



TAX & CUSTOMS  
ADMINISTRATION  
MALTA

# **VAT Rates & Exemptions – Frequently Asked Questions [FAQs]**

**(Date of Publication 12/06/2025)**

**(Last Updated 11/06/2026)**

## **Contents**

|                                                                                                          |   |
|----------------------------------------------------------------------------------------------------------|---|
| Introduction.....                                                                                        | 3 |
| 12% VAT Rate.....                                                                                        | 4 |
| 7% VAT Rate.....                                                                                         | 5 |
| 5% VAT Rate.....                                                                                         | 6 |
| <b>Is the reduced rate applicable to supplies of works of art, collector's items and antiques?</b> ..... | 6 |
| 0% VAT Rate [Exempt with Credit / Zero Rated] .....                                                      | 7 |
| Exempt Without Credit Supplies. ....                                                                     | 8 |
| <b>Should I charge VAT to Public Authorities?</b> .....                                                  | 9 |

***Disclaimer: The purpose of this document is to provide a simplified overview of the salient provisions of the law and are not to be construed as guidelines, explanations or instructions in terms of article 75 of the VAT Act.***

## **Introduction**

The supply of goods and services taking place in Malta are by default taxable at a **standard VAT rate of 18%**. However, Maltese VAT law provides for a zero rate (0% or exemption with credit) and various reduced rates on the supply of a list of specifically defined goods and services. The reduced rates applicable in Malta are 12%, 7%, 5% or 0%. For the avoidance of doubt, unless a reduced rate or exemption specifically applies, the standard rate of 18% is applicable on any taxable supply within the scope of VAT taking place in Malta.

This document aims to provide a **summarised** explanation highlighting which supplies fall within scope of the aforementioned zero and reduced rates. Furthermore, this document also aims to provide insights on supplies which are to be classified as exempt without credit.

The lists provided herewith do not replace or complement the provisions of VAT legislation and are **not** to be construed as exhaustive. **Reference to VAT legislation<sup>1</sup> is appropriate in all cases.**

---

<sup>1</sup> For ease of reference, kindly refer to the Eighth Schedule to the VAT Act for legislative provisions on the 12%, 7% and 5% rates and to the Fifth Schedule to the VAT Act for legislative provisions on the 0% VAT rate (exemption with credit) and exemption without credit.

***Disclaimer: The purpose of this document is to provide a simplified overview of the salient provisions of the law and are not to be construed as guidelines, explanations or instructions in terms of article 75 of the VAT Act.***

## **12% VAT Rate**

The following supplies are subject to a 12% VAT Rate:

| <b>Description</b>                                                                                                                                                                                                                                                                                                                                                      | <b>Further Information</b>                                                                                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|
| Custody and management of securities                                                                                                                                                                                                                                                                                                                                    | Item 12 of the Eighth Schedule to the VAT Act. For further guidelines please also click <a href="#">Here</a> . |
| Management of credit and credit guarantees by a person or body other than those who granted the credit.                                                                                                                                                                                                                                                                 | Item 13 of the Eighth Schedule to the VAT Act. For further guidelines please also click <a href="#">Here</a> . |
| Hiring of a pleasure boat to a person according to an agreement for any term or part of a term that, when added to the term of a previous hiring, of the same goods or of other goods of the same kind, to the said person during the previous twelve (12) months ending on the date of the beginning of the existing hiring, does not exceed five (5) weeks            | Item 14 of the Eighth Schedule to the VAT Act. For further guidelines please also click <a href="#">Here</a> . |
| Services consisting of the care of the human body required to be delivered by a person in the exercise of any profession regulated by the Health Care Professions Act (Cap. 464), including services supplied in the course of a health studio business or similar business, but not including exempt supplies referred to in item 11 of Part Two of the Fifth Schedule | Item 15 of the Eighth Schedule to the VAT Act. For further guidelines please also click <a href="#">Here</a> . |

***Disclaimer: The purpose of this document is to provide a simplified overview of the salient provisions of the law and are not to be construed as guidelines, explanations or instructions in terms of article 75 of the VAT Act.***

## **7% VAT Rate**

The following supplies are subject to a 7% VAT Rate:

| Description                                                                                                                                                                                                                                                                                         | Further Information                                                                                            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|
| The letting of or the provision of accommodation in any premises which for the purpose of the provision of such accommodation is required to be licensed in virtue of the Malta Travel and Tourism Services Act, or any Act which may be substituted thereof, or in a holiday camp or camping site. | Item 1 of the Eighth Schedule to the VAT Act.                                                                  |
| Use of Sporting Facilities.                                                                                                                                                                                                                                                                         | Item 11 of the Eighth Schedule to the VAT Act. For further guidelines please also click <a href="#">Here</a> . |

***Disclaimer: The purpose of this document is to provide a simplified overview of the salient provisions of the law and are not to be construed as guidelines, explanations or instructions in terms of article 75 of the VAT Act.***

## **5% VAT Rate**

The following supplies are subject to a 5% VAT Rate:

| <b>Description</b>                                                                                                                          | <b>Further Information</b>                                                                                    |
|---------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| The supply of electricity                                                                                                                   | Item 2 of the Eighth Schedule to the VAT Act.                                                                 |
| Confectionery and Similar Items                                                                                                             | Item 3 of the Eighth Schedule to the VAT Act. For further guidelines please also click <a href="#">here</a> . |
| Medical Accessories                                                                                                                         | Item 4 of the Eighth Schedule to the VAT Act.                                                                 |
| Printed Matter                                                                                                                              | Item 5 of the Eighth Schedule to the VAT Act.                                                                 |
| Items for the exclusive use of the disabled                                                                                                 | Item 6 of the Eighth Schedule to the VAT Act.                                                                 |
| The importation of works of art, collector's items and antiques as defined in paragraphs 1, 2 and 3 of Part Two of the Fourteenth Schedule  | Item 7 of the Eighth Schedule to the VAT Act.                                                                 |
| Minor repairing of:<br>(a) Bicycles;<br>(b) Shoes and leather goods;<br>(c) Clothing and household linen (including mending and alteration) | Item 8 of the Eighth Schedule to the VAT Act.                                                                 |
| Domestic care services such as home help and care of the young, elderly, sick or disabled                                                   | Item 9 of the Eighth Schedule to the VAT Act.                                                                 |
| Admission to museums, art exhibitions, concerts and theatres                                                                                | Item 10 of the Eighth Schedule to the VAT Act.                                                                |

### **Is the reduced rate applicable to supplies of works of art, collector's items and antiques?**

No, a supply taking place in Malta shall be subject to an 18% VAT Rate. The reduced rate on works of art, collector's items and antiques only applies to importations and not to supplies or acquisitions of such good(s). The term importation is defined by item 19 of the Second Schedule to the VAT Act and for the purposes of this reduced rate it shall mean, the entry into Malta of works of art, collector's items and antiques as defined in paragraphs 1,2 and 3 of Part Two of the Fourteenth Schedule transported from a third territory (i.e., from outside the EU).

***Disclaimer: The purpose of this document is to provide a simplified overview of the salient provisions of the law and are not to be construed as guidelines, explanations or instructions in terms of article 75 of the VAT Act.***

## **0% VAT Rate [Exempt with Credit / Zero Rated]**

Part One of the Fifth Schedule to the VAT Act defines which supplies are to be treated as exempt **with** credit [in practice also referred to as 'Zero Rated' or 0%]. This means that no VAT is charged on the value of the supply whilst also entitling taxable persons registered under article 10 input VAT recovery on purchases. This section provides a summary of these supplies.

| Description                                                                          | Further Information                                                                                                       |
|--------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|
| Exports and Like transactions                                                        | Item 1 of Part One of the Fifth Schedule to the VAT Act.                                                                  |
| International Goods Traffic                                                          | Item 2 of Part One of the Fifth Schedule to the VAT Act.                                                                  |
| Intra-community supplies                                                             | Item 3 of Part One of the Fifth Schedule to the VAT Act.                                                                  |
| International transport and ancillary services                                       | Item 4 of Part One of the Fifth Schedule to the VAT Act.                                                                  |
| Brokers and Other Intermediaries                                                     | Item 5 of Part One of the Fifth Schedule to the VAT Act.                                                                  |
| Sea Vessels                                                                          | Item 6 of Part One of the Fifth Schedule to the VAT Act.                                                                  |
| Aircraft                                                                             | Item 7 of Part One of the Fifth Schedule to the VAT Act.                                                                  |
| Gold                                                                                 | Item 8 of Part One of the Fifth Schedule to the VAT Act and Item 6 of Part Five of the Fifth Schedule to the VAT Act.     |
| Food for human consumption                                                           | Item 9 of Part One of the Fifth Schedule to the VAT Act, Items 1 and 2 of Part Five of the Fifth Schedule to the VAT Act. |
| Pharmaceutical Goods                                                                 | Item 10 of Part One of the Fifth Schedule to the VAT Act and Item 3 of Part Five of the Fifth Schedule to the VAT Act.    |
| Passenger Transport                                                                  | Item 11 of Part One of the Fifth Schedule to the VAT Act. For further guidelines please also click <a href="#">here</a> . |
| Supplies of goods on board of cruise liners                                          | Item 12 of Part One of the Fifth Schedule to the VAT Act.                                                                 |
| Supplies of goods in accordance with sub-item (2) of Item 12A of the Second schedule | Item 13 of Part One of the Fifth Schedule to the VAT Act.                                                                 |
| Certain transactions treated as exports                                              | Item 14 of Part One of the Fifth Schedule to the VAT Act.                                                                 |
| Supplies of certain devices and aids to non-profit making organisations              | Item 15 of Part One of the Fifth Schedule to the VAT Act. For further guidelines please also click <a href="#">here</a> . |
| Products used for female sanitary protection                                         | Item 16 of Part One of the Fifth Schedule to the VAT Act.                                                                 |
| Medical items essential to compensate and overcome cancer in humans                  | Item 17 of Part One of the Fifth Schedule to the VAT Act.                                                                 |

***Disclaimer: The purpose of this document is to provide a simplified overview of the salient provisions of the law and are not to be construed as guidelines, explanations or instructions in terms of article 75 of the VAT Act.***

## **Exempt Without Credit Supplies.**

Part Two of the Fifth Schedule to the VAT Act defines which supplies are to be treated as exempt **without** credit. This means that no VAT is charged on the value of the supply whilst not entitling a taxable person from recovering input VAT incurred on purchases [for more information on the recovery of input VAT, please click [here](#)]. This section provides a summary of these supplies.

| Description                                                                                | Further Information                                                                                                                                                                                                                                                 |
|--------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The letting of immoveable property [subject to exclusions from the exemption].             | Item 1 of Part Two of the Fifth Schedule to the VAT Act and Item 4 of Part Five of the Fifth Schedule to the VAT Act. For further information please also click <a href="#">here</a> .                                                                              |
| Insurance Services                                                                         | Item 2 of Part Two of the Fifth Schedule to the VAT Act. For guidelines on Road Assistance Services please click <a href="#">here</a> .                                                                                                                             |
| Credit, banking and other services                                                         | Item 3 of Part Two of the Fifth Schedule to the VAT Act.                                                                                                                                                                                                            |
| Cultural and religious services                                                            | Item 4 of Part Two of the Fifth Schedule to the VAT Act.                                                                                                                                                                                                            |
| Sports                                                                                     | Item 5 of Part Two of the Fifth Schedule to the VAT Act. For further guidelines please also click <a href="#">here</a> .                                                                                                                                            |
| Services related to certain exempt services                                                | Item 6 of Part Two of the Fifth Schedule to the VAT Act.                                                                                                                                                                                                            |
| Services supplied by independent groups                                                    | Item 7 of Part Two of the Fifth Schedule to the VAT Act.                                                                                                                                                                                                            |
| Services by non-profit making organisations to their members                               | Item 8 of Part Two of the Fifth Schedule to the VAT Act.                                                                                                                                                                                                            |
| Lotteries                                                                                  | Item 9 of Part Two of the Fifth Schedule to the VAT Act.                                                                                                                                                                                                            |
| Postal Services                                                                            | Item 10 of Part Two of the Fifth Schedule to the VAT Act.                                                                                                                                                                                                           |
| Health and Welfare                                                                         | Item 11 of Part Two of the Fifth Schedule to the VAT Act. For further guidelines please also click <a href="#">here</a> .                                                                                                                                           |
| Education                                                                                  | Item 12 of Part Two of the Fifth Schedule to the VAT Act. For further guidelines please also click <a href="#">here</a> .                                                                                                                                           |
| Supplies of goods in respect of which the supplier had not qualified for input tax credits | Item 13 of Part Two of the Fifth Schedule to the VAT Act.                                                                                                                                                                                                           |
| Broadcasting                                                                               | Item 14 of Part Two of the Fifth Schedule to the VAT Act.                                                                                                                                                                                                           |
| Water                                                                                      | Item 15 of Part Two of the Fifth Schedule to the VAT Act.                                                                                                                                                                                                           |
| Exemption for small enterprises.                                                           | Item 16 of Part Two of the Fifth Schedule to the VAT Act. For further explanatory notes please click <a href="#">here</a> . For further guidelines please click <a href="#">here</a> . For further FAQs and generic information please click <a href="#">here</a> . |

***Disclaimer: The purpose of this document is to provide a simplified overview of the salient provisions of the law and are not to be construed as guidelines, explanations or instructions in terms of article 75 of the VAT Act.***

## **Should I charge VAT to Public Authorities?**

There are no special VAT rules that apply solely because the customer is a Public Authority. Where a supply of goods or services falls within the scope of Maltese VAT, VAT shall be chargeable in the same manner and under the same conditions as it would be on a supply made to any other customer, subject to the general provisions of the VAT Act and any applicable exemptions or special schemes.



TAX & CUSTOMS  
ADMINISTRATION  
MALTA