VERŻJONI ELETTRONIKA

L.N. 206 of 2014

VALUE ADDED TAX ACT
(CAP. 406)

Refund of Value Added Tax in terms of Diplomatic and Consular Arrangements (Amendment) Regulations, 2014

IN exercise of the powers conferred by articles 70 and 75 of the Value Added Tax Act, the Minister for Finance has made the following regulations:-

Citation, scope and commencement.

1. (1) The title of these regulations is the Refund of Value Added Tax in terms of Diplomatic and Consular Arrangements Regulations, 2014.

(2) These regulations provide for the refund of value added tax under certain conditions to diplomatic missions and international organisations as well as their resident officials.

(3) These regulations shall come into force on 1 July 2014.

Interpretation.

2. In these regulations unless the context otherwise requires:

"Act" means the Value Added Tax Act; Cap. 406.

"consular post" has the meaning assigned to it in the Diplomatic Immunities and Privileges Act; Cap. 191.

"diplomatic mission" means an Embassy or a High Commission;

"fiscal receipt" means a fiscal receipt issued in terms of the Thirteenth Schedule to the Act;

"international organisation" means an organisation, institute, agency, a regional office or branch of an international organisation or any other entity, whose status in Malta is governed by a host country agreement;

"official residence" means the residence of an Ambassador, a High Commissioner or a Head of an international organisation;

VERŻJONI ELETTRONIKA

"resident official" means an official residing in Malta who is accredited either to a diplomatic mission, a consular post or an international organisation and who is in possession of a current identity card issued by the Ministry for Foreign Affairs and who falls within the categories listed in the relative provisions of the Diplomatic Immunities and Privileges Act, but excludes an official who is a Maltese national or a person recruited locally who is ordinarily resident in Malta;

Cap. 191.

"supplies of goods and services" means goods and services purchased locally from taxable persons registered under article 10 of the Act and in respect of which a fiscal receipt has been issued;

"tax" means the value added tax chargeable on supplies of goods and services in terms of the provisions of the Act.

Application for a refund.

3. Subject to the other provisions of these regulations, an application for a refund of the tax may be made by:

(a) diplomatic missions, consular posts and international organisations under the terms and conditions of Schedule I;

(b) resident officials under the terms and conditions of Schedule II.

Validity of a refund application.

4. An application for refund of the tax in terms of regulation 3 shall be furnished to the Ministry for Foreign Affairs and shall not be valid unless it is complete, correct and accompanied by the relative fiscal receipts.

International organisations.

5. The provisions of regulation 3 shall also apply to international organisations approved by the Ministry for Foreign Affairs:

Provided that where a host country agreement which regulates the status of an international organisation in Malta already contains a provision for the refund of the tax, then that provision shall prevail.

Revocation of the Refund of Value Added Tax in terms of Diplomatic and Consular Arrangements Regulations, 1999. L.N. 215 of 1999.

6. The Refund of Value Added Tax in terms of Diplomatic and Consular Arrangements Regulations, 1999, are hereby revoked, without prejudice to anything lawfully done or omitted to be done thereunder.

VERŻJONI ELETTRONIKA

SCHEDULE I

[Regulation 3(a)]

Terms and Conditions

Minimum threshold.

1. Refund of the tax shall only be made where the amount on a single fiscal receipt for the supply of a good or service listed in this Schedule is not less than one hundred and fifty euro (€150) inclusive of the tax.

Qualifying criteria.

2. (1) A refund of the tax shall be made in respect of the categories of goods listed in paragraph 3 of this Schedule where such goods are wholly used or intended to be used for furnishing and equipping the diplomatic mission or the international organisation premises as well as the official residence.

(2) A refund of the tax shall be made in respect of services listed in paragraph 4 of this Schedule where such services are solely rendered for the benefit of the diplomatic mission, the international organisation, or the official residence.

Categories of goods.

3. Goods in the following categories qualify for a refund of the tax in terms of these regulations:

(a) furniture, fittings and finishes;

(b) works of art and decorative items;

(c) textile material and textile items including flags;

(d) household appliances and similar equipment;

(e) equipment for physical exercises;

(f) gardening tools, equipment and garden accessories;

(g) equipment and materials used for cleaning and/or maintenance;

(h) office equipment, stationery and printed matter;

(i) electronic, audio and visual equipment;

(j) photographic and optical equipment;

(k) equipment and fittings for security surveillance and monitoring;

VERŻJONI ELETTRONIKA

(l) accessories and equipment for use on official motor vehicles;

(m) fuel;

(n) alcohol and tobacco products.

Categories of services.

4. Services in the following categories qualify for a refund of the tax in terms of these regulations:

(a) hotel accommodation and restaurant services incurred on official business;

(b) services contracted for the repair and maintenance of goods acquired under paragraph 3;

(c) leasing or hiring of office equipment and machinery;

(d) services contracted for the organisation of conferences and conventions;

(e) leasing or hiring of motor vehicles;

(f) hire of catering equipment, tableware, and like items, necessary for official functions on the premises;

(g) cleaning, waste disposal and pest control services;

(h) services contracted for the alteration, modification or improvements including structural additions to qualifying premises;

(i) legal, auditing, accounting and IT services;

(j) utilities (telecommunications, electricity and supply of water by a person other than a public authority);

(k) security guard services;

(l) rent incurred on immovable property which is used as qualifying premises where such rent was subject to the tax.

VERŻJONI ELETTRONIKA

SCHEDULE II

[Regulation 3(b)]

Terms and Conditions

Applicable thresholds.

1. (1) Refund of the tax shall only be made where the amount on a single fiscal receipt for the supply of a good or service listed in this Schedule is not less than one hundred and fifty euro (€150) inclusive of the tax.

(2) The aggregate refund of tax payable in a calendar year shall not exceed the following amounts:

(a) 1,000 euro for a Head of Mission;

(b) 850 euro for a member of diplomatic staff;

(c) 700 euro for administration and technical staff.

Qualifying criteria.

2. (1) A refund of the tax shall be made in respect of the categories of goods listed in paragraph 3 of this Schedule where such goods are wholly used or intended to be used by a resident official.

(2) A refund of the tax shall be made in respect of the categories of services in paragraph 4 of this Schedule where such services are solely rendered to the resident official.

Categories of goods.

3. Goods in the following categories qualify for a refund of the tax in terms of these regulations:

(a) furniture, fittings and finishes;

(b) textile material and textile items;

(c) household appliances and similar equipment;

(d) electronic, audio and visual equipment;

(e) photographic and optical equipment;

(f) printed matter;

(g) accessories and equipment for use on motor vehicles;

(h) fuel;

(i) alcohol and tobacco products.

VERŻJONI ELETTRONIKA

Categories of services.

4. Services in the following categories qualify for a refund of the tax in terms of these regulations:

(a) hotel accommodation costs incurred after arrival in Malta whilst awaiting locating accommodation;

(b) utilities (telecommunications, electricity and supply of water by a person other than a public authority).

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