



TAX & CUSTOMS  
ADMINISTRATION

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# TOBACCO PRODUCTS

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GUIDANCE COMMUNICATION FOR ECONOMIC  
OPERATORS - **EFFECTIVE 1 APRIL 2026**

EXCISE DUTY ACT – BUDGET MEASURES as published by Bill No 155 on October 28th, 2025 - AN ACT to implement Budget Measures for the Financial Year 2026 and other administrative measures.

This communication is issued for guidance purposes only and does not constitute legal advice. Economic operators are advised to consult the relevant legislative texts and, where necessary, seek independent legal or tax advice. For queries, please contact the Excise Duty Unit of the MTCA.

## 1. Purpose and Scope

This communication is addressed to all economic operators involved in the production, importation, warehousing, wholesaling and distribution of tobacco products and related goods subject to excise duty under the Excise Duty Act (Cap. 382). It sets out every change introduced by the Budget Measures Implementation Bill No 155 that affects tobacco operators, including excise stamps, statements and payments, release of goods, new product definitions, Track and Trace obligations and penalty revisions.

The provisions described in this communication enter into force on 1 April 2026.

## 2. Terminology Update – ‘Excise Stamp’

Throughout the Act and all Schedules, all references to ‘band’, ‘band or stamp’, ‘band or excise stamp’, ‘bands’ and ‘excise duty bands’ are replaced with the uniform term ‘excise stamp’. This change is purely terminological and has no substantive effect on existing obligations. Operators should update their internal documentation, records and correspondence accordingly.

## 3. New Product Definitions (Article 2)

Two new product categories have been introduced into the principal Act and are now subject to excise duty obligations:

### 3.1 Smokeless Tobacco Products

A ‘smokeless tobacco product’ is defined as a tobacco product that does not involve a combustion process. The category includes heated tobacco products as defined in the Regulations on the Manufacture, Presentation and Sale of Tobacco and Related Products. These products are now regulated under Part L of the Sixth Schedule and are listed in the Seventh Schedule for the purposes of out-of-court settlement provisions.

### 3.2 Nicotine Pouches

A ‘nicotine pouch’ is defined as a nicotine-containing product intended for the uptake of nicotine into the human body by oral application (excluding inhalation), including products intended to aid cessation of tobacco use, classified under HS Code 2404919000. Nicotine pouches are treated as a separate category distinct from traditional tobacco products.

## 4. Excise Stamps – Revised Obligations and Timeframes

### 4.1 Cigarettes, Cigars, Cigarillos, Pipe Tobacco and Hand-Rolling Tobacco (Part C)

The obligation to affix excise stamps has been extended. The following products now all carry a mandatory excise stamp requirement:

- Cigarettes
- Cigars
- Cigarillos
- Pipe tobacco
- Tobacco used for hand-rolled cigarettes
- Other smoking tobacco

The purchase and affixation deadlines that apply to the above products are as follows. These timelines are standardised across all commodity parts of the Sixth Schedule.

<b>Purchase Deadline</b>	<i>Excise stamps must be purchased within 5 working days from the date of entry into Malta of the excisable goods (except where the authorised tax warehouse keeper is responsible for affixation).</i>
<b>Affixation Deadline</b>	<i>The excise stamp must be affixed to the goods within 5 working days from the date of purchase (except where the authorised tax warehouse keeper is responsible for affixation).</i>

### 4.2 Water-Pipe Tobacco (Part C, Regulation 7A)

The same purchase and affixation deadlines apply to water-pipe (shisha) tobacco. Stamps must be purchased within 5 working days of entry into Malta and affixed within 5 working days of purchase.

### 4.3 Smokeless Tobacco Products (Part L)

Smokeless tobacco products are subject to the same excise stamp regime. The authorised tax warehouse keeper must ensure stamps are affixed before goods are released for consumption.

## 5. Excise Stamp Penalties

### 5.1 Penalties for Registered Merchants, Consignors, Consignees (Cigarettes and Tobacco)

Offence / Trigger	Conviction Penalty	Penalty in lieu of Criminal Proceedings
Failure to purchase excise stamp within 5 working days of entry into Malta	€150 fine + forfeiture of goods	€100 + forfeiture of goods
Failure to affix excise stamp within 5 working days of purchase	€200 fine + forfeiture of unaffixed stamps and goods	€150 + forfeiture of unaffixed stamps and goods

### 5.2 Penalties for Authorised Tax Warehouse Keepers

Offence / Trigger	Conviction Penalty	Penalty in lieu of Criminal Proceedings
Taking goods out of the authorised warehouse without excise stamp affixed	€300 fine + forfeiture of stamps that should have been affixed + forfeiture of goods	€250 + forfeiture of stamps that should have been affixed + forfeiture of goods

### 5.3 Unauthorised Possession of Excise Stamps

Offence / Trigger	Conviction Penalty	Penalty in lieu of Criminal Proceedings
Any person (other than an authorised person) found in possession of excise stamps	€300 fine + forfeiture of the excise stamps + forfeiture of the relevant goods	€250 + forfeiture of excise stamps + forfeiture of goods

#### Note

*In all cases where the Commissioner imposes a penalty in lieu of Criminal Proceedings (where the offender admits), the relevant goods shall also be subject to forfeiture in accordance with applicable law. No court proceedings are instituted in these cases.*

## 6. Track and Trace System – Strengthened Obligations (Part C, Regulation 11A)

### 6.1 Mandatory Registration and Compliance

Every tobacco manufacturer and tobacco importer must:

- be either an authorised tax warehouse keeper or a registered consignee;
- be duly registered in the Track and Trace System; and
- abide by the rules and practices of the Track and Trace System, including any ancillary, additional and/or updated phases of the system.

Failure to hold the required authorisation or registration is deemed a breach of the registration requirements.

### 6.2 Scanning Obligations for the Distribution Chain

Importers, wholesalers and distributors involved in the tobacco products distribution network are now legally required to carry out scanning procedures on all tobacco products in accordance with regulation 14(5) of the Regulations on the Manufacture, Presentation and Sale of Tobacco and Related Products (S.L. 315.10). Any tobacco products found to be in violation must be removed from retail distribution.

Tobacco products found in retail outlets that are not compliant with Track and Trace procedures shall be withheld under Article 27 of the Act..

<b>Exclusion for Retail Outlets</b>	<i>The scanning obligations and the related penalties below do not apply to the operator or licence holder of a retail outlet.</i>
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### 6.3 Track and Trace Penalties

Offence / Trigger	Conviction Penalty	Penalty in lieu of Criminal Proceedings
Failure to scan tobacco products in compliance with Track and Trace procedures (importers, wholesalers, distributors)	€10 per unique identifier (minimum €100) + forfeiture of the tobacco products	€3.50 per unique identifier (minimum €35 provided goods are in conformity with tobacco product regulations. Release conditional on proper recording of goods. No licence suspension applies

## 7. Monthly Statements and Payments (Part C, Regulation 12 and Part A, Regulation 16)

### 7.1 Accounting Period

The accounting period for tobacco operators is now standardised at one (1) calendar month. The previous variable or biannual periods are abolished.

### 7.2 Statement Submission

The authorised tax warehouse keeper of tobacco and tobacco products must submit a monthly statement to the Commissioner within 15 days from the end of each accounting period. The statement must specify the following production information, classified under leaf tobacco, tobacco substitutes, imported cut tobacco and imported cut and blended tobacco:

- Weight of leaf tobacco, substitutes and cut tobacco not further manufactured held on the first day of the period
- Weight of such tobacco acquired during the period, with source details
- Weight sold or otherwise removed during the period, and to whom
- Quantity of each product manufactured during the period
- Weight of off-cuts resulting from manufacturing during the period

### 7.3 Payment of Duty

Excise duty on cigarettes and tobacco is due when they are released for local consumption. Payment must be made within 15 days from the date of submission of the monthly statement.

### 7.4 Penalties for Late Statements and Late Payments

Offence / Trigger	Conviction Penalty	Penalty in lieu of Criminal Proceedings
Failure to submit statement within 15 days of end of accounting period	Up to €25,000 (if still not submitted after 3 months)	€100 per month or part thereof from the 16th day until submission (max 3 months). If offender admits criminal offence: €2,000 + mandatory submission.
Failure to pay excise duty within 15 days of statement submission	Fine in accordance with Article 16 of the Act	€100 per month or part thereof from the 16th day until payment (max 3 months). If offender admits criminal offence: penalty per Article 16A of Act + mandatory payment.

## 8. Release of Tobacco Products

### 8.1 Release on Proof of Payment (Regulations 13A and 13B – applied mutatis mutandis)

The Commissioner shall release withheld tobacco products where satisfied that all excise duty, import duty and any other taxes due in respect of those goods were paid in accordance with the law prior to the initial inspection.

Any quantity of tobacco products released under these provisions must comply with all applicable requirements of the Act and its regulations.

### 8.2 Goods Withheld for Non-Compliance

Any quantity of cigarettes, cigars, cigarillos, pipe tobacco, hand-rolling tobacco and other smoking tobacco found in the possession of any person in breach of the applicable regulations shall be withheld and the provisions of Article 27 et seq. of the Act shall apply. Any unaffixed excise stamps found in breach of regulations shall also be withheld.

## 9. Smokeless Tobacco Products – Additional Provisions (Part L)

### 9.1 Monthly Reporting

The authorised tax warehouse keeper of smokeless tobacco products must now submit monthly statements to the Commissioner in accordance with the accounting period prescribed under Regulation 16(1) of Part A. The duty is payable upon release for consumption as prescribed in Regulation 16(2) of Part A.

### 9.2 Private Import Exemption Cap

The excise duty exemption for smokeless tobacco products acquired by a private individual for personal use and transported by that individual from an EU Member State to Malta is now capped at a maximum of 800 sticks. Quantities exceeding 800 sticks are not covered by the exemption.

Smokeless tobacco products are now also listed in the Seventh Schedule for the purposes of out-of-court settlement proceedings under the Act.

## 10. Electronic Cigarettes and Refill Containers (Part K)

The statement requirements for electronic cigarettes and refill containers have been updated. The statement must now be submitted in accordance with Regulation 12 of Part A (monthly accounting period), replacing the previous submission requirements. The statement must specify information classified separately under imported electronic cigarettes and refill containers and manufactured electronic cigarettes and refill containers. Electronic cigarettes and refill containers are now also listed in the Eighth Schedule.

## 11. Action Required

- Update internal reporting calendars: monthly statements must be submitted within 15 days of the end of each calendar month.
- Review and update excise stamp procedures: purchase within 5 working days of entry into Malta; affix within 5 further working days of purchase.
- Ensure all tobacco products subject to the extended stamp requirement (cigars, cigarillos, pipe tobacco) are included in stamp applications.
- Manufacturers, importers, wholesalers and distributors: verify Track and Trace registration is current and that scanning procedures are in place across the supply chain.
- Smokeless tobacco importers: note the new 800-stick cap on the private import exemption and ensure compliance.
- Update internal records and correspondence to use the new uniform term 'excise stamp' instead of 'band' or related terms.



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