accordance with rule 13

Annual value of the private use of a vehicle.
Amended by:
L.N.205 of 2017.

and then multiplying the result by -

- the private use percentage determined in accordance with rule 14.

11. (1) The vehicle use value is 17% of the vehicle value if the vehicle is not more than 6 years old and 10% of the vehicle value in

Vehicle use value.

any other case.

(2) A vehicle shall be deemed to be more than 6 years old on and after the sixth anniversary of the date when it was first registered for road use, whether in Malta or outside Malta.

Maintenance
value.
Amended by:
L.N. 409 of 2007.

12. (1) The maintenance value of a vehicle is 3% of the vehicle value if the vehicle value does not exceed €28,000 and 5% of the vehicle value in any other case.

(2) The maintenance value of a vehicle shall be deemed to represent all costs incurred by the provider of the benefit relating to the use of the vehicle, including the road licence, the driving licence, insurance cover, repairs and servicing, but excluding fuel and garaging of the vehicle: provided that the maintenance value of a vehicle shall be determined in accordance with sub-rule (1) regardless of the cost actually incurred by the provider of the benefit and even where the said costs are borne fully or partly by the beneficiary.

Fuel value.
Amended by:
L.N. 409 of 2007.

13. (1) Subject to the other provisions of this rule the fuel value of a vehicle is 3% of the vehicle value if the vehicle value does not exceed €28,000, and 5% of the vehicle value in any other case.

(2) The fuel value of a vehicle shall be deemed to represent the costs incurred by the provider of the benefit relating to the fuel consumed in the use of the vehicle whether such costs are incurred by way of reimbursement in full or in part to the beneficiary against the production of receipts or by way of payments to third parties supplying the fuel.

(3) When the fuel costs are fully borne by the beneficiary and are not reimbursed, in full or in part, by the provider of the benefit the fuel value of a vehicle shall be taken at €0.

(4) When the provider of the benefit makes payments to the beneficiary relating to fuel costs other than by way of a reimbursement against the production of receipts, the fuel value of a vehicle shall be taken at €0 but those payments shall constitute a separate benefit as provided in rule 17.

Private use
percentage.
Amended by:
L.N. 409 of 2007;
A.L. 205 tal-2017.

14. (1) Saving the provisions of sub-rule (2), the private use percentage of a vehicle shall be determined by reference to the vehicle value as follows:

Car value	Private use percentage
Not exceeding €16,310	30%
Exceeding €16,310 but not €21,000	40%
Exceeding €21,000 but not €32,620	50%
Exceeding €32,620 but not €46,600	55%
Exceeding €46,600	60%

(2) The private use percentage of vehicle shall be 0% where, in any particular case -

- (a) the vehicle value does not exceed €16,310; and
- (b) the said vehicle is used wholly or mainly for point to

point services by an employee who is a salesman or a support person in the performance of his duties or for such other similar services as may be approved by the Commissioner; and

- (c) the Commissioner approves in writing the applicability of this rule to that case.

15. (1) For the purposes of rules 10 to 14, the vehicle value means the aggregate of:

Vehicle value.
Amended by:
L.N. 409 of 2007.

- (a) the price of the vehicle;
- (b) the cost of any accessories that may be fitted in the vehicle and not included in the price of the vehicle.

(2) In this rule, the price of the vehicle means:

- (a) in the case of a vehicle owned by the provider of the benefit, and subject to the other provisions of this paragraph, the actual cost of the vehicle as shown in the invoice for the purchase of that vehicle, including any taxes and delivery charges, increased by any special discounts not available generally to purchasers buying the same type of vehicle from the same supplier at the same time as that of the purchase of the vehicle in question;
- (b) in the case of a vehicle, other than a classic vehicle -
 - (i) that is not owned by the provider of the said benefit; or
 - (ii) that was purchased prior to the 1 January 2001 and its actual cost cannot be properly established; or
 - (iii) that is provided out of the provider's own stock; or
 - (iv) that was acquired by the provider second hand, such price as may be shown for a vehicle of that same or comparable model in a price list drawn up or approved by the Commissioner;
- (c) in the case of a classic car, the price which that vehicle would fetch if sold on the open market on the date when the benefit is first provided.

(3) When any accessories are fitted after the commencement of the benefit, the vehicle value shall be adjusted as from the date they are fitted.

(4) In this rule a vehicle is a classic vehicle if:

- (a) it is more than 15 years old; and
- (b) its price, determined in accordance with sub-rule (2)(c), is more than €23,300; and
- (c) its original price was less than the price determined in accordance with sub-rule (2)(c).

Annual value of the private use of a van.

Amended by:
L.N. 409 of 2007;
Substituted by:
A.L. 205 tal-2017.

Vehicle allowance.

Value of vehicle allowance.
Amended by:
L.N. 409 of 2007.

16. The private use of a mechanically propelled vehicle that is constructed or adapted as a means of land transport, and that is excluded from the definition of "vehicle" in terms of paragraph (a), (b), (c), (d) or (e) of the said definition in rule 8, shall be deemed to have no value.

17. (1) A vehicle allowance paid by a person to an individual shall be deemed to be a benefit provided by the former to the latter.

(2) For the purpose of this rule a vehicle allowance paid to an individual means:

- (a) any payment to that individual relating to the use of his vehicle whether by way of reimbursement of costs or otherwise;
- (b) any payment to third parties to cover fuel or other costs incurred by that individual in the use of his vehicle;
- (c) any payment to that individual relating to fuel costs incurred in the use of a vehicle owned or held under a title of lease by the provider of the benefit where the payment is not made by way of reimbursement against the production of receipts.

18. (1) Subject to the other provisions of this rule the value of the vehicle allowance referred to in rule 17 is the total amount so paid.

(2) Where -

- (a) the allowance is paid to an employee in terms of the provisions of a collective agreement or of his contract of service with respect to the use of his vehicle for the purpose of the employer's business; and
- (b) the beneficiary is not a person in a controlling position; and
- (c) the employee is not entitled to the private use of another vehicle owned or held under a title of lease by the employer,

the value determined in accordance with sub-rule (1) hereof shall be reduced by 50% provided that the maximum total reduction that may be so allowed in any calendar year with respect to any one beneficiary is €1,170.

(3) When a beneficiary is in receipt of a vehicle allowance from more than one employer the maximum total reduction of €1,170 referred to in sub-rule (2) shall apply with respect to the aggregate allowances he receives as if they were one allowance.

(4) An employee who receives a vehicle allowance may claim in his income tax return for a year of assessment a deduction against the value of the benefit determined in accordance with the foregoing provisions of this rule with respect to the expenses he incurred in the year preceding that year of assessment in the use of the vehicle and a deduction for the wear and tear of that vehicle to the extent that such expenses and wear and tear relate to the use of the vehicle for the purpose of his employer's business and are

allowable in terms of article 14 and all the other relevant provisions of the Act, but the maximum deduction that may be so claimed is the amount by which the total of such expenses and wear and tear deduction exceeds the amount of the reduction from the value of the benefit referred to in sub-rules (2) and (3):

Provided also that such deductions shall only be allowable if:

- (a) the conditions listed in sub-rule (2)(a), (b) and (c) are all satisfied; and
- (b) the employee is in possession of documents proving the said expenses and the purpose for which they were incurred; and
- (c) the income declared by the employee in his income tax return includes the value of the benefit computed in accordance with the foregoing sub-rules of this rule; and
- (d) the claim for the deductions is supported by a computation showing the details relevant to the determination of the amount due as a deduction in accordance with this rule.

(5) The vehicle allowance referred to in rule 17 shall be deemed to have no value if -

- (a) the vehicle allowance consists in a reimbursement of costs incurred by the employee in the use of his vehicle for the purposes of his employer's business; and
- (b) such reimbursement is made by reference to the distance actually covered at a rate not exceeding 35 cents per kilometre; and
- (c) the employer has logged the details to which any such reimbursement refers, including the purpose, destination and distance of each journey.

PART C

CATEGORY 2 BENEFITS - USE OF PROPERTY

19. For the purposes of this Part:

- (a) the market value of immovable property is the value which that property would fetch if sold in the open market free and unencumbered and with vacant possession at the time that property is or was first used by the beneficiary increased by the cost of any additions and improvements made to that property after that time;
- (b) the cost of immovable property is the price for which the owner acquired that property increased by the cost of any construction works, additions and improvements made to that property after the date of the acquisition; and for the purpose of this paragraph when property is held by a person under a title of

Definitions of
terms used in this
Part.
*Amended by:
L.N.205 of 2017.*

perpetual or temporary emphyteusis the price for the acquisition thereof shall be deemed to be the price or premium, if any, paid or payable in accordance with the deed of emphyteusis;

- (c) the market value of movable property is the price which that property would fetch if sold in the open market on the first day of the calendar year during which the benefit in question is provided, taking into account the value of any accessories, improvements and additions existing as on that date;
- (d) the cost of movable property is the price for which it was acquired increased by the cost of any accessories, improvements and additions incurred after the date of the acquisition and existing at the time of the provision of the benefit; and for the purpose of this paragraph the price for the acquisition of movable property that was acquired more than six years before any specific date shall, as from that date, be deemed to be 60% of the actual price.

Private use of property.
Amended by:
L.N.205 of 2017.

20. (1) The private use by a person of any property, other than a mechanically propelled vehicle that is constructed or adapted as a means of land transport, and that falls within the definition of "vehicle" in rule 8 or that is excluded from that definition in terms of paragraph (a), (b), (c), (d) or (e) thereof, that is owned or held under a title of lease by another person shall be deemed to be a benefit provided by the latter to the former.

(2) The use of consumable things shall not be treated as a benefit to which this rule refers but a Category 3 benefit to which Part D of these rules applies.

Private use of property.

21. Subject to the other provisions of this Part there shall be deemed to be private use of property by an individual -

- (a) when that property is immovable property and he uses it for his accommodation or private enjoyment or for any other purpose other than solely as a place for the performance of his duties as an employee or an officer;
- (b) when that property is movable property and he uses it wholly or mainly in any manner other than in the normal course of his duties as an employee or an officer.

Accommodation not constituting private use of property.

22. Accommodation of an individual in immovable property, including the use of any furniture situated therein, shall not constitute a private use -

- (a) where the immovable property is an official residence allocated by a public authority or by an institution of a public nature to the occupier in his capacity as the holder of an office; or
- (b) where the accommodation is provided temporarily on account of special measures for the personal security of the beneficiary; or
- (c) where -

- (i) the said immovable property is the employer's business premises or premises attached or adjacent to the employer's business premises; and
- (ii) the beneficiary is an employee who is not a person in a controlling position; and
- (iii) the accommodation of the employee in that particular immovable property is necessary for the better performance of his duties; and
- (iv) the employment is one for which it is customary for employers carrying on the same business as the provider of the benefit in question to provide accommodation for their employees.

23. Notwithstanding the other provisions of these rules, the accommodation of an individual in immovable property belonging to a company during any financial year of that company, including the use of any furniture situated therein, shall not be deemed to constitute a benefit provided by that company to that individual or to a member of his family by reason of an employment or office if all the following conditions are satisfied -

Accommodation not constituting a benefit by reason of an employment or office.

*Amended by:
L.N.205 of 2017.*

- (a) during that year the company does not carry on a trade or business and does not own any property whatsoever other than -
 - (i) the immovable property in question;
 - (ii) any other immovable property which is occupied by an individual as long as all the conditions of this rule are satisfied with respect to that accommodation;
 - (iii) cash and bank deposits;
 - (b) during that year the company does not have any liabilities other than by way of long term loans from a bank or a financial institution or from an individual who is directly or indirectly a shareholder in that company;
 - (c) where the company has any liability referred to in paragraph (b) that liability is not secured in any manner by an associated company;
- and -
- (i) the creditor is not a debtor of an associated company; or
 - (ii) the creditor is a bank which is a debtor of an associated company but the bank's debt in favour of that associated company is not for a long term loan and is not connected with the financing of the loan to the property owning company;
- (d) the company does not, for the year of assessment to which that financial year refers, claim any group relief or any deduction with respect to losses incurred in a

trade, business, profession or vocation brought forward from any previous year;

- (e) the accommodation is provided to a person who is directly or indirectly a shareholder of that company or to members of his family who is, or all of whom are, not employees of the company and not in receipt of any form of remuneration whatsoever from that company.

Annual value of the private use of property.
Amended by:
L.N.205 of 2017.

24. (1) Subject to the other provisions of this rule, the annual value of the benefit referred to in rule 20 shall be determined as follows:

- (a) where the property is owned by the provider of the benefit or by a related person, the said value shall be:
 - (i) in the case of immovable property, 5% of the higher of the market value and the cost of the property:
Provided that where the property is held under a title of emphyteusis, the said value shall be the higher of:
 - (A) 5% of the market value; and
 - (B) the total of:
 - 5% of the cost of the property, and
 - an amount equivalent to the relative annual ground rent;
 - (ii) in the case of movable property, 12% of the higher of the market value and the cost of the property;
- (b) where the property is leased to the provider of the benefit and is owned by a person who is not a related person the said value shall be the rent payable for the year in question: provided that when the property is sublet to the provider of the benefit by a related person the said value shall be the amount of the rent payable for the year in question to a non-related person.

(2) For the purpose of sub-rule (1) a related person means:

- (a) in relation to a company:
 - (i) an associated company; or
 - (ii) a person who holds, directly or indirectly, shares in that company;
- (b) in relation to a partnership:
 - (i) a company or a partnership that is owned or controlled, directly or indirectly, as to more than 50% by the partners of that partnership; or
 - (ii) a person who owns, directly or indirectly, an interest in that partnership;

- (c) in relation to an individual:
 - (i) a member of his family; or
 - (ii) a company or a partnership in which he, directly or indirectly, holds a share or owns an interest.

(3) When the provider of the benefit incurs or reimburses expenses connected with the private use of property including, but not limited to, expenses -

- (a) for the maintenance, repair, upkeep, licences or insurance of the property;
- (b) for the settlement of bills for services, facilities or amenities provided in the property;
- (c) representing a share of common expenses or fees charged in connection with a bloc of properties of which that property forms part,

the value of the benefit shall, for any month in which any such expenses are incurred or reimbursed, be increased by the amount of the said expenses.

(4) Notwithstanding the foregoing provisions of this rule, when the benefit referred to in rule 20 consists of accommodation in a hotel or a guest-house, the said value shall be the amount chargeable by that hotel or guest-house for a year at the rate charged to guests therein for similar accommodation.

(5) Where the beneficiary pays, during any calendar year, rent for the private use of property, the annual value of the benefit for that year shall be reduced by the amount of the rent so paid in that year.

PART D

CATEGORY 3 BENEFITS - OTHER BENEFITS

25. In this Part D, unless the context otherwise requires "in-house benefit reduction" with respect to the value of a benefit referred to in this Part means the lower of €700 and the value of that benefit before the said reduction:

Definition of "in-house benefit reduction".
Amended by:
L.N. 409 of 2007.

Provided that the total in-house benefit reduction with respect to all benefits that qualify therefor provided by a person or persons to the same beneficiary during any year shall be the lower of €700 and the total value of the said benefits before the said reduction:

Provided further that the in-house benefit reduction with respect to the value of a benefit provided to a person in a controlling position shall be €0.

26. (1) The grant by a person to another person of a loan at beneficial terms shall be deemed to be a benefit provided by the former to the latter.

Beneficial loan arrangements.
Amended by:
L.N. 76 of 2006;
L.N. 102 of 2006;
Amended by:
L.N. 205 of 2017;
L.N. 298 of 2023.

(2) For the purpose of this rule -

- (a) "loan" includes any advance or credit and any amount shown in the records of a person as owed by another person;

- (b) a loan shall be deemed to have been granted at beneficial terms if no interest is payable by the beneficiary or if the interest so payable is less than the benchmark rate;
- (c) the benchmark rate of interest on a loan is such rate as may be determined by the Commissioner from time to time and the Commissioner may, for such purpose, determine different rates for loans granted in different circumstances:

Provided that -

- (i)* the benchmark rate of interest on a loan granted by a bank set up or licensed under Maltese law or by a financial institution authorised to lend money to the general public in accordance with Maltese law to an employee of such bank or financial institution shall be:
 - (A) in the case of a loan for the purchase of a home, the average rate on loans to residents of Malta for the purchase of a house, calculated by reference to the interest rates prevailing at the end of each month during the twelve (12) month period ending on 30 September of the previous calendar year, as published by the Central Bank of Malta in the statistics database on interest rates and other key financial market rates;
 - (B) in any other case, the rate on the main refinancing operations as applied by the Central Bank of Malta as prevailing at the end of the previous calendar year;
- (ii) unless and until a different rate is determined by the Commissioner the benchmark rate of interest on any other loan shall be 6.5% per annum.

Annual value of
beneficial loan
arrangements.
Amended by:
L.N.205 of 2017.

27. The annual value of the benefit referred to in rule 26 is the interest that would be payable on the loan for the year in question if it were chargeable at the benchmark rate reduced by the interest paid on that loan by the beneficiary during that year:

Provided that in the case of a loan to which paragraph (i) of the proviso to rule 26(2)(c) applies, the annual value shall be reduced by the in-house benefit reduction:

Provided also that the value of a loan by a company to a shareholder who holds more than 25% of the ordinary share capital and voting rights in that company shall be zero.

Free or discounted
meals.

28. (1) Subject to the provisions of sub-rule (2), the provision by a person of a free meal or a meal at a discounted price to another person shall be deemed to be a benefit provided by the former to the latter.

(2) The provision of a meal shall not be treated as the provision of a benefit when it is provided -

* These rules shall apply with effect from year of assessment 2025.

- (a) by an employer which is a hotel or a catering or similar establishment in an area of a restaurant or a dining room designated as being reserved solely for the use of the staff or in any area at a time when meals are not normally served to the public; or
- (b) by any other employer in a canteen where meals are served to the staff generally.

29. The value of the benefit referred to in rule 28 is the cost of the meal incurred by the provider of the benefit reduced by the price, if any, paid by the beneficiary:

Value of free or discounted meals.

Provided that when the said benefit is provided by a hotel or a catering or similar establishment to its employee, the said value shall be reduced by the in-house benefit reduction.

30. The provision of an airline or sea transport ticket or fare by a person to another person at no consideration or at a discounted consideration shall be deemed to be a benefit provided by the former to the latter.

Free or discounted airline or sea transport tickets.

31. (1) Subject to the provisions of sub-rule (2) hereof, the value of the benefit referred to in rule 30 shall be the excess, if any, of the price at which the ticket or fare in question is normally sold to the public over the price paid by the beneficiary for that ticket or fare.

Value of free or discounted airline or sea transport tickets.

(2) When the ticket or fare is provided by a company that operates an airline or a shipping line or by an associated company, the value of the benefit referred to in rule 30 shall be the actual cost incurred by that company in providing that benefit or 20% of the price at which an economy fare ticket or fare for the same destination is normally sold to the public, whichever is the higher, reduced by the in-house benefit reduction.

32. (1) The transfer of the ownership of any property, other than a transfer that falls within the scope of any other provision of these rules, by a person to another person at no consideration or at a consideration which is less than the value of that property, shall be deemed to be a benefit provided by the former to the latter.

Free or discounted transfer of property and provision of services.

(2) The provision of a service, other than a service that falls within the scope of any other provision of these rules, by a person to another person at no consideration or at a consideration which is less than the value of that service shall be deemed to be a benefit provided by the former to the latter.

(3) When a person issues a voucher, coupon or other token that gives the right to another person to acquire any property or service at no consideration or at a consideration which is less than the value of that property or service and that voucher, coupon or other token is used for the acquisition of any such property or service, the former shall be deemed to provide a benefit to the latter consisting of the transfer of the ownership of property or the provision of a service to which sub-rule (1) or (2), as the case may be, applies:

Provided that the Commissioner may direct that the issue and use of vouchers, coupons or tokens under any particular scheme shall not be deemed to be a benefit provided by reason of

an employment or office if he is satisfied that the employer does not supply the property or services in question and does not bear any part of the cost therefor and that the scheme does not otherwise have the nature of a reward for services rendered by the employees.

(4) The use by a person of consumable things belonging to another person at no consideration or at a consideration which is less than their value shall be deemed to be a benefit consisting in the transfer of the ownership of those things to which sub-rule (1) applies.

Value of free or discounted transfer of property and provision of services.
Substituted by:
L.N.205 of 2017.

33. (1) Subject to sub-rules (2), (3) and (4), the value of a benefit referred to in rule 32 is the excess, if any, of the value of the property or service over the consideration paid by the beneficiary.

(2) When the benefit referred to in rule 32 consists in the transfer of a motor vehicle and the beneficiary had, before the transfer, made private use of that motor vehicle as provided in rule 9, the value determined in accordance with sub-rule (1) shall be reduced by the total value of the fringe benefit that was deemed in accordance with Part B to have been provided to that beneficiary as a result of the private use of that motor vehicle: provided that the value so reduced shall not be less than zero.

(3) When a benefit provided by the employer consists in the transfer of in-house property or the provision of an in-house service, the value determined in accordance with sub-rule (1) shall be reduced by the in-house benefit reduction.

(4) When in-house property or an in-house service is provided to an employee on a working day and consumed or availed of by the employee on the employer's business premises the benefit shall have no value.

Value and cost of property and services.
Amended by:
L.N.205 of 2017.

34. (1) For the purposes of rules 32 and 33 -

- (a) "in-house property" means movable property, other than a vehicle as defined in Part B of these rules, manufactured, produced, processed or otherwise treated or acquired for resale by the employer as part of his own business;
- (b) "in-house service" means a service, other than a service that constitutes a benefit referred to in Part B or Part C of these rules, provided by an employer as part of his own business;
- (c) the value of in-house property or an in-house service shall be deemed to be the selling price normally charged by the provider of the benefit for that or a similar property or service, reduced by any discounts available generally to purchasers buying the same type of property or service from the same supplier at the same time as that of the transfer of that property or the provision of the service in question, and increased by any costs incurred by the provider of the benefit in transferring that property or providing that service;
- (d) the value of any other property or service is the higher of its market value and its cost, increased, in any case,

by any costs incurred by the provider of the benefit in transferring that property or providing that service;

- (e) the consideration paid by the beneficiary is the price paid by him for the acquisition of the property or service in question and when the beneficiary acquires immovable property under an emphyteutical grant, the consideration shall be deemed to be the premium, if any, paid or payable in accordance with the deed of emphyteusis increased by twenty times the annual ground rent in the case of a perpetual emphyteusis and by such lower amount as fairly represents the value of the grant in the case of a temporary emphyteusis.

(2) The meaning of the term "employer" as used in sub-rule (1)(a) and (b) shall be construed without reference to the provisions of rule 4.

(3) For the purposes of sub-rule (1)(d) -

- (a) the market value of property is the price which the property would fetch if sold in the open market on the date when the benefit is provided, taking into account the condition of that property on that date and all other relevant factors;
- (b) the cost of property is the price paid by the provider of the benefit for the acquisition thereof increased by the cost of any additions, improvements or accessories incurred after the acquisition thereof existing at the time of the provision of the benefit:

Provided that -

- (i) the price paid for the acquisition of movable property that was acquired more than 6 years before any specific date shall, as from that date, be deemed to be 60% of the actual price;
- (ii) the price paid for the acquisition of immovable property under an emphyteutical grant shall be deemed to be the premium, if any, paid or payable in accordance with the deed of emphyteusis increased by twenty times the annual ground rent in the case of a perpetual grant and by such lower amount as fairly represents the value of the grant in the case of a temporary grant.

35. (1) The provisions of the Act shall apply without reference to these rules for the purpose of determining any tax chargeable in the hands of the provider of a benefit upon a transfer to which rule 32 applies.

Applicability of the Act to transfers of property.
Substituted by: L.N.205 of 2017.

(2) When property is transferred by way of a benefit to which rule 32 applies and the beneficiary subsequently transfers that property, and where the cost of acquisition of that property is relevant in terms of the Act for the purpose of determining the tax chargeable in the hands of the beneficiary upon the said subsequent transfer, the said cost shall be deemed to be an amount equivalent

to the consideration actually paid by the beneficiary for the acquisition of the property increased by the value of the said benefit.

Share option
scheme benefit.
Amended by:
L.N.205 of 2017.

36. (1) When a company grants an option to its employees or to the employees of an associated company to acquire shares, that option shall not be deemed to constitute a benefit but the exercise by an employee of such an option shall be deemed to be a benefit provided by the employer company to that employee.

(2) When shares in a company are transferred to an employee of that company or of an associated company under a share award scheme, the transfer shall be deemed to be a benefit provided by the employer company to that employee by reason of his employment.

A benefit referred to in sub-rule (1) or (2) shall be deemed to be provided on each date that shares are issued or transferred to the beneficiary in terms of the share option scheme or share award scheme in question.

(3) A benefit referred to in sub-rule (1) or (2) shall be deemed to be provided on each date that shares are issued or transferred to the beneficiary in terms of the share option scheme or share award scheme in question.

Value of share
option scheme
benefit.
Amended by:
L.N. 147 of 2007
Substituted by:
L.N.205 of 2017.

37. (1) The value of a benefit referred to in rule 36 shall be the excess, if any, of the price which the shares in question would fetch if sold in the open market on the date when the benefit is provided over the price paid or payable by the beneficiary for those shares.

(2) The income represented by the value of the benefit shall constitute chargeable income separate and distinct from any other chargeable income of the beneficiary for the relative year of assessment and shall be subject to tax at the rate of fifteen cents for every euro.

Gains on the
assignment or
reduction of option
or on the transfer
of shares acquired
under a share
option scheme.

38. (1) When a share option is assigned to or renounced in favour of any person, any gain thereby realised shall constitute a capital gain for the purpose of article 5 of the Act.

(2) Any gain realised from the transfer of shares acquired through the exercise of an option under a share option scheme shall constitute a capital gain for the purposes of article 5 of the Act, and in determining such gain the cost of the acquisition of the shares shall be deemed to be the price which those shares would have fetched if sold in the open market on the date of the exercise of the option.

Payment or
reimbursement of
expenses incurred
for private
purposes.
Amended by:
L.N. 101 of 2007;
L.N. 409 of 2007;
L.N.205 of 2017.

39. (1) Subject to the provisions of sub-rule (2), when a person pays or reimburses, in full or in part, expenses incurred for the benefit or in the interest of another person and where such expenses are not included in the value of any other benefit referred to in any of the foregoing rules, the former shall be deemed to provide a benefit to the latter.

(2) The payment or reimbursement of expenses to which any of the following paragraphs refers and that are incurred on or after 1st January, 2001 shall not be deemed to constitute a benefit

provided by reason of an employment or office:

- (a) expenses to which no other provision of these rules applies necessarily incurred in the production of the beneficiary's income in his capacity as an employee or the holder of an office;
- (b) expenses incurred by an employee on the instructions and in the exclusive interest of his employer where such expenses are reimbursed by the employer against the production of receipts;
- (c) the costs of travel for a business purpose;
- (d) the costs of travelling between Malta and Gozo for a business purpose, relocation costs and costs of journeys between work shifts;
- (e) the cost of business related training;
- (f) subscriptions in respect of an employee's membership in a professional body recognised as such by the Commissioner where that employee is employed in his capacity as a member of the relative profession or where that membership is a condition required by the employer in terms of the contract of employment of the beneficiary;
- (g) the cost for providing insurance for business purposes;
- (h) the cost incurred by an employer in providing organised transport for his employees;
- (i) a present given to an employee to mark a festive season or similar events provided it is not made in cash and provided also that the total value of any such gifts granted to any one employee during a calendar year does not exceed €120 or such other higher amount as may be approved by the Commissioner;
- (j) the cost of providing insurance against expenses for medical treatment or an insurance policy under which a benefit is payable only in the event of the death or injury of the insured while in service under a scheme available generally to employees:

Provided that this paragraph shall also apply where the beneficiary is an officer of a company as long as the said scheme is available generally to the employees of that company;

Provided further that the amount of the cost that is not to be deemed to constitute a benefit provided to any beneficiary by reason of an employment or office in terms of this paragraph shall not exceed three times the cost of providing insurance as aforesaid to any other beneficiary under that scheme;

- (k) costs incurred by and charged in the name of an employee, as evidenced by receipts produced to the employer, or by his employer for the provision of fixed or mobile telephony services, including the cost of a

telephone set, mobile phone or a facsimile machine, used by the employee for the purpose of the business of the employer;

- (l) costs incurred in the provision of the use of a computer and related equipment and software belonging to or held under a title of lease by the employer and used by an employee for the purpose of the business of the employer;
- (m) costs incurred in the provision to an employee of internet services, as evidenced by receipts produced to the employer, used by the employee for the purpose of the business of the employer;
- (n) the cost of the provision for the benefit of employees of recreational facilities in the employer's premises or in premises available for that purpose to the employer;
- (o) long service awards granted to an employee in recognition of 15 years' or more service to the extent that the relative cost does not exceed €120 per year of service and provided no similar award has been granted to the same beneficiary within the previous 10 years;
- (p) an award granted to an employee who is not a director under a suggestion scheme or a scheme for the promotion of safety at work organised for all employees or all employees within a specified grade or grades on equal terms, provided that the scheme is outside the scope of the employees' normal duties and the award is of a reasonable amount;
- (q) the cost of providing to employees uniforms and safety clothing which they are under an obligation to wear in terms of their contract of employment or of any law;
- (r) the cost of the provision of childcare facilities for the benefit of the employees, provided that the employee receiving such benefit does not claim the deduction provided for by article 14C of the Act;
- (s) the following health related costs:
 - (i) the cost of a medical examination, test or screening which an employee is required to undergo in order to take a new employment or to take up a new post with the same employer or to gain entry to a superannuation fund;
 - (ii) the cost of medical care, medicine and other medical treatment provided as a prevention against injury or illness related to an employment as part of a programme available generally to employees exposed to the same work-related health risks;
 - (iii) the cost of individual or group counselling relating to safe work practices, health, fitness, stress management or drug or alcohol abuse that

is given as part of a programme available generally to employees exposed to the same work-related health risks;

- (t) any such other payment in kind or cost or reimbursement as may be approved by the Commissioner for the purpose of this rule.

40. (1) For the purposes of rule 39(2)(c) -

*Business travel.
Amended by:
L.N.205 of 2017.*

- (a) "costs of travel" means the cost of a journey to a destination outside Malta and back, including related insurance, the costs of transport, accommodation and meals, incurred by a person outside Malta and a reasonable subsistence allowance;
- (b) "business purpose" includes marketing a business or concluding business transactions or attending business seminars and business meetings or such other purposes as may be approved by the Commissioner for the purpose of this paragraph;
- (c) when the purpose of travel outside Malta is not wholly a business purpose no part of the travel costs shall be treated as costs of travel for a business purpose: provided that any private element which is negligible or which is purely incidental to the business purpose of the travel shall be disregarded;
- (d) "relocation costs" means costs incurred by or reimbursed to an employee in order to settle in a country, other than his country of residence, for the purpose of taking up a new employment or posting that lasts or is expected to last for at least twelve months, or to resettle in his country of residence upon the termination of that employment or posting, including the cost of the journey of the employee and of his spouse and dependent children and the cost for the transportation of furniture and personal effects but excluding accommodation costs;
- (e) "costs of journeys between work shifts" means the cost of the journey of an employee to his country of residence immediately upon the end of a work period and the cost of the journey of that employee from his country of residence to the country where he is required to report in order to resume his duties for the next work period; and for this purpose "a work period" means a recurrent period that normally lasts for not more than four weeks, during which the employee is required to report daily for work, and that is followed by a period of rest that is normally at least one third of the work period: provided that the Commissioner may, in any particular case, recognise any other period as a work period for the purpose of this paragraph.

(2) In this rule "reasonable subsistence allowance" means an allowance calculated to compensate the employee for the increased cost of living while abroad to the extent that such cost of living is

not compensated by the payment or reimbursement of the other costs referred to in sub-rule (1)(a).

Travel between
Malta and Gozo.
Amended by:
L.N.205 of 2017.

41. For the purpose of rule 39(2)(d) -

- (a) "costs of travelling between Malta and Gozo" means the cost of a journey by sea or by air to one of the said islands and back by an employee who normally resides in the other island, including the cost of the transport of a vehicle on such journey and the cost of one meal for each such journey; and where the visit to that island lasts more than one day the term includes also the cost of transport within that island, accommodation and meals;
- (b) "business purpose" has the meaning assigned to it in paragraph (b), as subject to paragraph (c) of sub-rule (1) of rule 40.

Business related
training.

42. For the purpose of rule 39(2)(e) -

- (a) "business related training" means a training course undertaken by an employee that leads to the acquisition of knowledge or skills which are necessary for the performance of the duties under the relative employment or to an increased effectiveness in the performance of the employee's present or prospective duties, but that does not necessarily lead to any formal qualification; and
- (b) the costs of business related training are:
 - (i) the course and examination fees;
 - (ii) the cost of essential books and course material;
 - (iii) when the course is conducted in a place away from the employee's usual place of work, the additional expenses incurred in travelling to and from that place;
 - (iv) if the course is held outside Malta the costs specified in rule 40(1)(a).

Insurance for
business purposes.

43. For the purposes of rule 39(2)(g) "insurance for business purposes" means:

- (a) indemnity cover against any liability for which an officer of a company may be personally liable in terms of any law by reason of his office; or
- (b) insurance over the life of an individual or over property belonging to him where such insurance is required in connection with the provision of security for a loan or other liability directly related to the business of the employer of that individual or of the company or partnership of which he is an officer.

Organised
transport.

44. For the purposes of paragraph of rule 39(2)(h) "organised transport" means transport in a vehicle with a seating capacity of 10 or more persons from defined pick-up points to the place of work and back, available generally to employees or to a category of employees.

45. (1) Except as otherwise expressly provided in these rules any payment in cash, whether by way of reimbursement, bonus, gratuity, allowance or otherwise, by a person to another person shall, unless accounted for as wages or salaries, be deemed to be a benefit provided by the former to the latter and its value shall be the amount so paid. Other benefits.

(2) Except as otherwise expressly provided in these rules any thing, right, privilege, perquisite or perk, other than cash, given under any title and in any manner whatsoever by a person to another person shall be deemed to constitute a benefit provided by the former to the latter and the value of such benefit shall be the market value of that thing, right, privilege, perquisite or perk.

(3) Notwithstanding the other provisions of these rules where the Commissioner is of the opinion that the value of any benefit is negligible he may, by a notice in writing, direct that it shall be treated as if it were not a benefit.

PART E - MISCELLANEOUS

46. (1) Except as expressly provided in these rules or in or under the Income Tax Acts nothing contained in these rules shall be construed as granting or denying a right to any person to claim a deduction from his income with respect to the provision of any benefit or any payment in cash or in kind to any other person and the right to any such deduction shall be regulated by the relevant provisions of the Income Tax Acts and the rules prescribed under those Acts without reference to these rules. Right to claim deductions.

(2) Except as expressly provided in these rules the value of any benefit determined in accordance with the provisions thereof shall be deemed to be net of all deductions that could otherwise be claimed by the beneficiary and no further deductions may be claimed in respect thereof.

47. (1) Any guidelines, explanations or instructions relating to benefits to which these rules refer contained in a publication or circular published by or under the authority of the Commissioner and distributed or made available to employers or to taxpayers in general, shall be read and construed as one with these rules and shall have the same effect as these rules to the extent that they are not in conflict with any rules prescribed, or guidelines, explanations or instructions published at a later date and to the extent that - Guidelines.

- (a) they give a definition of any term or an interpretation of any provision contained in these rules;
- (b) they determine the manner in which any provision of these rules is to be applied;
- (c) they determine any matter which in accordance with these rules may be determined by or is subject to the approval or the discretion of the Commissioner.

(2) The provisions of sub-rule (1) are without prejudice to any power of the Commissioner to determine any matter in the manner provided in any other rule.

Records and
returns.

48. (1) Every employer and every company and partnership that provides any property or the use of any property, or makes any payment in cash or in kind to any employee or an officer shall keep proper and sufficient records to enable the determination of the extent to which such payment is, or is not, to be treated as a benefit provided by reason of an employment or office and the categorisation, valuation and tax treatment of any such benefit in terms of these rules, and shall deliver to the Commissioner such statements, information and returns as may be required for the said purposes on such date or dates as may be specified by the Commissioner or as may be prescribed.

(2) The records, statements, information and returns referred to in sub-rule (1) shall include:

- (a) any records and statements expressly specified in any of the foregoing provisions of these rules;
- (b) such other records, statements, information and returns as may be directed by the Commissioner from time to time or as may be prescribed.

(3) All records referred to in this rule and all supporting documents shall be produced or made available for inspection by the Commissioner whenever so requested by the Commissioner and shall be kept for a period of not less than 6 years.

(4) The provisions of this rule are without prejudice to any obligations imposed on any person to keep records or to furnish records, statements, information and returns in accordance with any provision of or prescribed under the Income Tax Acts.
