



This guide is for e-commerce companies that sell online via web stores or at marketplaces, to Maltese consumers.

VAT Standard rate

The standard VAT rate in Malta in 2023 is 18%.

VAT Reduced rate

7%

- Accommodation in a hotel or guest house;
- Accommodation in any premises, where for the purpose of that accommodation, it is required that the premises be licensed in terms of the Malta Travel & Tourism Act;
- Use of sporting facilities.

5%

- Supply of electricity;
- Confectionery and other edible items;
- Medical Accessories;
- Printed Matters;
- Certain Items for the exclusive use of the disabled;
- Minor repairing of bicycles, shoes and leather goods, clothing, and household linen (including mending and alteration);
- Domestic care services such as home help and care of the young, elderly, sick, or disabled;
- Admission to museums, art exhibitions, concerts, and theatres.

0%

- Food for human consumption;
- Pharmaceutical products;

- Scheduled bus service (tal-linja);
- Domestic inter-island sea passenger transport;
- International passenger transport;
- Exports;
- Intra-community supplies of goods.

See the summary of the [EU VAT rates](#)

Thresholds

From the 1st of July 2021, the distance selling thresholds were withdrawn and replaced by a unified threshold of EUR10,000 for all EU members.

In other words, VAT should be charged at the VAT rate of the customer's country of residence by companies whose annual taxable cross-border turnover is over EUR 10,000.

Deductible VAT

If goods or services were used to make taxable supplies in Malta, VAT in input invoices might be credited. Examples include:

- VAT paid at custom clearance with your EORI number;
- VAT paid to Maltese suppliers.

Registration procedure

When a company has the obligation to register, the owners will be required to complete and submit a VAT registration form using the CFR Registrations Online Services, along with supporting documentation:

- Trade register extract;
- VAT certificate;
- Articles of Associations;
- The ID of the Director;
- If the company is appointing a local tax agent or Fiscal Representative, then a Letter of Authority or Power of Attorney is.

All the docs should be translated into English language.

Tax representative

There is no need for non-UE companies to appoint fiscal representatives in order to handle all formalities related to VAT registration and filling.

Keeping records

Records about performed transactions must be kept in order to check the correctness of tax returns and payments. The retention period for the records is ten years.

VAT payment date

The VAT due should be paid by filing deadline for the VAT return to which it relates.

Filing VAT returns

A VAT Return for every VAT period shall be submitted to the Commissioner for Revenue by 1 month and 15 days from the end of the respective VAT period. The VAT period typically would be a period of 3 calendar months. Exceptions apply where a tax period may be of more or less than 3 months. A 12-month VAT period applies where the value of sales made does not exceed the relevant 'Exit Threshold'. Monthly VAT periods may also be applied at the discretion of the Commissioner for Revenue.



www.vatcompliance.co