B 2586

L.N. 344 of 2024

VALUE ADDED TAX ACT
(CAP. 406)

Value Added Tax Act (Amendment of Third Schedule) Regulations, 2024

IN EXERCISE of the powers conferred by article 75 of the Value Added Tax Act, the Minister responsible for finance has made the following regulations:-

Citation, scope and commencement.

Cap. 406.

1. (1) The title of these regulations is the Value Added Tax Act (Amendment of Third Schedule) Regulations, 2024 and these regulations shall be read and construed as one with the Third Schedule to the Value Added Tax Act, hereinafter referred to as the "Third Schedule".

(2) The scope of these regulations is to:

(a) transpose the provisions of Council Directive (EU) 2020/285 of 18 February 2020 amending Directive 2006/112/EC on the common system of value added tax as regards the special scheme for small enterprises and Regulation (EU) No 904/2010 as regards the administrative cooperation and exchange of information for the purpose of monitoring the correct application of the special scheme for small enterprises;

(b) transpose the provisions of Council Directive (EU) 2022/542 of 5 April 2022 amending Directives 2006/112/EC and (EU) 2020/285 as regards rates of value added tax; and

(c) introduce technical improvements to the existing provisions contained in the Third Schedule.

(3) These regulations shall come into force on 1st January 2025.

Amends the Third Schedule.

2. The Third Schedule shall be amended as follows:

(a) Part Two thereof shall be amended as follows:

(i) item 6 thereof shall be substituted by the

following new item:

"*Supply of cultural, artistic, sporting, scientific, educational, entertainment and similar services, ancillary transport services and valuations of and work on movable property*

6. (1) The place of supply of services in respect of admission to cultural, artistic, sporting, scientific, educational, entertainment or similar events, such as fairs and exhibitions, and of ancillary services related to the admission, supplied to a taxable person, shall be the place where those events actually take place:

Provided that the provisions of this sub-item shall not apply to admission to the events referred to in this sub-item where the attendance is virtual.

(2)(a) The place of supply of services and ancillary services, relating to cultural, artistic, sporting, scientific, educational, entertainment or similar activities, such as fairs and exhibitions, including the supply of services of the organisers of such activities, supplied to a non-taxable person shall be the place where those activities actually take place:

Provided that where the services and ancillary services relate to activities which are streamed or otherwise made virtually available, the place of supply shall, however, be the place where the non-taxable person is established, has his permanent address or usually resides.

(b) The place of supply of the following services to a non-taxable person shall be the place where the services are physically carried out:

(i) ancillary transport activities such as loading, unloading, handling and similar activities; and

(ii) valuations of and work on movable tangible property."; and

(ii) in item 12 thereof, the words "In order to prevent double taxation, non-taxation or distortion of competition, the Commissioner may, with regard to services the place of supply of which is governed by Items 2, 8, 10 and 11 of this Part:" shall be substituted by the words "In order to prevent double taxation, non-taxation or distortion of competition, the Commissioner may, with regard to services the place of supply of which is governed by item 2, the proviso to item 6(2)(a), item 8, item 10 and

item 11 of this Part:"; and

(b) Part Three thereof shall be amended as follows:

(i) paragraph (d) of sub-item (2) in item 2 thereof shall be substituted by the following new paragraph:

"(d) the taxable person registered under article 10 reports the subsequent supply in the recapitulative statement required in accordance with article 30(2)."; and

(ii) immediately after item 2 thereof there shall be added the following new items:

"*The Acquisitions Threshold*

3. The Acquisitions Threshold is the equivalent of ten thousand euro (€10,000) using the latest conversion rate before 1st January of the year in respect of which that threshold is relevant, as published by the Central Bank of Malta if such year is the year 2008 or prior, and by the European Central Bank if such year is the year 2009 or subsequent.

The value of intra-community acquisitions

4. For the purpose of determining whether the value of intra-community acquisitions in any particular case exceeds the Acquisitions Threshold or otherwise, the value of the intra-community acquisitions in question shall be taken to be the taxable value that would be determined in accordance with the relevant provisions of the Seventh Schedule if they were taxable intra-community acquisitions, provided that no account shall be taken of the value of:

(a) intra-community acquisitions of new means of transport and of excise goods; and

(b) value added tax paid or due in a Member State other than Malta on the intra-community supply of the goods in question.".

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