No. 262

MINISTRY FOR FINANCE

Explanatory Notes[1]

1. Introduction

Title of rules	Sale of Agricultural Produce (Amendment) Rules, 2025
Activity to be regulated	The definition of a "qualifying sale"
Responsible entity	Malta Tax and Customs Administration (MTCA)

2. Summary and background

The Sale of Agricultural Produce (Amendment) Rules, 2025, hereinafter referred to as the "amending rules", amend the Sale of Agricultural Produce Rules (S.L. 123.80) (S.L. 372.32), hereinafter referred to as the "principal rules".

Under the principal rules, any qualified agricultural produce derived from farming and other agricultural activities is taxed at source at 3%. This amendment shall extend the eligibility of what constitutes a 'qualifying sale' under the principal rules.

3. Overview of the structure of the instrument

The amending rules are made up of two (2) rules and consist of the following:

Rule 1: Citation, commencement and applicability.
Rule 2: Amends rule 2 of the principal rules.

4. Commentary

Rule 2: This amendment proposes to extend the eligibility of what constitutes a 'qualifying sale,' specifically from a sale of fresh fruit and, or fresh vegetables made through the services of a broker (pitkal) at an approved marketing centre to a sale of agricultural products, as defined in the Agriculture Act (Cap. 639), that are produced, grown, or cultivated in Malta and made through the Malta Food Agency.

5. Concluding sections

These regulations shall be deemed to have come into force on 1st January 2025 and shall be applicable to sales made on or after 1st January, 2025.

In case of queries, the general public is encouraged to contact the Malta Tax and Customs Administration (MTCA) on 153.

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

14th February, 2025

[1]These Explanatory Notes are in accordance with and for the purpose of article 3(2)(c) of the Small Business Act (Chapter 512 of the Laws of Malta).