

SUBSIDIARY LEGISLATION 368.01**EXEMPTION FROM MOTOR VEHICLES
REGISTRATION TAX RULES**

1st January, 2009

LEGAL NOTICE 196 of 2009, as amended by Act XV of 2009; and Legal Notices 6 and 426 of 2012, 440 of 2013, 138 of 2018 and 254 of 2019.

1. The title of these rules is the Exemption from Motor Vehicles Registration Tax Rules. Citation.

2. (1) In these rules, unless the context otherwise requires:

"the Act" means the Motor Vehicles Registration and Licensing Act;

"authorised inspecting officer" means a Police officer, a community officer or an officer, employee or contractor of the Authority;

"the Authority" means the Authority for Transport in Malta as established by the Authority for Transport in Malta Act;

"the Board" means the Board appointed by the Minister responsible for finance to assess applications related to exemptions under article 19(3)(f) of the Act;

"brought into Malta" means the entry into Malta of a motor vehicle coming from a Member State and which was put into free circulation in such Member State prior to entry into Malta;

"cycle" shall have the same meaning assigned to it in the Act;

"circulation licence fee" means the circulation licence fee paid in terms of the Act;

"driver" means any person who drives a motor vehicle even for a short period;

"European Union" has the same meaning as is given to it in the European Union Act and includes Norway, Iceland and Liechtenstein; Cap. 460.

"exemption" means exemption from the payment of motor vehicle registration tax and, where applicable, from the payment of the circulation licence fee;

"imported into Malta" means the entry into Malta of a motor vehicle from a third country;

"Member State" means a Member State of the European Union;

"M1 motor vehicle" shall have the same meaning assigned to it in the Act;

"motor cycle" means any two-wheeled vehicle, with or without a sidecar;

"motor tricycle" means a vehicle with three symmetrically arranged wheels fitted with an engine having a cylinder capacity of

Interpretation.
Amended by:
XV. 2009.49;
L.N. 6 of 2012;
L.N. 426 of 2012;
L.N. 254 of 2019.
Cap. 368.

Cap. 499.

more than 50 cm³ if of the internal combustion type or a maximum design speed of more than 45 km/h;

"motor vehicle" means any mechanically self-propelled vehicle intended for use on the road, other than a vehicle running on rails, having a maximum design speed of more than 45 km/h, and it includes a cycle;

"normal residence" has the same meaning as is assigned to it in article 18(5) of the Act;

"person established outside Malta" means an individual having his normal residence outside Malta or a person, other than an individual, having his only or principal place of business outside Malta;

"person residing in Malta" means:

Cap. 258.

- (a) an individual having his normal residence in Malta, and is legally obliged to have a legally valid identification document issued under the Identity Card and other Identity Documents Act,
- (b) a person, other than an individual, having his only or principal place of business in Malta;

"private vehicle" means an M1 motor vehicle, including its trailer, if any, a motor caravan, a motor home or a cycle;

"quadricycle" means a vehicle with four wheels whose unladen mass is not more than 400 kg (550 kg for vehicles intended for carrying goods), not including the mass of batteries in the case of electric vehicles, and whose maximum net engine power does not exceed 15 kW;

"registration certificate" means the document which certifies that the vehicle is registered;

"registration plate" means a plate or other device displaying the registration mark of a motor vehicle;

"relief" means relief from motor vehicle registration tax;

Cap. 499.

"road" has the same meaning as is assigned to it in the Authority for Transport in Malta Act;

"third country" means a country other than a Member State;

"transfer of residence" means the actual transfer of the ordinary residence of a person from a place outside Malta to a place in Malta with the date of transfer being the date of issue of the Residence Document or the date as declared with the Commissioner for Revenue in the case of Maltese applicants;

Cap. 490.

"Tribunal" means the Administrative Review Tribunal established by the Administration Justice Act.

Motor vehicle brought over for demonstration purposes.
Amended by:
L.N. 6 of 2012.

3. (1) A motor which is imported or brought into Malta by a licensed motor vehicle trader as a representative sample of a particular vehicle, to be displayed or used for demonstration with a view to obtaining orders for similar vehicles, shall be exempted from the provisions of articles 2A and 3 of the Act:

Provided that vehicle -

- (a) is owned by or registered in the name of a person established outside Malta,
- (b) while in Malta is not put to normal use, except for the purpose of demonstration,
- (c) is not used for hire or reward,
- (d) whilst in Malta remains the property of a person established outside Malta,
- (e) is intended to be taken out of Malta on fulfillment of such purpose.

(2) The exemption under sub-rule (1) shall be granted by the Authority, upon application, for a period not exceeding six months from the date of the vehicle's arrival in Malta or for such longer period as the Authority in its discretion may allow.

(3) A vehicle exempted under this rule may only be used on the road if that vehicle carries a "Trial Run" plate in accordance with the Registration and Licensing of Motor Vehicles Regulations.

S.L. 368.02

4. (1) For the purpose of this rule "date" shall mean the date on which the decision of the Board is published on the website of the Ministry responsible for finance.

Transfer of residence.
Substituted by:
L.N. 6 of 2012.
Amended by:
L.N. 440 of 2013.

(2) The exemption under article 19(3)(f) of the Act shall be granted in respect of an M1 motor vehicle or a cycle which is the personal property of an individual and which is being brought or imported into Malta by that individual when he is transferring his normal residence from a place outside Malta to a place in Malta.

(3) For a vehicle to qualify for an exemption under sub-rule (2) -

- (a) it shall have been registered in the name of the individual transferring his normal residence for a period of at least twenty-four months immediately before the date of his transfer of residence to Malta and is still so registered when the vehicle is imported or brought into Malta;
- (b) it shall have been acquired under the general conditions of taxation in force in the domestic market of the State from which it is being imported or brought into Malta, and is not the subject, on the grounds of exportation, of any exemption from or any refund of excise duty, value added tax or any other consumption tax;
- (c) the person applying for the exemption shall have been residing outside Malta for a continuous period of at least twenty-four months immediately before the date on which he ceases to have his normal residence outside Malta;
- (d) the vehicle is declared for exemption not earlier than two months before the date on which applicant becomes normally resident in Malta and not later than twelve months following that date;

- (e) where the person has transferred his residence to Malta and the vehicle has already arrived in Malta, the application for exemption is to be made within thirty days from the date on which that person had transferred his residence to Malta; and;
- (f) where the person has transferred his residence to Malta and the vehicle has not yet arrived in Malta, the application for exemption is to be made within thirty days from the arrival of the vehicle in Malta.

(4) The exemption under sub-rule (2) shall not be granted where -

- (a) the vehicle and, or the applicant do not satisfy the requirements established under sub-rule (3); or
- (b) the applicant has already availed himself of an exemption under this rule; or
- (c) a vehicle is imported or brought into Malta by a person who had gone to live outside Malta primarily for the purpose of pursuing a course of studies of a duration of less than five years, or
- (d) the applicant provides a false declaration or false or incorrect information willfully.

(5) An exemption under this rule shall apply to no more than one vehicle owned by the person transferring his residence, whether the vehicle is an M1 motor vehicle or a cycle.

(6) The application for the exemption shall be submitted to the Authority on the appropriate form and the applicant shall produce sufficient proof, in the Maltese or English language, showing -

- (a) that he has been residing outside Malta for a continuous period of at least twenty-four months immediately before his transfer of residence to Malta and that he is taking up residence in Malta. Such proof may include -
 - (i) documents relating to transactions carried out in the course of day-to-day living,
 - (ii) utility bills,
 - (iii) tax returns,
 - (iv) social insurance records,
 - (v) documents relating to employment,
 - (vi) documents relating to the acquisition and disposal of property
 - (vii) documents relating to the acquisition of property in Malta, if any, and
 - (viii) any other documentation which the Board may request;
- (b) that he has had the vehicle registered in his name for at least twenty-four months immediately before the date of his transfer of residence to Malta. Such proof may include -

- (i) the vehicle registration certificate,
- (ii) the vehicle insurance certificate,
- (iii) documents which clearly establish that any relevant taxes in terms of sub-rule (3)(b) have been paid and have not been refunded;
- (c) the date of the vehicle's arrival in Malta; and
- (d) any other documentation which the Board may request.

(7) An application for exemption under this rule shall be processed and decided by the Board and the decision of the Board shall be published on the website of the Ministry responsible for finance. The Board shall also send a copy of that decision by registered mail to the applicant at the address specified in the application and, where provided, also by electronic means.

(8) Where an application is approved by the Board, the applicant shall apply to the Authority to have the vehicle registered by the Authority in accordance with the provisions of the Registration and Licensing of Motor Vehicles Regulations, and, apart from the circulation licence and administrative fees established under those regulations, he shall also pay an exemption application processing fee of one hundred euro (€100). S.L. 368.02

(9) Where an application for an exemption under this rule is rejected by the Board, the applicant -

- (a) may, if the vehicle has already been brought or imported into Malta, re-export or scrap the vehicle without paying any registration tax on it, or
- (b) shall, if the vehicle is already in Malta and he intends to keep it in Malta, apply to the Authority to have the vehicle registered, and also licensed if he intends to use the vehicle on the road, in accordance with the provisions of the Registration and Licensing of Motor Vehicles Regulations whether or not he intends to appeal the decision of the Board under sub-rule (10). If he intends to appeal the said decision, he shall pay to the Authority an exemption application processing fee of one hundred euro (€100). S.L. 368.02

(10) On the registration of the vehicle under sub-rule (9)(b), the applicant shall pay thereon the circulation licence fee, unless he intends to garage the vehicle, and any other administration fees established under the Registration and Licensing of Motor Vehicles Regulations. He shall also be charged thereon the appropriate registration tax which, if he intends to appeal, shall be deferred and debited on account of the applicant until the Tribunal decides the appeal. S.L. 368.02

(11) An applicant who feels aggrieved by the decision of the Board may appeal to the Tribunal in accordance with the provisions of the Administration Justice Act within twenty-one days from the date that decision is published as provided for in sub-rule (7).

(12) Where an appeal entered by an applicant is rejected by the

Tribunal and the applicant had already registered the vehicle in terms of sub-rule (9), the applicant may apply to the Authority to have the vehicle deregistered to be re-exported or scrapped, and he shall forthwith be refunded by the Authority the total amount of administrative and application processing fees paid on the registration of the vehicle and no amount of registration tax shall be paid by applicant.

(13) Where an appeal entered by an applicant is upheld by the Tribunal and the applicant had already registered the vehicle in terms of sub-rule (9), the amount of registration tax charged on the registration of the vehicle shall not be paid by applicant.

(14) The exemption application processing fee of one hundred euro (€100) paid under sub-rules (8) and (9) shall be on account of the Government.

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(15) A motor vehicle in respect of which an exemption has been granted under this rule, shall not be sold, assigned, transferred, hired out, lent or disposed of in any manner in Malta, unless it is scrapped in accordance with the provisions of the Registration and Licensing of Motor Vehicles Regulations, following its importation or its bringing into Malta unless the vehicle registration tax to which the exemption aforesaid relates is paid thereon in accordance with the provisions of the Second Schedule to the Act.

Motor vehicles temporarily brought in Malta. Amended by: L.N. 6 of 2012.

5. (1) This rule and rules 6 and 7 shall apply only to a private vehicle which has been acquired under the general conditions of taxation in force on the domestic market of the country of normal residence of the user of the motor vehicle and which is not subject by reason of its exportation to any exemption from or refund of turnover tax, excise duty or any other consumption tax.

(2) Where a private vehicle is exempted under article 18(1)(a) of the Act, the person importing or bringing into Malta the said vehicle shall be obliged to ensure that the vehicle -

- (a) is not sold, given away or hired out in Malta or lent to a person residing in Malta;
- (b) is not used for the transport of goods for industrial or commercial purposes, whether for reward or not;
- (c) is not used for the carriage of persons for hire or reward;
- (d) is not driven by a person who has his normal residence in Malta;
- (e) is covered by an insurance policy; and
- (f) displays a valid registration mark of the country of registration and any mark which may be issued by the Authority;

Provided that where in a country the issue of standard registration plates is not conditional upon compliance with the general conditions of taxation in force on the domestic market, the user of the vehicle shall produce appropriate evidence as proof of payment of consumption taxes.

(3) Notwithstanding the provisions of sub-rule (2)(a), a private vehicle belonging to a car-hire firm established in another country other than Malta may -

- (a) be re-hired to a person whose normal residence is outside Malta with a view to being re-exported, if the vehicle is in Malta as a result of a hire contract which ended in Malta;
- (b) be returned by an employee of the car-hire firm to the country where it was originally hired, even if the employee resides in Malta.

(4) The documents relating to the registration, insurance and bringing into Malta of a vehicle temporarily brought in under this rule shall be kept with the vehicle when it is in use and shall be produced at the request of an authorised inspecting officer.

(5) Nothing in this rule shall be construed as exempting a person temporarily importing or bringing a motor vehicle into Malta from compliance with any legal requirement, obligation, restriction or prohibition.

6. (1) An exemption under article 18(1)(b) of the Act, for a period not exceeding twelve consecutive months, shall be given to an M1 motor vehicle or cycle brought in or imported for private use by a person whose normal residence is outside Malta and who comes to Malta under a work contract of a duration of at least twelve months.

Motor vehicles brought over by a person under an employment contract.

Amended by:
L.N. 6 of 2012;
L.N. 138 of 2018.

(2) The said exemption shall be granted on application made to the Authority on the prescribed form which shall be presented within thirty days from the vehicle's arrival in Malta together with -

- (a) a copy of the contract of employment,
- (b) evidence of the vehicle's arrival in Malta,
- (c) a copy of the vehicle's registration certificate,
- (d) a valid vehicle insurance certificate, and
- (e) an administrative fee of thirty-five euro (€35).

(2A) A vehicle in respect of which an application is made under the provisions of this rule shall be registered in the name of the applicant and for the purposes of the provisions of this rule, the applicant shall provide evidence of ownership in terms of the provisions of rule 4(5)(b).

(3) Where an exemption is granted under this rule, the Authority shall provisionally license that motor vehicle for use on the road for a period which expires upon the expiration of the exemption and a circulation licence fee shall be payable to the Authority in respect of twelve months where the vehicle is not covered by a valid road licence issued in the country of registration and, where it is covered by such licence in respect of the remaining months or part thereof immediately following the expiry of that licence, at the rates applicable in the Fourth Schedule to the Act to motor vehicles registered before the 1st January, 2009.

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(4) Upon the payment of the licence fee by the applicant, the Authority shall issue to that person a licence disc to be fixed on the windscreen of the vehicle in terms of the Registration and Licensing of Motor Vehicles Regulations.

(5) The documents relating to the registration and insurance of the vehicle and to the exemption granted shall be kept with the vehicle when it is in use and shall be produced at the request of an authorised inspecting officer.

(6) An exemption granted under this rule shall cease to have effect upon the expiration of the period fixed by this rule or before the expiration of that period if the vehicle is found to be used in breach of the conditions under which the exemption was granted.

(7) The motor vehicle shall not be sold, given away, disposed of, hired out or lent unless the vehicle registration tax is paid thereon in accordance with the provisions of the First or Second Schedule to the Act.

Vehicle imported
or brought over by
a student.
Amended by:
L.N. 6 of 2012.

7. (1) An exemption under article 18(1)(c) of the Act shall also be granted to an M1 motor vehicle or cycle which is temporarily imported or brought into Malta by a student for his own private use where such student, although having his normal residence outside Malta, is residing in Malta for the sole purpose of pursuing his studies in an educational institution authorized as such by the education authorities:

Provided the vehicle is registered in the name of the student:

Provided further the student does not engage in full-time employment during the period of temporary exemption:

Provided further that the vehicle shall continue to satisfy the provisions of rule 5(2) while it is so exempt.

(2) The request for the exemption under sub-rule (1) shall only be made if the vehicle is to remain in Malta for more than seven months from the date of its arrival. It shall be made to the Authority on the prescribed form which shall be presented together with evidence of the vehicle's arrival in Malta, a copy of the vehicle's registration certificate, a copy of a valid insurance certificate, a confirmation from the institution concerned and an administrative fee of fifteen euro (€15) before the expiry of the seven-month period from the date of its arrival in Malta.

(3) The exemption shall be issued for a period of twelve months, and shall be renewed on application by the student every year thereafter, provided that a copy of a valid insurance policy and confirmation from the educational institution concerned is submitted to the Authority, together with the relevant circulation licence fee for that year.

(4) Where an exemption is granted, the Authority shall provisionally license that motor vehicle for use on the road and a circulation licence fee shall be payable to the Authority at the rates applicable in the Fourth Schedule to the Act to motor vehicles registered before the 1st January, 2009.

- 8.** (1) An exemption under article 19(3)(c), (d) and (e) of the Act shall be granted upon application to the Ministry responsible for foreign affairs. Vehicles supplied under diplomatic arrangements, etc. Amended by: L.N. 6 of 2012.
- (2) When an exemption is given under this rule, the vehicle shall be registered and licensed by the Authority in accordance with the Registration and Licensing of Motor Vehicles Regulations, provided that the original approval issued by the Ministry responsible for foreign affairs is submitted to the Authority. S.L. 368.02
- 9.** (1) An application for relief under -
- (a) the Exemptions/Subsidies Related to Motor Vehicles for Persons with Disability Scheme, or
- (b) the Exemptions/Subsidies Related to Motor Vehicles for Philanthropic Organisations/Charitable Institutions Scheme,
- each established by an Order of the Minister responsible for finance, shall be made, on the prescribed form, to the National Commissions Persons with Disability in respect of an application for relief under paragraph (a), and to the Ministry responsible for finance in respect of an application for relief under paragraph (b). Reliefs granted under other schemes. Amended by: L.N. 6 of 2012.
- (2) The application for relief under sub-rule (1)(a) shall be accompanied by a certificate of disability issued by a doctor or therapist of the National Commission Persons with Disability.
- (3) Where an exemption or a relief is granted under this rule, the vehicle shall be registered and licensed with the Authority in accordance with the Registration and Licensing of Motor Vehicles Regulations. S.L. 368.02
- 10.** Exemptions or reliefs granted under rules 4 and 9 shall be considered by a Board appointed by the Minister responsible for finance. Approval.
- 11.** A vehicle which has been exempted from the payment of registration tax or which has been granted a relief under these rules may only be sold in Malta if the motor vehicle registration tax to which the exemption or relief relates is paid thereon in accordance with the provisions of the First or Second Schedules to the Act. Payment of registration tax.
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