



Extension to the Law Regulating the Settlement of Overdue Taxes

February 2020

On 14 February 2020, the House of Representatives has voted for an amendment to the Law which relates to the Settlement of Overdue Taxes Scheme and provides significant reliefs on interest and penalties on overdue taxes, including income tax, VAT, special defence contribution tax, capital gains tax and stamp duty, through the Government Gateway Portal "Ariadne".

All tax liabilities (relating to tax periods prior to 31/12/2015) that are assessed by the Tax Department can be settled through the overdue taxes scheme as from 14/2/2020 for a period of 6 months (up until 14/8/2020).

Installments and discounts

A percentage of the interest and penalties on the overdue taxes that will be waived depend on the number of the payment installments as shown in the table below:

Number of installments	% Relief on interest & penalties
1 (one-off payment)	95%
2 - 8	90%
9-15	85%
16 - 21	80%
22 - 28	75%
29 - 35	70%
36 - 42	65%
43 - 49	60%
50 - 56	55%
57 - 60	50%

Taxpayers (individuals and companies) applying for the settlement of taxes scheme will be eligible to apply provided that the Tax Returns, up to and including the tax year 2015, are submitted by 30 June 2020. A taxpayer should be in-compliance with its subsequent tax obligations (direct & indirect) at the time the application is made.

If you want to benefit from this development, you have to take immediate action and make sure all delayed Tax Returns have been submitted to the Tax Department.

We are at your disposal to discuss the above development with you

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Yours sincerely,

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