

Eco-Contribution

Eco-Contribution

- Act XII of 2004, enacted on 13th August 2004
- Administered by the VAT Department as the delegated Competent Authority
- Effective Date: 1st September 2004
- Becomes due and payable by the producer on specific products at the time these items are placed on the market

Eco-Contribution

1. Who is responsible for the charging/collection of the Eco-Contribution?

– *The Producer*

Who is a Producer?

– *Products: The Importer / Manufacturer*

- **Producer**

- Person who manufactures or imports into Malta the items on which Eco-Contribution is due

- **Placed on the market**

- At the time when a product is transferred from manufacture stage with the intention to be placed on the market in Malta
- At the time when a product is brought into Malta with the intention to be placed on the market in Malta
- *Including when a product is going to be used in the trade or business of the person importing or manufacturing the product*

(amended by Act II of 2006)

Article 2 of the ACT

Products attracting Eco-Contribution

- Bottles/containers containing beverages
 - Spirits, Wine, Beer, Soft drinks, Water.
- Toiletries and Washing preparations
- (Disposable) Tableware and Kitchenware, of Plastics
- Packaging of Plastics

Products attracting Eco-Contribution

- Gum
- Ammunition
- Mattresses and Articles of Bedding
- Plastic Bags
- Tyres
- Batteries and Accumulators
- Petroleum Oils

Products attracting Eco-Contribution

- Oil Filters
- Cooling and Refrigerating Equipment
- Water Heaters
- Monitors and TV Equipment
- Telecommunications Equipment
- Appliances for Washing and Cooking
- Electronic Equipment
- Lamps and tubes (01.01.2009)

ECO on Plastic Bags

New Obligations with effect from 01.03.2009:

- All plastic bags should include a print on both sides in a character font of not less than 1cm
- Name of person registered in terms Item 1 of 3rd Schedule of the Act
- Business address
- ECO Contribution registration Number
- Batch number

ECO on Plastic Bags cont/...

- The producer shall provide a certificate to confirm batch number on plastic bags
- A fiscal receipt is to be issued for each plastic bag which should include eco contribution

Accounting for Eco-Contribution

- Eco-Contribution is accounted for in 3 Phases
 - It becomes due and payable
 - It is charged (determined)
 - Eco Contribution charged is reported and paid to the VAT department

Accounting for Eco-Contribution

Phase 1

- It becomes due and payable
 - At the time when product is transferred from manufacturing stage with the intention to be placed on the market in Malta
 - At the time when product is brought into Malta with the intention to be placed on the market in Malta

Accounting for Eco-Contribution

Phase 2

- It is charged (determined) when, items on which Eco Contribution is payable, the product is sold, transferred, disposed of or changes its nature

Article 9 of L.N.395/04

- Amendment LN 202/07
 - ECO charged when selected items are brought into Malta

Accounting for Eco-Contribution

Phase 3

- It is reported and paid:
 - In the Eco-Contribution Return
- Eco-Contribution Return becomes due concurrently with the VAT Return (on a quarterly basis)

Item 2 of the 3rd Schedule

Example – An importer of TELEVISIONS

- Phase 1 – Eco-Contribution becomes due and payable on TVs at the time when the products are brought into Malta, *e.g. 1.1.08*
- Phase 2 – Eco-Contribution is charged at the time when the product is sold, transferred, disposed of or when it changes its nature (Art. 9 of L.N. 395 of 2004)
e.g. sold on 20.4.08
- Phase 3 – Eco-Contribution is reported and paid in the next Eco-Contribution Return due,
e.g. declared in return for period 1.4-30.6.08 due on 15.8.08

Items to be reported and charged to books at time of placing on the market

- Beverages
- Toiletries and washing preparations
- Tableware and kitchenware of plastic
- Plastic packaging
- Gum
- Empty containers for the conveyance of beverages
- Plastic bags
- Batteries
- Oil/Fuel Filters
- Ammunition cartridges

Example – Importer of BATTERIES

- Phase 1 – Eco-Contribution becomes due and payable on batteries when brought into Malta, *e.g. 1.1.08*
- Phase 2 – Eco-Contribution is charged at the same time when the product is brought into Malta, *i.e. 1.1.08*
- Phase 3 – Eco-Contribution is reported and paid in the next Eco-Contribution Return due, *e.g. Return due for period 1.1-31.3.08 due on 15.5.08*

Registration

- Within 30 days of entry into force of the law or within 30 days from date when a person becomes a producer

Item 1, Third Schedule

Records

- All Producers are required to keep records of all movements of stocks (both for local consumption and for export) to determine the correctness of their return
- These records should be made available upon request from the Competent Authority
- These should include
 - Date of the product movements (purchase, sale or disposal)
 - A Description of the product
 - Quantity of the products involved in the movements
 - Eco Contribution to be paid

Item 3, Third Schedule

Returns

- To be submitted on a quarterly basis
- Due Date of Eco-Contribution Return the same as Due Date for VAT Return
- Payment to be effected by the Due Date – administrative penalty due for late payments (€55 per month – Article 4 of L.N. 395 of 2004)

Item 2, Third Schedule

Administrative Penalties

are imposed for:

- Failure to submit full and correct data in Return
(Article 3 of L.N. 395 of 2004 – €230 penalty)
- Non-submission of Return in time
(Article 4 of L.N. 395 of 2004 – €55 penalty per month)
- Submission of Return without full payment
(Amended by L.N.104/06 - €55 penalty per month)
- Failure to Register in time
(Article 5 of L.N. 395 of 2004– €55 penalty per month)

Administrative Penalties are imposed for:

Understatement of Eco-Contribution

(Article 2(1) of L.N. 395 of 2004 – 10% on excess)

- Self-disclosed corrections (within 10 days from submission of previous incorrect return)

(Article 2(2) of L.N. 395 of 2004 – 5% on excess)

Assessments

- May be issued in terms of Article 13A
 - (as amended by ACT IV of 2007)

When a person:

- Fails to furnish a return when due,
- Furnishes a return with an understatement of ECO-contribution
- Furnishes an incomplete or incorrect return and does not correct it in the prescribed time period

- Person will still be liable to furnish a correct or revised return
- Competent Authority has power to issue additional or revised assessments

Action against Defaulters

- Notification of Administrative penalty & infringement by Judicial Letter (Art. 18)
- Producer has 30 days to Appeal (Art. 20)
- Judicial Letter constitutes Executive title at the lapse of 30 days (Art. 18(2))
- Insufficiency of funds or reliance on other persons not considered as reasonable excuses to waive off administrative penalty (Art. 19(a)(b))

Conditions for Validity of an Appeal

- Producer may appeal within 30 days of notification of a Judicial act
- Return for period in question has been submitted
- Amount of Eco-Contribution not in dispute has been paid
- An administrative fee has been paid

Appeals Board Procedure

- Board to set appeal for hearing within 60 days from date of service of appeal by producer
- Board notifies Competent Authority of date of hearing
- Competent Authority is to reply within 30 days of such notification
- Board shall try to determine an appeal within 180 days from lapse of period by when Competent Authority may file its reply
- Final decision to be delivered by not later than 30 days from when parties conclude evidence and make final submissions

Registration

- Producer is required to submit an Application for Registration
- Details would include:

Personal details

Mailing/Business Address

Contact details

Stocks (in case of re-used bottlers)

DIPARTIMENT TAT-TAXXA FUQ IL-VALUR MIŻŻUJ
 WENJA L-AWTORITA' KOMPETENTI SPJALL-GHAR TA' L-UKO KONTRIBUZZJONI
VALUE ADDED TAX DEPARTMENT
 AS THE COMPETENT AUTHORITY FOR THE COLLECTION OF THE ECONOMIC CONTRIBUTION

Office Main Building, Tri Jann Innes, Birkirkara CMR 02, Tel. 21 499 334
 Email: vat@dmf.mt Website: http://www.dmf.gov.mt

APPLIKAZZJONI GHAR-REGISTRAZZJONI
APPLICATION FOR REGISTRATION

Għand l-Att 101 UC 2004 dwar l-Eko-Kontribuzzjoni
 In Force of Act 101 of 2004 (Eco-Contributions Act)

TAGHRIF DWAR L-APPLIKANT **DETAILS OF APPLICANT**

1 Isem shih ta' l-Applikant
Full name of Applicant

2 Nru. tal-Karta ta' l-Identita'
I.D. Card Number

3 Nru. tal-Kumpanija
Company Number

4 Nru. Tal-V.A.T.
VAT Registration Number

5 NUMRU TAL-MOBILU
Mobile Tel. Number

5 INDIRIZZ TAN-NIEGOUZJU
BUSINESS ADDRESS
 Numru tal-Bieb/Issa tal-Post
Door Number/Building Name

Triq
Street

Lokallita'
Locality

Kodiċi Postali
Postal Code

Numru tal-Telefon
Telephone Number

Numru tal-Fax
Fax Number

6 INDIRIZZ POSTALI/TAD-DAR
MAILING/HOME ADDRESS
 Numru tal-Bieb/Issa tal-post
Door Number/Building Name

Triq
Street

Lokallita'
Locality

Kodiċi Postali
Postal Code

Numru tal-Telefon
Telephone Number

Numru tal-Fax
Fax Number

Indirizz elettroniku
E-mail address

Form EC01/04

BIDU TA' L-ATTIVITA' **ACTIVITY START DATE**

Bidu ta' l-Attivita':
Activity Start Date

TAGHRIF DWAR L-ISTOCK **STOCK DETAILS**

Skond id-Data ta' l-Applikazzjoni ghar-Registrazzjoni
As on the Date of Application for Registration

HS CODE NUMBER	DESCRIPTION	Number of Units
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		

ATT TA' L-2001 DWAR IL-PROTEZZJONI U L-PRIVATEZZA TAD-DATA **DATA PROTECTION ACT, 2001**

Id-Dipartiment tal-VAT, bhala l-Awtorita' Kompetenti, jigbor l-informazzjoni biex jamministra l-Att dwar l-Eko-Kontribuzzjoni. Fejn tippermetti l-igib, id-Dipartiment jista' wkoll igib informazzjoni dwarek minghand terzi persuni jew tinghata informazzjoni lilhom. Dan isir biex jiżgura li l-informazzjoni hija korretta, jippreveni u jikxef frodi jew biex jipprotegi fondi pubbliċi.

The VAT Department, as the Competent Authority, collects information to administer the Eco-Contributions Act. Where the law permits, the Department may also obtain information about you from third parties or give information to them. This would be to check its accuracy, prevent and detect fraud or protect public funds.

9 DIKJARAZZJONI **DECLARATION**

Jiena, _____ Karta ta' l-Identita' _____
 I, _____ (Isem b'ITTRI KBAR) (full name in BLOCK LETTERS) _____
 Identity Card Number _____

niddikjara li t-taghrif kollu moghti hawn fuq huwa tajjeb u shih.
 declare that all the entered details and information are correct and complete.

Firma: _____ Kariga: _____ Data: / /
 Signature: _____ Designation: _____ Date: / /

Registration Certificate

- Certificate of Registration is generated when application is processed and printed in duplicate
 - the original is sent to the producer
 - copy inserted in file

Eco-Contribution Return

- Issued in terms of the Third Schedule of the ACT
- Generated electronically
 - Manual returns generated in particular circumstances
- ECO Returns to be submitted on a quarterly basis
- A declaration by the producer of all items sold/transferred that attract ECO contribution

Eco-Contribution Return

- Received by Department or by Banks on a monthly basis
- All returns are input in system
- Generation of a number of system reports to maintain taxpayer accounts

Ledger Statements

- Issued and sent periodically following the processing of ECO returns
- Features:
 - Administrative penalties incurred
 - Debit/Credit Balances on account

Difference between:

VAT

- Is a tax on consumption
- Taxes both goods and services
- Has 4 basic rates:
0%, 5%, 7%, 18%
- Has several tax period lengths
- Charges interest on unpaid balances
- Chain importer – wholesaler – Retailer – Consumer

Eco-Contribution

- Contribution to cover cost of waste disposal
- Targets products that are scheduled only
- Charges according to product per unit
- Has only quarterly periods
- No interest is charged
- No transaction chain
- Paid once by the Producer not the Consumer

Help Save our Planet



Thank you for your attention!