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DIRECTORATE-GENERAL
TAXATION AND CUSTOMS UNION
TAX POLICY
VAT and other turnover taxes

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VAT in the European Community

**APPLICATION IN THE MEMBER
AND ACCESSION STATES,
FACTS FOR USE BY
ADMINISTRATIONS/TRADERS
INFORMATION NETWORKS ETC....**

Note

This document collates a range of basic information on the application of VAT arrangements in the Member and Accession States which has been obtained from the tax authorities concerned. The information provided by the Accession States is provisional, based on the anticipated application of VAT arrangements once Community legislation has been transposed.

The exchange rates used for the Accession Countries are those for the 1st October 2003, taken from the Official Journal of the European Union.

The sole purpose of distributing details of national provisions is to create a work-tool. In no way does this document necessarily reflect the views of the Commission of the European Communities. Nor does it signify approval of the relevant legislation.

MALTA

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GENERAL INFORMATION

1. IF A FOREIGN TRADER WANTS TO OBTAIN INFORMATION ABOUT YOUR VAT SYSTEM, WHOM SHOULD HE CONTACT (ADDRESS, TELEPHONE, FAX, E-MAIL)?

Foreign traders can obtain information on the Maltese VAT system from the following address:

VAT DEPARTMENT
Centre Point Building
Ta' Paris Road
Birkirkara BKR 13
MALTA

Tel: +356-21.49.47.84, or
+356-22.79.92.30

Fax: +356-21.49.93.65

E-mail: vat@gov.mt

Information on the Maltese VAT system can be also found on the website of the VAT Department: <http://www.vat.gov.mt/>

2. WHAT IS THE ADDRESS OF THE NATIONAL TAX ADMINISTRATION'S WEBSITE? WHAT SORT OF INFORMATION ON VAT DOES THE WEBSITE PROVIDE (GENERAL INFORMATION, LEGISLATION, CONTACT POINTS, FORMS) AND IN WHAT LANGUAGES?

The Maltese VAT authorities' website is: <http://www.vat.gov.mt/>

Information is available in English and Maltese on:

- VAT Legislation;
- Comments on the VAT legislation;
- VAT Forms and explanatory notes;
- Application for Registration (download and on-line);
- Request for Fiscal Receipts (download and on-line);
- Electronic on-line VAT Return;
- Frequently Asked Questions (FAQs);
- Quality Service Charter and Contact Information (Office Opening Times, etc.);
- Decisions; and
- European directives.

3. WHERE CAN ONE FIND NATIONAL VAT LEGISLATION AND REGULATIONS? IN WHAT LANGUAGES ARE THEY AVAILABLE?

See answers to questions 1 and 2.

In addition, you can purchase printed copies of the VAT Act in English and Maltese, and check on the latest Bills and Legal Notices from the Department of Information at the following address:

3, Castille Place
Valletta CMR 02

E-mail: info@gov.mt

Website at www.doi.gov.mt/

VAT REGISTRATION OF FOREIGN TRADERS

4. WHAT ARE THE CIRCUMSTANCES GOVERNING THE NEED TO REGISTER FOR VAT?

All foreign traders must be identified for VAT purposes in Malta if they carry out transactions that are subject to VAT in Malta, for which they have the right to deduct input VAT and on which they are liable for VAT in Malta in accordance with the Maltese VAT Act.

A foreign trader who does not have a business establishment in Malta, but must be registered for VAT purposes in Malta, can choose either to deal with his VAT obligations himself or appoint an agent or a tax representative to act on his behalf. In both cases, registration must be requested at the VAT Department.

DISTANCE SELLING

a) COMPULSORY REGISTRATION

Any business established in another EU Member State which sells goods, and is responsible for their delivery, to persons not registered for VAT in Malta, must register for VAT in Malta if the value of those sales to Malta exceeds the equivalent in MTL of €35 000 in a calendar year.

b) VOLUNTARY REGISTRATION

A distance seller below the threshold of €35 000 can opt to make Malta the place of supply, and must register in Malta as a result.

INTRA-COMMUNITY ACQUISITIONS

a) COMPULSORY REGISTRATION

If a business is not registered for VAT in Malta and acquires goods in Malta directly from a VAT registered supplier in another Member State, they are required to register for VAT in Malta if the total value of all goods acquired in a calendar year exceeds €10 000. Such registration should be made immediately before the amount is exceeded.

b) VOLUNTARY REGISTRATION

A business may also register voluntarily if they can satisfy the VAT Department that they make, or have a firm intention of making, relevant acquisitions.

However, a foreign trader who would qualify as a small business if he were established

in Malta does not have to register for VAT in Malta (but they can apply for registration if they choose to).

A trader qualifies as a small business in the following cases:

- If the trader principally supplies taxable goods, and his turnover during the immediate preceding twelve months was less than MTL 15 000 (€34 973).
- If the trader principally supplies taxable services with a relatively low value added, and his turnover during the immediate preceding twelve months was less than MTL 10 000 (€23 315).
- If the trader supplies any other taxable services, and his turnover during the immediate preceding twelve months was less than MTL 6 000 (€13 989).

5. WHEN IS VAT REGISTRATION UNNECESSARY AS THE PURCHASER IS TAXABLE? CAN FOREIGN TRADERS REGISTER FOR VAT VOLUNTARILY IN SUCH CASES?

Where traders, not established in Malta, effect taxable supplies of goods or services in Malta, the recipients of the goods or services are liable for VAT if they are traders or legal persons governed by public law. In such cases the recipients must calculate the tax on the net value and declare it to the VAT Department. The trader providing the goods or services does not have to register for VAT purposes. However, provided they fit the conditions for registration, foreign traders can voluntarily register for VAT in Malta if they wish to do so.

6. WHOM MUST FOREIGN TRADERS CONTACT TO REGISTER FOR VAT (DETAILS ON AUTHORITY, INCLUDING ADDRESS, TELEPHONE, FAX AND E-MAIL)?

Foreign traders, whether they have a permanent establishment in Malta or not, can apply for a VAT registration number from the VAT Department (see address in question 1).

7. PLEASE DESCRIBE DETAILED PROCEDURES (INCLUDING DOCUMENTS REQUIRED) FOR ISSUING VAT REGISTRATION NUMBERS, SPECIFICALLY FOR FOREIGN TRADERS?

In order to apply for a Maltese VAT registration number, foreign traders must first obtain a Registration Application Form. This form can be requested (by telephone, by e-mail or in person) from the VAT Department, or it can be downloaded from the VAT Department's website (see question 1 for contact details).

The duly completed and signed Registration Application Form, together with any required attachments, must be sent back to the VAT Department by mail or delivered at the Department by hand.

Alternatively, the foreign trader can fill out an on-line Registration Application Form, which can be found on the website of the VAT Department (click on "Register online" on the Home page of the site).

A Registration Application Form must be accompanied by the following documents (in the case of online application, these documents must be faxed or sent by e-mail as an image file attachment, with the originals sent by post at the same time):

- a statement issued by the relevant authorities of the country in which the taxable person is established, attesting that the applicant is a taxable person in that country;

- a copy of the entry in the official register of commercial entities held in the country in which the taxable person is established;
- a copy of the act of incorporation, if the taxable person is a legal person; and
- a copy of order forms or contracts showing that the person in question will be doing business in Malta.

After checking that the conditions for registration are satisfied, the VAT Department will notify the foreign trader and, where applicable, his or her tax representative, of the VAT registration number assigned in Malta (VAT Registration Certificate).

THRESHOLDS

8. WHAT THRESHOLD DO YOU OPERATE AS REGARDS INTRA-COMMUNITY DISTANCE SELLING UNDER ARTICLE 28B(B)(2) OF THE SIXTH VAT DIRECTIVE?

The equivalent in MTL of €35 000 in a calendar year

9. WHAT THRESHOLD DO YOU OPERATE AS REGARDS ACQUISITIONS BY NON-TAXABLE LEGAL PERSONS OR PERSONS EXEMPT UNDER ARTICLE 28A(1)(A) OF THE SIXTH VAT DIRECTIVE?

The equivalent in MTL of €10 000 in a calendar year.

APPOINTMENT OF A TAX REPRESENTATIVE BY TRADERS FROM NON-EU STATES

10. IN WHAT CASES DOES A TAX REPRESENTATIVE HAVE TO BE APPOINTED?

If a foreign trader not established in the Community is required to be registered in Malta, he can designate any trader resident in Malta, and acceptable to the Commissioner of VAT, to be his representative. If he fails to do so the Commissioner of VAT can, by notice in writing, designate as the representative of the foreign trader any person resident in Malta to whom that foreign trader makes a taxable supply, or who is his agent, or who otherwise has a business relationship with him.

11. WHAT ARE THE RULES GOVERNING THE APPOINTMENT OF A TAX REPRESENTATIVE?

A business based outside of the EU may voluntarily appoint a tax representative in Malta.

Only traders established in Malta may, on request, be registered as the tax representative of a foreign trader established outside the EU.

12. WHAT ARE THE RIGHTS AND OBLIGATIONS OF TAX REPRESENTATIVES?

Tax representatives have the same duties and obligations as those of the foreign traders they represent.

Tax representatives are also severally and wholly liable with their principals for payment of VAT, interest or fines relating to transactions carried out in Malta. However, where a representative has acted in good faith and is not knowingly in breach of any obligation under the VAT Act, his liability is limited to the funds or to the value of any property under his management or control which belongs or is due to the person of whom he is the representative.

On the other hand, the existence or designation of a person as a representative of another person shall not relieve the latter person from any obligation or liability under the VAT Act.

Invoices for transactions undertaken by the person represented may be issued either by the person represented or by the tax representative, if such a representative has been appointed. In either case they must contain the following additional information:

- reference to the fact that a tax representative has been appointed;
- name and address of the tax representative; and
- the VAT registration number assigned to the tax representative.

13. WHAT ACTION CAN YOU TAKE IN THE EVENT OF FAILURE BY A TRADER IN ANOTHER MEMBER STATE TO APPOINT A TAX REPRESENTATIVE IN YOUR TERRITORY?

The Commissioner of VAT can, by notice in writing, designate as the representative of the foreign trader any person resident in Malta to whom that foreign trader makes a taxable supply, or who is his agent, or who otherwise has a business relationship with him.

If it is not possible to appoint a representative, the VAT Department may recover VAT, interest and any fines from the foreign traders' Maltese contracting parties. However, where such contracting parties prove that they have paid all or part of the VAT to suppliers they clearly identify, they may be relieved from paying the VAT.

14. IS A BANK GUARANTEE REQUIRED?

The authorities assess whether representatives are sufficiently solvent to meet their liabilities. If they are not, a guarantee is required to cover any VAT, fines, interest or charges payable by the taxable person.

APPOINTMENT OF TAX REPRESENTATIVES OF FOREIGN TRADERS ESTABLISHED IN THE EU

15. CAN FOREIGN TRADERS ESTABLISHED IN THE EU APPOINT TAX REPRESENTATIVES?

Foreign traders established in another Member State are not obliged to appoint a tax representative, and VAT registration in Malta is not dependent on the approval of a tax representative.

A foreign trader established in the Community who is required to be registered in Malta can either apply for registration in his own name, or he may, by means of written notice to the Commissioner, nominate as his representative any person resident in Malta who is acceptable to the Commissioner.

However, foreign traders established in another Member State cannot have a tax representative in Malta approved if they cannot, or are not, required to register for VAT purposes or to have a tax representative in Malta.

16. WHAT ARE THE CONDITIONS GOVERNING THE APPOINTMENT OF A TAX REPRESENTATIVE?

See answer to question 11.

17. WHAT ARE THE RIGHTS AND OBLIGATIONS OF TAX REPRESENTATIVES?

See answer to question 12.

18. ARE THERE SITUATIONS WHERE A BANK GUARANTEE IS REQUIRED?

See answer to question 14.

INVOICING

19. WHAT ARE THE CONDITIONS GOVERNING THE ISSUING OF INVOICES?

Taxable persons, excluding those supplying only goods or services which are exempted without credit, are required to issue a tax invoice for the supply of goods or services to any contracting party who identifies himself by means of a VAT identification number:

The tax invoice must be issued within thirty-one days from the earlier of:

- (a) the date when the goods are delivered or the services are performed; or
- (b) the date on which a payment for that supply is received.

The tax invoice must contain the following particulars:

- (a) the date of issue;
- (b) a sequential number, based on one or more series, which uniquely identifies the invoice;
- (c) the name and address of the supplier and the Value Added Tax identification number under which he made the supply;
- (d) the name and address of the person to whom the supply is made and the Value Added Tax identification number under which he acquired the goods or services supplied to him;
- (e) the type of the supply, by reference to the categories listed in item 3;
- (f) a description sufficient to identify the quantity and nature of the goods, or the extent and nature of the services supplied;
- (g) the date on which the supply was made or completed, or the date on which a payment on account of the supply was made, insofar as that date can be determined and differs from the date of issue of the invoice;
- (h) the taxable value per rate or exemption, the unit price exclusive of tax and any discounts or rebates if they are not included in the unit price;
- (i) the amount of tax chargeable, if any, at each rate so chargeable; and
- (j) the total amount of tax chargeable, if any.

The supply categories referred to under (e) are the following:

- (a) a supply by sale;
- (b) a supply of goods under a hire-purchase agreement, or in terms of which the ownership of the goods is deferred;
- (c) a supply on hire;
- (d) a supply under a contract of exchange;
- (e) a supply consisting of the delivery of goods made from materials provided by the customer;
- (f) a supply by sale on commission;
- (g) a supply on sale or return, or similar terms;
- (h) an intra-Community supply;
- (i) an export; and
- (j) any other supply.

The amount of VAT due must be expressed on the tax invoice in Maltese Lira (MTL), and must be computed on the MTL equivalent of the taxable value.

Invoices containing the details specified above may, subject to the acceptance by the customer, be sent by electronic means, provided that the authenticity of the origin and the integrity of the contents are guaranteed as may be required and approved by the Commissioner.

20. ARE THERE EXEMPTIONS FROM THE OBLIGATION TO ISSUE AN INVOICE? IF SO, TO WHAT TYPES OF TRANSACTION DO THEY APPLY?

Taxable persons are exempt from having to issue an invoice for supplies of goods or services to any person who does not identify himself by means of a VAT identification number.

However, for such supplies taxable persons must issue a “fiscal receipt”. A fiscal receipt can be either a receipt issued by means of a fiscal cash register, or a “manual” receipt using either a pre-printed form supplied by the VAT Department on which the required details must be filled in, or a receipt in such form as approved in writing by the Commissioner.

The following distinctions must be made.

- A registered taxable person who is a retailer, or whose business includes supplies of food in the course of catering (including restaurants), must issue fiscal receipts by means of an approved fiscal cash register.
- In all other cases, the registered person can choose between fiscal receipts issued by means of a fiscal cash register and “manual” receipts: fiscal receipts on a form to be ordered from and supplied by the VAT Department, or on a form specifically approved by the Commissioner, on which the required details must be filled in.

In practice, there are two instances where fiscal receipts can be issued on a form specifically approved by the Commissioner:

- (a) Computer generated fiscal receipts. On specific application, the Department may approve the issue of computer generated fiscal receipts; and
- (b) In certain cases where it is impractical, if not impossible, for fiscal receipts to be issued. For example, admission tickets for an open air concert, where the tickets may be sold in advance by various business outlets.

PERIODIC VAT RETURNS

21. IN WHAT CIRCUMSTANCES IS A TRADER OBLIGED TO SUBMIT A VAT RETURN?

The following are required to submit periodic VAT returns:

1. taxable persons, excluding persons who make only exempt without credit supplies and therefore have no right to deduct any input tax; and
2. taxable persons who are registered in Malta as “exempt persons”.

The first category must submit a tax return to the VAT Commissioner for every tax period no later than the fifteenth day of the second month following the month during which that tax period ends.

A tax period is normally a period of three months but can, on request, be a period of one month for registered persons whose activity exclusively consists of zero-rated supplies of goods. The start and end of the first tax period of a newly registered person is determined by the Commissioner, and will largely depend on the moment when the registration of that person takes effect.

After the first tax period, each tax period starts on the first day immediately following the end of the preceding tax period. For example, if a taxable person is registered on 12 September, his first tax period will normally start on that date and end on 30 November; his next period will then run from the 1st of December until the end of February.

Taxable persons who operate below the threshold for small businesses (see questions 4 and 23), but do not opt to be classified as exempt persons, are assigned a 12 month tax period.

A periodic VAT return must be submitted for every tax period no later than the fifteenth day of the second month following the month during which that tax period ends.

Any person registered as an exempt person is required, by the 15th February of each year, to submit a declaration (simplified tax return) stating his turnover for the previous calendar year (see questions 4 and 23 also).

In addition, taxable persons who are not registered in Malta, including those making only exempt without credit supplies, and non-taxable legal persons must submit a special declaration whenever the following taxable transactions are carried out during a calendar quarter:

- where they are parties to contracts with taxable persons who are not established in Malta and have not appointed a representative for transactions on which they are liable for tax, pursuant to the first subparagraph of Article 21(1)a of Directive 77/388/EEC;
- where they are liable for tax by virtue of being the recipients of certain services that are deemed to take place in Malta;
- where they effect intra-Community acquisitions of goods that are taxable in Malta (either because they have opted for these acquisitions to be taxed in Malta, or because their acquisitions in Member States exceed the threshold of €10 000).

However, when such persons acquire goods subject to excise duty or new means of transport, they must comply with the special arrangements described under question 23.

22. AT WHAT INTERVALS ARE VAT RETURNS AND THE ASSOCIATED PAYMENTS TO BE MADE?

The return referred to in the first paragraph of question 21 must be submitted quarterly, monthly or yearly as indicated, and payment must be made by the date when the return has to be submitted.

The special declaration made with regard to intra-community acquisitions and similar transactions by taxable persons who are not registered in Malta and by non-taxable legal persons, must be submitted whenever a taxable transaction is effected during a calendar quarter. The VAT due must be paid by the date when the declaration has to be submitted.

23. DOES ANY SPECIAL REGIME AS REGARDS PERIODIC VAT RETURNS EXIST FOR SMALLER TRADERS AND/OR PARTICULAR CATEGORIES OF BUSINESSES? IF SO, PLEASE GIVE A DESCRIPTION.

A taxable person registered as an exempt person because he qualifies as a small business is required, by the 15th February of each year, to submit a declaration (simplified tax return) stating his turnover for the previous calendar year (see also questions 4 and 22).

A taxable person qualifies as a small business in the following cases:

- If the trader principally supplies taxable goods, and his turnover during the immediate preceding twelve months was less than MTL 15 000 (€34 973);
- If the trader principally supplies taxable services with a relatively low value added, and his turnover during the immediately preceding twelve months was less than MTL 10 000 (€23 315); and
- If the trader supplies any other taxable services and his turnover during the immediate preceding twelve months was less than MTL 6 000 (€13 989).

Taxable persons who do not submit the monthly or quarterly VAT returns referred to in question 21, and non-taxable legal persons, who carry out intra-Community acquisitions of new means of transport must submit a special return covering the intra-Community acquisition of new means of transport to the Customs office where the VAT due is to be paid.

Similarly, where such persons effect intra-Community acquisitions of excisable products which are dispatched or transported pursuant to Article 7 of Directive 92/12/EEC, they must submit the excise document of release for consumption to the Customs office where both the excise duties and the VAT due are to be paid.

The Customs Office can be found at the following addresses and numbers:

Customs House
Valletta - CMR 02.
Tel: 21 235 721-9. Fax: 21 246 150

<http://www.customs.gov.mt/>

24. DO YOU OPERATE SIMPLIFIED CALCULATIONS OF TAX LIABILITY? IF SO, WHAT ARE THE QUALIFYING CRITERIA, TO WHOM DO THEY APPLY AND WHAT IS THE NATURE OF THE SIMPLIFICATION?

The Maltese VAT legislation does not provide for any simplified methods of calculating tax liability.

RECAPITULATIVE STATEMENTS

25. AT WHAT INTERVALS ARE RECAPITULATIVE STATEMENTS TO BE SUBMITTED?

Each taxable person must submit a recapitulative statement for each calendar quarter in which he effected intra-Community supplies of goods. The deadline for submission is the fifteenth of the month following the end of the calendar quarter.

26. IS ANY ADDITIONAL INFORMATION REQUIRED OTHER THAN THAT SET OUT IN ARTICLE 22(6) OF THE SIXTH VAT DIRECTIVE AS AMENDED BY DIRECTIVE 91/680/EEC?

No.

27. DO YOU OPERATE SIMPLIFIED PROCEDURES AS REGARDS RECAPITULATIVE STATEMENTS AS PROVIDED FOR IN ARTICLE 22(12) OF THE SIXTH VAT DIRECTIVE AS AMENDED BY DIRECTIVE 91/680/EEC? IF SO, WHAT ARE THE THRESHOLDS FOR APPLYING SUCH PROCEDURES?

Yes. Taxable persons registered as exempt persons who submit annual simplified VAT returns may submit a recapitulative statement once a year, by the 15th of January of the year following the one in which they made intra-community supplies.

ELECTRONIC INVOICING AND ELECTRONIC RETURNS

28. IS ELECTRONIC INVOICING PERMITTED? IF SO, IN WHAT CIRCUMSTANCES AND USING WHAT PROCEDURES?

Invoices containing the details specified in question 19, subject to the customer's acceptance, may be sent by electronic means and will be treated as tax invoices, provided that the authenticity of the origin and the integrity of the contents are guaranteed as may be provided for by national legislation with regard to the use of electronic signatures, or as may be required and approved by the Commissioner. This means that input tax can be deducted on the basis of electronic invoicing, subject to these further conditions.

29. CAN VAT RETURNS BE SUBMITTED ELECTRONICALLY? IF SO, HOW AND USING WHAT TECHNOLOGY? WHO SHOULD BE CONTACTED FOR PERMISSION TO DO SO?

VAT returns can be submitted and payment of VAT made electronically through the website of the VAT Department. Detailed instructions on the procedure to be followed can be found on the VAT Department's website: <http://www.vat.gov.mt/>. VAT returns cannot be submitted electronically in any other way.

The same deadline applies for submission of a paper version to the VAT Department as for the submission of data by electronic means.

For the time being, amendments to the VAT return, where they are allowed, cannot be submitted electronically.

30. CAN RECAPITULATIVE STATEMENTS BE SUBMITTED ELECTRONICALLY? IF SO, HOW AND USING WHAT TECHNOLOGY? WHO SHOULD BE CONTACTED FOR PERMISSION TO DO SO ?

For the time being, Recapitulative statements cannot be submitted electronically.

ADMINISTRATIVE REQUIREMENTS

31. DO YOU OPERATE A FLAT-RATE SCHEME AND, IF SO, TO WHOM DOES THE SCHEME APPLY?

There are no flat-rate schemes operated in Malta.

32. DO YOU OPERATE SIMPLIFIED ADMINISTRATIVE REQUIREMENTS APART FROM THOSE ALREADY MENTIONED? IF SO, PLEASE GIVE A DESCRIPTION

No.

33. IN WHAT LANGUAGES ARE FORMS (PERIODIC VAT RETURNS AND RECAPITULATIVE STATEMENTS) AVAILABLE?

The forms are available in English and Maltese.

RIGHT OF DEDUCTION

34. FOR WHAT CATEGORIES OF GOODS AND SERVICES IS THERE NO RIGHT TO DEDUCT?

Tax charged to a taxable person on the following supplies, acquisitions, or importations is excluded from any deduction by that person:

- (a) the supply to that person, or the intra-community acquisition or importation by that person of:
 - i. tobacco or tobacco products;
 - ii. alcoholic beverages;
 - iii. works of art, collectors' items and antiques;
 - iv. motor vehicles, vessels or aircraft including the supply thereof for hire or leasing arrangements;
 - v. goods and services for the purpose of repairing, maintaining, fuelling and keeping any item to which item (iv) of this subparagraph applies; and
 - vi. electricity.

- (b) the supply of any goods and services, or the intra-community acquisition or importation of any goods, used in the provision by that person of receptions, entertainment or hospitality, except where the said provision is made for consideration in the normal course of that person's economic activity; and

- (c) the supply of any goods and services, or the intra-community acquisition or importation of any goods, used in the provision by that person to his employees or, in the case of a body of persons, to its officers or employees, of transport or entertainment:

provided that this provision does not apply to transport provided by that person to his employees on vehicles with a seating capacity of not less than seven.

However, the exclusion does not apply to:

- goods supplied to or acquired under an intra-community acquisition, or imported by a person for the purpose of resale, whether in the state in which they were acquired or imported or after treatment or processing or inclusion in other goods supplied by that person, in the normal course of that person's economic activity;
- motor vehicles, vessels or aircraft supplied to or acquired under an intra-community acquisition, or imported by a person and used by him for the purpose of the carriage of goods or passengers for a consideration;
- vessels and aircraft supplied to, or acquired under, an intra-community acquisition, or imported by a person for the purpose of being provided by him under a charter or hire agreement;
- motor vehicles supplied to, or acquired under, an intra-community acquisition or imported by a person for the purpose of being provided by him for hire with a driver or for self-drive hire (excluding fuelling for such self-drive vehicles), or of being used for driving instruction, provided they are so used, in each case, in the normal course of that person's economic activity; and
- motor vehicles designed and manufactured for the carriage of goods, and therefore designed and manufactured with seating accommodation normally adjacent to the driver, or with seating accommodation for nine persons or more.

35. FOR WHAT CATEGORIES OF GOODS AND SERVICES IS THERE A PARTIAL RIGHT TO DEDUCT? WHAT IS THE % AGE?

No partial deduction is possible.

ANNEX 1: THRESHOLDS

Member State	Threshold for application of the special scheme for acquisitions by taxable persons not entitled to deduct input tax and by non-taxable legal persons ¹		Threshold for application of the special scheme for distance selling ²		Exemption for small enterprises ³	
	National currency	Euro equivalent	National currency	Euro equivalent	National currency	Euro equivalent
Belgium	€11.200		€35.000		€5.580	
Czech Republic		10.000		35.000		35.000
Denmark	80.000 DKK	10.722	280.000 DKK	37.528	50.000 DKK	6.667
Germany	€12.500		€100.000		€16.620	
Estonia	160.000 EEK	10.226	550.000 EEK	35.151		16.000
Greece	€10.000		€35.000		€9.000 or €4.000	
Spain	€10.000		€35.000		None	
France	€10.000		€100.000		€76.300 or €27.000	
Ireland	€41.000		€35.000		€51.000 or €25.500	
Italy	€8.263		€27.889		None	None
Cyprus	6.000 CYP	10.226	20.000 CY Pounds	34.220		15.600
Latvia	7.000 LVL	10.778	24.000 LVL	36.952		17.200
Lithuania	35.000 LTL	10.138	125.000 LTL	36.207		29.000
Luxembourg	€10.000		€100.000		€10.000	
Hungary						35.000
Malta		10.000		35.000		37.000 ⁴ 24.300 ⁴ 14.600 ⁴

¹ See second subparagraph of Article 28(a)(1) of Directive 77/388/EEC, as amended.

² See Article 28b, (2) of Directive 77/388/EEC, as amended.

³ See Article 24(2) of Directive 77/388/EEC, as amended. This scheme is reserved for taxable persons established within the territory of the country.

⁴ €37 000 when the economic activity consists principally in the supply of goods, €24 300 when the economic activity consists principally in the supply of services with a low value added (high inputs), and €14 600 in other cases, namely service providers with a high value added (low inputs)

ANNEX 1: THRESHOLDS

Netherlands	€10.000		€100.000		None	None
Austria	€11.000		€100.000		€22.000	
Poland						10.000
Portugal	€8.978		€31.424		€9.976 or €12.470	
Slovenia		10.000		35.000		25.000
Slovak Republic		10.000		35.000		35.000
Finland	€10.000		€35.000		€8.500	
Sweden	90.000 SEK	10.071	320.000 SEK	35.809	None	None
United Kingdom	55.000 GBP	86.112	70.000 GBP	109.598	55 000 GBP	86.112

ANNEX 2: VAT IDENTIFICATION NUMBER

- BE** le numéro d'identification à la taxe sur la valeur ajoutée
BTW - identificatienummer
- CZ**
- DK** momsregistreringsnummer
- DE** Umsatzsteuer - Identifikationsnummer
- EE** käibemaksukohustuslasena registreerimise number
- EL** Αριθμός Φορολογικού Μητρώου ΦΠΑ
Arithmos Forologikou Mitroou FPA
- ES** el número de identificación a efectos del Impuesto sobre el Valor Añadido
- FR** le numéro d'identification à la taxe sur la valeur ajoutée
- IE** value added tax identification no.
- IT** il numero di registrazione IVA
- CY** Αριθμός Εγγραφής Φ.Π.Α.
Arithmos Egrafis FPA
- LV** pievienotās vērtības nodokļa (PVN) reģistrācijas numurs
- LT** PVM mokėtojo kodas
- LU** le numéro d'identification à la taxe sur la valeur ajoutée
- HU**
- MT** numru ta' l-identifikazzjoni tat-taxxa fuq il-valur miújud
value added tax identification number
- NL** BTW - identificatienummer
- AT** Umsatzsteuer - Identifikationsnummer
- PL**
- PT** o número de identificação para efeitos do imposto sobre o valor acrescentado

ANNEX 2: VAT IDENTIFICATION NUMBER

- SI** identifikacijska številka za DDV
- SK** identifikačné číslo pre daň (IČ DPH)
- FI** arvonlisäverorekisteröintinumero
Mervärdesskatteregistreringsnummer (momsregistreringsnummer)
- SE** Mervärdesskatteregistreringsnummer (momsregistreringsnummer)
- GB** value added tax (VAT) registration no.

ANNEX 3: ABBREVIATIONS

	COUNTRY	CURRENCY
BELGIUM	BE	EUR
CZECH REPUBLIC	CZ	CZK
DENMARK	DK	DKK
GERMANY	DE	EUR
ESTONIA	EE	EEK
GREECE	EL	EUR
SPAIN	ES	EUR
FRANCE	FR	EUR
IRELAND	IE	EUR
ITALY	IT	EUR
CYPRUS	CY	CYP
LATVIA	LV	LVL
LITHUANIA	LT	LTL
LUXEMBOURG	LU	EUR
HUNGARY	HU	HUF
MALTA	MT	MTL
NETHERLANDS	NL	EUR
AUSTRIA	AT	EUR
POLAND	PL	PLN
PORTUGAL	PT	EUR
SLOVENIA	SI	SIT
SLOVAK REPUBLIC	SK	SKK
FINLAND	FI	EUR
SWEDEN	SE	SEK
UNITED KINGDOM	GB	GBP