

**INCOME TAX ACT  
(CAP. 123)**

**Deductions and Tax Credits  
(Relevant Qualifications for Industry) Rules, 2009**

IN exercise of the powers conferred by articles 14(2) and 96 of the Income Tax Act, hereinafter referred to as “the Act”, the Minister of Finance, the Economy and Investment has made the following rules:

- Title.                   **1.** (1) The title of these rules is the Deductions and Tax Credits (Relevant Qualifications for Industry) Rules, 2009.
- (2) These rules shall apply to qualifying study costs incurred on or after the 1st January, 2009.
- Interpretation.           **2.** In these rules, unless the context otherwise requires –
- “the Act” means the Income Tax Act;
- “the Commissioner” means the Commissioner of Inland Revenue;
- Cap. 463.                   “the Corporation” means the Malta Enterprise established in terms of the Malta Enterprise Act;
- “relevant qualification” means a certification, degree or post-graduate degree required by industry and approved by the Corporation in an area that is largely transferable to other firms or fields of work, awarded on the successful completion of a relevant course and undertaken through a university, institution or an other entity recognised by the Corporation;
- “relevant course” means a course of studies leading to a relevant qualification;
- “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.

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

Tax credits for an individual in respect of qualifying study costs.

(2) The tax credit referred to in this rule shall be an amount as may be determined by the Corporation that shall not exceed the study costs paid by the individual for the period commencing on the date of the commencement of the course and ending on the date of the conclusion of the course or on a date specified by the Corporation, which in any case shall not exceed thirty-six months from the commencement of the course, whichever is the earlier.

(3) The tax credit referred to in this rule shall be due as a deduction from the tax payable by the individual 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.

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

Letter of approval by the Corporation.

(a) an itemised statement of the study costs incurred and 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 Corporation, providing the course in question, confirming the successful completion of the course by that individual; and

(c) a copy of the letter of approval issued by the Corporation 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

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of the certificate substantiating the claim for the tax credit.

Required documents.

**5.** The letter of approval referred to in rule 4(c) shall be issued by the Corporation in terms of guidelines to be published in the Corporation's website, on the application of an individual, 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 letter of approval in respect of a course of studies that:

(a) had already been terminated at the time of application; or

(b) was commenced more than twelve months before the date of the application; or

(c) commences after the 31st December, 2013 or after such earlier date as the Corporation may specify by means of a notice in the Gazette.



