

VAT AND THE E.U.

Exporters and Persons making Intra-Community Supplies



MALTA

EXPORTERS AND PERSONS MAKING INTRA-COMMUNITY SUPPLIES

This leaflet assumes that you are registered for VAT in Malta and that your economic activity is either exempt with credit or taxable at the standard rate or at a reduced rate of tax (i.e. registered under article 10). If you are registered as an exempt person because your turnover falls below the established turnover threshold please read the leaflet entitled **Small Undertakings Registered as Exempt Persons**.

If you are exporting goods to a third country (a country outside the European Union {E.U.}) or if you supply goods to a person established in another member state of the EU then read this leaflet to know your obligations under the amended VAT legislation.

In the context of this write up, an “Export” refers only to a supply of goods made from Malta to a person established in a third country (country outside E.U.). An “Intra-Community Supply” refers to a supply of goods made from Malta to a person in another member state where the goods are dispatched or transported to another member state.

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Exporters

If you only make Exports and no Intra-Community Supplies then you may only be affected by the new provisions in VAT legislation with regard to newly applicable rates of VAT on certain items of goods and services. In this regard you are advised to read the



leaflet entitled **List of Goods that are Exempt or have a Reduced Rate**. Any item of goods that is not listed in that booklet is taxable at the local standard rate of 18%. However Exports remain exempt with credit supplies. Therefore you shall not charge VAT on such exports. You are to report the value of your exports in the applicable box of your periodical VAT return.

Persons making Intra-Community Supplies

If you are a person who makes Intra-Community Supplies (ie you supply goods to a person in another member state of the EU and these goods are dispatched or transported to another member state) then there are some changes in your responsibilities and obligations with regard to application of Value Added Tax.

Intra-Community Supplies to a taxable person or a non-taxable legal person in another member state are exempt from VAT in Malta the same way as exports. However you are now responsible to:

- (a) Ensure that a client in the other member state provides you with a valid VAT identification number. This identification number will start with a prefix of two letters that refer to the country of establishment. The table that follows shows the prefixes that apply for all member states and the structure of the identification number:



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Member State	Structure	Format (excluding prefix)
Austria	AT U99999999 ¹	1 block of 9 characters
Belgium	BE 999.999.999	3 blocks of 3 digits
Cyprus	CY 99999999L	1 block of 9 characters
Czech Republic	CZ 999-999999999 or CZ 999-999999999 or CZ 999-9999999999	1 blocks of 3 digits, followed by either 8, 9 or 10 digits
Denmark	DK 99 99 99 99	4 blocks of 2 digits
Estonia	EE 999999999	1 block of 9 digits
Finland	FI 99999999	1 block of 8 digits
France	FR XX 999999999	1 block of 2 characters, 1 block of 9 digits
Germany	DE 999999999	1 block of 9 digits
Greece	EL 999999999	1 block of 9 digits
Hungary	HU 99999999	1 block of 8 digits
Ireland	IE S999999L	1 block of 8 characters
Italy	IT 99999999999	1 block of 11 digits
Latvia	LV 99999999999	1 block of 11 digits
Lithuania	LT 999999999 or LT 999999999999	1 block of 9 digits, or 1 block of 12 digits
Luxembourg	LU 99999999	1 block of 8 digits
Malta	MT 99999999	1 block of 8 digits
Netherlands	NL 9999999999B99 ²	1 block of 12 characters
Poland	PL 999-99-99-999 or PL 999-999-99-99 or PL 9999999999	1 block of 3 digits followed by 2 blocks of 2 digits followed by 1 block of 3 digits, or 1 block of 3 digits followed by 1 block of 3 digits its followed by 2 blocks of 2 digits, or 1 block of 10 digits
Portugal	PT 999999999	1 block of 9 digits
Slovak Republic	SK 999999999 or SK 9999999999	1 block of 9 digits or 1 block of 10 digits
Slovenia	SI 99999999	1 block of 8 digits
Spain	ES X9999999X ³	1 block of 9 characters
Sweden	SE 999999999999	1 block of 12 digits
United Kingdom	GB 999 9999 99 or GB 999 9999 99 999 ⁴ or GB GD999 ⁵ or GB HA999 ⁶	1 block of 3 digits, 1 block of 4 digits and 1 block of 2 digits; or the above followed by a block of 3 digits; or 1 block of 5 characters

Notes 9 = A digit; X = A letter or a digit; S = A letter, a digit, + or * ; K = A letter

1 The 1st position following the prefix is always U .

2 The 10th position following the prefix is always B .

3 The first and last characters may be alpha or numeric; but they may not both be numeric.

4 Identifies branch traders.

5 Identifies Government Departments.

6 Identifies Health Authorities.

- (b) You may check the validity of the VAT identification number of your client either over the internet http://europa.eu.int/comm/taxation_customs/vies/en/vieshome.htm or by phoning the Central Liaison Office at the VAT Department in Malta. Such confirmation may also be obtained in writing.
- (c) Ensure also that the goods supplied by you are dispatched or transported to another member state outside Malta.



If the above conditions are met, you shall not charge VAT to your client. You are to quote the client's valid VAT identification number on the Tax Invoice that you issue to him and shall report the supply as an Intra-Community Supply in the accounts of your business.

Please be advised that if your client does not have a valid identification number or the goods are not dispatched or transported to another member state, you shall charge VAT on your supply as if it was a local supply. Otherwise you will be responsible for the payment of the Value Added Tax due to the VAT Department in Malta.

If you are doing business in another member state and you transfer goods from Malta to the other member state, the transfer is to be considered as a "deemed" Intra-Community Supply. You must issue a tax invoice (also called "transfer document" in this case) in which you indicate yourself both as the person who made the supply and the person to whom the supply is made. Also, you need to report the transaction as a "deemed" Intra-Community Acquisition in the other member state.





The total value of “deemed” Intra-Community Supplies and all other Intra-Community Supplies made by you to persons in other member states shall be reported in the appropriate box in the next due VAT return.

In addition, every 3 months, you are also required to send to the VAT Department in Malta a statement called the “Recapitulative Statement” in which you will give a breakdown of all the exempt Intra-Community Supplies you made for the previous calendar quarter. This statement should include the VAT numbers of your clients from the other member states and the total value of Intra-Community Supplies made to each of these clients. *There is a penalty of Lm10 per month for failure to submit this Recapitulative Statement in time.*

The data obtained from these statements in all the member states including Malta would be captured into the so-called **VAT Information Exchange System (VIES)** by all the member states for control purposes.

You are also required to keep proper records and documents of your business activities. Further details on records and documents to be kept are to be found in leaflet entitled **Records and Documents to be kept by a Business Concern.**

If you are a party in two transactions (once as purchaser and once as seller) involving three parties established in three different member states and if goods are directly transported from the first member state to the third member state, you may be interested to read the leaflet called **Triangulation.**

If you also happen to make regular or occasional Intra-Community Acquisitions then you are advised to read the leaflet entitled **Importers and Persons making Intra-Community Acquisitions.**



Please note that if you supply goods to clients in another member state on which you charge VAT, these are not to be considered as exempt Intra-Community Supplies and will have to be reported in your VAT return as normal domestic supplies.

You are also entitled to claim back credit of other input VAT incurred in Malta for business use. Certain restrictions apply regarding blocked input VAT on certain goods and services.

If in the course of your business you happen to incur VAT in another member state and therefore not allowable as a deduction in Malta, you may claim a VAT refund of the incurred tax under a Refund Scheme operated in the other member state under certain conditions.

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 .



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

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MALTA
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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

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