

Department of Contracts
Notre Dame Ravelin
FLORIANA

To Permanent Secretaries
Directors General
Directors
Heads of Public Sector Organisations

14 April 2021

OBLIGATION TO DECLARE DIRECT IMPORTS AND EXPORTS FROM THE EUROPEAN UNION

The Department of Contracts, as part of its regulatory role, in liaison with the National Statistics Office (NSO), is hereby reminding all Contracting Authorities of their legal obligation in respect of the Declaration of Direct Imports and / or Exports from the European Union (EU) as established in the Subsidiary Legislation 406.08 titled ‘Value Added Tax (Collection of Supplementary Information) Regulations’. In addition, the regulation obliges all VAT-Registered Contracting Authorities¹ to provide all relevant information in the Intrastat Supplementary Declaration System which is accessible through www.intrastat.gov.mt.

Therefore, when a Contracting Authority is carrying out a Procurement Procedure which involves the direct import and / or export of goods / supplies to and from an EU Member State, the legal responsibilities necessitate the provision of Supplementary Information through the Intrastat Form in line with S.L. 406.08.

In fact, Regulation 3 of S.L. 406.08 relates to the aforementioned declaration through a ‘System of Collection of Supplementary Information’ as detailed below:

3(1) A system for the collection of supplementary information is hereby being established and shall compile all statistics relating to the trading of goods between Malta and other Member States.

3(2) All persons who trade in Community goods² between Malta and the other Member States shall be required to submit supplementary information relating to the goods being traded as may, from time to time, be required.

¹ Contracting Authorities may use the VIES website https://ec.europa.eu/taxation_customs/vies/vatResponse.html to check whether the VAT number is valid for Intra-Community Trade.

²Community Goods means goods: (i) entirely obtained in the customs territory of the Community, without the addition of goods from non-member countries or from territories which are not part of the customs territory of the Community; (ii) deriving from countries or territories not forming part of the customs territory of the Community which have been released for free circulation in a Member State; (iii) obtained in the customs territory of the Community either from the goods referred to exclusively in paragraph (ii) hereof or from the goods referred to in paragraphs (i) and (ii).

3(3) All Community goods traded between Malta and the other Member States shall be subject to the submission of supplementary information as required by these regulations: Provided that goods shall be considered as moving between Malta and the other Member States even if in so doing they cross the external frontier of the Community and whether or not they subsequently enter the territory of a non-Member State.

3(4) The supplementary information required for the purposes of the system of collection of supplementary information shall be stipulated by the Commissioner [for Revenue] in an apposite format and shall be submitted by the persons responsible, or their authorised agent, in periodic declarations.

Accordingly, all Contracting Authorities shall ascertain adherence to the relevant processes and instructions emanating through the Commissioner for Revenue.

Furthermore, in support to Regulation 3 of S.L. 406.08, Contracting Authorities may wish to refer to Article 7 (Parties Responsible for Providing Information) of Regulation EC 638/2004 titled ‘Community Statistics relating to the Trading of Goods between Member States’.

Compilation of the Intrastat Supplementary Declaration System

The National Statistics Office has an organised approach that allows for the proper management of the Collection of Supplementary Information process whilst ascertaining that the system is in line with the provisions arising from relevant legislation as well as any auditing requirements.

To this effect, any Contracting Authority *importing / exporting* Community Goods directly from / to countries in the European Union shall follow the below process:

- Step 1: Register for an Intrastat Account

The Contracting Authority shall register for an Intrastat Account by sending an email on intrastat@gov.mt. Accordingly, the National Statistics Office shall request the Contracting Authority to fill-in and sign the relevant form. Once the account is created, it must be activated within 48 hours.

- Step 2: Declaration of Imports / Exports

The Contracting Authority shall use the online Intrastat Supplementary Declaration System (www.intrastat.gov.mt) to declare any Import / Export from / to the EU Countries only

(including Northern Ireland). Declarations for Imports are labelled as ‘New Arrival’ whereas Declarations for Exports are labelled as ‘New Dispatch’.

- **Step 3: Declaration of Imports / Exports in the same Month**
The Contracting Authority shall submit a Declaration in the same month of the acquired imports and / or exports.

The National Statistics Office advised that the Supplementary Declaration System is not regularly updated. Accordingly, with immediate effect (and no later than 30 June 2021), Contracting Authorities shall complete the required information on imports (and exports if applicable) that took place during 2019 and 2020. It is also recommended that information pertaining to imports / exports of previous years is also included.

Thereafter, as of 2021, Contracting Authorities shall commit to fill-in the Supplementary Declaration System in the same month when the imports / exports took place to obtain real time information.

Submission of Statistical Information

Further to the compiling the required information on the Intrastat Supplementary Declaration System, each Contracting Authority shall also submit a bi-annual return of the direct imports / exports undertaken. Such information shall be forwarded to the National Statistics Office on intrastat@gov.mt by not later than one month from expiry of the allocated time frames.

Therefore, the NSO is expecting to receive the submission of the Statistical Information as detailed below:

Month of Direct Import / Export	Submission to NSO
January till June	End of July
July till December	End of January

Furthermore, if no direct imports / exports took place in any given period, a nil reply from each Contracting Authority should also be communicated to the National Statistics Office.

With specific regard to imports (and exports, if applicable) that took place during 2019 and 2020, it is important that the National Statistics Office obtain such information (including the online submission of all declarations for imports / exports done during these years) by 30 June 2021.

Additional Information

For additional information on the Intrastat Supplementary Declaration System, Contracting Authorities are encouraged to read through the various guidelines and notes provided through <https://nso.gov.mt/en/nso/Intrastat/Pages/Supplementary-Declarations.aspx>.

The obligations stemming from S.L. 406.08 (and any applicable exclusions), which falls under the Commissioner for Revenue, may be reviewed on MJEG's³ website, specifically through <https://legislation.mt/eli/sl/406.8/eng>.

The full provisions relating to Regulation EC 638/2004 may be viewed through <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32004R0638&from=EN>

Contact

Contracting Authorities are encouraged to submit any queries to the National Statistics Office on intrastat@gov.mt or +356 25997161 / +356 25997168. Alternatively, one may contact directly Mr Joseph Galea, Head of the International Trade Statistics Unit on +356 25997164.

In addition, one may also seek assistance from the Department of Contracts' Customer Care service on info.contracts@gov.mt or +356 21220212.

Anthony Cachia
Director General (Contracts)

³ MJEG: Ministry for Justice, Equality and Governance