L.N. 112 of 2007

EXTERNAL TRANSACTIONS ACT
(CAP. 233)

Currency and Bank Deposits Registration Scheme Regulations, 2007

BY virtue of the powers given by article 11(2) of the External Transactions Act, hereinafter called "the Act", the Prime Minister and Minister of Finance has made the following regulations:-

1. (1) The title of these regulations is the Currency and Bank Deposits Registration Scheme Regulations, 2007. Title.

(2) The scope of these regulations is to provide for the establishment of a registration scheme to be known as the Currency and Bank Deposits Registration Scheme, hereinafter referred to as the Scheme, whereby individuals residing in Malta who hold eligible assets without declaring the relevant income (including capital gains) for the purposes of the Income Tax Act and other relevant laws, may regularise their position under these laws. Cap. 123.

(3) These regulations shall come into force on 23 April, 2007.

2. (1) In these regulations, unless the context otherwise requires – Interpretation.

(a) "applicable date" means

(i) in respect of assets referred to in regulations 6(a) and 6(b), any date between 23 April, 2007 and 31 July, 2007; and

(ii) in respect of assets referred to in regulations 6(c) and 6(d), 16 April, 2007;

(b) "eligible assets" means currency notes denominated in Maltese lira and euro, and deposits denominated in Maltese lira and euro held with credit institutions licensed under the Banking Act;

(c) "individuals" means physical persons;

Cap. 345.
Cap. 123 and 372.
Cap. 239.
Cap. 294.
Cap. 364.

(d) "relevant laws" means the Income Tax Acts, the Succession and Donation Duties Ordinance (Cap. 70 of the revised edition of the Laws of Malta, 1942), the Death and Donation Duty Act, the Duty on Documents Act and the Duty on Documents and Transfers Act.

(2) The words and expressions used in these regulations which are also used in the Act or the Income Tax Act shall, unless the context otherwise requires, have the same meaning as assigned to them in the said Acts.

(3) For the purposes of these regulations, any income arising from eligible assets which is received after 22 April, 2007 and reinvested before the date of registration, shall be deemed to constitute eligible assets existing on 22 April, 2007 and shall be eligible for registration under these regulations.

Resident individuals may regularise their position.

3. (1) Individuals residing in Malta who own eligible assets without declaring the relevant income for the purposes of the Income Tax Act and other relevant laws, may regularise their position under the Income Tax Act and, or other relevant laws, by registering such assets under the Scheme on the prescribed form as set out in the Schedule to these regulations.

(2) Eligible assets shall be registered under the Scheme by the individual who owns such assets on the applicable date or by the heir or legatee of such individual when such heir or legatee becomes the owner of eligible assets.

Operative period of the Scheme.

4. The Scheme shall run from 23 April, 2007 to 31 July, 2007.

Registration through Appointed Agents.

Cap. 371.
Cap. 370.

5. Registration of eligible assets shall be executed through the Appointed Registration Agents which shall be credit institutions licensed in Malta under the Banking Act, stockbrokers licensed under the Investment Services Act, and persons holding a category 2 or category 3 Investment Services Licence granted under the Investment Services Act, and in each case appointed as Registration Agents by the Central Bank of Malta.

6. Registration of eligible assets under this Scheme shall be open to: Assets which may be registered.

(a) amounts of Lm1000 or higher in Maltese lira currency notes;

(b) amounts of €2500 or higher in euro currency notes;

(c) deposits denominated in Maltese lira held with credit institutions licensed under the Banking Act;

(d) deposits denominated in euro held with credit institutions licensed under the Banking Act.

7. (1) An individual who registers eligible assets under the Scheme shall sign a Declaration which is to be provided by the Appointed Registration Agent, stating that: Declaration. to be signed.

(a) such individual is the beneficial owner of the assets being registered;

(b) such individual accepts full responsibility for the accuracy and authenticity of the information and documentary evidence provided to the Appointed Registration Agent;

(c) the documentary evidence being submitted to the Appointed Registration Agent is the true original documentation;

(d) such individual undertakes to make available to the Appointed Registration Agent any further information and documentary evidence that may be required by the Agent for the proper exercise of its functions in this regard;

(e) the registered eligible assets do not represent proceeds from:

(i) a crime of money laundering under the Prevention of Money Laundering Act, or Cap. 373.

(ii) any of the crimes listed in the Second Schedule to the Prevention of Money Laundering Act other than a crime against the Act and, or the Income Tax Act;

(f) the declaration is being made in good faith.

(2) The Registration Certificate shall also include:

(a) a detailed description of the eligible assets being registered and details thereof;

(b) details of the beneficial owners including full name, identity card number, address and signature; and details of the fiduciary where eligible assets registered in terms of regulations 6(c) and 6(d) are held by a third party;

(c) details of the Appointed Registration Agent.

Certification.

8. (1) The Appointed Registration Agent, after having duly completed the registration modalities, shall issue a Registration Certificate. The Certificate shall be sequentially and uniquely numbered and in controlled stationery.

(2) The Registration Certificate shall be issued to the applicant against the payment of a registration fee as specified in regulation 11(1).

(3) The Registration Certificate shall be issued in the name of the beneficial owner of the registered eligible assets.

(4) The Registration Certificate shall be issued by the Appointed Registration Agent in triplicate: one copy shall be provided to the applicant, one copy shall be retained by the Appointed Registration Agent, and one copy shall be provided to the Appointed Central Registration Certificate Depository.

(5) The Central Bank of Malta is, by means of these regulations, being appointed the Central Registration Certificate Depository.

(6) The triplicate copy of all the Registration Certificates issued by the Appointed Registration Agent during each calendar month shall be sent to the Central Registration Certificate Depository within seven (7) days after the end of that month.

(7) The Registration Certificate shall not be transferable.

(8) In the event of the loss or destruction of the Registration Certificate, the applicant may make a request in writing to the Central Registration Certificate Depository for the issue of a copy of the lost or destroyed certificate.

Professional secrecy.

9. (1) Other than by order of a Court, every person, including past and present officers or agents of an Appointed Registration Agent or of the Appointed Central Registration Certificate Depository, shall be bound by the duty of professional secrecy in the exercise of his functions under these regulations and shall not disclose any information contained in the Registration Certificate which may come in his possession in the exercise of his functions under these regulations.

(2) Nothing in these regulations shall be construed as exempting any person from complying with the requirements of the Prevention of Money Laundering Act or any regulations issued thereunder.

Exemptions.

10. (1) Upon registration, the beneficial owner of the eligible assets registered under this Scheme shall be entitled to the exemptions referred to in article 11 of the Act and article 9B of the Income Tax Act.

(2) The submission by the applicant of false information and, or documentary evidence shall nullify the Certificate and render the applicant ineligible to the benefits granted under the Scheme.

Registration fee.

11. (1) The issue of a Registration Certificate shall be subject to the payment by the applicant of a registration fee payable to the Government. Such fee shall be as follows:

(a) four per centum (4%) of the registered amount in respect of eligible assets registered in terms of regulations 6(a) and 6(b); and

(b) six per centum (6%) of the registered amount in respect of eligible assets registered in terms of regulations 6(c) and 6(d).

(2) The Appointed Registration Agent shall issue a receipt, which is an integral part of the Registration form, to the applicant in respect of the registration fee paid.

(3) The registration fees paid by registered applicants shall be remitted by the Appointed Registration Agent to the Government at a designated account at the Central Bank of Malta by not later than seven (7) days after the end of the calendar month during which the fees are collected.

Registered assets to be deposited in special account.

12. (1) All eligible assets registered under the Scheme in terms of regulations 6(a) and 6(b) shall be deposited by the Appointed Registration Agent in a special term deposit account with a credit institution licensed under the Banking Act by not later than one business day after registration date.

(2) Eligible assets registered under the Scheme in terms of regulations 6(a) and 6(b) shall be deposited, at the discretion of the applicant, either in the name of the individual who owns such assets or in a nominee account held by the Appointed Registration Agent on behalf of his clients.

(3) The special deposit account shall be opened for a period of one year bearing no interest.

(4) All registered eligible assets placed in special term deposit accounts with credit institutions licensed in Malta under the Banking Act shall be re-deposited at the Central Bank of Malta in a special designated account.

(5) The deposits in respect of eligible assets registered under the Scheme in terms of regulation 6(a) shall be denominated in Maltese lira and shall be withdrawn on maturity in the official currency prevailing in Malta as at the date of maturity at the applicable official conversion rate.

(6) The deposits in respect of eligible assets registered under the Scheme in terms of regulation 6(b) shall be denominated in euro and shall be withdrawn on maturity in euro.

Fee for services rendered.

13. The Appointed Registration Agent shall be entitled to recover a fee for services rendered to effect registration. Such fee shall be deducted and retained from the Registration fee paid in respect of the issue of the Registration Certificate. Such fee shall be equivalent to 5% of the Registration fee, provided that it shall not be less than Lm10 or more than Lm125 per application registered. No service fee is to be charged by an Appointed Registration Agent which is a credit institution with whom the special deposits are placed.

SCHEDULE

(Regulation 3)

STRICTLY NON-TRANSFERABLE

Registration Certificate

Issued for the purposes of the Currency and Bank Deposits Registration Scheme

Section 1: To be completed by the Appointed Registration Agent

This Certificate is issued in respect of the registration of the eligible assets specified below in terms of the Currency and Bank Deposits Registration Scheme Regulations, 2007. It entitles the registered beneficial owner of the said assets to the exemptions referred to in article 11 of the External Transactions Act and article 9B of the Income Tax Act.

<table>
<tr><td rowspan="2">1.</td><td rowspan="2">Amount of registered Maltese lira currency notes (in words, block letters)</td><td colspan="7">Denominations (in figures)</td><td colspan="2">Total</td></tr>
<tr><td colspan="2">Lm20</td><td colspan="2">Lm 10</td><td>Lm5</td><td>Lm2</td><td colspan="2">Lm notes</td></tr>
<tr><td></td><td></td><td colspan="2"></td><td colspan="2"></td><td></td><td></td><td colspan="2"></td></tr>
<tr><td rowspan="2">2.</td><td rowspan="2">Amount of registered euro currency notes (in words, block letters)</td><td>€500</td><td>€200</td><td>€100</td><td>€50</td><td>€20</td><td>€10</td><td>€5</td><td>euro notes</td><td>Lm equivalent</td></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td rowspan="2">3.</td><td rowspan="2">Amount of registered deposits in Maltese lira * (in words, block letters)</td><td colspan="3">Type of account</td><td colspan="4" rowspan="2">Lm deposits</td></tr>
<tr><td colspan="2">Current</td><td>Savings</td><td colspan="2">Time</td></tr>
<tr><td></td><td></td><td colspan="2"></td><td colspan="2"></td><td colspan="4"></td></tr>
<tr><td rowspan="2">4.</td><td rowspan="2">Amount of registered deposits in euro * (in words, block letters)</td><td colspan="3">Type of account</td><td colspan="2">euro deposits</td><td colspan="2">Lm equivalent</td></tr>
<tr><td colspan="2">Current</td><td>Savings</td><td colspan="2">Time</td><td colspan="2"></td></tr>
<tr><td></td><td></td><td colspan="2"></td><td colspan="2"></td><td colspan="2"></td><td colspan="2"></td></tr>
<tr><td>5.</td><td>Total Value of Registered Eligible Assets (in Lm)</td><td colspan="5"></td><td colspan="2"></td><td colspan="2"></td></tr>
</table>

* To be filled only if the Lm and/ or euro bank deposits being hereby registered are held by the applicant or his fiduciary with a local credit institution as at 16 April, 2007

Section 2: To be completed by Applicant as Beneficial Owner (Block Letters)

I have read and understood the declaration in Section 5 overleaf. I confirm that on the applicable date, I was the beneficial owner of these assets/heir or legatee of the owner of these assets (please tick as applicable)

Title (Mr/Mrs/Ms) Full Name and surname ID Card No 1.	Address	Owner ☐ Heir/legatee ☐ Signature Date
Title (Mr/Mrs/Ms)* Full Name and surname* ID Card No* 2.	Address*	Owner ☐ Heir/legatee ☐ Signature Date
Name of Fiduciary (where applicable)# ID Card No# 3.	Address#	Signature Date

* to be filled in only when the eligible assets being hereby registered are jointly owned by more than one individual

to be filled in only when the bank deposits being hereby registered are held by the fiduciary on behalf of the applicant. If the fiduciary is a body corporate, please insert name and company registration number.

Section 3: To be completed by Applicant as Beneficial Owner

I authorise the Registration Agent to deposit the eligible currency notes being hereby registered in the following type of special term deposit account: (please tick as applicable)

☐ The account shall be in my name(s) as beneficial owner(s)

☐ The account shall be in the name of the Registration Agent specified in Section 4 below as my nominee

Signature Date

Section 4: To be completed by Appointed Registration Agent (See Declaration in Section 6 overleaf)

Name of Appointed Registration Agent*	Value of Registered Assets (Lm)	Registration Fee at 4% (Lm)	Registration Fee at 6% (Lm)	Commission (Lm)
Official Stamp			Official Stamp	

I confirm having received the Registration Fee detailed above. I also confirm that the currency notes being hereby registered shall be deposited in the following credit institution:

_____

Authorised Signature:

Authorised Signature: Date

* Complete details when not included on official stamp

Section 5: Applicant's Declaration

In completing Section 2 and 3, 1/ we declare:

1. to be the owner/joint beneficial owner(s) of the registered eligible assets or the heir or legatee or the owner.

2. that the registered eligible assets do not represent proceeds from a crime of money laundering in terms of the Prevention of Money Laundering Act, or the crime that would result due to an infringement of any law other than the Income Tax Act.

3. that the eligible assets are being registered by only once under this Scheme:

4. that I/we accept full responsibility for the accuracy and authenticity of the information and, or documentary evidence submitted to the Appointed Registration Agent under the Scheme:

5. that I/we will make available to the Appointed Registration Agent any further information and, or documentary evidence that it may require for the proper exercise of its functions in terms of the Scheme:

6. that the declaration is being made in good faith:

7. that in return for my/our making this declaration and obtaining the relevant exceptions arising from law upon registration. I/we hereby pay the prescribed registration fee in Maltese liri on the value of the registered eligible assets:

8. that I/we understand that the submission of false information and, or documentary evidence will nullify this Certificate and render me/us liable to legal prosecution:

9. that I/we also understand that in the event that I/we am/are receiving any benefit, exemption or other advantage under the Social Security Act or under any other scheme made by the government or any public entity or under any other law, as result of not having declared the eligible assets being hereby registered (or income therefrom). I/we shall not be required to refund that benefit, exemption or other advantage acquired before this registration. However, if after this registration, I/we continue to take that benefit, exemption or advantage without being entitled thereto, I/we shall be considered as never having enjoyed exemption referred to in article 11 of the External Transactions Act and article 9B of the Income Tax Act, and shall forfeit the right not to refund any benefit, exemption or advantage acquired before this registration.

Section 6: Appointed Registration Agent's Declaration

In completing Sections 1 and 4, we declare that:

1. we have obtained the necessary information and the documentary evidence required for the proper exercise of out function under the Scheme:

2. we undertake to retain relevant documentation for 10 years:

3. we undertake to deposit the registered currency notes in a special term deposit account with a credit institution licensed to operate in Malta by not later than one business day after registration date:

4. we are bound by law by the duty of professional secrecy an shall not disclose any information contained in the Registration Certificate, saving the provisions of regulation 9.

B 1622

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