

VAT AND THE E.U.

Retailers



MALTA

RETAILERS

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. you are 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 a retailer operating mainly in the local market (i.e. in Malta) then this leaflet explains to you your obligations under the VAT legislation. If you occasionally make Intra-Community Supplies or Intra-Community Acquisitions then you are advised to read the leaflets entitled **Exporters and Persons making Intra-Community Supplies** and **Importers and Persons making Intra-Community Acquisitions**.

In the context of this write-up, “Exports” and “Imports” refer only to an exportation and importation of goods from Malta to a third country/ from a third country (outside E.U.) into Malta. “Intra-Community Supplies” and “Intra-Community Acquisitions” refer to supplies and acquisitions of goods made by a person in Malta to/ from a person in another member state where the goods have been dispatched or transported to Malta from another member state or vice-versa.

If you only make Supplies of goods to persons in Malta and you purchase goods or services only in Malta, then you are only affected by the new provisions in VAT legislation with regard to newly applicable rates of VAT on certain items of goods and services.



The place of supply of your Sales and Purchases is therefore in Malta. You are to charge VAT at the applicable Maltese rate to your clients and pay Maltese VAT at the applicable rate on goods and services purchased. You are advised to read the leaflet entitled **List of Goods that are Exempt or have a Reduced Rate** to inform yourself about those items of goods that are not taxable at the standard Maltese rate. Any item of goods that is not listed in that booklet is taxable at the local standard rate of 18%. You are advised to make the necessary adjustments to your Fiscal Cash Register to implement changes in rates of certain items.



You are also required to keep proper records and documents of your business activities including all Intra-Community Acquisitions and Supplies. 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**.

VAT legislation requires retailers to issue fiscal receipts by means of a fiscal cash register. In addition it provides for specific requirements regarding the issue of a tax invoice which is required to be provided by a retailer. This needs to contain only the following particulars:

- (a) a serial number of the transaction;
- (b) the date of the supply;
- (c) the name, address and the Value Added Tax identification number of the supplier;
- (d) the Value Added Tax identification number of the person to whom the supply is made;
- (e) a description sufficient to identify the goods supplied;
- (f) for each description, the quantity of the goods, the rate of tax chargeable thereon, and the price payable, including the tax;
- (g) the total amount of tax chargeable.





A fiscal receipt issued by means of a fiscal cash register that includes the machine-printed registration number of the person to whom the relative supply is made, in addition to the above particulars, would be acceptable as a tax invoice.

A person registered for VAT under article 10 may claim back credit of input VAT incurred in Malta for business use. Certain restrictions apply regarding blocked input VAT on certain goods and services.

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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.