

Diploma in Law (Malta): Intake October 2024

Assessment Task: Written assignment based on chosen questions	
Module: <i>Award in Overview of Tax Law</i>	Tuition Centre: 21 Academy Licence Number: 2018-017
Level: Award MQF Level 5	Student Name:
Date:	ID Number: <same no. submitted in student profile>
Assignment Deadline: 30 April 2026	
<p>Task</p> <p>The purpose of this unit is to develop an understanding of the topics you will choose to write about which forms part of Maltese Tax Law.</p> <p>Note</p> <p>This assessment provides students with an opportunity to put into practice the relevant provisions of the law in relation to the topic they choose to write about forming part of the topic they choose to answer about.</p> <p>Note</p> <p><i>You should plan to spend approximately 20 hours researching the assignment question, preparing for and writing the assignment for assessment. The nominal word count for each assignment is 1,700 words. You are expected to select the Oscola referencing style.</i></p> <p><i>Please ensure that you refer to 21 Academy's Assignment Guidelines for comprehensive information regarding the submission of your assignment. Additionally, the assignment submission form must be included with your completed work, clearly indicating which question you have chosen to answer by ticking the box next to the question number</i></p>	
<p>Answer 2 (two) questions from the 4 (four) questions below.</p> <p>☐ Question 1</p> <p>The distinction between income and capital is fundamental to the operation of the Maltese income tax system, yet it remains one of the most difficult and contentious areas of tax law in practice, with practitioners relying mainly on UK and Maltese case law in trying to work out a viable distinction. Discuss.</p> <p>☐ Question 2</p> <p>Analyse the following scenario from a Maltese tax perspective and answer the questions below. You should reference the relevant articles of the applicable double tax treaties (based on the OECD Model Tax Convention) and Maltese domestic tax law where relevant.</p> <p>MedTech Solutions Ltd is a multinational pharmaceutical company with its headquarters and place of effective management in Malta. The company has permanent establishments in Germany, the United Kingdom, and Italy.</p> <p>MedTech Solutions Ltd earns EUR1,000,000 in trading profits in a given year. MedTech Solutions Ltd is owned as to 51% by Mr. Robert Williams, a British national and as to 49% by Mr. Alessandro Conti, an Italian national. The following individual is also involved:</p> <p><i>Maria Borg:</i></p> <ul style="list-style-type: none"> ▪ Tax resident of Malta ▪ Employed by MedTech Solutions Ltd (Maltese parent company) ▪ Base salary: EUR 120,000 per annum, paid by the Maltese parent company ▪ During the 12-month period from 1 January to 31 December 2025: <ul style="list-style-type: none"> • Spent 90 days working in Malta (her home base); • Spent 170 days working at MedTech's permanent establishment in Germany • Spent 105 days working in the UK on a client project (no PE involvement) 	

- The costs relating to her work in Germany are recharged to and borne by the German PE.
- The costs relating to her UK work are borne by the Maltese parent company.

1 Analyse which country/countries have the right to tax Maria's employment income for the days worked in (a) Germany and (b) the UK, applying the Malta-Germany and Malta-UK double tax treaties.

2 Apply Article 15 systematically and explain whether the 183-day rule exception applies to either jurisdiction.

3 How would Maria's income be taxed in Malta, and what relief from double taxation would be available under Maltese law?

4 What would change if the German PE did not bear the costs of Maria's work in Germany?

5 Briefly explain how Malta's tax refund system might apply to the two shareholders of MedTech Solutions Ltd.

You may assume that the Malta-Germany, Malta-UK, and Malta-Italy double tax treaties follow the OECD Model Tax Convention unless otherwise specified.



Question 3

Meridian Holdings Limited is a private limited liability company incorporated in Malta in 2018. The company was established as a strategic investment holding vehicle by a group of international investors. Meridian Holdings Limited is tax resident in Malta and maintains its central management and control on the island. Meridian Holdings Limited does not qualify as a property company for the purposes of the Income Tax Act (Cap.123 of the laws of Malta) and the Duty on Documents and Transfers Act (Cap. 364 of the laws of Malta). The current shareholding of Meridian Holdings Limited comprises:

Shareholder A - Atlas Investment GmbH (30%), a German investment company based in Munich and tax resident in Germany. Shareholder A is ultimately owned by three German nationals, also tax resident in Germany.

Shareholder B - Nordic Capital Partners AB (50%), a Swedish private equity firm based in Stockholm and tax resident in Sweden. Shareholder B is ultimately owned by a Swedish national, also tax resident in Sweden.

Meridian Holdings Limited has built a diversified portfolio of operating subsidiaries across different jurisdictions:

Benelux Operations B.V. (Netherlands) - 75% ownership. The shares held in Benelux confer Meridian Holdings Limited with voting rights, rights to profits available for distribution and rights to assets available for distribution on winding up.

Horizon Technologies DMCC (Morocco) - 100% ownership

Comment on the Maltese income tax and stamp duty implications pertaining to the following transactions:
1 Atlas Investment GmbH (Shareholder A) has decided to exit its investment in Meridian Holdings Limited by transferring its entire 30% shareholding to Nordic Capital Partners AB (Shareholder B).

2 Following the above-mentioned share transfer, Meridian Holdings Limited will issue new shares representing 20% of the share capital to InvestCo (Cyprus) Limited. This capital injection will provide Meridian with additional funds to pursue expansion opportunities. As a result of the share allotment, Meridian will be 80% owned by Nordic Capital Partners AB and InvestCo (Cyprus) Limited.

3 In connection with the financial year ended 31 December 2025, Horizon Technologies DMCC will be declaring and distributing a dividend of €500,000 from its retained earnings



Question 4

Mediterranean Catering Ltd is a Maltese company registered for VAT purposes in Malta. The company provides catering services for corporate events, weddings, and private functions. The business operates from commercial premises in Birkirkara where it prepares food and stores equipment.

During Q4 2025, Mediterranean Catering Ltd engaged in the following transactions:

4.1 Supplied and served a full buffet lunch for a corporate conference at a hotel in Sliema for a Maltese company;

4.2 Supplied 500 units of packaged traditional Maltese pastizzi (frozen) to a customer located in Italy. The Italian customer is registered for VAT in Italy.

4.3 Sold branded merchandise to a mix of clients including 3 Maltese individuals and one company, available from its premises. Items include: branded aprons, chef hats, tea towels, and recipe books.

4.4 Paid for accounting services to a Maltese accountancy firm.

4.5 Created a series of pre-recorded video cooking tutorials covering traditional Maltese cuisine. The videos were sold to 10 individual consumers through the company's website and automatically downloaded by customers after payment. 4 customers were located in Malta, whereas 2 were in Sicily, 2 in France and 2 in Australia.

Comment on the Maltese VAT implications pertaining to each of the transactions 4.1 to 4.5.

Pass Mark - 50% of total weighted scores of both assessment methods

Assignments Weighting - 100%

By submitting I confirm that this assessment is my own work

Mark:

Signature: <main assessor>

Date

Signature: <quality assurance>