

VAT GENERAL INFORMATION FOR BUSINESSES

RETAILERS

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 a retailer operating mainly in the local market (i.e. in Malta) then these notes will explain to you your obligations under the VAT legislation. If you also make Intra-Community Supplies or Intra-Community Acquisitions of goods then you are advised to read the notes regarding **Exporters & persons making Intra-Community Supplies and Importers & persons making Intra-Community Acquisitions**.

In the context of this write up, “Exports” and “Imports” refer only to an exportation and importation of goods from Malta to a third country and from a third country into Malta respectively. “Intra-Community Supplies of goods” refer to supplies by a person in Malta to a person in another member state and where the goods have been dispatched or transported to that member state. “Intra-Community Acquisition of goods” refer to acquisitions of goods made by a person registered in one member state (in this case Malta) from a person in another member state, where the goods have been dispatched or transported to that member state (in this case Malta).

If you only make Supplies of goods to persons in Malta and you purchase goods or services only in Malta then the place of supply of your Sales and Purchases is in Malta. You are to charge VAT at the applicable Maltese rate to your clients and pay Maltese VAT at the applicable rate on goods and services purchased. You are also advised to ensure that your Fiscal Cash Register charges the appropriate rate of VAT on each item sold.

You are also required to keep proper records and documents of your business activities including all Intra-Community Acquisitions and Supplies.

VAT legislation requires retailers to issue fiscal receipts by means of a fiscal cash register. In addition it provides for specific requirements regarding the issue of a tax invoice which is required to be provided by a retailer. Further details on records and documents to be kept and the Tax Invoice and the fiscal receipt are to be found in the notes regarding **Records and documents to be kept by a business concern**.

A person registered for VAT under article 10 may claim back credit of input VAT incurred in Malta for business use. Certain restrictions apply regarding blocked input VAT on certain goods and services.

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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