

SUBSIDIARY LEGISLATION 364.01

EXEMPTION FROM PAYMENT OF DUTY ON DOCUMENTS AND TRANSFERS ORDER

24th February, 1958

GOVERNMENT NOTICES dated 24th February 1958 and 4 of 1974, and LEGAL NOTICES 50 of 1990, 193 of 1991, 14 of 1992, 141 of 1993, 37 and 54 of 1994, 55 of 1996, 23 and 275 of 1998, 196 and 197 of 1999, 90 of 2000, 172 of 2001, 310 of 2007, 157 of 2012 and 260 of 2013, consolidated, and as amended by Legal Notices 425 of 2007, 105 of 2008 and 218 of 2012.

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| <p>1. The title of this Order is the Exemption from Payment of Duty on Documents and Transfers Order.</p> <p>2. The following documents or transfers are, by virtue of the provisions of the Duty on Documents and Transfers Act, to be considered as specified documents or transfers and exempt from duty in whole or in part:</p> <p>(a) (i) Any instrument whereby an agricultural vehicle is transferred or assigned.</p> <p>(ii) For the purposes of this paragraph, "agricultural vehicle" means any vehicle propelled by mechanical power, intended and used solely for agricultural purposes, and the word "transfer" includes also a sale or transfer on the hire-purchase system.</p> <p>(b) (i) Deeds partitioning immovable property between co-owners.</p> <p>(ii) The exemption is granted subject to the condition that a certificate released by the Commissioner of Inland Revenue is annexed to the relative deed showing that the property in question came to the co-owners through a succession or legacy in respect of which the duties chargeable under the Succession and Donation Duties Ordinance or the Death and Donation Duty Act, have been settled.</p> <p>(iii) The same exemption shall, <i>mutatis mutandis</i>, apply also in the case of deeds of payment of legacies of immovable property.</p> <p>(c) As from 18th March, 1989, the tax which would otherwise be imposed by virtue of the Duty on Documents and Transfers Act shall not be levied on the receipt of payments made by the Government to the Archbishop's Curia in respect of the Government Subvention to the Church Schools and in terms of the Agreement entered into by the Apostolic Nuncio and the Minister of Education on the said date.</p> | <p>Citation.</p> <p>Exemption from payment of duty.
<i>Amended by:</i>
<i>L.N. 425 of 2007;</i>
<i>L.N. 105 of 2008;</i>
<i>L.N. 218 of 2012.</i>
Cap. 364.</p> <p>Notice dated 24.2.58.</p> <p>G.N. 4 of 1974.</p> <p>L.N. 50 of 1990.</p> |
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- L.N. 193 of 1991.
- (d) The duty chargeable under article 38(1) of the Duty on Documents Act in respect of the transfer of immovable property made under the provisions of the Schedule entitled "Purchase of Government Dwelling-Houses Scheme, 1990 (Scheme E)" to the Home Ownership (Encouragement) (Purchase of Government Dwelling-Houses Scheme) Regulations, 1990 published by Legal Notice 139 of 1990, shall be levied on the subsidised price.
- L.N. 14 of 1992.
- (e) The duty chargeable under the provisions of the Duty on Documents Act in respect of the issue, and of any subsequent transfer, of the 6% Unsecured Investment Finance Bank Bonds, 1997 shall be exempt from payment.
- L.N. 141 of 1993.
- (f) (i) In respect of duty on the transfer of a sole, ordinary residence, in terms of the provisions of article 32 of the Duty on Documents and Transfers Act, in such manner as for the words "there shall be first calculated a duty in respect of the ground-rent capitalised at fifty per centum" in subarticle (4)(b)(ii) thereof, there were substituted the words "there shall be first calculated a duty in respect of the ground-rent at fifty per centum"; and
- (ii) In respect of duty on declarations *causa mortis* in terms of the provisions of article 33 of the Maltese text of the Duty on Documents and Transfers Act, in such manner as for the words "*lilu trasferita proprietà causa mortis*" in subarticle (1) thereof, there were substituted the words "*lilu trasferita proprietà immobibli causa mortis*".
- L.N. 37 of 1994.
- (g) The transfer of securities on the Malta Stock Exchange shall be exempt from duty with effect, as applicable, from the dates mentioned in article 1 of the Duty on Documents and Transfers Act.
- L.N. 54 of 1994.
- (h) The transfer of immovable property (land and buildings) belonging to Marina Milling and Grain Handling Co. Limited, Triticum Limited, Pisani Flour Mills Limited, St Joseph Flour Mills Co. Limited, Zerafa Brothers Limited, and St Publius Flour Mills Co. Limited from the said companies to Federated Mills Limited.
- L.N. 55 of 1996.
- (i) The duty otherwise chargeable in terms of the provisions of article 42 of the Duty on Documents and Transfers Act, in respect of the transfer of marketable securities between persons who are married or were formerly married to each other, consequent to a consensual or judicial separation or to a divorce between such persons, shall not be levied.
- L.N. 23 of 1998.
- (j) As from the 16th January, 1998, the duty otherwise chargeable in terms of the provisions of article 27 of

the Duty on Documents and Transfers Act shall not be levied in respect of the policies of insurance listed hereunder:

Aviation;
Marine Cargo;
Marine Hull or Boat; and
Export Credit and Suretyship.

- (k) As from the 1st January, 1999, the increase in duty otherwise chargeable in terms of the provisions of article 32(2) of the Duty on Documents and Transfers Act in respect of transfers of immovable property requiring a permit by the Minister under the Immovable Property (Acquisition by Non-Residents) Act, and provided the application for such a permit was made to the Minister after the 31st December, 1998, shall be reduced to three per cent of the amount or value of the consideration for the transfer of the immovable property or of the value of the immovable property, whichever is the higher. L.N. 275 of 1993.
- (l) As from 23rd November, 1999, the duty otherwise chargeable in terms of the provisions of article 32(1) of the Duty on Documents and Transfers Act, shall be reduced to €5 for every €100 or part thereof of the amount or value of the consideration for the transfer of such thing or of the value of such thing, whichever is the higher. L.N. 196 of 1999
- (m) As from the 23rd November, 1999, the increase in duty otherwise chargeable in terms of the provisions of article 32(2) of the Duty on Documents and Transfers Act in respect of transfers of immovable property requiring a permit by the Minister under the Immovable Property (Acquisition by Non-Residents) Act, and where the relevant application for such a permit was made to the Minister after the 22nd November, 1999, shall not be levied. L.N. 197 of 1999.
- (n) As from the 1st June, 2000, the duty otherwise chargeable in terms of article 36 of the Duty on Documents and Transfers Act in respect of the assignment of a right involving "intellectual property", defined for the purposes of the exemption as "any trademark, copyright, design right or any other similar right whether registered under national legislation or not", shall not be levied. L.N. 90 of 2000.
- (o) As from the 1st June, 2001, the duty otherwise chargeable in terms of article 36 of the Duty on Documents and Transfers Act in respect of the assignment involving international factoring operations shall not be levied, provided that such operations are carried out through entities registered and licensed either as banks or financial institutions in Malta and both the debtor and the client of those L.N. 172 of 2001.

entities relating to any assignment involving international factoring operations are situated outside Malta.

L.N. 310 of 2007.

- (p) As from the 16th October, 2007 in respect of transfers *inter vivos*, and on every declaration made in accordance with article 33 in respect of persons from whom the transfer *causa mortis* originates who died on or after the 16th October, 2007, the duty otherwise chargeable in terms of the said Act, shall be reduced and levied as follows:
- (i) in terms of the provisions of article 32(4)(a) thereof, in such manner as for the words "in respect of the first seventy thousand euro (70,000) or such greater amount as may be prescribed," there shall be substituted the words "in respect of the first one hundred and seventeen thousand euro (117,000) or such greater amount as may be prescribed,";
 - (ii) in terms of the provisions of article 32(4)(b)(i) thereof, in such manner as for the words "do not exceed seventy thousand euro (70,000)" there shall be substituted the words "do not exceed one hundred and seventeen thousand euro (117,000)";
 - (iii) in terms of the provisions of article 32(4)(b)(ii) and in article 32(4)(c) thereof, in such manner as for the words "seventy thousand euro (70,000)", there shall be substituted the words "one hundred and seventeen thousand euro (117,000)";
 - (iv) in terms of article 40(3) thereof, in such manner as for the words "the duty chargeable under this Act on the first three thousand and five hundred euro (3,500) or such greater amount as may be prescribed of the yearly ground-rent" there shall be substituted the words "the duty chargeable under this Act on the first five thousand and eight hundred and fifty euro (5,850) or such greater amount as may be prescribed of the yearly ground-rent"; and
 - (v) in terms of the provisions of article 35 thereof, immediately after sub-paragraph (ii) of subarticle (2) thereof, there shall be inserted the new sub-paragraph:
 - "(iii) where such property consists of a dwelling house, being the ordinary residence of the person from whom the transfer originates, and the beneficiary of such residence is the surviving spouse, no duty shall be levied at the time of the transfer, provided that if such residence is transferred by the surviving

spouse during the lifetime of such surviving spouse, the duty which would have been payable on the death of the predeceased spouse shall be levied at the time of the transfer by the surviving spouse.".

- (q) As from the 1st of January 2012 but not after the 31st December 2013, the duty otherwise chargeable in terms of article 32(1) of the Duty on Documents and Transfers Act, on the transfer of shares in a property, which is used for purposes of private residence only, between an individual who will have acquired his shares in the property by means of a transfer *causa mortis*, to another individual who is an heir and who is a part-owner of the same property, shall not be charged. Together with the application for exemption, the applicant shall submit a certificate issued by the Malta Environment and Planning Authority certifying that the property which is the subject of the exemption falls under a development area known as "Urban Conservation Area" (UCA), or as a scheduled property under Grade 1 or Grade 2 in accordance with article 81 of the Environment and Development Planning Act. This exemption shall not apply to a body or other association of persons whether granted legal personality, in accordance with the provisions of the Second Schedule to the Civil Code, or not. L.N. 157 of 2012.
- (r) With effect from the 1st of January 2013, the duty otherwise chargeable in terms of article 32(1) of the Duty on Documents and Transfers Act on the purchase by persons or companies of property outside an "Urban Conservation Area" (UCA) but within specified zones identified by the Malta Environment and Planning Authority, for the purpose of restoration and development, shall be reduced to the rate of two euro per one hundred euro or part thereof, subject to the conditions and parameters issued by the Malta Environment and Planning Authority. Together with the notice referred to in article 51 of the Duty on Documents and Transfers Act, there shall be submitted a certificate issued by the Malta Environment and Planning Authority establishing the conditions under which the restoration and development is permitted on the property in question. L.N. 260 of 2013.