

SUBSIDIARY LEGISLATION 123.107
DEDUCTIONS AND TAX CREDITS
(RELEVANT QUALIFICATIONS FOR
INDUSTRY) RULES

1st January, 2017

*LEGAL NOTICE 175 of 2017, as amended by Legal Notices 207 of 2017
283 of 2020 and 287 of 2021.*

1. (1) The title of these rules is the Deductions and Tax Credits (Relevant Qualifications for Industry) Rules. Citation.

(2) These rules shall apply for applications received on or after the 1st January 2017.

2. In these rules, unless the context otherwise requires - Interpretation.
Amended by:
L.N. 287 of 2021.

"the Act" means the Income Tax Act; Cap. 123.

"the Commissioner" means the Commissioner for Revenue;

"Corporation" means the Malta Enterprise established under the Malta Enterprise Act; Cap. 463.

"guidelines" means the relevant guidelines as published by the Corporation from time to time;

"parents" mean the father or the mother and includes any person who has the care and custody, whether legal or actual, of a student;

"relevant qualification" means a certification, degree or post-graduate degree approved by the Corporation for the purposes of these rules, awarded on the successful completion of a relevant course and undertaken through a university, institution or another entity recognised by the Corporation;

"relevant course" means a course of studies leading to a relevant qualification;

"student" means an individual following a relevant course;

"study costs" means such fees paid by an individual to the university, institution or other entity recognised by the Corporation for the admission and attendance to the relevant course and for sitting for the examinations required to achieve the relevant qualification or as specified in the guidelines.

Tax credits.
 Amended by:
 L.N. 287 of 2021.

3. (1) Subject to the other provisions of this rule, an individual who is a student shall become entitled to the tax credit referred to in this rule when, after following a relevant course, he successfully completes that course.

(2) With effect from the 1st January 2017, the tax credit referred to in this rule shall be an amount as may be determined by the Corporation that shall not exceed seventy per cent (70%) of the study costs paid by the student for the period commencing on the date of the commencement of the relevant course till the end of the relevant course or on a date specified by the Corporation.

(3) The tax credit referred to in this rule shall be due as a deduction from the tax payable by the student on his chargeable income for the year of assessment commencing on the 1st January of the year immediately following that in which the relevant qualification is obtained, and any amount not absorbed by the tax payable for that year of assessment may be carried forward to be allowed as a tax credit for the subsequent ten years of assessment:

Provided that the beneficiary of the tax credit referred to in these rules may be the student or his/her parents, as the case may be.

Documentation
 required.

4. The tax credit referred to in this rule shall not be due unless the student submits to the Commissioner the following documentation, with the tax return for the first year of assessment for which the tax credit is claimed:

(a) a declaration that he is not and has not been entitled from any source whatsoever to any reimbursement of or compensation for the costs claimed as a tax credit or any part of those costs; and

(b) a copy of the certificate or an equivalent document issued by a university or institution recognised by the Department, providing the course in question, confirming the successful completion of the course by that individual; and

(c) a copy of the tax credit certificate issued by the Department confirming that the qualification obtained is a relevant qualification:

Provided that the Commissioner may require evidence confirming that such costs have been incurred and the authenticity of the certificate substantiating the claim for the tax credit.

Tax credit
 certificate.
 Amended by:
 L.N. 207 of 2017;
 L.N. 283 of 2020;
 L.N. 287 of 2021.

5. The tax credit certificate referred to in rule 4(c) shall be issued by the Corporation in terms of guidelines to be published in the Corporation's website following the application by a student, when the Corporation is satisfied that the application is a *bona fide* application that complies with the provisions of rule 3, and when,

after it has obtained all such information and made such ascertainment as it has considered necessary, it considers it appropriate so to do, it may determine that the course in question is a relevant course and determine the extent to which, in its opinion, the expenditure referred to in the application constitutes qualifying study costs and is necessary and reasonable in the light of the purpose for which it is incurred, and the amount so determined shall constitute the maximum qualifying study costs:

Provided that the Corporation shall not issue the tax credit certificate in respect of a course of studies that commences after the 31st December, 2023 or after such earlier date as the Corporation may specify by means of a notice in the Gazette:

Provided further that the Corporation shall not issue the tax certificate in respect of an application that reaches the Corporation after two (2) years from the day on which the relevant qualification is obtained.
