

# Guide on the New Rules for Recapitulative Statements

## Introduction:

The new rules for Recapitulative Statements in the VAT Act (Chapter 406 of the Laws of Malta) are transposed from Council Directive 2008//117/EC of 16 December 2008 which amend Council Directive 2006/112/EC (the VAT Directive).

Articles mentioned in this paper refer to articles in the VAT Act (Chapter 406 of the laws of Malta).

## What is this document about?

This document is aimed to serve as a guide to make you understand better the new rules for Recapitulative Statements so as to ensure correct application.

As regards the legal text the relative provisions are mainly to be found in Legal Notice 363 of 2009 published on 22 December 2009.

The new rules come into effect on 1 January 2010.

## What is a Recapitulative Statement?

A recapitulative statement is a periodical statement required to be made by suppliers in Malta who make intra-Community supplies of goods to customers identified with a valid VAT Registration number in another Member State. The new rules **extend this requirement also to a supply of services** made to a customer who is liable to pay the tax on that service in the Member State in which he is established, except when that service would be exempt in that Member State.

## Who is obliged to submit a Recapitulative Statement?

If you are a taxable person making supplies in the circumstances described above you would be required to submit a recapitulative statement to the VAT Department. You would need to familiarise yourself with **what needs to be reported, how and when**.

## What needs to be reported in the Recapitulative Statement?

You would need to include **your VAT Registration number** and **the VAT Registration number of the person acquiring the goods or receiving the services** in the other Member State. For each person who acquired goods or

received services, the **total value of the supplies of goods** and the **total value of the supplies of services** carried out.

You would also need to report any transfer of goods made by you to another Member State by including both your VAT Registration number by which you are identified in Malta as the supplier and also the VAT Registration number by which you are identified in the Member State of destination as the acquirer.

When an intra-Community supply of goods is part of a triangular operation this has to be clearly indicated.

### **Do I have to carry out any verification on the customer?**

As a person making an exempt intra-Community supply of goods or a supply of a service where the customer is liable to pay the VAT on that service in the other Member State you have an obligation to ensure that your customer is identified with a **valid VAT registration number** assigned by the Competent Authority of the Member State of the customer. This is important as you would need to enter this VAT registration number in the recapitulative statement.

To ensure correctness you are advised to verify the validity of your customer's VAT Registration number by either contacting the VAT Department's CLO or by accessing the relative EU Commission link:

[http://ec.europa.eu/taxation\\_customs/vies/viesquer.do](http://ec.europa.eu/taxation_customs/vies/viesquer.do)

### **What if I need to adjust the Recapitulative Statement after it was submitted?**

You may adjust any information entered in a recapitulative statement which has already been submitted. Such adjustments may be made on-line by accessing the relative already submitted recapitulative statement on the VAT Department website.

### **How shall I submit the Recapitulative Statement?**

One of the major changes that the new rules will bring about is that Recapitulative Statements will now have to be submitted **electronically**. Therefore if you are a person who would be required to submit Recapitulative Statements for reporting periods falling after the 1 of January 2010 you would need an electronic identity (e-ID) that would enable you to access the VAT Department website and submit your Recapitulative Statement.

### **How frequently do I have to submit the Recapitulative Statement?**

Under the new rules Recapitulative Statements have to be drawn up for each **calendar month** and are to be submitted on-line to the VAT Department by not later than the **fifteenth day of the month following the relative calendar month**.

However, you may submit a Recapitulative Statement on-line for each **calendar quarter** by not later than **the fifteenth day of the month following the end of the quarter**, where the total quarterly amount, excluding VAT, of the supplies of goods does not exceed either in respect of the quarter concerned or in respect of any of the previous four quarters the sum of €50 000 (fifty thousand Euro).

**The option referred to above shall cease to be applicable** after the end of the month during which the total value, excluding VAT, of supplies of goods exceeds in respect of the current quarter the sum of €50 000 (fifty thousand Euro). If that is the case, a recapitulative statement shall be drawn up for any month which may have elapsed since the beginning of the quarter by not later than the fifteenth day of the month following the last month in the relative reporting period.

Notwithstanding the above if you make **only supplies of services** for which the customer is liable for payment of the tax, you may submit an on-line Recapitulative Statement for each **calendar quarter** by not later than the fifteenth day of the month following the end of the quarter **irrespective of the total value of services supplied**.

Provided that, if you make **supplies of both goods and services** then the rules for the goods shall prevail, i.e. the Recapitulative Statement shall be made every month or every calendar quarter if the threshold is not exceeded.

**The values relative to the supplies of goods or services** required to be reported in the Recapitulative Statement **shall be declared in the period of submission during which VAT became chargeable**.

### **What happens if I fail to submit a Recapitulative Statement?**

If you fail to submit a Recapitulative Statement when you are required to do so an administrative penalty in terms of article 38(2) will apply. Such failure would also constitute a criminal offence in terms of article 76(c).

### **DISCLAIMER**

Please be aware that the above notes are published for information purposes and as guidance for further exploration. Utmost care has been taken to ensure that the information given is correct. This notwithstanding it is to be pointed out that they are not legally binding and should not serve as a legal document providing legally binding rulings. If you require further information you are advised to either refer to the legal text or contact the VAT Department.