



GUIDELINES ON THE ECO CONTRIBUTION DUE IN RESPECT OF THE PROVISION OF LICENSABLE ACCOMMODATION

Issued by the Commissioner for Revenue in his capacity as the competent authority in terms of the Eco Contribution Act (Cap 473)

1. Introduction

With effect from the 20th day of June 2016, an eco contribution on stays in licensable accommodation will be due at the rate of €0.50 per person per night. This is subject to a number of conditions and exceptions as set out in the Eco Contribution Act (“the Act”) including the Schedules thereto.

These guidelines provide some additional information and a number of clarifications of the relevant provisions as are specifically relevant to the application of the eco contribution to the provision of licensed accommodation.

2. Persons liable to collect the eco contribution

The Act provides that the person liable to collect and pay the eco contribution (referred to as “the producer” in the Act) is the person who provides accommodation in any premises which for the purpose of providing such service requires to be licensed in virtue of the Malta Travel and Tourism Services Act or any other Act which may be substituted thereof.

For the avoidance of doubt, the person liable to collect the eco contribution is the person in whose name the property in which the licensable accommodation is provided is licensed or licensable (hereinafter “the license holder”). Such person may enter into agreements with any third party for the latter to collect the eco contribution on his behalf but the ultimate responsibility and liability for the eco contribution cannot be shifted or delegated and remains at all times imposed on the license holder.

Furthermore, where the person who provides the licensable accommodation is not the license holder but an operator who is registered with the Malta Tourism Authority (hereinafter “the operator”), then, subject to prior formal notification being provided to the Malta Tourism Authority, the license holder may delegate to the operator the collection and payment of the eco contribution due in respect of the said accommodation, together with the reporting thereof, so however that should the operator fail to fulfil any of its statutory obligations relative to collection, payment and/or reporting relative to the eco contribution, the Commissioner shall at any time be entitled to direct that such statutory obligations shall be imposed on the license holder and that this direction shall have retrospective and/or prospective effect as he may deem fit.

In the event that formal notification by the license holder and the operator is not given to the Malta Tourism Authority, then the responsibility and liability for the eco contribution remains at all times imposed exclusively on the license holder.

3. Time when the eco contribution is chargeable

For the avoidance of doubt, eco contribution is due per night when the licensable accommodation is made available to the particular guest, irrespective of whether actual use thereof is made by the guest.

4. Filing of returns

- A. A set out in Item 2 of the Third Schedule to the Act, returns are due on a quarterly basis.

- B. However, that the returns covering the period from the 20th day of June 2016 to 31st day of December 2016 shall be filed as follows: The first return shall cover the period from the 20th day of June 2016 to the 31st day of October 2016 and such return shall be due for filing by the 15 December 2016, together with the eco contribution due for the said period. The amount of eco contribution due will be the amount chargeable for the period less a onetime credit of 15% thereof. The second return shall cover the period from the 1st day of November 2016 to the 31st day of December 2016 and shall be due by the 15 February 2017 together with the eco contribution due for the said period.

The return is to be filed online on the [website](#) facilities provided by the Commissioner for Revenue (VAT Department).

Payment of eco contributions due has to be affected using Internet Banking facilities, unless direct payment by cash/cheque has been approved by the Commissioner for Revenue.

5. Registration

(i) General principle

Item 1 of the Third Schedule lays down the general rule that providers of licensable accommodation must register for the purposes of collecting and paying the eco contribution.

Registration needs to be effected through submission to the VAT Department or the Malta Tourism Authority. Persons who are already registered for eco contribution purposes are still required to submit a further registration application indicating that they will be providing qualifying services and their current eco contribution registration number.

For the purposes of completing the registration application form, persons who provide licensable accommodation as at the date of these guidelines or at any time prior to the 20th day of June 2016 should include the date 20th June 2016 as being the Activity Start Date. Furthermore, the following information should also be included:

HS CODE NUMBER = "S201001"

DESCRIPTION = "Provision of licensable accommodation"

Number of Units = MTA reference of license number.

(ii) Registration of persons possessing a license issued by the Malta Tourism Authority as at the date of these Guidelines

Notwithstanding the above, the Commissioner for Revenue will, in terms of his powers under the Act, proceed to register those persons who, as at the date of these Guidelines, are in possession of a license issued by the Malta Tourism Authority. Such persons will be notified of such registration.

6. Receipt for eco contribution paid by guests

Item 3 of the Third Schedule to the Act provides that a receipt in the form supplied or approved by the competent authority must be issued for the eco contribution paid by a guest. The form of receipt to be used for this purpose is that set out in Article 51 and the Thirteenth Schedule to the Value Added Tax Act (Chapter 406). This means that the amount of eco contribution paid must be disclosed in a fiscal receipt that is provided or approved in terms of the VAT Act.

Due to the fact that the amount of eco contribution is not part of the fee or consideration paid or payable for the accommodation, the eco contribution amount paid must be disclosed separately from the accommodation (and related) fees in the fiscal receipt.

This principle applies both to accommodation providers who use manual fiscal receipt books provided by the VAT Department as well as those who issue fiscal receipts from point of sale systems approved by the VAT Department.

7. Age of guests

Unless documentary evidence to the contrary is provided, it is assumed that all guests are or have been 18 years of age or older at the time when the accommodation was provided. For the purpose of proving that any guest had not yet reached the age of 18 years at the time the accommodation was provided, documentary evidence consisting of any of the following needs to be provided to the satisfaction of the competent authority:

- a. Passport of the guest, whether the guest has his own passport or is specifically referred to in the passport of another guest;
- b. An identity card or other official identification document issued by the Government of any state, country or jurisdiction;
- c. A birth certificate;
- d. Any other document as may be acceptable or approved by the Competent Authority.

8. Multi-centre holidays

When during a visit (as defined in the Second Schedule to the Act) a guest stays in more than one licensable accommodation and requests that for a second or subsequent accommodation the eco contribution due is capped on the basis of previous eco contributions made, evidence satisfactory to the Commissioner supporting such reduction must be retained. Such evidence should include a copy of the receipt provided by the previous accommodation provider/s as set out in point 6 of these guidelines as well as such other information as the Commissioner may request from time to time.