



As announced in the 2016 Budget, the Government has introduced an **Environmental Contribution** on stays at all types of accommodation as from June 20th, 2016. The main objective of this Environmental Contribution is to improve quality along the tourism value chain. In fact, all revenue generated from this initiative will be directed solely and exclusively to upgrade and embellish the local infrastructure in touristic areas around the Maltese Islands.

Summarized information about this initiative is highlighted below:

BASIS OF CHARGE

The contribution is payable by all tourists who are **18 years or older** irrespective of nationality (including locals).

It amounts to **€0.50 per person for each night spent** on the Maltese Islands at any type of accommodation such as hotels, guesthouses, hostels, resorts, apartments, farmhouses, villas, timeshare and host families, amongst others.

The contribution is **capped at a maximum of €5 for each continuous stay**. This applies also to **twin-centre stays** in Malta and Gozo.

CALCULATION

The **periodic return** will be calculated as follows:

A = Total number of nights occupied by guests during the period

B = Total number of nights occupied by guests under 18 years of age

C = Total number of nights occupied by guests aged 18 years or over, above the 10 night threshold

D = Total chargeable guest nights (A-B-C)

E = Total contribution payable (D x €0.50)

MECHANISM

The collection of this contribution has started on the **20th of June 2016**.

The contribution must be **charged separately** on a separate invoice and must not be included in the room rate charged. This will ensure increased transparency and traceability and will avoid the charge being subjected to commissions, tour operator margins and VAT.

Collection will be administered by the Commissioner for Revenue as follows:

- The 1st return will cover a **5-month period** to 31st October 2016

- The 2nd return will cover a **2-month period** to 31st December 2016
- From 2017, returns to be submitted quarterly **every 3-months**

Accommodation providers will be **refunded 15%** of the total contribution, only for the period of **20th June till 31st October 2016**.

RESPONSIBILITY

Any person or entity that provides tourist accommodation on a commercial basis will be obliged to collect the contribution and pass it on to Government.

Responsibility for collecting the contribution from guests and passing it on to the VAT Department will be vested with the **accommodation services providers**, i.e. the licensee or delegated third party operator.

All **accommodation service providers will be expected to maintain information** on the number of guests staying in each room for each stay as well as the ages of their guests. This information will enable the **calculation of the charge** as well for **audit trail** purposes.

PAYMENT GUIDELINES

Instructions can be downloaded from [here](#), and payments are to be affected online through the [VAT payment services portal](#).

NOTICE TO GUESTS

A '[Notice to Guests](#)' available in various languages has been drawn up in order to provide a summary of information about the Environmental Contribution. Printed copies need to be placed in a **prominent position** e.g. Notice Boards, Lifts, Reception Desks, Welcome Packs, etc.

LEGISLATION

[L.N. 174 of 2016](#) - Eco-Contribution Act (Amendment to the Second Schedule) Regulations, 2016

[L.N. 175 of 2016](#) - Eco-Contribution Act (Amendment to the Third Schedule) Regulations, 2016

MORE INFORMATION

You may also wish to consult the [Frequently Asked Questions](#) (FAQs) and the [Guidelines](#) issued by the Commissioner for Revenue in his capacity as the competent authority in terms of the Eco Contribution Act.

Further enquiries will be handled by the **Ministry for Tourism** on telephone number **2291 5038** or email environmentalcontribution@gov.mt or by the **Malta Tourism Authority** on telephone number **2291 5000** or email info@visitmalta.com

Useful Appendices:

Appendix I - [Sample Tax Return](#) (all returns are now to be submitted only online on the [VAT portal](#))

Appendix II - [Sample VAT Receipt](#)

Appendix III - [Declaration of Age of Guest](#)

Appendix IV - [Delegation of Obligations Agreement](#)