
Chapter 7

Exporting to Malta

Import restrictions

Imports to Malta are not subject to any volume-based quotas or restrictions, except as may be established by the European Commission. Furthermore, there are no restrictions on trade with any country except for (1) restrictions sanctioned by the Security Council of the United Nations and (2) restrictions that may be imposed by the European Commission on imports to the European Union. Import licences are required in the case of certain items such as motor vehicles, pharmaceuticals, chemicals, detergents, textiles and steel. Goods that may not be sold in Malta, such as goods that are in breach of the law on trademarks or copyright, or that do not satisfy safety regulations, will not be released and must be re-exported.

Taxation on imports

Import Duties

There is no customs duty on the movement of goods between European Union member states. Goods imported from non-European Union countries may be subject to import duties in addition to VAT (when applicable).

The customs duty is calculated on the transaction value, including commissions, cost of transport and insurance to the place of importation, handling charges and similar costs of the goods, and is payable on the release of the said goods.

Goods which are not subject to duty are as follows:

- Goods placed under a customs procedure. Customs procedures include exports (whether before or immediately upon release), temporary importation, inward and outward processing, internal and external transit and the processing of goods under customs control.
- Goods imported into the Freeport are not subject to duty unless they are brought out of the zone into the European Union market or used or consumed in the zone. Within the zone, with appropriate authorisation, imported goods may be processed free of customs duty except that customs duty is payable when the products are intended for the European Union market. The Malta Freeport is specifically designed for trans-shipment purposes (see Chapter 3).

When goods are sold before they are released, the duty is assessed by reference to the value of the last sale. The rate depends on the classification of the goods under the Harmonised System Code.

Other taxes

The other taxes on imports are inter alia VAT, excise duty, and the motor vehicle registration tax (see Chapter 16).

Documentation and procedures

The basic customs document is the Single Administrative Document (“SAD”), which contains a full description of the goods and all relevant details. It is also advised that the SAD is accompanied by the notice of arrival and the commercial invoice. When an import licence is required it is advisable to have it in place before the importation and it must be presented to the customs authorities before the goods may be released.

There are no special regulations relating to bills of lading but an airway bill must be presented for goods transported by air.

For the importation of goods from European Union member states, an Intrastat supplementary declaration is usually required. In the case of imports originating from non-European Union countries, a certificate of origin is required. Furthermore, a GSP Form A or a Form EUR1 may be required whereby the import is made from a non-European Union country which has a special agreement with the European Union for preferential rates of duty.

Customs authorities will require business importers to produce a VAT registration number. Where the importer is not liable to registration for VAT in Malta, it is expected that the importer produces clearance from the VAT Department.

Goods that are placed under a customs procedure will be subject to certain conditions and controls. Goods in bond may be kept in a government warehouse or an authorised private warehouse.

Local representation

There is no requirement for a foreign exporter to Malta to have an official agent. An export order may be placed directly with a local purchasing firm, which will attend to the local necessary import formalities. A forwarding agent will, however, help to speed up customs clearance. The exporter may be represented in Malta by a commission agent or by a commission merchant.

A commission agent transacts business with third parties in the name and for the account of his principal. His function is to promote the business of the principal in Malta and to transmit orders for acceptance to the principal. Commission agents must be licensed by the Chamber of Commerce. A commission merchant transacts business in his own name but for or on behalf of his principal. A commission merchant is not bound to disclose the name of the principal for whom he acts and is directly liable to the person with whom he deals.

Sources of information

Malta has resident ambassadors and high commissioners in more than 20 major cities. The Malta Enterprise has resident representatives in a number of countries. Information on government policy on importation into Malta in general, as well as on particular items, is available from the Director of Trade, the Director General VAT, the Comptroller of Customs, the Malta Enterprise and the Ministry of Finance, the Economy and Investment. All government authorities may be contacted through the Maltese Government website www.gov.mt

Assistance may also be sought from the Malta Chamber of Commerce, the General Importers Association and the General Retailers and Traders Union (GRTU or Association of General Retailers and Traders).