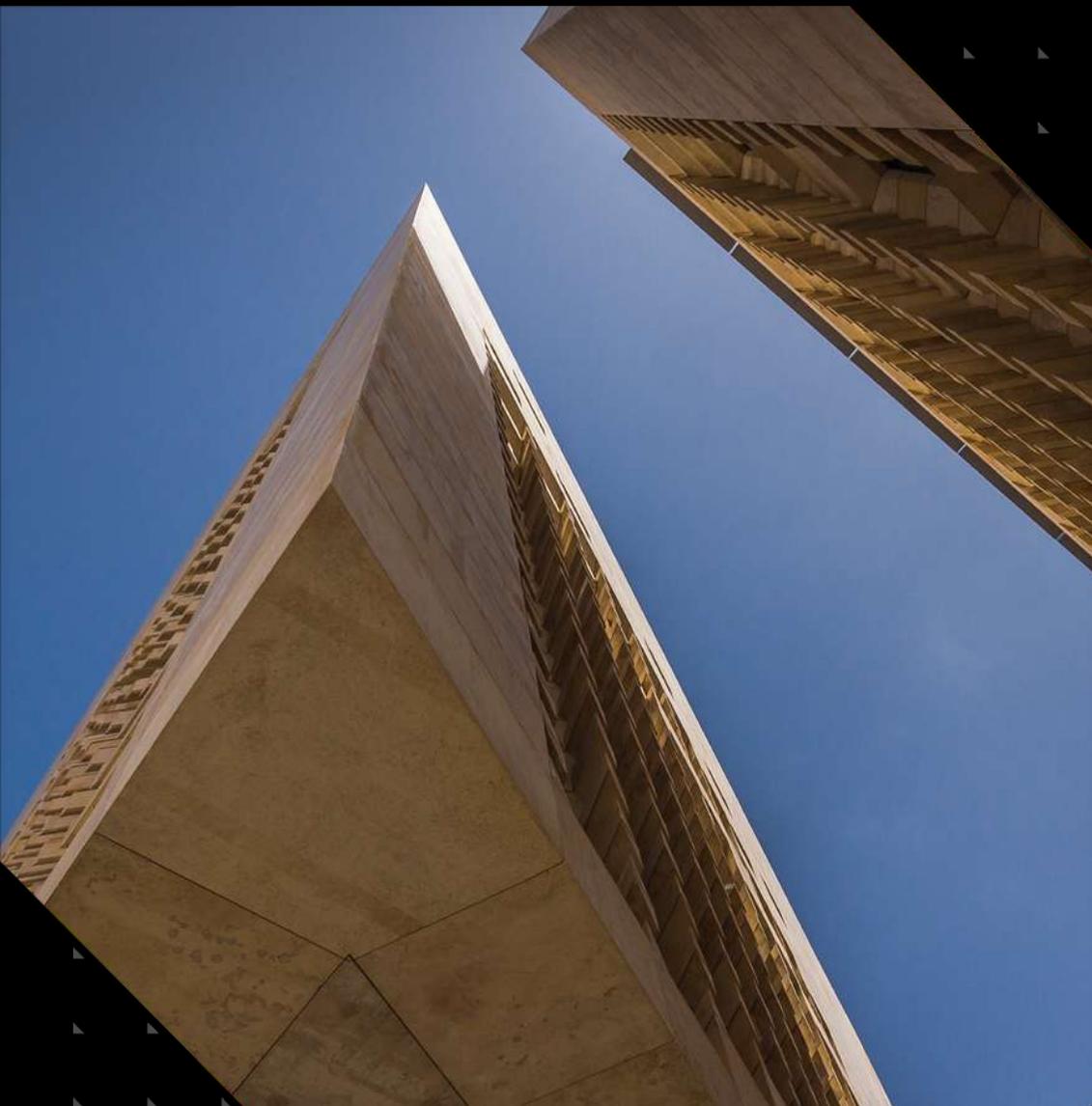


Zampa
Debattista



MALTA BUDGET
2022

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About Zampa Debattista

Zampa Debattista was founded in 2014 by Matthew Zampa and John Debattista.

Before kicking off their own venture, the partners had accumulated over a decade of experience in accounting and assurance, developing a specialisation – respectively – in Indirect Taxation and Financial Reporting.

Since then, Zampa Debattista has grown to a 360-degree business advisory also covering areas such as Direct Taxation and Assurance.

In 2019, the company launched ZD Academy, an innovative platform offering highly technical courses for accountants and auditors.

Today, Zampa Debattista unites more than 45+ highly trained and dedicated professionals.

As a mid-size company, it offers a comprehensive range of services while maintaining its original, small firm's personal approach.

We aim to raise the profession with *Integrity, Honour and Passion*

The Partners



John Debattista
Founding Partner

John is one of the founding partners at Zampa Debattista and heads the Assurance function of the office. He is the IFRS leader and acts as an advisor on highly technical IFRS issues. John lectured at the final stages of the ACCA, namely the Corporate Reporting paper. John also lectured the ACA course for the ICAEW, Institute Chartered of Accountants for England and Wales, namely the Corporate Reporting paper. John is also a speaker in various audit and accounting seminars delivered by a number of institutes in Malta. He also lectured the Diploma in IFRS provided by the Malta Institute of Accountants (DipIFR).



Matthew Zampa
Founding Partner

Matthew is a certified public accountant specialised in indirect taxation. He has been specializing in VAT since 2008 and has been involved in complex VAT assignments both within and outside of Malta. A member of the Malta Institute of Accountants, Matthew is also a part-time lecturer with the Malta Institute of Taxation. Matthew is also the first Maltese to successfully complete the Expert in EU VAT degree. This coveted degree is administered and awarded by the VAT Forum, an international partnership of indirect tax specialists, founded in 1999. He forms part of Malta Institute of Accountants tax committee and is a member of the indirect taxation committee of the Malta Institute of Taxation.



Kris Bartolo
Partner

Kris is a Certified Public Accountant and Registered Auditor specialising in assurance services and international financial reporting standards. He graduated from the University of Malta after completing the Bachelor of Accountancy (Honours) Degree. Following four years as an audit senior at a medium-sized audit and accountancy firm, Kris joined Zampa Debattista, a boutique accounting and assurance firm primarily focused on international business, managing the audit function. Throughout his work experience he was exposed to assurance assignments on wealth management, pension funds, gaming companies, shipping, manufacturing and retail. In 2021, he was appointed a Partner at Zampa Debattista.

Highlights



COLA of €1.75 per week



Grant on electric or hybrid vehicles will increase up to €11,000, and up to €12,000 if a scrappage scheme is used



Tax Refunds – Cheques will continue to be received, amounts will range between €60 and €140



Tax on income derived from part time employment will be reduced at a rate of 10%.



Artists' income to be taxed at 7.5% as of Basis Year 2022



Pensions will increase by €5 per week. This is comprised of a COLA of €1.75 together with a €3.25 increase in pensions.

We invite you to go through the salient measures announced during yesterday's budget speech. Get in touch with us if you require any further info.



COLA:

- This year's cost of living adjustment will be of €1.75 per week.
- Additional cost of living increases for low-income families.
- New mechanism with respect to the calculation of the Cost-of-living adjustment will be introduced. Discussions shall begin with the relevant stakeholders within this sector, which is to be treated as one of the top priorities for the Government.

Students:

- Increase of 10% in students' stipends.
- Every student who is eligible for a stipend will be allowed to work a maximum of 25 hours per week.
- SEC exams will be held at the students' respective schools in order to decrease the effects of stress of taking such exams.
- €10,000 per year is to be provided to the heads of each state school to support disadvantaged children. Such funds are to be utilised to ensure these children have access to basic resources.

Public Transport:

- Free public transport as from 1st October 2022 to all Maltese and Gozitan residents and holders of the tal-linjacard, to encourage better use of public transport and reduce congestion on the roads.

Social Measures



Employee Benefits:

- People working atypical hours such as nights and weekends, and whose income does not exceed €20,000 per annum and have been working for at least 6 months, will get a benefit equivalent to 10% of the income tax they pay.
- In-work benefits paid to parents with children under 23 years of age will be improved.
- Workers working within the public sector or working for a contractor, will receive double pay when working on Sundays.

Medical Assistance:

- Elderly people, aged 80 and over, already receiving the Supplementary Assistance, will automatically become eligible for free medical assistance.

Children:

- The grant for the birth of a child or adoption of a child will increase by €100, to €400 per child.
- Extension to free childcare services.



Disabled:

- Allowance for children with a disability (physical or mental) will increase by €5 per week.
- The grant for parents who stop working to care for their disabled child (over 16 years of age) will increase from €300 to €500.
- Increase in the 'Carer at Home' grant from €6,000 to €7,000 per year.
- Increase in the subsidy rate for the 'Home Helper of Your Choice' scheme, from €5.50 per hour to €7 per hour.
- New community hub designed for disabled to encourage independence.
- The acquisition of 'drive from wheelchair' vehicle, to teach those with disabilities how to drive.
- Vouchers to be provided to parents of children (up to 5 years old) who require the service of Occupational Therapy. These vouchers may be used for private occupational therapy.
- Investment in autism units and braille machines for schools.



- Companies with unused capital allowances for basis year 2020 or 2021 which were not absorbed due to pandemic-induced losses will be able to surrender such capital allowances to other entities forming part of the same group in order to reduce the chargeable income. Such benefit will be applicable for financial year 2021 (year of assessment 2022).
- A tax benefit will be provided by the Malta Enterprise for those companies who retain a percentage of their profits within their business or decide to reinvest such profits in another business, subject to the fact that such investment is conducted within two years from 1 January 2022.
- Amnesties on penalties for unpaid income tax and VAT rates will no longer be the norm as the government has pledged a crackdown on tax cheats. As of June 2022, interests on unpaid tax and VAT will be hiked to 7.2% per year/ 0.6% per month.

Income Tax



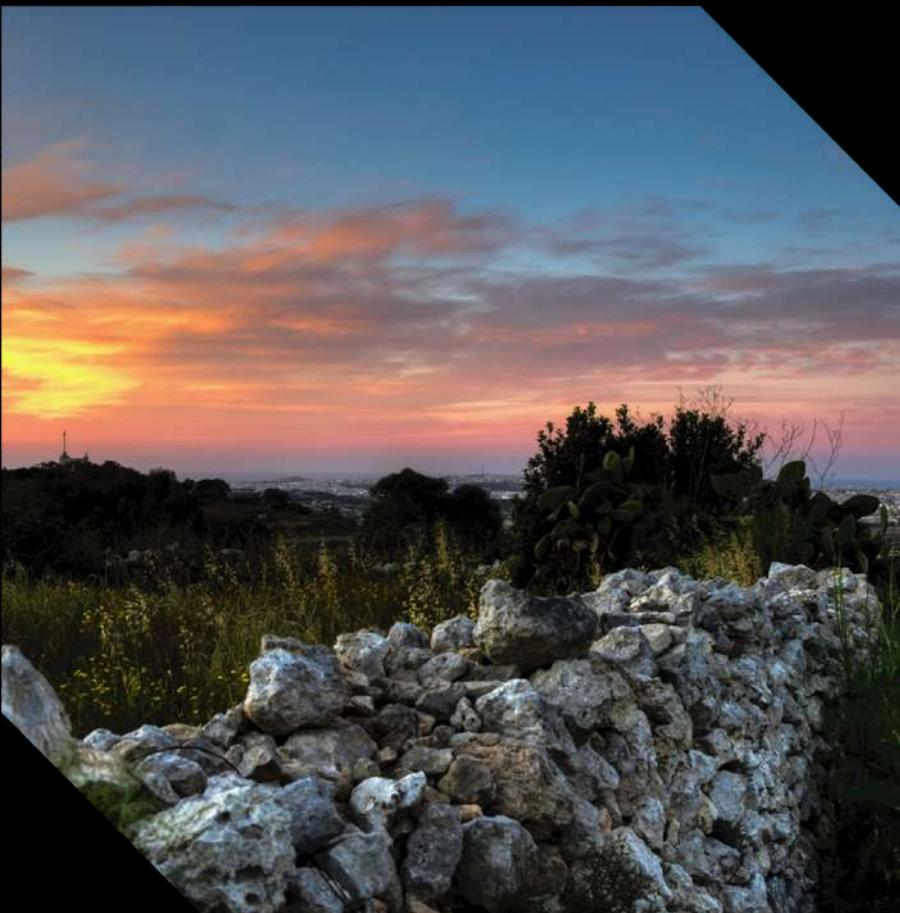
- Workers earning a basic salary of up to €20,000 annually and who are not in a managerial position will be eligible for a 15% tax rate on the first €10,000 derived from overtime.
- Pensioners who are still in employment will not treat the pension income as part of the total chargeable income for tax purposes.
- The applicable tax rate on income derived from part-time employment will be reduced from 15% to 10%.
- Annual tax refund will continue throughout 2022. Refunds will range between €60 and €140.
- A tax rate of 7.5% will be applicable on artists' income (taken as a 3-year average) as from basis year 2022.

Pensions



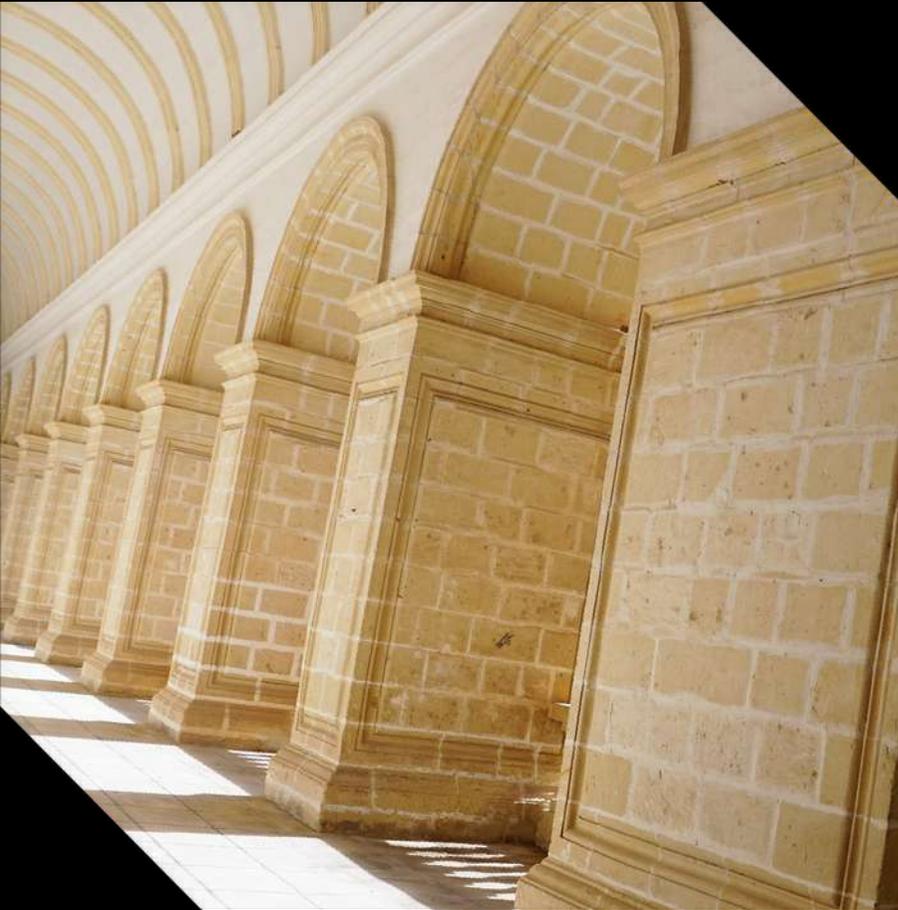
- Each pensioner will receive an extra €260/year equivalent to €5/week. €1.75 of which represents the COLA, whilst the remaining €3.25 represents an additional increase to pensioners.
- The supplementary allowance for married pensioners who do not earn more than €14,318 will increase to an amount between €3.47 and €6.50 a week, depending on their income.
- Single pensioners, including widows and widowers, whose income does not exceed €10,221, will receive between €4.10 and €5 per week.
- Taxable ceiling on pensions is being raised to €14,318 to complement the increase in pensions. Couples on the married tax band will continue receiving an extra €3,600 which is tax exempt.
- Widow pensioners who do not earn more than €10,221 will receive between €10 and €15 in increases, equivalent to €520 and €780 in a year.
- Service pensions to increase by €200.
- An increase on the annual bonus will be provided to individuals who have reached their retirement age but do not qualify for a pension, as they did not accumulate sufficient social security contributions. For those persons who paid social security contributions for less than 5 years, their annual bonus will increase to €400 per year, whilst for those who paid them for more than 5 years, the bonus will increase to €500 per year.
- Part-time workers will now be allowed to pay social security contributions on more than one part-time job, up to 40 hours a week of employment.

Environmental Measures



- The government will help local enterprises which are investing in sustainable projects to become more attractive to foreign investors, as this will contribute to Malta's economic development. Further incentives will be provided to support companies and individuals to invest in renewable energy sources and further education on more efficient use of energy resources will be provided.
- Schemes to encourage the purchase of solar panels, solar water heaters, heat pumps and other similar devices will be extended.
- Plans to boost funding to equip public buildings with solar panels.
- Increased benefits for low-polluting cars, in particular, plug-in hybrids and electric cars. Grant for plug-in hybrids and electric cars will rise by €3,000, from € 8,000 to €11,000. This will rise to €12,000 where the scrappage scheme is also utilised.
- Scrappage scheme for vehicles in Gozo will increase from €1,000 to € 2,000.
- VAT refunds for bicycles and electric bikes will be extended.
- Existing schemes for scooters, pedelecs and other similar transport will remain applicable.

Immovable Property & Stamp Duty Measures



Immovable Property Measures:

Properties which have been built for over 20 years and have been vacant for more than 7 years, properties which are in an Urban Conservative Area and newly built traditional Maltese houses will benefit from the following:

- No capital gains tax and stamp duty obligations will be applicable on the first €750,000
- VAT Refund of €54,000 on the first €300,000 on the restoration of such properties
- For a property located in Malta a grant of €15,000 is applicable, whilst if property is located in Gozo, the grant will increase to €30,000.

Stamp Duty Measures:

- The reduced stamp duty rate of 1.5% upon the transfer of a family business to dependents will be further extended.

Other Measures



Sport:

- Investment in sports facilities, including the Marsa Complex, an Olympic-sized swimming pool, water polo pitches and football grounds.
- Plans to build outdoor velodrome in Ta' Qali.
- €20 million investment for motorsport facility.

Renovation & Modernisation:

- Modernisation and renovation of local schools within Malta and Gozo, including renovations of electrical supplies and investments in air conditioning in schools.
- An investment in the renovation of Malta's Grand Harbour infrastructure for ease of access for both merchant and commercial ships.

Refugees & Humanitarian Assistance:

- Humanitarian assistance to countries in turmoil, including India, Dominican Republic, Libya and Tunisia will be provided.
- Further focus on the return of rejected asylum seekers to their original countries as well as relocation to other Member States.

Other Measures



Individuals Well-Being:

- Introduction of an online portal for employees and employers which will provide access to templates for employment contracts.
- Service of community policing to begin in a number of localities as from 2022.

Film Industry:

- Further work on the masterplan of the Malta Film Studios to build the first soundstage will continue during 2022. The preliminary aim of this project is to create employment in this industry.

EU Funding:

- Malta has been provided with €2.27 billion in EU Funds for the period 2021–2027.
- In line with the EU Recovery Facility, Malta will benefit from a further €320 million of financing.

Grey Listing:

- Attorney General's office to develop specialised prosecution function whilst police to focus on inspections of offences.

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