L.N. 99 of 1990

EXPENDITURE LEVY ACT, 1990
(ACT NO. XXII OF 1990)

Expenditure Levy (Substitution of Schedule) Regulations, 1990

IN exercise of the powers conferred by section 14 of the Expenditure Levy Act, 1990, the Minister of Finance has made the following regulations:—

1. (1) These regulations may be cited as the Expenditure Levy (Substitution of Schedule) Regulations, 1990 and shall be read and construed as one with the Schedule to the Expenditure Levy Act, 1990, hereinafter referred to as "the Schedule to the Act". Citation and commencement.

(2) These regulations shall come into force on the 5th July, 1990.

2. For the Schedule to the Act there shall be substituted the following: Substitutes the Schedule to the Act.

"1. *Travel Services:*

A. All services given or provided by —

(i) Airlines and Shipping Lines selling a package tour,

(ii) Travel Agents selling —

(a) travel arrangements for any individual, or

(b) a package tour not otherwise provided for under paragraph (i) of this section,

in respect of overseas travel, including the price of accommodation, transport, meals and any other land facility or assistance, work, services or goods supplied, but *excluding* the price of any passenger air or sea ticket sold in Malta by Airlines and Shipping Lines and by Travel Agents:

Provided that any air ticket that includes also the price of any accommodation or other service overseas other than the transportation by the airline of the passenger to his destination, and any sea ticket which includes the price for the provision of any services overseas provided other than on board the vessel, shall not be deemed to be an air or sea ticket except for such proportion paid for such ticket accepted by the Accountant General to be the proportion of the price payable for air or sea travel as the case may be.

B. All foreign exchange services given or provided by —

(i) authorised dealers,

(ii) foreign exchange bureaux,

in respect of the Maltese equivalent of foreign currency which is exchanged for travel purposes as specified in section A of this Item, including related services of whatever nature for which Exchange Control permission is required by or under the Exchange Control Act, and includes all gifts of money for which Exchange Control permission is required as aforesaid, other than any gifts which are specifically approved by the proper Exchange Control authorities as being for a philanthropic purpose.

Cap. 233.

C. For the purposes of sections A and B of this Item the following are excluded from the provisions thereof:

(i) services rendered to Government Departments;

(ii) any travel which is approved by the proper Exchange Control authorities to be travel for the purposes of health, education, emigration, sports and commercial trucking for the import or export of goods.

2. *Restaurant Services:*

A. All meals, whether beverages are taken therewith or otherwise, and where beverages are so taken including such beverages:

(i) served at table at any restaurant licenced by the Hotels and Catering Establishments Board, other than such restaurant classified as fourth class by the said Board;

(ii) served at any food outlet in an establishment (other than a food outlet licensed only as a restaurant) licensed by the Hotels and Catering Establishments Board and consumed at the premises, but *excluding* —

(a) any meal served in any part of such establishment restricted to serving:

pizzas; or
sandwiches; or
single plates of pasta dishes; or
burgers; or
salads; or
confectionery,

which in each case are not followed by any other course except for dessert, in such part or in any other part of the establishment other than a food outlet not so restricted;

(b) any meal served to a resident of the establishment between 5.00 a.m. and 11.00 a.m. of the same day;

(c) any meal served to a resident who has booked accommodation therein either at full board or half board, where such meal is included in the price of the accommodation;

(d) any food served at receptions and parties unless such food is served at table.

B. The Expenditure Levy for services provided in section A of this Item shall also include service charges thereon, but shall *exclude* tips gratuitously given by the purchaser to the seller over and above the total charge.

C. No levy shall be charged on scheduled goods and services supplied to persons hosted by the hotel or restaurant free of charge where such persons are coming from overseas and the Accountant General is satisfied that such persons have been so hosted as part of a tourist promotional campaign for the hotel or restaurant itself or for Malta as a tourist resort in general.

3. *Foreign Investment:*

A. The purchase, acquisition or transfer of any foreign investment by any resident, duly authorised under the Exchange Control Act, whether made through an authorised dealer or otherwise, but does not include the conversion of any one type of foreign investment into another type of foreign investment by the same resident or the transmission of any foreign investment *causa mortis* or the transfer of any foreign investment from an ascendant to a descendant in the direct line, or vice-versa, or between spouses. Cap. 233.

B. Any inter-bank transaction involving the transfer of any foreign investment between the Central Bank of Malta and a commercial bank or financial institution, or between a bank or financial institution and another bank or financial institution, shall be exempt.

C. Any transaction between a bank or a financial institution and a person in possession of a special permit issued under the Exchange Control Act may be exempted. Cap. 233.

D. For the purposes of this Item:

(i) the terms "resident", "authorised dealer" and "foreign investment" shall have the same meaning as are assigned to such terms in the Exchange Control Act; Cap. 233.

(ii) the term "Central bank of Malta" shall have the same meaning as is assigned to it in the Central Bank of Malta Act; and Cap. 204.

(iii) the terms "commercial bank" and "financial institution" shall have the same meaning as are assigned to them in the Banking Act.".

Cap. 215.

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