



TAX & CUSTOMS  
ADMINISTRATION

MALTA

# Guidelines

**Taxation of Insurance Businesses Following the Adoption of  
IFRS 17 Insurance Contracts Rules**

## Guidelines in Relation to the Taxation of Business of Insurance following adoption of International Financial Reporting Standard 17 Insurance Contracts Rules

### Scope

These guidelines are issued in terms of Article 96(2) of the Income Tax Act (Chapter 123 of the Laws of Malta) and are to be read in conjunction with Legal Notice 334 of 2024 Taxation of Business of Insurance following adoption of International Financial Reporting Standard 17 Insurance Contracts Rules, hereinafter referred to as “the Rules”.

It is hereby clarified that:

### Definitions

“**IFRS 17**” shall mean the International Financial Reporting Standard 17 Insurance Contracts as published by the International Accounting Standards Board on **May 18<sup>th</sup> 2017** and as adopted by the European Union through the Commission Regulation (EU) 2021/2036 of **November 19<sup>th</sup> 2021** amending Regulation (EC) No 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council as regards International Financial Reporting Standard 17<sup>1</sup> [hereinafter referred to as “IFRS 17 Commission Regulation”].

“**Insurance Finance Income or Expenses**” shall have the meaning assigned to it in the Annex to the IFRS 17 Commission Regulation.

“**Insurance Service Result**” shall have the meaning assigned to it in the Annex to the IFRS 17 Commission Regulation.

Any other term not otherwise defined in the Rules, or such guidelines will have the meaning assigned to it in the Annex to the IFRS 17 Commission Regulation.

## Rule 6: Payment of Tax on Adoption Gains and Election Process

### Section A: Deferral of Tax Payment on Adoption Gains

Rule 6 provides, subject to the taxpayer's election, for the possibility to allow a portion of the tax payable in the adoption year of assessment to be spread over a chosen deferral period for the purposes of payment. The maximum chosen deferral period shall be five years.

### Section B: Election Process and Registration

Taxpayers who wish to make an election under Rule 6 must complete the form available at the following link: [Registration Form](#) of these guidelines. The completed form should be submitted via email to the designated mailbox at [ictuforms.mfin@gov.mt](mailto:ictuforms.mfin@gov.mt).

When completing the tax form, taxpayers must:

1. Report the total adoption gain arising from the change, if any, to an insurer's accumulated profits or losses brought to charge in the adoption year of assessment as a direct result of the insurer's implementation of IFRS 17;
2. Specify the tax payable on the adoption gain; and
3. Indicate the number of years **(X)** over which the gain is to be spread.

### Eligibility for Election

Elections under Rule 6 are available for a period spanning **10 years**, from the year of assessment 2024 to the year of assessment 2033. Each taxpayer is permitted to make this election only once. For instance, if a taxpayer makes the election for the year of assessment 2024, taxpayer will not be eligible to submit another election in subsequent years.

To qualify for the election, the insurer must be fully compliant with all tax obligations at the time of filing. There must be no outstanding balances or pending submissions under the **Income Tax Acts**, the **Value Added Tax Act**, or the **Final Settlement System Rules**.

The deadline for submitting elections is the **September 30<sup>th</sup>** of the applicable adoption year of assessment, except for the first year, being year of assessment 2024, for which the deadline for submission had been extended to **November 22<sup>nd</sup> 2024**.

## Section C: Deadlines for Filing the Registration Form by Year of Assessment

### December Year-End Deadlines:

Year of Assessment 2024: Deadline: November 22<sup>nd</sup> 2024

Years of Assessment 2025 to 2033: From June 1<sup>st</sup> to September 30<sup>th</sup> of each respective year.

| Year of Assessment | Filing Period (From) | Filing Deadline (To) |
|--------------------|----------------------|----------------------|
| 2024               | -                    | 22/11/2024           |
| 2025               | 01/06/2025           | 30/09/2025           |
| 2026               | 01/06/2026           | 30/09/2026           |
| 2027               | 01/06/2027           | 30/09/2027           |
| 2028               | 01/06/2028           | 30/09/2028           |
| 2029               | 01/06/2029           | 30/09/2029           |
| 2030               | 01/06/2030           | 30/09/2030           |
| 2031               | 01/06/2031           | 30/09/2031           |
| 2032               | 01/06/2032           | 30/09/2032           |
| 2033               | 01/06/2033           | 30/09/2033           |

Non-December Year-End Deadlines for Year of Assessment 2025 (and one additional year for subsequent Years of Assessment):

| Year-End (Y/A 2025) | Filing Period (From) | Filing Deadline (To) |
|---------------------|----------------------|----------------------|
| January             | 01/12/2024           | 31/03/2025           |
| February            | 01/12/2024           | 31/03/2025           |
| March               | 01/12/2024           | 31/03/2025           |
| April               | 01/12/2024           | 31/03/2025           |
| May                 | 01/12/2024           | 31/03/2025           |
| June                | 01/12/2024           | 31/03/2025           |
| July                | 01/01/2025           | 30/04/2025           |
| August              | 01/02/2025           | 31/05/2025           |
| September           | 01/03/2025           | 30/06/2025           |
| October             | 01/04/2025           | 31/07/2025           |
| November            | 01/05/2025           | 31/08/2025           |

## Section D: Payment of Tax on Adoption Gains

Taxpayers who elect to stagger the tax payments are required to pay the annual portion of the tax on adoption gains by **December 21<sup>st</sup>** of each year. The first instalment, for the Year of Assessment 2024, is due by **December 21<sup>st</sup> 2024**.

For companies with tax settlement dates as specified in Rule 5(b)(iii) of **S.L. 372.16 Income Tax (Statutory Dates) Rules**, the first instalment for Year of Assessment 2024 must be paid by **June 30<sup>th</sup> 2025**, with the second instalment due by **December 21<sup>st</sup> 2025**.

It is important to note that the deferral of payment applies solely to the tax on adoption gains. The tax settlement dates for tax due on the chargeable income of an insurance undertaking remain unchanged.

Failure to comply with the terms of the election will result in the forfeiture of the deferral benefit. In such instances, the full amount of tax will become due as if no deferral had been granted, including any applicable interest thereon.

If an insurer, for any reason whatsoever, ceases to be subject to tax in terms of these rules during the deferral period the insurer must notify the Commissioner that such election no longer applies by sending an email to [ictuforms.mfin@gov.mt](mailto:ictuforms.mfin@gov.mt).