L.N. 159 of 2008

INCOME TAX ACT
(CAP. 123)

Donations (Sports and Culture) Rules, 2008

IN exercise of the powers conferred by articles 14(2)(b) and 96 of the Income Tax Act, hereinafter referred to as "the Act", the Minister of Finance, the Economy and Investment has made the following rules:-

Citation and commencement.

1. (1) The title of these rules is the Donations (Sports and Culture) Rules, 2008.

(2) These rules shall be deemed to have come into force on the 1st January, 2008.

Applicability.

2. These rules shall apply only to companies as defined in the Act.

Donations towards participation in sports events.

3. (1) Where, in any year of assessment, a company proves to the satisfaction of the Commissioner that it has made a cash donation to an athlete or sports organisation participating in national or international sports events and such events are approved by the Malta Sports Council, such donation may be claimed as a deduction against income for the year of assessment in which it is made, provided that a certificate is issued in this respect by the Malta Sports Council and the said athlete or sports organisation is not in any way related to the donor company.

(2) The total deduction claimed by a company in any year of assessment in accordance with sub-rule (1) hereof shall be the lesser of the expense actually incurred or 60,000 euro.

(3) The certificate referred to in sub-rule (1) hereof shall show, in respect of each donation, the names and income tax registration numbers of the donor and the recipient, the date and value of the donation and the purpose for which the donation is being made.

(4) The Malta Sports Council shall provide such information as the Commissioner may require regarding all certificates issued for each calendar year by the 15th February of the following year and this information shall be made and delivered on such form and in such manner as the Commissioner may determine.

Donations to cultural organisations.

4. (1) Where, in any year of assessment, a company proves to the satisfaction of the Commissioner that it has made a cash donation to the Arts Fund or a cash donation to a non-profit making cultural organisation approved by the Arts Fund, such donation may be claimed as a deduction against income for the year of assessment in which it is made, provided that a certificate is issued in this respect by the Arts Fund and that, in the case of a donation to a cultural organisation as aforesaid, such cultural organisation is not in any way related to the donor company.

(2) The total deduction claimed by a company in any year of assessment in accordance with sub-rule (1) hereof shall be the lesser of the expense actually incurred or 50,000 euro.

(3) The certificate referred to in sub-rule (1) hereof shall show, in respect of each donation, the names and income tax registration numbers of the donor and the recipient, the date and value of the donation and, with the exception of donations made to the Arts Fund, the approval of the recipient cultural organisation by the Arts Fund.

(4) The Arts Fund shall provide information as the Commissioner may require regarding all certificates issued for each calendar year by the 15th February of the following year and this information shall be made and delivered on such form and in such manner as the Commissioner may determine.

Donations and scholarships to artistes.

5. (1) Where, in any year of assessment, a company proves to the satisfaction of the Commissioner that it has made a cash donation or provided a scholarship to a *bona fide* artiste who is ordinarily resident in Malta, such expense may be claimed as a deduction against income for the year of assessment in which it is made provided that the said artiste is not in any way related to the donor company.

(2) The total deduction claimed by a company in any year of assessment in accordance with sub-rule (1) hereof shall be the lesser of the expense actually incurred or 18,600 euro.

(3) A company claiming a deduction under this rule shall provide the Commissioner with particulars of the artiste, the nature of the artistic activity and such other information regarding the donation or scholarship as may be required on such form and in such manner as the Commissioner may determine.

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