

I assent.

(L.S.)

GEORGE ABELA
President

5th November, 2013

ACT No. XIV of 2013

AN ACT to amend the Value Added Tax Act, Cap. 406.

BE IT ENACTED by the President, by and with the advice and consent of the House of Representatives, in this present Parliament assembled, and by the authority of the same, as follows:-

1. (1) The short title of this Act is the Value Added Tax (Amendment) Act, 2013, and this Act shall be read and construed as one with the Value Added Tax Act, hereinafter referred to as "the principal Act".

Short title and commencement.
Cap. 406.

(2) The provisions of article 2 of this Act shall come into force on such date as the Minister for Finance may establish by notice in the Gazette.

2. In sub-article (4) of article 21 of the principal Act, for the words "at the rate of zero point seven five per cent (0.75%) for each month or part thereof", there shall be substituted the words "at a rate which the Minister shall, from time to time, by regulations prescribe for each month or part thereof".

Amendment of article 21 of the principal Act.

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Amendment of
article 39 of the
principal Act.

3. Article 39 of the principal Act shall be amended as follows:

(a) in sub-article (1) thereof, for the words "when that person is registered by the Commissioner.", there shall be substituted the words "when that person is registered by the Commissioner:", and immediately thereafter there shall be added the following new proviso:

"Provided that where the excess, if any, of the output tax over the deductions for the first tax period following registration is two thousand euro (€2,000) or less, such administrative penalty shall not exceed two hundred and fifty euro (€250), and where the excess of the output tax over the deductions for the first tax period following registration is more than two thousand euro (€2,000) such administrative penalty shall not exceed twenty per cent of such excess."; and

(b) in sub-article (2) thereof, for the words "when that person is registered by the Commissioner.", there shall be substituted the words "when that person is registered by the Commissioner:", and immediately thereafter there shall be added the following new proviso:

"Provided that where the tax chargeable on the intra-community acquisitions or the services received or both such intra-community acquisitions and services received, in respect of which that person is required to make such application is two thousand euro (€2,000) or less, such administrative penalty shall not exceed two hundred and fifty euro (€250), and where the tax chargeable on the intra-community acquisitions or the services received or both such intra-community acquisitions and services received, in respect of which that person is required to make such application is more than two thousand euro (€2,000) such administrative penalty shall not exceed twenty per cent of such tax chargeable.".

Amendment of
article 76 of the
principal Act.

4. Article 76 of the principal Act shall be amended as follows:

(a) paragraph (c) thereof shall be substituted by the following new paragraph:

"(c) fails to furnish a tax return when required to do so in virtue of this Act;";

(b) paragraph (d) thereof shall be re-numbered as paragraph (e);

(c) immediately after paragraph (c) thereof there shall be added the following new paragraph:

"(d) fails to furnish any additional return, statement or information or to produce any books, records, documents and accounts, or fails to pay any tax or administrative penalty due when required to do so in virtue of this Act or of any regulations made under this Act;"

(d) for the words "the court shall order the offender", there shall be substituted the words "the court shall, in respect of an offence under paragraph (c), order the offender"; and

(e) for the words "the offender shall be liable to the payment of a further fine (*multa*) of not less than five euro (€5) and not exceeding twenty euro (€20) for every day", there shall be substituted the words "the offender shall be liable to the payment of a further fine (*multa*) of five euro (€5) for every day".

5. In the last paragraph of article 77 of the principal Act, for the words "a further fine (*multa*) of not less than five euro (€5) and not exceeding twenty euro (€20) for every day" there shall be substituted the words "a further fine (*multa*) of five euro (€5) for every day".

Amendment of article 77 of the principal Act.

6. (1) The provisions of this article shall apply with respect to any offence against article 76 of the principal Act in respect of which offence, on the day preceding the date of the coming into force of this Act, either no criminal proceedings will have been commenced or those proceedings are still pending before any Court.

Transitory provision.

(2) Where, before the date of the coming into force of the provisions of this Act, a person has been sentenced to the payment of a fine (*multa*) for every day that the default continues, every amount of that fine (*multa*) per day, whether confirmed by final decision of any Court or not, shall be calculated afresh according to the rates provided for in this Act:

Provided that where any person has been sentenced to the payment of a fine (*multa*) per day as referred to in this sub-article for an offence against article 76 of the principal Act, which offence is not an offence provided for in paragraph (c) of the said article, that fine (*multa*) per day shall be cancelled:

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Provided also that nothing in this article shall be construed as granting any right to any person to claim any refund of any fine (*multa*) which has already been paid.

Passed by the House of Representatives at Sitting No. 69 of the 30th October, 2013.

ANĠLU FARRUGIA

Speaker

RAYMOND SCICLUNA

Clerk to the House of Representatives