



TAX & CUSTOMS
ADMINISTRATION

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ADMINISTRATIVE CHANGES

CROSS-CUTTING EXCISE DUTY MEASURES

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 addresses all economic operators subject to excise duty obligations under the Excise Duty Act (Cap. 382). It consolidates all administrative, definitional and cross-cutting changes introduced by the Budget Measures Bill No 155 that apply either universally or across multiple commodity categories. These include the uniform excise stamp terminology, updated definitions, standardised statement and payment obligations, new release-of-goods provisions, the low-value consignment exemption and general penalty structures.

Economic operators should read this communication alongside any commodity-specific communication that applies to their sector. All provisions enter into force on 1 April 2026.

2. Date of Entry into Force

The amendments introduced by the Budget Measures Implementation Bill apply with effect from 1 April 2026. Operators must ensure all internal processes, accounting systems and compliance procedures are updated before this date.

3. Uniform Terminology – ‘Excise Stamp’ (Clause 25A)

One of the most wide-reaching changes is the standardisation of excise duty stamp terminology throughout the Act. The following substitutions apply wherever the terms appear in the principal Act and all Schedules:

Old Term	New Term
‘band’	‘Excise stamp’
‘Band or stamps’	‘Excise stamp’
‘Band or excise stamp’	‘Excise stamp’
‘bands’	‘Excise stamps’
‘Excise duty bands’	‘Excise stamps’
‘Bands or stamps’	‘Excise stamps’

4. Updated and New Definitions (Clause 26, Article 2)

4.1 Updated Definition – Authorised Tax Warehouse

The definition of ‘authorised tax warehouse’ has been updated as follows: a place where excisable goods are produced, processed, held, received or dispatched under duty suspension arrangements by an authorised tax warehouse keeper in the course of his business, subject to certain conditions laid down by the Commissioner. This revised definition aligns with EU directive requirements. All operators holding tax warehouse approvals should verify their approval documentation and premises description remain consistent.

4.2 New Definition – Smokeless Tobacco Product

‘Smokeless tobacco product’ means a tobacco product that does not involve a combustion process, including heated tobacco products as defined in the Regulations on the Manufacture, Presentation and Sale of Tobacco and Related Products. This category is now subject to excise duty under Part L of the Sixth Schedule.

4.3 New Definition – Nicotine Pouch

‘Nicotine pouch’ means 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.

5. Standardised Monthly Accounting Periods and Statement Obligations (Part A, Regulation 16)

The most operationally significant administrative change is the standardisation of accounting periods to one (1) calendar month across all Parts of the Sixth Schedule. This replaces all previous variable, quarterly or semi-annual periods.

Universal Application

The monthly accounting period now applies under Parts A, B, C, D, E, F, G, K and L of the Sixth Schedule. All operators must submit statements and remit payments on a monthly basis from 1 April 2026.

5.1 Statement Submission Deadline

Monthly statements must be submitted to the Commissioner within 15 calendar days from the expiry of each accounting period (i.e., by the 15th day of the following month). This deadline is uniform across all commodity categories.

5.2 Payment Deadline

Excise duty indicated in the submitted monthly statement must be paid to the Commissioner within 15 calendar days from the date of submission of that statement.

5.3 Late Statement Penalties (Uniform Across All Parts)

Offence / Trigger	Conviction Penalty	Penalty in lieu of Criminal Proceedings
Statement not submitted within 15 days of end of accounting period	Criminal offence: fine up to €25,000 (upon conviction)	€100 per month or part thereof from the 16th day until submitted. Maximum period: 3 months. If offender admits criminal offence after 3 months: €2,000 + mandatory submission.
Statement not submitted within maximum 3-month extended period	Criminal proceedings: fine up to €25,000	If offender admits: €2,000 in lieu penalty + mandatory submission of outstanding statements.

5.4 Late Payment Penalties (Uniform Across All Parts)

Offence / Trigger	Conviction Penalty	Penalty in lieu of Criminal Proceedings
Payment not made within 15 days of statement submission	Criminal offence: fine in accordance with Article 16 of the Act	€100 per month or part thereof from the 16th day until payment. Maximum period: 3 months.
Payment not made within maximum 3-month extended period	Criminal proceedings: fine per Article 16 of the Act	If offender admits: in lieu penalty per Article 16A of the Act + mandatory payment.

6. Universal Excise Stamp Obligations (Part A, Regulation 13)

6.1 Who Is Bound

The following persons are subject to the excise stamp purchase and affixation obligations set out in Regulation 13 of Part A: registered consignors, registered consignees, registered merchants, certified consignors and certified consignees. Authorised tax warehouse keepers have a separate set of obligations described in section 6.3 below.

6.2 Purchase and Affixation Deadlines

Obligation	Deadline
Purchase excise stamp	Within 5 working days from the date of entry of the excisable goods into Malta
Affix excise stamp to the goods	Within 5 working days from the date of purchase

These deadlines do not apply where the authorised tax warehouse keeper is responsible for affixation.

6.3 Universal Penalty Schedule – Excise Stamps

Offence / Trigger	Conviction Penalty	Penalty in lieu of Criminal Proceedings
Failure to purchase excise stamp within 5 working days of entry into Malta (applies to registered merchants/ consignors/consignees)	€150 fine + court orders forfeiture of excisable goods	€100 + forfeiture of excisable goods
Failure to affix excise stamp within 5 working days of purchase	€200 fine + court orders forfeiture of unaffixed stamps and excisable goods	€150 + forfeiture of unaffixed stamps and excisable goods
Authorised tax warehouse keeper removes goods from warehouse without stamp affixed	€300 fine + court orders forfeiture of stamps + forfeiture of goods	€250 + forfeiture of stamps + forfeiture of goods
Any person (other than authorised) found in possession of excise stamps	€300 fine + court orders forfeiture of stamps + forfeiture of goods	€250 + forfeiture of stamps + forfeiture of goods

Penalty in lieu of Criminal Proceedings

Where the Commissioner uses the penalty in lieu of criminal proceedings (out-of-court) route and the offender admits the irregularity, no criminal proceedings are instituted. Forfeiture of goods is carried out regardless. This route is available only where the offender admits the breach.

7. Release of Excisable Goods (New Regulations 13A and 13B, Part A)

7.1 Release on Payment of All Duties (Regulation 13A)

A new Regulation 13A has been inserted into Part A. The Commissioner shall release any excisable goods that have been withheld or detained, provided he is satisfied that all of the following have been paid in accordance with the law prior to the initial inspection:

- the excise duty due on those goods;
- any import duty due; and
- any other tax due in connection with those goods as provided in the Sixth Schedule.

This provision applies mutatis mutandis to all Parts of the Sixth Schedule. Equivalent release provisions have been specifically inserted for: alcohol products (Part B, new Regulation 13A), wine products (Part F, new Regulation 14), and petroleum products (Part D, new Regulation 16B).

7.2 Compliance Requirement on Release (Regulation 13B)

A new Regulation 13B provides that any quantity of excisable goods released under the above mechanism must comply with all provisions of the Act and its regulations, as applicable. Release does not exempt goods from continuing compliance obligations.

8. New Exemption – Low-Value Consignments (Article 3(5), Clause 26A)

8.1 Overview

A new Article 3(5) has been inserted into the principal Act, introducing an exemption from excise duty for non-harmonised excisable goods imported in low-value consignments where all five of the following conditions are met simultaneously:

Condition 1 – Intrinsic Value	The intrinsic value of the consignment does not exceed €150
Condition 2 – Mode of Transport	The consignment is imported by postal services or an authorised courier operator
Condition 3 – Nature of Consignee	The consignee is a natural person not acting in the course of business, trade, profession or vocation

Condition 4 – Personal Use	The goods are intended solely for the private use of the consignee or their family members, with no commercial purpose indicated by nature, quantity or accompanying documents
Condition 5 – EU Law	The goods are not subject to any EU law prohibitions or restrictions

All five conditions must be satisfied. If any one condition is not met, the exemption does not apply, and excise duty becomes due in full.

8.2 Key Definitions

‘Intrinsic value’	The value of the goods determined under Regulation (EC) No 1186/2009 customs valuation rules, excluding the cost of transport and insurance.
‘Postal services’	Any postal service and any private courier authorised to effect clearance of low-value consignments in Malta.
‘Authorised courier operator’	Any private courier authorised to effect clearance of low-value consignments in Malta.

8.3 Verification and Compliance

Compliance with the exemption conditions will be verified by the Commissioner on the basis of the customs declaration (including any simplified declaration), particulars of the consignee and consignor, and any other information or checks the Commissioner deems applicable.

8.4 Relationship with Existing Provisions

The new exemption under Article 3(5) is without prejudice to Article 3(4), which continues to apply to small non-commercial consignments sent by natural persons from third countries to other natural persons. The two provisions operate in parallel and independently. The Minister may make further regulations specifying additional conditions, procedures or declaration forms required for the application of the Article 3(5) exemption.

9. New Products Added to Schedules

9.1 Seventh Schedule – Out-of-Court Settlement (Clause 29)

Smokeless tobacco products as regulated by Schedule 5J to the Act have been added to the Seventh Schedule. This means that, in addition to court proceedings, out-of-court settlement procedures are now available for offences relating to smokeless tobacco products.

9.2 Eighth Schedule (Clause 30)

Electronic cigarettes and refill containers as regulated by Schedule 5I to the Act have been added to the Eighth Schedule. This extends the scope of the Schedule's provisions to e-cigarette products and their refill containers.

10. Procedural Summary – Key Deadlines at a Glance

Obligation	Deadline
Purchase excise stamp after entry of goods into Malta	Within 5 working days from the date of entry of the excisable goods into Malta
Affix excise stamp after purchase	Within 5 working days
Pay excise duty after statement submission	Within 15 days of submission
Maximum period for late statement (with €100/month penalty)	3 months from the 16th day after period end
Maximum period for late payment (with €100/month penalty)	3 months from the day after statement submission

11. Action Required by All Operators

- Update all internal records, declarations, forms and correspondence to use the uniform term 'excise stamp' with effect from 1 April 2026.
- Update accounting and compliance calendars to reflect the monthly statement cycle: statements due by the 15th of each following month; payment due within 15 days of submission.
- Review excise stamp procedures to ensure purchase within 5 working days of entry into Malta and affixation within a further 5 working days.
- Postal operators and authorised couriers: familiarise staff with the five conditions for the new low-value consignment (€150) exemption from excise duty and ensure verification procedures are in place.
- Verify that any products covered by the Seventh and Eighth Schedule additions (smokeless tobacco, e-cigarettes and refill containers) are correctly classified and treated under the updated schedules.
- Tax warehouse keepers: confirm that premises and approval documentation remain consistent with the updated definition of 'authorised tax warehouse'.



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