No. 1773

MINISTRY FOR FINANCE

Explanatory Notes
(for the purpose of article 3(2)(c) of Cap. 512 of the Laws of Malta)

1. Introduction

Title of Legal Notices	Value Added Tax (Declaration by Exempt Persons) (Repeal) Regulations, 2024; Value Added Tax (Recapitulative Statement of Intra-Community Transactions) (Amendment) Regulations, 2024; Value Added Tax (Tax Period) (Amendment) Regulations, 2024; Value Added Tax Act (Amendment of Third Schedule) Regulations, 2024; Value Added Tax Act (Amendment of Fifth Schedule) (Amendment No. 3) Regulations, 2024; Value Added Tax Act (Amendment of Sixth Schedule) Regulations, 2024; Value Added Tax Act (Amendment of Eleventh Schedule) Regulations, 2024; Value Added Tax Act (Amendment of Twelfth Schedule) Regulations, 2024; Value Added Tax Act (Amendment of Thirteenth Schedule) Regulations, 2024; Value Added Tax Act (Amendment of Fourteenth Schedule) Regulations 2024
Activity to be regulated	Value Added Tax
Responsible entity	Malta Tax and Customs Administration

2. Summary and background

On 18 February 2020, the Council of the European Union adopted Council Directive (EU) 2020/285 amending Directive 2006/112/EC on the common system of value added tax (the 'EU VAT Directive') as regards the special scheme for small enterprises and Regulation (EU) No 904/2010 as regards the administrative cooperation and exchange of information for the purpose of monitoring the correct application of the special scheme for small enterprises. These amendments to the EU VAT Directive shall apply to qualifying small and medium enterprises (the "SMEs") with effect from 1 January 2025. These new provisions are being introduced in an attempt to reduce the complexities, compliance costs and administrative burden currently faced by SMEs as well as to facilitate cross-border trade for SMEs.

The amendments to local legislation necessary for the transposition of the relevant European Directives/Regulations are being made through the following instruments:

The amending Act

Value Added Tax (Declaration by Exempt Persons) (Repeal) Regulations, 2024
Value Added Tax (Recapitulative Statement of Intra-Community Transactions) (Amendment) Regulations, 2024
Value Added Tax (Tax Period) (Amendment) Regulations, 2024
Value Added Tax Act (Amendment of Third Schedule) Regulations, 2024
Value Added Tax Act (Amendment of Fifth Schedule) (Amendment No. 3) Regulations, 2024
Value Added Tax Act (Amendment of Sixth Schedule) Regulations, 2024
Value Added Tax Act (Amendment of Eleventh Schedule) Regulations, 2024
Value Added Tax Act (Amendment of Twelfth Schedule) Regulations, 2024
Value Added Tax Act (Amendment of Thirteenth Schedule) Regulations, 2024
Value Added Tax Act (Amendment of Fourteenth Schedule) Regulations 2024

In terms of the current EU rules, the exemption relevant to SMEs only applies with respect to supplies carried out in a specific Member State by persons established in that Member State. As of 1st January 2025 SMEs established within the EU not established in the Member State in which the VAT is due may avail themselves of the said exemption in that Member State. Nevertheless, application of the SME exemption shall be subject to the satisfaction of the relevant conditions. Persons established outside the EU who are liable to VAT in a Member State shall not be eligible to apply for such an exemption.

3. Overview of the structure of the instruments

These amendments consist of two sets of instruments: (i) an Act amending the Value Added Tax Act (Chapter 406 of the Laws of Malta and (ii) various regulations amending a number of Schedules to the Value Added Tax Act (hereinafter referred to as "the amending Act") and Subsidiary Legislation, namely:

1. Value Added Tax Act (Amendment of Third Schedule) Regulations, 2024
2. Value Added Tax Act (Amendment of Fifth Schedule) (Amendment No. 3) Regulations, 2024
3. Value Added Tax Act (Amendment of Sixth Schedule) Regulations, 2024
4. Value Added Tax Act (Amendment of Eleventh Schedule) Regulations, 2024
5. Value Added Tax Act (Amendment of Twelfth Schedule) Regulations, 2024
6. Value Added Tax Act (Amendment of Thirteenth Schedule) Regulations, 2024
7. Value Added Tax Act (Amendment of Fourteenth Schedule) Regulations 2024
8. Value Added Tax (Tax Period) (Amendment) Regulations, 2024
9. Value Added Tax (Declaration by Exempt Persons) (Repeal) Regulations, 2024
10. Value Added Tax (Recapitulative Statement of Intra-Community Transactions) (Amendment) Regulations, 2024

4. Commentary

The principal changes brought about by the amending Act and the regulations are as follows:

Article 6 of the amending Act amending article 11 of the VAT Act

Article 6 of the amending Act comprises ten sub-articles which effectively replace the current article 11 of the VAT Act. This article sets out the special scheme for small enterprises for supplies made within Malta.

Article 7 of the amending Act introducing articles 11A and 11B to the VAT Act

Article 7 of the amending Act introduces two new articles: article 11A and article 11B. Article 11A comprises five sub-articles and sets out the special scheme for small enterprises in relation to supplies made within other Member States whilst article 11B comprises four sub-articles and sets-out the special scheme for small enterprises which is relevant to persons not established in Malta.

Value Added Tax Act (Amendment of Sixth Schedule) Regulations, 2024

These regulations consist of 2 regulations:

The first regulation is introductory and establishes the title and purpose of the Regulations as well as the date of entry into force (i.e. 1st January 2025);

The second regulation is divided into four sub-paragraphs:

sub-paragraph (a) which substitutes the title to the Sixth Schedule and includes a new section containing various definitions;

sub-paragraph (b) which effectively substitutes the current Part One of the Sixth Schedule to the VAT Act and sets out the special scheme for small enterprises for supplies made within Malta by persons established in Malta [article 11];

sub-paragraph (c) which effectively substitutes the current Part Two of the Sixth Schedule to the VAT Act and sets out the special scheme for small enterprises for supplies made in other Member States by persons established in Malta [Article 11A]; and

sub-paragraph (d) which effectively introduces a new part, Part Three, which sets out the special scheme for small enterprises for supplies made within Malta by persons established in other Member States [article 11B].

Article 11

With respect to article 11, the main changes emanating from the amending Act and the regulations are as follows:

1. In accordance with the new provisions, a person qualifies as a small enterprise and therefore is eligible for registration in accordance with article 11 if his Domestic annual turnover (i.e. the total annual turnover from supplies of goods and services, exclusive of VAT, made by a taxable person taking place within Malta, in accordance with the VAT place of supply rules, during a calendar year) does not exceed the Domestic threshold - i.e. €35,000.

2. With respect to persons registered or applying to be registered in accordance with article 11, in order to establish whether the turnover threshold is exceeded or otherwise, account shall be taken of:

a. the turnover of the person registered/applying to be registered; and
b. in the case of persons other than physical persons, the proportionate turnover of any related persons.

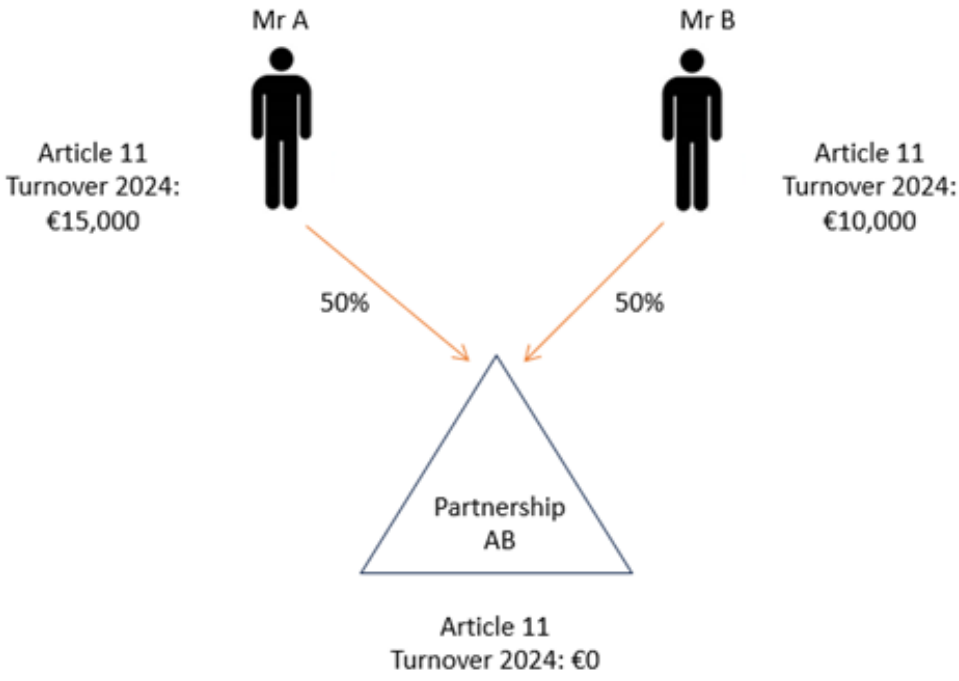
A person (including a physical person) shall be deemed to be related to a person registered or applying to be registered under article 11 where the latter person is owned or controlled, directly or indirectly, as to more than ten percent (10%) by the former person, or as may be prescribed by the Commissioner.

To illustrate how to calculate turnover for a person, other than a physical person, having applying to be registered under article 11 having related persons, consider the following examples:

Example A

As of 1 January 2025, Mr A and Mr B, both duly registered for VAT purposes in accordance with article 11, form a partnership (hereinafter "Partnership AB") which is also applying for VAT registration in terms of article 11. Mr A and Mr B have equal (50%) interests in the partnership. The relevant turnover for calendar year 2024 is as follows:

Mr A: €15,000
Mr B: €10,000
Partnership AB: €0 (has not started to operate yet)



In order to determine whether Partnership AB qualifies as a small enterprise and therefore is eligible to register for VAT purposes under article 11, account shall be taken of both the turnover of the partnership and that of its related persons (i.e. Mr A and Mr B). Calculation shall therefore be as follows:

Domestic annual turnover during the preceding calendar year (2024) – *Partnership AB*	€0
+ Turnover of related persons:	
Mr A:	
50% * €15,000	€7,500
Mr B:	
50% * €10,000	€5,000
TOTAL TURNOVER	**€12,500**

Therefore, Partnership AB is currently eligible for registration in accordance with article 11. Nevertheless, in the event that, during 2025, the turnover of Partnership AB together with the turnovers of Mr A and Mr B exceeds €35,000 at any point during the year, Partnership AB would no longer qualify as a small enterprise and therefore would have an obligation to shift to a VAT registration in accordance with article 10.

Example B

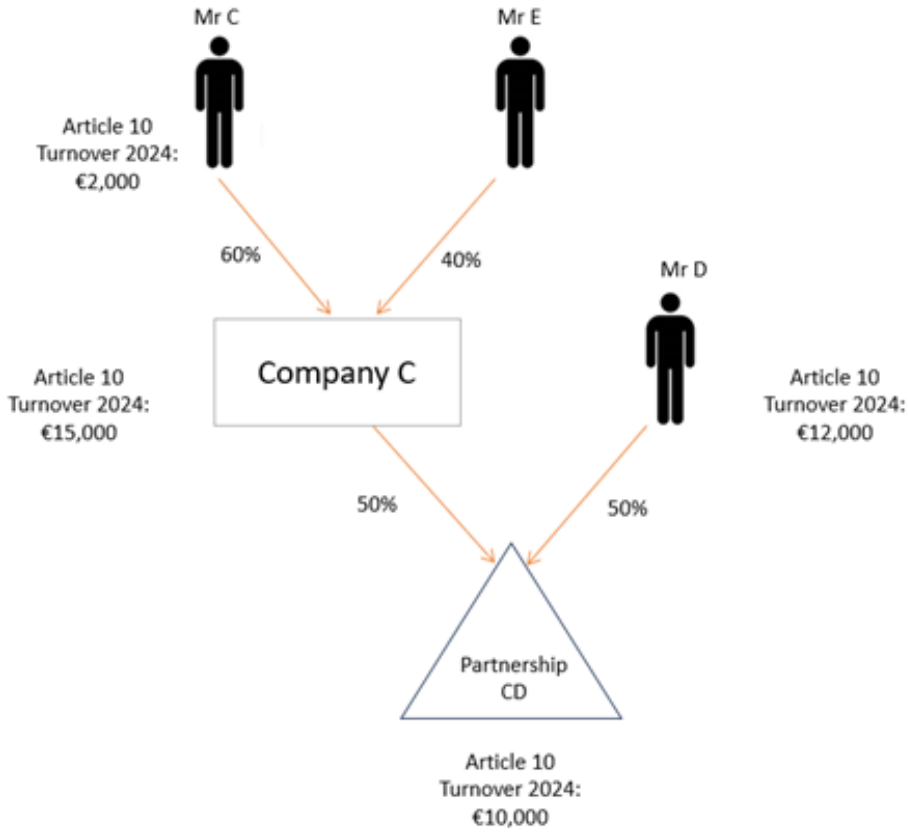
In January 2021, Company C and Mr D formed a partnership (hereinafter "Partnership CD") which is currently registered for VAT purposes in terms of article 10 (effective as of 1 February 2021). The partners would like to shift from an article 10 to an article 11 registration as from 1 March 2025.

In order to determine whether Partnership CD qualifies as a small enterprise and therefore is eligible to shift to an article 11 registration, the following points must be considered:

Company C and Mr D have an equal (50%) interest in the partnership;
Company C is owned by Mr C (60%) and his son Mr E (40%);
Mr C, Mr D and Company C are all duly registered for VAT purposes in terms of article 10 whilst Mr E is not registered for VAT purposes;

The relevant turnover for calendar year 2024 is as follows:

Mr C: €2,000
Mr D: €12,000
Company C: €15,000
Partnership CD: €10,000



Calculation:

Domestic annual turnover during the preceding calendar year (2024) – Partnership CD	€10,000
+ turnover of related persons:	
Company C:	
50% * €15,000	€7,500
Mr D:	
50% * €12,000	€6,000
Mr C:	
60% * €2,000	€1,200
TOTAL TURNOVER	**€24,700**

In view of the above, it is currently possible for Partnership CD to shift to an article 11 VAT registration. Nevertheless, in the event of such a shift, if the turnover of Partnership CD during 2025 is €35,000 at any point during the year, Partnership CD would no longer qualify as a small enterprise and therefore would have an obligation to shift to an article 10 VAT registration.

3. For the purpose of determining the "turnover" of both the person applying to be registered, or registered, under article 11, and the related persons, the value of the following supplies, exclusive of VAT, shall be taken into consideration:

a. the value of any supplies of goods and services which would have been taxed if supplied by a person registered under article 10.;

b. the value of any transactions which are exempt with credit in accordance with the following items of Part One of the Fifth Schedule:

i. item 1 relating to exports and like transactions;
ii. item 3 relating to intra-Community supplies;
iii. item 5 relating to the supply of services by brokers or other intermediaries;
iv. item 6 relating to sea vessels;
v. item 7 relating to aircraft; and
vi. item 8(1) relating to the supply of gold to the Central Bank of Malta.

c. the value of immovable property transactions, (exempt without credit) financial transactions referred to in item 3 of Part Two of the Fifth Schedule (consisting of credit, banking and other services) and (exempt without credit) insurance and reinsurance services (unless treated as "ancillary transactions" for VAT purposes).

In this respect, it is particularly relevant to note that:

whereas, to date, all exempt without credit supplies are excluded for the purpose of determining turnover for such purposes, as from 1 January 2025, certain exempt without credit supplies (as noted above) would need to be taken into consideration;

proceeds generated from disposals of tangible or intangible capital assets (including the sale of immovable property, insofar as such property classifies as a capital (rather than trading) asset) shall not be taken into consideration for the purposes of calculating turnover.

4. As of 1 January 2025, registration under article 11 shall take effect as:

From the date the Commissioner receives the relevant application; or
From the date of commencement of the economic activity, whichever later.

It is therefore not possible to back-date such registrations.

5. Declarations, typically covering a period of twelve (12) months (i.e. January to December of a given calendar year), are required to be submitted electronically. Registered persons may however opt for a shorter reporting period. The deadline for submission of such declarations is 15th February of the following year.

6. Where a person already registered under article 10 wishes to shift his registration from an article 10 to an article 11 registration, that person would not be in a position to do so during the first full twelve (12) calendar months from the date

of his article 10 registration. Nevertheless, the Commissioner may accept to shift a taxpayers registration from article 10 to article 11 if:

a) he is satisfied that that person qualifies as a small enterprise; and
b) that person has not claimed input VAT incurred on its purchases during his article 10 registration.

7. Where a person registered under article 11 ceases to carry on an economic activity, that person would have an obligation to apply for cancellation of his article 11 VAT number within fifteen (15) days from cessation.

8. A person registered under article 11 who no longer qualifies as a small enterprise would have an obligation to apply for cancellation of his article 11 VAT number and shift to a registration under article 10 within 15 days (rather than 30 days in accordance with the current rules) from the date on which that person's economic activity no longer qualifies as a small enterprise. Such cancellation shall take effect from the first day of the calendar month following the date on which that person no longer qualifies as a small enterprise.

9. When a taxable person, at any time, applies to cancel his article 11 registration, such cancellation shall take effect as from the first day of the following calendar month.

10. When the Commissioner has reason to believe that the taxable person no longer qualifies as a small enterprise, the Commissioner shall cancel such registration with effect from the date that the taxable person no longer qualifies as a small enterprise, as determined by the Commissioner.

11. For the sake of completeness and for the avoidance of doubt, sub-item 10 shall specify that persons registered under article 11 shall also be required to register under article 12 if:

a. making intra-Community acquisitions of goods or receiving services from suppliers established outside Malta for which he is liable to pay VAT; and
b. supplying services within the territory of another Member State for which VAT is payable solely by the recipient.

Registrations under article 11A

This new type of VAT registration is relevant to small enterprises established in Malta in relation to supplies made in other Member States.

Maltese businesses which qualify as a small enterprise and which carry out supplies taking place in another Member State in terms of EU VAT rules, may fulfil their VAT related obligations in such Member State by registering for VAT purposes in Malta in terms of the new article 11A and complying with the corresponding obligations. As a result, such small enterprises avoid the relevant foreign VAT registration and compliance obligations.

A taxable person typically qualifies for registration under article 11A where, at the time of application:

1. his Union annual turnover (i.e. the total annual turnover derived by a taxable person during a calendar year from supplies of goods and services taking place within the territory of the Community, exclusive of VAT) during the preceding calendar year is less than the Union threshold (i.e. €100,000); and

2. he carries out supplies in a Member State in which he is not established and where he is eligible to register for the (EU) special scheme applicable to small enterprises and the value of such supplies during the preceding year (or preceding two (2) years, as the case may be) does not exceed the threshold relevant to small enterprises in that Member State.

In order to apply for VAT registration in Malta in terms of article 11A, an application must be submitted electronically, via the web portal of the Malta Tax and Customs Administration (the "MTCA"). In this application, the applicant shall specify, in particular:

- the Member State in which he intends to avail himself of the special scheme (exemption) relevant to small enterprises;
- the turnover from supplies of goods and, or services carried out in Malta and in another Member State during the preceding year; and
- the turnover from supplies of goods and, or services carried out in Malta and in another Member State during the year of registration.

Such registration shall only take effect as from the date notified by the Commissioner to the taxable person.

Under the article 11A registration, a registered person would have the following obligations, in particular:

to inform the MTCA of any changes to the information provided upon registration, including the decision to:

avail himself of the scheme in a Member State other than those included in the initial application; and

cease applying the scheme in a Member State where he is not established.

to submit declarations for each calendar quarter, by not later than the last day of the month following the end of the respective calendar quarter, as follows:

Calendar quarter	**Submission deadline**
January to March	30th April
April to June	31st July
July to September	31st October
October to December	31st January

to inform the Commissioner within fifteen (15) working days from the date when the Union annual turnover threshold is exceeded and to submit a declaration covering supplies made from the beginning of the relevant calendar quarter up to the date the said Union annual turnover threshold is exceeded;

to update or cancel his registration within fifteen (15) working days from the date on which he no longer remains eligible to avail himself of the exemption relevant to small enterprises.

Registrations under article 11B

The article 11B registration is another new VAT registration type relevant to small enterprises established in another Member State in relation to supplies made in Malta.

Effectively, a person established in another Member State shall be deemed to have applied to register in terms of this new article 11B of the VAT Act once the Commissioner is notified by the relevant Member State of establishment of the taxpayers intention to avail himself of the small enterprise exemption.

Such registration may be approved by the Commissioner when the person qualifies as a small enterprise and therefore the following conditions are satisfied:

1. his Union annual turnover during the preceding calendar year is less than the Union threshold (i.e. €100,000); and

2. the Domestic annual turnover during the preceding calendar year does not exceed the Domestic turnover threshold (i.e. €35,000).

Such registration shall only be deemed to be effective as from the date the Commissioner notifies the Member State of establishment of his approval to register that person under this article 11B. Such notification must be issued within 15 working days after receipt of all requisite information.

Other Changes

Value Added Tax Act (Amendment of Third Schedule) Regulations, 2024

This Schedule has been updated to transpose the provisions of Council Directive (EU) 2022/542 of 5 April 2022 amending Directives 2006/112/EC and (EU) 2020/285 as regards rates of value added tax, particularly the changes to Articles 53, 54 and 59a of the VAT Directive. This Schedule has also been updated with cosmetic changes, mainly a shift of the provisions relating to the acquisitions threshold previously included under the Sixth Schedule to the VAT Act.

Value Added Tax Act (Amendment of Fifth Schedule) (Amendment No. 3) Regulations, 2024

This Schedule has been updated in order to feature the exemption without credit for supplies made whilst registered under articles 11, 11A and 11B.

Value Added Tax Act (Amendment of Sixth Schedule) Regulations, 2024

As explained above.

Value Added Tax Act (Amendment of Eleventh Schedule) Regulations, 2024

This Schedule has been updated in order to specify the record keeping requirements of persons registered under articles 11 and 11A.

Value Added Tax Act (Amendment of Twelfth Schedule) Regulations, 2024

This Schedule has been updated in order to cater for the update in reference for simplified invoices to the exemption for SMEs introduced in the Fifth Schedule to the VAT Act.

Value Added Tax Act (Amendment of Thirteenth Schedule) Regulations, 2024

This Schedule has been updated in order to cater for the update in reference to the exemption for SMEs introduced in the Fifth Schedule.

Value Added Tax Act (Amendment of Fourteenth Schedule) Regulations, 2024

This Schedule has been updated in order to consolidate the rules relating to the cash accounting schemes currently contained under Part 1 and 3 of that Schedule into 1 Part having consistent rules currently applicable to the cash accounting scheme under Part 1.

Further, clarifications to the wording to be used on invoices where the tax in danger provisions are applied have been made.

Value Added Tax (Tax Period) (Amendment) Regulations, 2024

These regulations have been amended to update the respective references to the Sixth Schedule as well as to provide the Commissioner with the flexibility to apply 12-month and 1-month tax periods where necessary.

Value Added Tax (Declaration by Exempt Persons) (Repeal) Regulations, 2024

The provisions of these regulations have been included in the relevant provisions within the Sixth Schedule, therefore these regulations are no longer needed.

Value Added Tax (Recapitulative Statement of Intra-Community Transactions) (Amendment) Regulations, 2024

These regulations have been amended to update the respective references to the various provisions of the Value Added Tax Act which have been amended by the amending Act.

5. Concluding sections

The aforementioned changes shall come into force on 1st January 2025.

For further information please contact:

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N.B. These Explanatory Notes are not intended to provide an exhaustive description of the instrument nor a substitute or legislative supplement to it. These Explanatory Notes do not purport to be an authoritative ruling on the interpretation of the legislation.

17th December, 2024

Biex jiġi evitat id-dubju, oġġett li jaqa' taħt il-kodiċijiet NM inklużi fit-Tabelli 1 u 2 ma jikkwalifikax awtomatikament għar-rata tal-VAT ta' 0% – trid issir valutazzjoni sabiex jiġi aċċertat li l-oġġett li jaqa' taħt il-Kodiċi NM rispettiv indikat fit-tabelli ta' hawn fuq jissodisfa t-tifsira tal-oġġett elenkat u, jew deskritt fid-dispożizzjonijiet rispettivi tal-Att dwar il-VAT.

4. Sezzjoni konklużiva

L-avviżi legali għandhom idaħħlu fis-seħħ l-eżenzjonijiet imsemmija qabel b'effett mill-1 ta' Jannar 2025.

Għal aktar informazzjoni jekk jogħġbok ikkuntattja lil:

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N.B. Dawn in-Noti ta' Spjegazzjoni mhumiex maħsuba biex ikunu deskrizzjoni eżawrjenti tal-istrument u lanqas sostitut tiegħu jew suppliment leġiżlattiv għalih. Dawn in-Noti ta' Spjegazzjoni ma jippruvawx li huma deċiżjoni awtorevoli dwar l-interpretazzjoni tal-leġiżlazzjoni. Dawn mhumiex imfassla biex isolvu l-ambigwitajiet fit-test tal-istrument. Dawn in-Noti ta' Spjegazzjoni ma għandhomx jinftiehmu bħala linji gwida, spjegazzjonijiet jew struzzjonijiet relatati mal-Att dwar it-taxxa fuq il-valur miżjud skont l-Artikolu 75 ta' dak l-Att.

Is-17 ta' Diċembru, 2024

No. 1774

MINISTRY FOR FINANCE

Explanatory Notes
Value Added Tax Act (Amendment of Fifth Schedule) (Amendment No. 4) Regulations, 2024
Value Added Tax Act (Amendment of Eighth Schedule) Regulations, 2024

These Explanatory Notes have been drafted for the purpose of and in accordance with Schedule III of the Small Business Act (Cap 512).

1. Introduction

Part One of the Fifth Schedule to the Value Added Tax Act (Cap. 406) (hereinafter referred to as the VAT Act) presents a list of supplies which are to be treated as zero rated (0% VAT), also referred to as exempt with credit for VAT purposes. This means that such supplies included in this Part are subject to a 0% VAT rate upon sale, whilst enabling input VAT recovery for input VAT related to such supplies.

As part of this list, the supply of products used for female sanitary protection and certain medical items essential to compensate and overcome cancer are being included.

The Eighth Schedule to the VAT Act on the other hand presents a list of supplies which are subject to the reduced VAT rates of 5%, 7% and 12%. Since certain products used for female sanitary protection were previously subject to the reduced rate

of 5%, it is necessary to remove them from such a list given the application of the 0% VAT rate to such items in accordance with their inclusion within Part One of the Fifth Schedule to the VAT Act.

2. Overview of the structure of the instrument

The instruments consist of two legal notices. The first legal notice amends the Fifth Schedule to the VAT Act applying the 0% VAT rate, whilst the second legal notice amends the Eighth Schedule to the VAT Act removing from the application of the 5% reduced VAT rate those items which will now be subject to the 0% VAT rate.

3. Commentary

As a result of the aforementioned instruments, in terms of the new item 16 of Part One of the Fifth Schedule to the VAT Act, products which are used for female sanitary protection shall be subject to a 0% VAT rate.

For ease of reference, the table below (Table 1) may be used as guidance in identifying the relevant codes under which such products would typically classify in terms of the Combined Nomenclature (CN) contained in Annex I of Council Regulation (EEC) No 2658/87 of 23 July 1987 on the tariff and statistical nomenclature and on the Common Customs Tariff.

TABLE 1

CN Code	Statistical Description
96190030	Sanitary towels and tampons, napkins and napkin liners for babies and similar sanitary articles, of wadding of textile materials
96190040	Sanitary towels, tampons and similar articles, of textile materials (excl. of wadding)
96190071	Sanitary towels (excl. of textile materials)
96190075	Tampons (excl. of textile materials)
96190079	Feminine hygiene products (excl. of textile materials, and sanitary towels and tampons)

Furthermore, in terms of the new item 17 of Part One of the Fifth Schedule to the VAT Act, the following items shall also be subject to a 0% VAT rate:

(a) mastectomy undergarments;

(b) urinary incontinence management devices;

(c) vacuum constriction devices;

(d) scalp cooling systems;

(e) absorbent incontinence care products; and

(f) supportive medical undergarments.

For ease of reference, the table below (Table 2) may be used as guidance in identifying the relevant codes under which such products would typically classify in terms of the Combined Nomenclature (CN) contained in Annex I of Council Regulation (EEC) No 2658/87 of 23 July 1987 on the tariff and statistical nomenclature and on the Common Customs Tariff.

TABLE 2		
Item	**CN Code**	**Statistical Description**
Mastectomy undergarments	62121090	Brassieres of all types of textile materials, whether or not elasticated, incl. knitted or crocheted (excl. in a set made up for retail sale containing a brassière and a brief)
Urinary incontinence management devices	90219090; or 39269097	Articles and appliances, which are worn or carried, or implanted in the body, to compensate for a defect or disability (excl. artificial parts of the body, hearing aids, incl. parts and accessories, and complete pacemakers for stimulating heart muscles); or Articles of plastics and articles of other materials of heading 3901 to 3914, n.e.s.
Vacuum constriction devices	84141089	Vacuum pumps (excl. vacuum pumps for use in semiconductor production, rotary piston vacuum pumps, sliding vane rotary pumps, molecular drag pumps and Roots pumps, diffusion pumps, cryopumps and adsorption pumps)
Scalp cooling systems	90189084	Instruments and appliances used in medical, surgical or veterinary sciences, n.e.s.;
Absorbent incontinence care products	96190030; 96190050; or 96190089.	Sanitary towels and tampons, napkins and napkin liners for babies and similar sanitary articles, of wadding of textile materials; Napkins and napkin liners for babies, and similar articles, of textile materials (excl. of wadding); or Sanitary articles, e.g. incontinence care articles (excl. of textile materials, and sanitary towels, tampons, napkins and napkin liners for babies).
Supportive medical undergarments	62104000; 62105000; or 90219090	Men's or boys' garments of textile fabrics, rubberised or impregnated, coated, covered or laminated with plastics or other substances (excl. of the type described in subheading 6201,11 to 6201,19, and babies" garments and clothing accessories); Women''s or girls'' garments of textile fabrics, rubberised or impregnated, coated, covered or laminated with plastics or other substances (excl. of the type described in subheading 6202,11 to 6202,19, and babies'' garments and clothing accessories); or Articles and appliances, which are worn or carried, or implanted in the body, to compensate for a defect or disability (excl. artificial parts of the body, hearing aids, incl. parts and accessories, and complete pacemakers for stimulating heart muscles).

For the avoidance of doubt, an item which falls under the CN Codes included in Tables 1 and 2 does not automatically qualify for the 0% VAT rate – an assessment must be carried out in order to ascertain that the item falling under the respective CN Code indicated in the above tables satisfy the definition of the item listed and, or described in the respective provisions of the VAT Act.

4. Concluding section

The legal notices shall bring into force the aforementioned exemptions with effect from 1st January 2025.

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N.B. These Explanatory Notes are not intended to be an exhaustive description of the instrument nor a substitute thereof or a legislative supplement to it. These Explanatory Notes do not purport to be an authoritative ruling on the interpretation of the legislation. They are not designed to resolve ambiguities in the text of the instrument. These Explanatory Notes shall not be construed as guidelines, explanations or instructions relating to the Value Added Tax Act in terms of article 75 of that Act.

17th December, 2024