

I assent.

(L.S.)

GEORGE VELLA
President

2nd April, 2024

ACT No. XIII of 2024

AN ACT to implement Budget Measures for the Financial Year 2024 and other administrative measures.

BE IT ENACTED by the President, by and with the advice and consent of the House of Representatives, in this present Parliament assembled, and by the authority of the same as follows:-

ARRANGEMENT OF THE ACT

		Articles
Part I	Preliminary	2 - 5
Part II	Amendment to the Customs Ordinance. Cap. 37.	6 - 7
Part III	Amendments to the Income Tax Act. Cap. 123.	8 - 12
Part IV	Amendments to the Central Bank of Malta Act. Cap. 204.	13 - 14
Part V	Amendments to the Social Security Act. Cap. 318.	15 - 28
Part VI	Amendments to the Duty on Documents and Transfers Act. Cap. 364.	29 - 31
Part VII	Amendments to the Income Tax Management Act. Cap. 372.	32 - 33

A 140

Part VIII	Amendments to the Value Added Tax Act. Cap. 406.	34 - 45
Part IX	Amendments to the Arbiter for Financial Services Act. Cap. 555.	46 - 53
Part X	Amendments to the Public Finance Management Act. Cap. 601.	54 - 55

Short title. **1.** The short title of this Act is the Budget Measures Implementation Act, 2024.

PART I PRELIMINARY

Coming into force of this Part. **2.** The provisions of this Part shall be deemed to have come into force on the 1st January, 2024.

Interpretation. Cap. 601. **3.** For the purpose of this Part, "revenue" has the same meaning as is assigned to it in article 2 of the Public Finance Management Act, but does not include proceeds from loans.

Authority to raise loan. **4.** (1) Subject to the provisions of this Act, the Government of Malta may raise, by way of loan, a sum of money not exceeding one billion and seven hundred million euro (€1,700,000,000).

Cap. 575. (2) For the purpose of raising the aforesaid loan the Minister responsible for Finance is hereby authorised to raise such loans under the provisions of the Government Borrowing and Management of Public Debt Act, on such terms and conditions as the said Minister may approve.

Purpose. **5.** Any money borrowed under the authority of this Part shall be appropriated and applied for the purpose of:

(a) meeting excess expenditure over revenue incurred in the Consolidated Fund during the year 2024; and

(b) redeeming registered stocks and debt instrument which shall be due for redemption during the year 2024; and

(c) contributing funds in the sinking funds; and

(d) effecting portfolio changes in relation to amounts raised through Treasury Bills, amounts raised through Government Stocks, and in respect of loans raised outside Malta as and when required in line with Government's debt management policies.

PART II AMENDMENT TO THE CUSTOMS ORDINANCE

6. This Part amends the Customs Ordinance and it shall be read and construed as one with the Customs Ordinance, hereinafter in this Part referred to as "the Ordinance".

Amendment to the Customs Ordinance.
Cap. 37.

7. Sub-article (1) of article 63 of the Ordinance shall be amended by the following:

Amendment of article 63 of the Ordinance.

(a) in paragraph (a) thereof the words "four thousand euro (€4,000)" shall be substituted by the words "twenty-five thousand euro (€25,000)";

(b) in paragraph (d) thereof the words "four thousand euro (€4,000)" shall be substituted by the words "twenty-five thousand euro (€25,000)"; and

(c) in paragraph (e) thereof the words "four thousand euro (€4,000)" shall be substituted by the words "twenty-five thousand euro (€25,000)".

PART III AMENDMENTS TO THE INCOME TAX ACT

8. (1) This Part amends the Income Tax Act and it shall be read and construed as one with the Income Tax Act, hereinafter in this Part referred to as "the principal Act".

Amendments to the Income Tax Act.
Cap. 123.

(2)(a) Articles 9, 11 and paragraph (a) of article 12 shall be applicable from the year of assessment 2025.

(b) Article 10 shall be applicable from the year of assessment 2024.

9. Paragraph (i) of sub-article (5) of article 5A of the principal Act shall be amended as follows:

Amendment of article 5A of the principal Act.

(a) in sub-paragraph (i) thereof, the words "the Private Rent Housing Benefit Scheme administered" shall be substituted by the words "the Private Rent Housing Benefit Scheme, the Nikru Biex Nassistu Scheme or the Rehabilitation of Vacant Dwellings for Rent Scheme administered"; and

(b) in sub-paragraph (iv) thereof, immediately after the words "the Private Rent Housing Benefit Scheme" there shall be added the words ", the Nikru Biex Nassistu Scheme, or the Rehabilitation of Vacant Dwellings for Rent Scheme, as the case may be".

A 142

Amendment of article 14 of the principal Act.

10. Immediately after the first proviso to paragraph (m) of sub-article (1) of article 14 of the principal Act there shall be added the following new proviso:

"Provided further that, notwithstanding the first proviso, any such expenditure may be deducted in the year in which the said expenditure has been incurred or the year in which the intellectual property or intellectual property rights were first used or employed in producing the income of such person, subject to such conditions as may be prescribed:".

Deletion of article 14H of the principal Act.

11. Article 14H of the principal Act shall be deleted.

Amendment of article 56 of the principal Act.

12. Article 56 of the principal Act shall be amended as follows:

(a) in sub-article (26) thereof, the words "in respect of the tax so charged." shall be substituted by the words "in respect of the tax so charged:" and immediately thereafter there shall be added the following new proviso:

"Provided that the Minister may, by rules, make this sub-article applicable also to other individuals involved in a sport activity in a full or part-time employment, including match officials and sports administrators, subject to such limitations and conditions as may be prescribed."; and

(b) paragraph (c) of sub-article (26A) thereof shall be substituted by the following new paragraph:

"(c) This sub-article shall be subject to such limitations and conditions as the Minister may prescribe by rules.".

PART IV AMENDMENTS TO THE CENTRAL BANK OF MALTA ACT

Amendments to the Central Bank of Malta Act. Cap. 204.

13. This Part amends the Central Bank of Malta Act and it shall be read and construed as one with the Central Bank of Malta Act, hereinafter in this Part referred to as "the principal Act".

Amendment of article 8 of the principal Act.

14. In sub-article (1) of article 8 of the principal Act the words "shall be set out in their respective letters of appointment" shall be substituted by the words "approved by the Board".

PART V
AMENDMENTS TO THE SOCIAL SECURITY ACT

15. This Part amends the Social Security Act and it shall be read and construed as one with the Social Security Act, hereinafter in this Part referred to as "the principal Act".

Amendments to the Social Security Act. Cap. 318.

16. In the second proviso to paragraph (a) of the proviso to paragraph (ii) of the definition "Service Pension" in sub-article (1) of article 2 of the principal Act, the words "for the purposes of this Act; and" shall be substituted by the words "for the purposes of this Act:" and immediately thereafter there shall be added the following new proviso:

Amendment of article 2 of the principal Act.

"Provided also that, with effect from 1st January 2024, and solely for the purpose referred to in paragraph (a), where a Service Pension has been commuted in part thereof only and the pensioner has reached the age of seventy-two (72) years, or after twelve (12) years from when the Service Pension is paid, whichever is the earlier, the commuted part shall not still be taken into account when calculating the contributory pension for the purposes of this Act; and".

17. Immediately after sub-article (7) of article 16 of the principal Act there shall be added the following new sub-article:

Amendment of article 16 of the principal Act.

"(8) Notwithstanding the provisions of sub-article (1), a mother who commences insurable employment after the birth of a child shall be entitled to credited contributions for every calendar week in accordance with the provisions of sub-article (2)(d)".

18. In paragraph (a) of sub-article (5) of article 18 of the principal Act, the words "shall not exceed 468; and" shall be substituted by the words "shall not exceed 468:" and immediately thereafter there shall be added the following new proviso:

Amendment of article 18 of the principal Act.

"Provided that, with effect from 1st January 2024 and notwithstanding the provisions of this Act, where the person making a claim for such benefit undergoes any major surgical operation or intervention or suffers a severe injury or is afflicted by some serious disease which requires a long treatment before such person may resume work, payment of Sickness Benefit as aforesaid in this sub-article may be approved by the Director for any further number of days, not exceeding one hundred fifty-six (156) days, beyond the limit aforesaid in this sub-article as may be deemed fit by the Director in the circumstances of the case, and provided that in any such case the aggregate maximum

number of days payable by way of Sickness Benefit within any two (2) year period, calculated on a calendar basis, shall not exceed four hundred sixty-eight (468) days, so however that, with the exception of the first one hundred fifty-six (156) days, the person shall be entitled to the Increased Sickness Benefit equivalent to the rate of the National Minimum Invalidity Pension as specified in the Twelfth Schedule; and".

Amendment of article 26 of the principal Act.

19. In the second proviso to sub-article (1) of article 26 of the principal Act, the words "of the Twelfth Schedule." shall be substituted by the words "of the Twelfth Schedule:" and immediately thereafter there shall be added the following new proviso:

"Provided further that, with effect from 1st January 2024, in the case of a person who is certified to be suffering from mental health and if the person who is suffering from such a condition proves to the satisfaction of the Director that he has been undergoing regular treatment for such a condition for at least three (3) years and that, within the three (3) months immediately prior to his claim, his condition had been investigated by a psychiatrist who is or was a consultant psychiatrist in Government employment and certified by the said psychiatrist to be suffering from such a condition, and the contribution conditions as provided in article 17 are satisfied, shall be entitled to the full rate of an Invalidity Pension, an Increased Invalidity Pension, or a National Minimum Pension, as the case may be, in accordance with the Twelfth Schedule."

Amendment of article 59 of the principal Act.

20. Article 59 of the principal Act shall be amended as follows:

(a) in sub-article (7) thereof, the words "apply to such pensions." shall be substituted by the words "apply to such pensions:" and immediately after there shall be added the following new proviso:

"Provided that, with effect from the 1st of January 2024, the provisions of this sub-article shall also apply in respect of persons born on the 31st of December 1961 or before."; and

(b) immediately after sub-article (8) thereof there shall be added the following new sub-article:

"(9) Notwithstanding the provisions of this article, with effect from the 1st of January 2024, any pension issued under this Part shall be reassessed, with effect from the first Saturday in January of the year as provided for in sub-articles (2) to (6), and the provisions of sub-article (7)

shall apply for the subsequent years."

21. Immediately after sub-article (4) of article 84 of the principal Act there shall be added the following new sub-article:

Amendment of article 84 of the principal Act.

"(5) Subject to the provisions of this Act, the Minister may from time to time, and with the concurrence of the Minister responsible for finance, make regulations for the purpose of establishing the payment by the Director of the benefit in respect of the Additional Benefit to counter the Cost of Living, as provided for in Part IX of the Fourteenth Schedule."

22. Immediately after article 77 of the principal Act, there shall be added the following new article:

Addition of new article to the principal Act.

"Special allowance. 77A. With effect from the 1st of January 2024 and without prejudice to the provisions of this Act, it shall be the right of the parent to have a payment paid out once a year in accordance with the Fourteenth Schedule, in respect of every child who has passed his sixteenth (16th) birthday still living with his parents, and pursues post-secondary education in an educational institution recognised by the Malta Further and Higher Education Authority."

23. Article 85 of the principal Act shall be amended by the following:

Amendment of article 85 of the principal Act.

(a) immediately after sub-article (8A) thereof there shall be added the following new sub-article (8B):

"(8B) Notwithstanding the provisions of sub-articles (4), (5), (6), (7), (8) and (8A), with effect from 1st January 2024, the rate due to persons who have reached pension age according to the definition "pension age" in article 2, who have retired from employment and are not entitled to a Contributory Pension, but have paid between fifty (50) and two-hundred and fifty-nine (259) social security contributions shall be five hundred euro (€500) per year, whereas the rate due to persons who have reached pension age according to the definition "pension age" in article 2, who have retired from employment and are not entitled to a Contributory Pension, but have paid at least two-hundred and sixty (260) social security contributions shall be six hundred euro (€600) per year."; and

(b) immediately after the first proviso to sub-article (9) thereof there shall be added the following new proviso:

"Provided further that, subject to the provisions of this Act, with effect from 1st January 2024, it shall be the right of a parent to be paid a one-time child birth or adoption bonus of five hundred euro (€500) upon the birth of a child or in the case of an adoption, for such births or adoptions registered with the Malta Public Registry, and a one-time bonus of one thousand euro (€1,000) for every subsequent birth or adopted children that parent has and who are registered with the Malta Public Registry:".

Amendment of
article 106 of
the principal
Act.

24. In paragraph (f) of the first proviso to article 106 of the principal Act, the words "a social worker:" shall be substituted by the words "a social worker;" and immediately thereafter there shall be added the following new paragraph:

"(g) the Minister in conjunction with the Minister responsible for persons with disability shall appoint one (1) or more interprofessional panels for the purpose of advising the Director on the evaluation based on the model of the World Health Organisation International Classification of Functioning, Disability, and Health (ICF), in claims further to the provisions of article 27 that make reference to this panel. Every interprofessional panel shall be made up of the following members, and applications shall be assigned to the various panels on a rotation basis:

(i) a medical doctor to confirm a diagnosis;

(ii) a professional with knowledge on the assessment of the components of the ICF;

(iii) a social worker;

(iv) an occupational therapist;

(v) an expert from the Department responsible for the payment of Disability Assistance; and

(vi) a person with disability, on the advice of the Chief Executive Officer of Aġenzija SAPPOR appointed in accordance with Aġenzija SAPPOR (Establishment as an Agency) Order:

Every applicant who appeared before a panel may appeal that panel's decision to the Director within twenty (20) days from the date on which said decision would have been communicated to the said applicant, and the Director shall assign the hearing of said appeal to a panel other than that which considered the original application. Further appeal from this decision shall lie to the Court of Appeal (Inferior Jurisdiction), at the instance of the applicant or of the Director, following the same procedure envisaged in article 109:".

25. In sub-article (3) of article 108 of the principal Act, the words "or beneficiary as the case may be." shall be substituted by the words "or beneficiary as the case may be:" and immediately after there shall be added the following new proviso:

Amendment of article 108 of the principal Act.

"Provided that the Umpire shall refrain from taking cognizance of an appeal that may be filed, or that could have been filed at any stage from a decision taken by the Director, if the merits of the appeal are the subject of criminal proceedings.".

26. In the proviso to item 1 of Part II of the Second Schedule to the principal Act, the words "entitled to such assistance; and" shall be substituted by the words "entitled to such assistance:" and immediately thereafter there shall be added the following new proviso:

Amendment of the Second Schedule to the principal Act.

"Provided further that, with effect from 1st January 2024, in the case of a person who has been in receipt of Sickness Assistance in accordance with the provisions of article 20 for a period of five (5) years or more and who comes into possession of other property or assets through inheritance, in lieu of the limits laid down in the first proviso, shall instead be taken in the calculation of the capital means the amount of thirty thousand euro (€30,000) in the case of a single or widowed person, or the amount of fifty thousand euro (€50,000) in the case of a married person. So however that, when calculating the capital means in such cases, no account shall be taken of:

(a) a donation of a property by the beneficiary of the Sickness Assistance to a son or daughter, provided that such property is being donated to the son or daughter in order for the son or daughter to form his or her future house of residence;

(b) a donation of part of the house of residence of the Sickness Assistance beneficiary to the son or daughter including the space above such property, provided that such donation is being made in order for the son or

A 148

daughter to form his or her future house of residence; and

(c) a donation of up to a maximum of twenty thousand euro (€20,000) to the son or daughter by the beneficiary of the Sickness Assistance, provided such donation is made in accordance with the provisions of the laws of Malta; and".

Amendment of the Thirteenth Schedule to the principal Act.

27. In the second proviso to paragraph (a) of sub-item (7) of the Thirteenth Schedule to the principal Act, the words "the sum of €20,964.36." shall be substituted by the words "the sum of €20,964.36:" and immediately after there shall be added the following new proviso:

"Provided that, notwithstanding the provisions of this sub-item, with effect from the 1st of January 2024, in the case of a person born on or before the 31st of December 1961, the pensionable income shall increase gradually to reach the pensionable income of a person born on or after the 1st of January 1962. The resultant calculated pensionable income for the year 2024 shall not exceed the sum of €22,000.".

Amendment of the Fourteenth Schedule to the principal Act.

28. The Fourteenth Schedule to the principal Act shall be amended as follows:

(a) the heading thereof shall be substituted by the following new heading:

**"FOURTEENTH SCHEDULE
(Articles 30, 70, 72, 73, 76, 76A, 77, 80, 84)";** and

(b) immediately after Part VIII thereof there shall be added the following new Part:

**"PART IX
*Mechanism establishing the Additional Benefit to
counter the Cost of Living***

The rules which regulate this benefit shall be the following:

(1) the additional cost of living increase accumulated as from the year 2023 onwards shall be calculated in accordance with the cost of expenses of persons over the age of 65 years in accordance with the table in this Part;

(2) the benefit shall be awarded to families whose disposable equivalised income, in accordance with the

number of members in the family, is below the national median as defined by Eurostat and as established by the National Statistics Office every year;

(3) the highest disposable income considered for the purposes of this benefit shall not exceed €50,000;

(4) the payment shall be dependant on the disposable equivalised income of the family when compared with the level of 60% of the national median equivalised income (the risk of poverty level) and the number of family members; and

(5) for the year 2024, the payment of the benefit for the full year shall be between the minimum of €100 and maximum of €1,500.

Year	Cost of Living Increase for Persons of 65 years or over	Cost of Living Increase COLA Mechanism	Difference*
	€	€	€
2023	10.48	9.90	0.58
2024	15.14	12.81	2.33

* The benefit is calculated on the accumulated difference up to the basis payment year. If the difference from one year to another is less, the amount accumulated is retained."

PART VI

AMENDMENTS TO THE DUTY ON DOCUMENTS AND TRANSFERS ACT

29. (1) This Part amends the Duty on Documents and Transfers Act and it shall be read and construed as one with the Duty on Documents and Transfers Act, hereinafter in this Part referred to as "the principal Act".

Amendments to the Duty on Documents and Transfers Act. Cap. 364.

(2) Articles 30 and 31(b) shall be deemed to have come into force on the 1st January 2024.

30. Article 32G of the principal Act shall be amended as follows:

Amendment of article 32G of the principal Act.

(a) in paragraph (b) of sub-article (1) thereof, the words

A 150

"the Private Rent Housing Benefit Scheme administered" shall be substituted by the words "the Private Rent Housing Benefit Scheme, the Nikru Biex Nassistu Scheme or the Rehabilitation of Vacant Dwellings for Rent Scheme administered"; and

(b) in sub-article (4) thereof, immediately after the words "the Private Rent Housing Benefit Scheme" there shall be added the words ", the Nikru Biex Nassistu Scheme, or the Rehabilitation of Vacant Dwellings for Rent Scheme, as the case may be".

Amendment of
article 35 of the
principal Act.

31. Article 35 of the principal Act shall be amended as follows:

(a) in paragraph (i) of sub-article (4) thereof, the words "whichever is the later." shall be substituted by the words "whichever is the later:" and immediately after there shall be added the following new proviso:

"Provided that for the purposes of a claim for the exemption on a transfer *causa mortis* granted in accordance with sub-article (2)(v), where:

(a) the right of the person making the declaration of the transfer *causa mortis* to acquire the dwelling house in question, or a part thereof, or a real right thereon, has been the subject of litigation in a court of law which has been concluded by a judgment which has become *res judicata*; and

(b) a copy of the said judgment is attached to the notice required to be given to the Commissioner in accordance with article 33,

the said period of one (1) year shall be reckoned to run from the date on which the said judgment became *res judicata*."; and

(b) immediately after sub-article (8) thereof there shall be added the following new sub-articles:

"(9) Notwithstanding the provisions of article 32, but without prejudice to sub-articles (10) to (13), no duty shall be levied on the transfer *causa mortis* of qualifying agricultural land.

(10) For the purposes of sub-articles (9) to (13), "qualifying agricultural land" means immovable property situated in Malta which is certified by the competent authority responsible for the agriculture land lease and ownership register within the Ministry responsible for agriculture as land which, at the time of the transfer in question:

Cap. 639.

(a) is an agricultural activity as defined in the Agriculture Act, is being undertaken by the heir or one (1) of the heirs who classifies as a professional farmer and, or is being inherited by an heir who is himself a professional farmer as shall be established by the Minister responsible for agriculture by means of the publication of a notice in the Gazette; or

Cap. 199.

(b) is leased in accordance with the provisions of the Agricultural Leases (Reletting) Act and is registered with the competent authority responsible for the agricultural land lease and ownership register.

(11) A certificate issued in accordance with sub-article (10) shall be attached to the declaration of the transfer *causa mortis* of the property in question drawn up in accordance with article 33 together with such details and documents as the Commissioner may require.

(12) An exemption requested in terms of sub-article (9) shall be granted on condition that before the lapse of five (5) years from the date of the transfer *causa mortis* no transfer *inter vivos* is made of the property in question or of a part of it:

Provided that, where the qualifying agricultural land is assigned to any of the co-owners who is himself a professional farmer by deed of partition, such shall not be considered as a transfer in terms of this sub-article.

(13) A claim for an exemption in accordance with sub-article (9) may be withdrawn by means of a declaration of a transfer *causa mortis* made in accordance with article 33 that modifies the declaration in which the exemption had been requested and the payment of the duty on that transfer, with interest at the prescribed rate which shall run as from the date of the first anniversary of the transfer *causa mortis*."

PART VII AMENDMENTS TO THE INCOME TAX MANAGEMENT ACT

Amendments to the Income Tax Management Act.
Cap. 372.

32. (1) This Part amends the Income Tax Management Act and it shall be read and construed as one with the Income Tax Management Act, hereinafter in this Part referred to as "the principal Act".

(2) Article 33 shall apply to accounting periods commencing on, or after 1st January 2024.

Amendment of article 19 of the principal Act.

33. Paragraph (a) of sub-article (4) of article 19 of the principal Act shall be substituted by the following new paragraph:

"(a) in the case of a company registered in Malta, the balance sheet and profit and loss account, which shall comply in every detail with the applicable provisions of articles 167, 168 and 169 of the Companies Act, and the said balance sheet and profit and loss account shall have attached thereto a report drawn up by a certified public auditor as provided by the applicable provisions of articles 179 and 181 of that Act, save as may otherwise be expressly provided in rules which the Minister may prescribe:

Provided that in the case of a company which is not resident in Malta, such records shall be those which refer to the company's activities in Malta;"

PART VIII AMENDMENTS TO THE VALUE ADDED TAX ACT

Amendments to the Value Added Tax Act.
Cap. 406.

34. This Part amends the Value Added Tax Act and it shall be read and construed as one with the Value added Tax Act, hereinafter in this Part referred to as "the principal Act".

Amendment of article 10 of the principal Act.

35. Sub-article (4) of article 10 of the principal Act shall be substituted by the following new sub-article:

"(4) A taxable person who is not established in Malta, who is not registered in accordance with this article and who is liable for the payment of the tax on a supply in accordance with article 20 shall apply to be registered in accordance with this article by not later than thirty (30) days from the date of that supply:

Provided that such person shall be relieved of the obligation to be registered in accordance with this sub-article when such person notifies the Commissioner that any of the special schemes provided for in accordance with Chapter 6 of

Title XII of Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax will be used to declare and pay the tax which that person is liable to pay, in line with the provisions of the respective special scheme, by no later than ten (10) days from the date of that supply."

36. Sub-article (5) of article 21 of the principal Act shall be substituted by the following new sub-article: Amendment of article 21 of the principal Act.

"(5) The payment of the tax shall be accompanied by the delivery to the Commissioner of the respective form as the Minister may by regulations prescribe:

Provided that tax on importations shall be payable to the Commissioner and shall be made at such place and be accompanied by such forms as the Commissioner may direct."

37. Immediately after sub-article (2) of article 28 of the principal Act there shall be added the following new sub-articles: Amendment of article 28 of the principal Act.

"(3) Notwithstanding the other provisions of this article, where a provisional assessment made in accordance with article 32(1) and (2) is served to a person, any tax return furnished to the Commissioner to which such an assessment relates may not be corrected after being served with that provisional assessment, until such time an assessment in accordance with article 32(3) and (4) is made or until such time the provisional assessment is cancelled by the Commissioner:

Provided that this shall not prejudice the person's right to cooperate with the Commissioner in order for the assessment made in accordance with article 32(3) to contain such variations as may be agreed to by the said person.

(4) Notwithstanding the other provisions of this article, when a correction is required to be made to a tax return in accordance with sub-article (1), after an assessment has been made in accordance with article 32(3) and (4), any such correction shall be subject to the approval of the Commissioner."

38. Sub-article (1) of article 47 of the principal Act shall be substituted by the following new sub-article: Amendment of article 47 of the principal Act.

"(1) Any of the parties to an appeal or a reference to the Tribunal who feel aggrieved by the decision of that Tribunal may, by means of an application which shall be filed within thirty (30) days from the date of the service of the decision appealed from, but not later than one hundred and eighty-three

A 154

(183) days from the date of the decision by the Tribunal, or on 30th June 2024, whichever date is the later, appeal against that decision only on the following questions of law:".

Amendment of
article 48 of the
principal Act.

39. Sub-article (1) of article 48 of the principal Act shall be substituted by the following new sub-article:

"(1) Every taxable person established in Malta shall keep full and proper records of all transactions carried out in the course or furtherance of his economic activity."

Amendment of
article 53 of the
principal Act.

40. Article 53 of the principal Act shall be amended by the following:

(a) the word "Inspections." in the marginal note thereof shall be substituted by the words "Inspections and requests for information.";

(b) paragraph (b) thereof shall be substituted by the following new paragraph:

"(b) to inspect and to require electronic access to any books, records, information and documents, including those contained in any computerised system, and to request a copy or extracts thereof, relating to the economic activity of any person;"

(c) paragraph (c) thereof shall be substituted by the following new paragraph:

"(c) without prejudice to the provisions relating to the duty of professional secrecy, to require any person to give such information as may be requested for the purpose of determining whether any supplies have been made by or to that person or any third party on which that person may have information, or whether any intra-community acquisitions or importations have been made by that person or any third party on which that person may have information, or the value of any such supply, acquisition or importation, and to require the attendance of any person at the office of the Commissioner for the purpose of providing such information;" and

(d) paragraph (e) thereof shall be substituted by the following new paragraph:

"(e) to require electronic access to any invoices issued or received electronically by a taxable person or

non-taxable legal person identified for Value Added Tax purposes, established in Malta."

- 41.** Sub-article (4) of article 56 of the principal Act shall be substituted by the following new sub-article: Amendment of article 56 of the principal Act. Cap. 473.

"(4) Notwithstanding the other provisions of this article or of any other law, the Commissioner shall furnish to the competent authority designated under the Eco-Contribution Act such information being information obtained by the Commissioner for any of the purposes of this Act."

Cap. 473.

- 42.** Sub-article (1) of article 61 of the principal Act shall be substituted by the following new sub-article: Amendment of article 61 of the principal Act.

"(1) The Commissioner shall, for the purpose of ascertaining, collecting and protecting the tax chargeable under this Act on taxable importations, have the same powers and shall follow the same procedures as are in accordance with any other law exercisable and followed by him for the purpose of ascertaining, collecting and protecting import duties."

- 43.** Article 74 of the principal Act shall be substituted by the following new article: Substitution of article 74 of the principal Act.

"General anti-abuse provision.

74. (1) Any artificial or fictitious scheme which directly or indirectly results in the accrual of a tax advantage when the essential aim of that scheme is for a person to obtain said advantage the grant of which would be contrary to the purpose of the provisions of this Act, shall be disregarded in such a manner as to redefine the scheme so as to re-establish the situation that would have prevailed in the absence of such scheme.

(2) Notwithstanding the other provisions of this Act, no amount shall be treated as input tax of a person in terms of article 22(2) to the extent to which it represents tax chargeable on goods or services having been the subjects of VAT fraud committed upstream or downstream in the chain of supply, when that person knew or should have known of such fraud, irrespective as to whether that person actively participated in that fraud.

(3) When the Commissioner has reason to believe that the provisions of sub-articles (1) or (2) apply, he may make an assessment in accordance with articles 31, 32 or 33 determining the tax liability or the entitlement to any input tax credit, refund or set-off of tax of the said person, for any tax period, in such manner and in such amount as may be necessary according to the circumstances of the case:

Provided that this shall not prejudice the right of a person to object to such an assessment and to appeal from a decision of the Commissioner refusing that objection. The relevant provisions of this Act relating to objections and appeals shall apply *mutatis mutandis*.

(4) In this article "scheme" includes any transaction or sequence of transactions, disposition, agreement, arrangement, trust, grant, covenant, transfer of assets, structure, alienation of property, irrespective of the date on which such scheme was made, entered into or set up."

Amendment of article 75 of the principal Act.

44. Paragraph (f) of sub-article 75 of the principal Act shall be substituted by the following new paragraph:

"(f) prescribe any other matter for securing the payment of the tax and generally for giving effect to the provisions of this Act, including enforcement provisions and applicable fines (*multi*) and administrative penalties; and".

Amendment of article 76 of the principal Act.

45. Paragraphs (c) and (d) of article 76 of the principal Act shall be substituted by the following new paragraphs:

"(c) fails to furnish any tax return, additional return, statement or information when required to do so in virtue of this Act or of any regulations made under this Act;

(d) fails to produce or provide access to any books, records, documents, information and accounts, or fails to pay any tax or administrative penalty due when required to do so in virtue of this Act or of any regulations made under this Act;"

**PART IX
AMENDMENTS TO THE ARBITER FOR FINANCIAL
SERVICES ACT**

46. This Part amends the Arbiter for Financial Services Act and it shall be read and construed as one with the Arbiter for Financial Services Act, hereinafter in this Part referred to as "the principal Act".

Amendments to the Arbiter for Financial Services Act. Cap. 555.

47. In the Maltese text the words "provditur" or "provdituri", wherever they occur in the principal Act, shall be substituted by the words "fornitur" or "fornituri" respectively.

General amendment to the principal Act.

48. Article 2 of the principal Act shall be amended as follows:

Amendment of article 2 of the principal Act.

(a) immediately after the definition "Board" there shall be added the following new definition:

" "competent authorities" means the Malta Financial Services Authority, Central Bank of Malta, Malta Competition and Consumer Affairs Authority and any other authority as the Minister may prescribe by regulations;" and

(b) the definition "financial services provider" shall be substituted by the following new definition:

Cap. 330. " "financial services provider" means a provider of financial services which is, or has been licensed or otherwise authorized in terms of the Malta Financial Services Authority Act or in terms of any other financial services law, and is related to investment services, banking, financial institutions, credit cards, pensions, insurance, and any other service which in the opinion of the Arbiter constitutes a financial service, which is, or has been resident in Malta or is, or has been resident in another EU Member State or in another EEA Member State and which offers, or has offered its financial services in and, or from Malta. A provider of financial services which has had its licence or other authorisation suspended or withdrawn, but which was licensed or otherwise authorised during the period in relation to which the occurred facts that gave rise to a complaint by an eligible customer is made to the Arbiter, shall be considered as falling within the definition of a financial services provider;"

49. Paragraph (a) of sub-article (3) of article 9 of the principal Act shall be substituted by the following new sub-article:

Amendment of article 9 of the principal Act.

A 158

"(3)(a) Within six (6) months prior to the start of a financial year and not later than the end of each subsequent three (3) year interval following the anniversary of such day, the Board in consultation with the Arbiter shall prepare and approve a strategic plan in the form of a report for the upcoming three (3) year period, starting immediately from the financial year subsequent to the year in which the strategic plan is approved.".

Amendment of article 21 of the principal Act.

50. In paragraph (d) of sub-article (1) of article 21 of the principal Act the words "For the purpose of this sub-article" shall be deleted and the words "conduct that is continuing" shall be substituted by the words "Conduct that is continuing".

Addition of new article 21A to the principal Act.

51. Immediately before article 22 of the principal Act under the heading "PART V Proceedings" there shall be added the following new article:

"Complaint to a financial services provider.

21A. (1) A financial services provider shall be bound to follow such procedures that it is subject to for responding to a complaint and shall be bound to provide a final reply to the complainant in writing by not later than fifteen (15) working days from when the complaint is registered in writing with the financial services provider:

Provided that, if due to exceptional circumstances beyond the control of the financial services provider, a final reply to a complaint cannot be given within such fifteen (15) working days, the financial services provider shall:

- (i) inform the complainant about the reasons for the delay; and
- (ii) provide an indication as to when a final reply is likely to be provided.

In such an event, a final reply shall be provided within thirty-five (35) working days from the receipt of a complaint in writing.

(2) A final reply shall include clear information about the complainant's right to refer a complaint to the Arbiter with complete contact details of the Office of the Arbiter for Financial Services and that time limits may apply for bringing such a complaint to such dispute resolution mechanism.".

Amendment of article 22 of the principal Act.

52. In sub-article (1) of article 22 of the principal Act, the words "as from the receipt of such a complaint by the Arbiter" shall be substituted by the words "as from the registration of such a complaint by the Office".

53. Immediately after article 27 of the principal Act there shall be added the following new article:

Addition of new article 27A to the principal Act.

"Cooperation between entities.

27A. (1) For the proper discharge of their respective duties, the Office and competent authorities shall cooperate and exchange information about issues that, in the Arbiter's opinion, are likely to have wider regulatory implications, including issues that appear to affect multiple customers of one (1) or more financial service providers.

(2) The Arbiter may direct the Board to enter into a memorandum of understanding with such competent authorities, setting out the terms under which they agree to comply with sub-article (1). Such agreements shall be publicly available in electronic format or on request.

(3) Any information divulged or exchanged pursuant to this article shall be treated as confidential by the respective parties, and its disclosure may only be permitted if prior consent of the respective parties is obtained in writing.

(4) Such exchange of information shall be without prejudice to article 27(6)."

PART X AMENDMENTS TO THE PUBLIC FINANCE MANAGEMENT ACT

54. This Part amends the Public Finance Management Act and it shall be read and construed as one with the Public Finance Management Act, hereinafter in this Part referred to as "the principal Act".

Amendments to the Public Finance Management Act.
Cap. 601.

55. In paragraph (b) of sub-article (2) of article 77 of the principal Act the words "the procurement of fixed assets" shall be substituted by the words "investments, deposits and the transfer of moneys, the procurement of fixed assets".

Amendment of article 77 of the principal Act.

A 160

Passed by the House of Representatives at Sitting No. 225 of the
27th March, 2024.

ANĠLU FARRUGIA
Speaker

ELEANOR SCERRI
Clerk of the House of Representatives

