

VAT AND THE E.U.

Distance Sales Providers



MALTA

DISTANCE SALES PROVIDERS

What is a Distance Sale ?

A distance sale is a supply of goods that are transported from a member state to another member state by, or on behalf of, the supplier where the goods are acquired by a person who is not providing his supplier with a valid VAT identification number (that is with a prefix).

What is not a Distance Sale?

The **Distance Sale Scheme** does not apply where the goods supplied consist of:

- (a) new means of transport; or
- (b) Excise goods; or
- (c) goods that are installed or assembled by or on behalf of the supplier in the member state where the transport ends; or
- (d) goods that are supplied under a transaction subject to a margin scheme on second hand goods, works of art, collectors' items and antiques in the member state where the transport begins.

What should a Distance Sales Provider do?

If the supplier is a person registered in another member state and makes distance sales of goods that are transported to Malta, that person may choose to charge Maltese VAT and register in Malta. However if during that year or during the calendar year immediately preceding that year, the total value of supplies (transported to customers in Malta) exceeds 35,000 Euros then one is obliged to register in Malta and charge VAT in Malta.



If the supplier is a person registered in Malta and makes distance sales that are transported to another member state, this person may choose to charge the VAT of the member state of destination and register in that member state. However if during that year or during the calendar year immediately preceding that year, the total value of supplies to (customers in) that member state exceeds the established threshold for distance sales according to the legislation in that member state (see table for details of thresholds applicable), then one has to register and charge VAT in that other member state.

A supplier established in Malta who elects to register in another member state for the purpose of making distance sales supplies to that member state shall inform the Commissioner of VAT in writing specifying the date from which it applies. This date shall not be earlier than 30 days before the date he provides that information. Such election shall apply to all distance sales for that calendar year and for the next two calendar years.

If the goods sold are excise goods, the threshold does not apply. Consequently, the supplier will always have to register and charge VAT (and excise duties) in the country where the customer is established.



Table of Thresholds for Distance Sales in different member states

Member State	Threshold applicable Distance Sales	
Austria	Euro 100,000	
Belgium	Euro 35,000	
Cyprus	CYP 20,000	(Euro 34,220)
Czech Republic	Euro 35,000	
Denmark	DKK 280,000	(Euro 37,333)
Estonia	EEK 550,000	(Euro 35,151)
Finland	Euro 35,000	
France	Euro 100,000	
Germany	Euro 100,000	
Greece	Euro 35,000	
Hungary	Not published	
Ireland	Euro 35,000	
Italy	Euro 27,889	
Latvia	LVL 24,000	(Euro 36,952)
Lithuania	LTL 125,000	(Euro 36,207)
Luxembourg	Euro 100,000	
Malta	Euro 35,000	
Netherlands	Euro 100,000	
Poland	Not published	
Portugal	Euro 31,424	
Slovak Republic	Euro 35,000	
Slovenia	Euro 35,000	
Spain	Euro 35,000	
Sweden	SEK 320,000	
United Kingdom	GBP 70,000	(Euro 109,598)



All the leaflets referred to in this brochure are available from the VAT Department, B'kara, Malta or from the VAT office in Rabat, Gozo. They can also be downloaded from the VAT Department's website. You can also contact the VAT Department by phone or by e-mail for a copy to be sent to you.

VAT DEPARTMENT

Centre Point Building

Ta' Paris Road Birkirkara CMR 02

MALTA

Tel. Nos: 21499330-4/6 - 21472698 /701

Fax. No: 21499365

Customer Helpline: 80074404

E-mail: vat@gov.mt

Website: <http://www.vat.gov.mt>

Opening Hours for the Public:

Winter (1st October - 15th June)

Monday, Wednesday and Thursday:

1.30pm to 4.00pm

Tuesday and Friday:

8.30am to 11:30am

Summer (16th June - 30th September)

Monday to Friday:

8.30am to 11:30am

5



Please be aware that the leaflets referred to in this brochure are published by the VAT Department for information purposes and as guidance for further exploration. That means these documents are not legally binding. They are simply guidelines and not legal documents providing legally binding rulings. If you need to know more or require precise information on how to implement VAT legislation in specific special situations, kindly contact the VAT Department or consult the documents available in the special section for Tax Professionals at the VAT Department's website .

List of Leaflets and Brochures that apply to Traders active in Specific Sectors

- **Exporters & Persons making Intra-Community Supplies**
- **Importers & Persons making Intra-Community Acquisitions**
- **Retailers**
- **Suppliers of Services**
- **Intra-Community Acquisitions by “Exempt” Taxable Persons and Non-Taxable Legal Persons**
- **Small Undertakings Registered as Exempt Persons**
- **Records and Documents to be kept by a Business Concern**
- **Distance Sales Providers**
- **New Means of Transport and Excise Goods**
- **Electronic Services Providers**
- **Triangulation**
- **Special Refund Scheme**
- **List of Goods that are Exempt or have a Reduced Rate**

