L.N. 159 of 1994

VALUE ADDED TAX ACT, 1994
(ACT NO. XII OF 1994)

Value Added Tax (Travel Agents) Regulations, 1994

IN exercise of the powers conferred by sections 19, 46 and 61 of the Value Added Tax Act, 1994, hereinafter referred to as "the Act", the Minister of Finance has made the following regulations:—

Citation.

1. These regulations may be cited as the Value Added Tax (Travel Agents) Regulations, 1994.

Interpretation.

2. In these regulations, unless the context otherwise requires —

(a) "designated service" means:

(i) any of the goods and services specified in the schedule to these regulations when the said goods and/or services had been acquired by a travel agent and supplied by him without material alteration;

(ii) the service of a travel agent in procuring a designated service;

Cap. 264.

(b) "travel agent" has the same meaning as is assigned to it by section 2 of the Travel Agencies and Hotel Services Act: provided that when applied to a person outside Malta this definition shall be construed as if the reference to a licence were omitted;

(c) "excursion" means the services described in item 6 of the Schedule to these regulations;

(d) other terms shall, unless the context otherwise requires, have the meaning assigned to them in the Act.

Designated services supplied in a single transaction.

3. The supply of two or more designated services as part of a single transaction shall be treated as a single supply of designated services.

Place of supply.

4. A designated service shall be treated as taking place in the country where the travel agent supplying that service is established:

Provided that designated services supplied to or for the benefit of a person to be used by that person outside Malta shall be treated as services supplied outside Malta.

Time of supply.

5. Where a supply which is treated as a single supply of services in terms of regulation 3 of these regulations includes the provision of accommodation, the time of the said supply shall be determined in accordance with the provisions of subsection (4) of section 9 of the Act.

Rate of tax.

6. The tax payable on a taxable supply of two or more designated services which are to be treated as a single supply of services in terms of regulation 3 of these regulations, and the tax payable on the supply of excursions shall be at the rate of 10% of the taxable value of that supply.

International transport.

7. The services of a travel agent in procuring international transport shall be treated for all the purposes of the Act as a supply of international transport.

Powers of the Comissioner.

8. The Commissioner may:

(a) give such directives to and require such information from a travel agent as he may deem necessary for the proper application of these regulations;

(b) allow any service which is not a designated service to be treated as if it were a designated service if it is supplied together with a designated service and if its value does not exceed such percentage of the value of the designated service as the Commissioner may determine.

Records.

9. A travel agent shall keep, in addition to the records required in terms of the Act, records relating to designated services which clearly identify the said services as such and which clearly indicate which services and goods were included in each transaction treated as a single supply of services in virtue of regulation 3 of these regulations.

Applicability of the Act.

10. Save as otherwise provided in these regulations, the provisions of the Act and of any regulations made under the Act shall apply to supplies made by travel agents.

SCHEDULE

Designated Service

Regulation 2

1. Accommodation in Malta to or for the use by indivudals who are not ordinarily resident in Malta in premises licensed in terms of the Hotels and Catering Establishments Act or the Guest Houses and Holiday Furnished Premises Act including meals and services covered by the price charged for such accommodation.

2. Transport, other than international transport, to be used in Malta by inidviduals who are not ordinarily resident in Malta and ancillary facilities provided with such transport.

3. Convention facilities in Malta to persons established outside Malta, including the use for the purpose of such conventions of halls, offices, office machinery, secretarial services and the services of interpreters.

4. The provision of the services of tour leaders and tourist guides.

5. Tourist handling services.

6. Excursions by five or more persons to places in Malta organized by a person in the ordinary course of his business, including the supply of any transport, meals, entertainment and ancillary services to be used by such persons for the purpose of or during such excursions and provided as part of a single transaction.

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