



TAX & CUSTOMS
ADMINISTRATION
MALTA

**Tax Guideline on the interpretation of one of the conditions
for the exemption granted under article 5A(4)(c) of the
Income Tax Act on the transfer of a dwelling house**

Tax Guideline on the interpretation of one of the conditions for the exemption granted under article 5A(4)(c) of the Income Tax Act on the transfer of a dwelling house

Article 5A(4)(c) of the [Income Tax Act](#) exempts from income tax the transfer of a dwelling house under certain conditions. One of the conditions for the exemption is that *the property is disposed of within twelve months of vacating the premises or such other period or condition as may be prescribed.*

This guideline applies to the situation where a dwelling house is jointly owned by a couple, who have occupied it for at least 3 years, and where there is then a personal separation (legal or de facto) of the spouses as a consequence of which one spouse takes up residence elsewhere while the other continues to occupy the premises. In such a scenario, the premises will not be considered as having been vacated for the purposes of the said article 5A(4)(c). The premises will be considered to have been vacated if and when the other spouse also ceases to reside there.

Accordingly, the words “within twelve months of vacating the property” are to be interpreted as referring to a period of twelve months from the date on which both spouses have ceased to occupy the premises.

Last Update: 13th May 2024



TAX & CUSTOMS
ADMINISTRATION
MALTA