

# Instruction Guide for Businesses and Private Individuals on Distance Sales of Excise Goods

This guide aims to provide a clear understanding of the regulations governing distance sales of excise goods in line with the **General Arrangements for Excise Duty (Council Directive (EU) 2020/262)**. It is intended for private individuals engaging in cross-border sales and transportation of excise goods to Malta.

## 1 What are Distance Sales?

Distance sales refer to the purchase of excise goods by a private individual (not engaged in independent economic activity) in one Member State and their dispatch or transportation to another Member State by or on behalf of a consignor (who carries out an independent economic activity).

## 2 Applicability of Excise Duty

### 1. Chargeable Event:

- Excise duty becomes chargeable when excise goods are delivered to Malta.
- The applicable rate and conditions for excise duty are determined by the rules in force at the time of delivery.

### 2. Liability for Payment:

- The **consignor** is primarily liable for the excise duty.
- If the consignor fails to comply, the **consignee** becomes liable.

## 3 Responsibilities of the Consignor

The consignor, or their appointed tax representative, must comply with the following requirements before dispatching excise goods to Malta:

### 1. Registration and Guarantee:

- Register their identity with the Commissioner for Revenue in Malta.
- Provide a guarantee to cover the excise duty payable.

### 2. Payment of Excise Duty:

- Pay the excise duty once the goods are delivered.

### 3. Accounting for Deliveries:

- Maintain detailed records of all deliveries to ensure compliance.

## 4 Role of a Tax Representative

A consignor may appoint a tax representative in Malta, subject to approval by the Commissioner. The tax representative assumes liability for excise duties and ensures compliance with all regulatory requirements.

## 5 What is expected from a large taxpayer?

In cases where the excise duty has been duly paid and the goods meet the requirements outlined in the regulations, the consignor or their representative may request reimbursement of the excise duty from the Commissioner.

## 6 Losses During Transport

### 1. Exemption from Excise Duty:

- Excise duty is not chargeable if the goods are totally destroyed or irretrievably lost during transportation due to unforeseen circumstances or force majeure.

### 2. Proof of Loss:

- Satisfactory evidence must be provided to the Commissioner to claim exemption.

## 7 Compliance for Private Individuals

### 1. Own Use Exemption:

- Excise goods transported personally by a private individual for their own use are not subject to excise duty in Malta.

### 2. Commercial Use:

- Private individuals transporting excise goods for commercial purposes must comply with all excise duty regulations.

## 8 Penalties for Non-Compliance

Failure to adhere to the requirements, including registration, payment, or record-keeping, may result in penalties or additional liabilities. Both consignors and consignees may be held jointly liable.

## 9 Practical Steps for Compliance

### 1. For Private Individuals:

- Verify whether the goods are for personal or commercial use.
- Retain receipts and transport documentation for compliance purposes.

---

#### **Disclaimer:**

Cross-border distance sales of smoking products to Malta are strictly prohibited under Health Laws SL 315.10. Compliance with this regulation is mandatory, and violations may result in enforcement actions as prescribed by the law.