

VAT GENERAL INFORMATION FOR BUSINESSES

EXPORTERS AND PERSONS MAKING INTRA-COMMUNITY SUPPLIES

These notes are intended for persons who are registered for VAT in Malta and whose economic activity is either exempt with credit or taxable at the standard rate or at a reduced rate of tax (i.e. registered under article 10). If you are registered as an exempt person because your turnover falls below the established turnover threshold, please read the notes for Small undertakings registered as exempt persons.

If you are exporting goods to a third country (i.e. a country outside the European Union (EU)) or if you supply goods to a person established in another member state of the EU then read these notes to know your obligations under the VAT legislation.

In the context of this write up, an “Export” refers only to a supply of goods made from Malta to a person established in a third country. An “Intra-Community Supply of goods” refers to a supply of goods made from Malta to a person in another member state where the goods are dispatched or transported to another member state.

Exporter

If you make Exports you shall not charge VAT on such exports. However you still have the right to claim back the input VAT that you incurred and which is directly related to your economic activity. You are to report the value of your exports in the applicable box of your periodical VAT return.

Person making Intra-Community Supplies of Goods

If you make Intra-Community Supplies of goods to a taxable person or a non-taxable legal person in another member state, these supplies are exempt from VAT in Malta the same way as exports. However you are responsible to:

(a) Ensure that a client in the other member state provides you with a valid VAT identification number. This identification number will start with a prefix of two letters that refer to the country of establishment. The table that follows shows the prefixes that apply for all member states and the structure of the identification number:

| Member State | Structure | Format (excluding prefix) |
|---------------------|---|---|
| Austria | ATU99999999 ¹ | 1 block of 9 characters |
| Belgium | BE999.999.999 | 3 blocks of 3 digits |
| Cyprus | CY99999999L | 1 block of 9 characters |
| Czech Republic | CZ999-99999999 or CZ999-999999999 or CZ999-9999999999 | 1 block of 3 digits, followed by either 8, 9 or 10 digits |
| Denmark | DK99 99 99 99 | 4 blocks of 2 digits |
| Estonia | EE999999999 | 1 block of 9 digits |
| Finland | FI99999999 | 1 block of 8 digits |
| France | FRXX 999999999 | 1 block of 2 characters, 1 block of 9 digits |
| Germany | DE999999999 | 1 block of 9 digits |
| Greece | EL999999999 | 1 block of 9 digits |
| Hungary | HU99999999 | 1 block of 8 digits |
| Ireland | IE9S99999L | 1 block of 8 characters |
| Italy | IT99999999999 | 1 block of 11 digits |
| Latvia | LV99999999999 | 1 block of 11 digits |
| Lithuania | LT999999999 or LT999999999999 | 1 block of 9 digits, or 1 block of 12 Digits |
| Luxembourg | LU99999999 | 1 block of 8 digits |
| Malta | MT99999999 | 1 block of 8 digits |
| Netherlands | NL999999999B99 ² | 1 block of 12 characters |
| Poland | PL999-99-99-999 or PL999-999-99-99 or PL9999999999 | 1 block of 3 digits followed by 2 blocks of 2 digits followed by 1 block of 3 digits, or 1 block of 3 digits followed by 1 block of 3 digits followed by 2 blocks of 2 digits, or 1 block of 10 digits |
| Portugal | PT999999999 | 1 block of 9 digits |
| Slovak Republic | SK999999999 or SK9999999999 | 1 block of 9 digits or 1 block of 10 Digits |
| Slovenia | SI99999999 | 1 block of 8 digits |
| Spain | ESX9999999X ³ | 1 block of 9 characters |
| Sweden | SE999999999999 | 1 block of 12 digits |

Notes 9 = A digit; X = A letter or a digit; S = A letter, a digit, "+" or "*"; L= A letter

¹ The 1st position following the prefix is always "U".

² The 10th position following the prefix is always "B".

³ The first and last characters may be alpha or numeric; but they may not both be numeric.

(b) You may check the validity of the VAT identification number of your client either over the internet (https://ec.europa.eu/taxation_customs/vies/) or by phoning the Central Liaison Office at the VAT Department in Malta. Such confirmation may also be obtained in writing.

(c) Ensure also that the goods supplied by you are dispatched or transported to another member state outside Malta. You shall retain documentary evidence of such dispatch in case this is requested by the Department.

If the above conditions are met, you shall not charge VAT to your client. You are to quote the client's valid VAT identification number on the Tax Invoice that you issue to him and mention the words **"Reverse Charge"** on the invoice. You shall also report the supply as an Intra-Community Supply of Goods in the accounts of your business.

Please be advised that if your client does not have a valid identification number or the goods are not dispatched or transported to another member state, you shall charge VAT on your supply as if it was a local supply. Otherwise you will be responsible for the payment of the Value Added Tax due to the VAT Department in Malta.

Taxable persons should also review and read notes on their potential VAT position when undertaking supplies to clients located in the EU under the **"One Stop Shop (OSS) Scheme"**.

If you are doing business in another member state and you transfer goods from Malta to the other member state, the transfer is to be considered as a "deemed" Intra-Community Supply of Goods. You must issue a tax invoice (also called "transfer document" in this case) in which you indicate yourself both as the person who made the supply and the person to whom the supply is made. Also, you need to report the transaction as a "deemed" Intra-Community Acquisition of goods in the other member state.

The total value of "deemed" Intra-Community Supplies and all other Intra-Community Supplies made by you to persons in other member states shall be reported in the appropriate box in the next due VAT return.

If you also happen to make regular or occasional Intra-Community Acquisitions of goods then you are advised to read the notes regarding Importers and Persons making Intra-Community Acquisitions.

In addition, every 3 months, you are also required to send to the VAT Department in Malta via its website, an electronic statement called the **"Recapitulative Statement"** in which you will give a breakdown of all the exempt Intra-Community Supplies of goods you made for the previous calendar quarter. This statement should include the VAT numbers of your clients from the other member states and the total value of Intra-Community Supplies of goods made to each of these clients. There is a penalty per month for failure to submit this **"Recapitulative Statement"** in time.

The data obtained from these statements in all the member states including Malta would be captured into the so-called VAT Information Exchange System (VIES) by all the member states for control purposes.

You are also required to keep proper records and documents of your business activities. Further details on records and documents to be kept are to be found in the notes concerning **Records and documents to be kept by a business concern.**

If you are a party in two transactions (once as purchaser and once as seller) involving three parties established in three different member states and if goods are directly transported from the first member state to the third member state, you may be interested to read the notes regarding **Triangulation**.

If you also happen to make regular or occasional Intra-Community Acquisitions of goods then you are advised to read the notes regarding **Importers and Persons making Intra-Community Acquisitions**.

Please be advised that if you supply goods to clients in another member state on which you charge VAT, these are not to be considered as exempt Intra-Community Supplies of goods and will have to be reported in your VAT return as normal domestic supplies.

You are also entitled to claim back credit of the input VAT incurred in Malta for business use. Certain restrictions apply regarding blocked input VAT on certain goods and services.

If in the course of your business you happen to incur VAT in another member state and which is therefore not allowable as a deduction in Malta, you may claim a VAT refund of the incurred tax under a Refund Scheme operated in the other member state under certain conditions.

Disclaimer:

Please be advised that the information in these notes is provided as guidance. The notes are simply guidelines and not legal documents providing legally binding rulings. If you require more precise information on how to implement VAT legislation in specific special situations, kindly contact the VAT Department or consult documents available in the special section for Tax Professionals at the VAT Department's website.

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