VERŻJONI ELETTRONIKA

L.N. 469 of 2014

INCOME TAX ACT
(CAP. 123)

Individual Savings Account Rules, 2014

IN exercise of the powers conferred by articles 41B and 96 of the Income Tax Act, the Minister for Finance has made the following rules:-

Citation and commencement.

1. (1) The title of these rules is the Individual Savings Account Rules. 2014.

(2) These rules shall come into force with effect from the year of assessment 2015.

Interpretation.

2. In these rules, unless the context otherwise requires:

Cap. 123.

"Act" means the Income Tax Act;

"ISA" means a special individual savings account in terms of these rules;

and other terms shall have the meaning assigned to them in articles 33 to 42, both inclusive, of the Act or, when not defined in the said articles, the meaning assigned to them under the other provisions of the Act.

Individual savings account.

3. An individual savings account shall qualify as an ISA if:

(a) the account holder is an individual who is at least eighteen years old, and is ordinarily resident in Malta; and

(b) the account holder:

(i) declares and undertakes in writing to a payor of investment income that the account holder does not hold any other ISAs with any person at the time of application, and that he shall not thereafter open any other ISAs for as long as the ISA with such payor remains open in his name; and

(ii) elects by notice in writing to the payor of investment income pursuant to article 35 of the Act to be paid any such investment income arising from his holding of the ISA without deduction of tax; and

(c) the payor of investment income shall identify the

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relevant account as an ISA; and

(d) the income from such an individual savings account consists exclusively of:

(i) interest payable to an individual in his own name by a person carrying on the business of banking in accordance with the laws of any European Union or European Economic Area ("EU/EEA") Member State in respect of a sum of money deposited into the individual saving account, and

(ii) interest payable to an individual in his own name by the Government of an EU/EEA Member State or by any agency thereof, by a corporation or authority established by law, or in respect of a public issue by a company, entity or other legal person howsoever constituted and whether resident in Malta or otherwise;

(e) deposits by the individual into the individual savings account and the value of interest-bearing securities credited for the benefit of the individual into such account do not exceed one thousand euro (€1,000) in any year:

Provided that any deposits in, or securities credited to, a new ISA in accordance with rule 4 shall not be taken into account for the purpose of determining whether the aforesaid amount of one thousand euro (€1,000) has been exceeded in any one year.

Transfers between ISAs.

4. An individual who holds an ISA may close and transfer all balances in such an ISA to a new ISA as long as he is able to satisfy all the conditions referred to in rule 3 by reference to the new ISA upon closure of the previous ISA held in his name.

Rendering of account to Commissioner.

5. (1) Every payor of investment income arising from an ISA shall not be required to render an account to the Commissioner in terms of article 34(2) of the Act, but shall file an annual return with the Commissioner by the 31 January following the year for which the return has been made.

(2) The annual return shall include the following details for the year in respect of which the return is drawn up:

(a) account numbers of all ISAs opened, maintained, or closed by such payor during that year;

(b) name, address, and income tax registration number of each person who held an ISA account with such payor at any

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time during that year;

(c) the gross amount of investment income paid to each such ISA account holder;

(d) date of opening of each ISA; and

(e) date of closure of any ISA during that year.

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