L.N. 111 of 2002

INCOME TAX ACT
(CAP. 123)

Collective Investment Schemes (Investment Income) (Amendment) Regulations, 2002

BY virtue of the powers conferred by articles 41B and 96 of the Income Tax Act, hereinafter referred to as "the Act", the Minister of Finance has made the following regulations:-

Title.

1. The title of these regulations is the Collective Investment Schemes (Investment Income) (Amendment) Regulations, 2002 and shall be read and construed as one with the Collective Investment Schemes (Investment Income) Regulations, 2001, hereinafter referred to as "the principal regulations".

L.N. 55 of 2001.

Deletes regulation 9 of the principal regulations.

2. Regulation 9 of the principal regulations shall be deleted.

Renumbers regulations 10 to 15 of the principal regulations.

3. Regulations 10 to 15 of the principal regulations shall be renumbered as regulations 9 to 14 respectively.

Amends regulation 9 as renumbered of the principal regulations.

4. For paragraph (a) of the proviso to regulation 9 as renumbered of the principal regulations there shall be substituted the following:

"(a) if the disposal is the first disposal of such units or shares by that person after the 28th February, 2001, the cost of acquisition of such units or shares held by him, if any, on the 1st March, 2001 shall be the price at which such units or shares were quoted on the Malta Stock Exchange on the date when they were acquired or the price at which they were last quoted on the Malta Stock Exchange before the 1st March, 2001, whichever price is the higher; and".

Amends regulation 10 as renumbered of the principal regulations.

5. In regulation 10 as renumbered of the principal regulations, for the words "before that date." there shall be substituted the words "before that date, or to the price of the said units or shares as quoted on the Malta Stock Exchange on the date the said contract of insurance was concluded, whichever price is the higher.".

Amends regulation 14 as renumbered of the principal regulations.

6. In regulation 14 as renumbered of the principal regulations:

(a) for sub-regulation (3) thereof there shall be substituted the following:

"(3) (a) Where a recipient utilises the services of an authorised financial intermediary in connection with the payment of investment income, the said authorised financial intermediary shall collect tax, by deduction or otherwise, amounting to fifteen percent of such income and shall be bound by all the obligations imposed on payors under the investment income provisions:

Provided that notwithstanding the provisions of sub-article (3) of article 33 of the Act –

(i) where the investment income is income referred to in sub-paragraph (v) of paragraph (a) of article 41 of the Act, the tax so collected shall be payable not later than the ninetieth day following the day of the contract note in relation to the disposal of the relevant units or shares; and

(ii) where the investment income is income referred to in sub-paragraph (vi) of paragraph (a) of article 41 of the Act, the tax so collected shall be payable not later than the thirtieth day of April following the year in which the payment was made.

(b) For the purposes of this regulation, a recipient utilises the services of an authorised financial intermediary in connection with the payment of investment income where:

(i) the payment of investment income is made to the authorised financial intermediary who is the registered holder of the relevant units or shares and who holds such units or shares for the benefit of the said recipient;

(ii) the said recipient is the registered holder of the relevant units or shares, who receives the investment income directly in his own name and who requires that an authorised financial intermediary collects an amount of tax equal to fifteen percent of such investment income for onward payment to the Commissioner;

(iii) the payment of investment income is effected through an arrangement approved by the Commissioner, which arrangement enables the collection of tax on such investment income through an authorised financial intermediary."; and

(b) in sub-regulation (4) thereof, for the words "Where an authorised financial intermediary makes a payment of investment income he shall furnish" there shall be substituted the words "Where a recipient has utilised the services of an authorised financial intermediary in connection with the payment of investment income, the said authorised financial intermediary shall furnish".

Amends the Schedule to the principal regulations.

7. In the Schedule to the principal regulations, for the words "(Regulation 15(4))" there shall be substituted the words "(Regulation 14(4))".

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