Syllabus and study guide

Taxation Malta (E1 MLA)



December 2027

Designed to help with planning study and to provide detailed information on what could be assessed in any examination session.

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1. Overall aim of the syllabus

The overall aim of the syllabus is to develop and enable the application of technical knowledge and skills relating to the Maltese tax system as applicable to individuals, single companies and groups of companies.

2. Introduction to the syllabus

The syllabus for E1 Taxation (E1 MLA) starts by introducing candidates to the functions and systems applicable to Maltese tax, including sources of revenue law and practice and the system for self-assessment.

The syllabus then moves on to provide the core knowledge of the major technical areas of Maltese taxation as they affect the activities of individuals and businesses, beginning with income tax. The syllabus covers the taxation of income from employment, self-employment, property and investments, including the availability of exemptions and reliefs.

The next technical area covered by the syllabus is corporate income tax, in particular the profits which are chargeable to corporate income tax, how the corporate income tax liability is computed and exemptions and reliefs available to single companies and groups of companies.

The syllabus then moves on to address the tax liabilities arising on the disposal of capital assets by individuals and companies, including the principles of computing gains and losses, the computation of capital gains tax or property transfer tax payable and the use of exemptions and reliefs.

Next the syllabus covers social security contributions payable by employers, employees and self-employed persons.

Lastly, the syllabus covers the scope, administration and calculation of value added tax (VAT).

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3. Main capabilities

On successful completion of this course of study, candidates should be able to:

- Assess the operation and scope of the Maltese tax system, the obligations of taxpayers and/or their agents and the implications of non-compliance
- Analyse and calculate the income tax liabilities of individuals
- Analyse and calculate the corporate income tax liabilities of individual companies and groups of companies
- Analyse and calculate the tax liabilities arising on the disposal of capital assets by companies and individuals
- Analyse and calculate the effect of social security contributions on employees, employers and the self-employed
- Analyse and calculate the effects of value added tax (VAT) on incorporated and unincorporated businesses
- Assess the impact of relevant taxes which apply in a variety of business and personal contexts

4. Intellectual levels

The ACCA Qualification syllabus is designed to progressively broaden and deepen the technical knowledge, skills and professional values demonstrated by the candidate on their journey through the qualification.

The specific learning outcomes within the detailed syllabuses and study guides are assessed at one of three intellectual or cognitive levels:

Level 1: Knowledge and comprehension
Level 2: Application and analysis
Level 3: Synthesis and evaluation

Very broadly these intellectual levels relate to the three levels of the ACCA Qualification: Knowledge, Expertise and Strategic Professional.

Each learning outcome included in the detailed study guide is given a 1, 2 or 3 superscript, denoting its intellectual level. This gives an indication of the intellectual depth at which a learning outcome could be assessed within the examination. However, while Level 1 broadly equates with the Knowledge level, Level 2 to the Expertise level and Level 3 to the Strategic Professional level of the ACCA Qualification, some lower-level skills can continue to be assessed as the candidate progresses through each level. This reflects that at each stage of study there will be the requirement to broaden, as well as deepen, capabilities.

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5. The syllabus

A The Maltese tax system and its administration

1. Maltese taxes
2. Principal sources of revenue law and practice
3. The system for self-assessment, the making of returns, submission of information, claims and the procedures relating to enquiries, appeals and disputes

B Income tax liabilities

1. The scope of income tax
2. Income from employment
3. Income from self-employment
4. Property, investment and other income
5. The comprehensive computation of taxable income and income tax liability
6. The use of exemptions and reliefs in deferring and minimising income tax liabilities
7. The time limits including payments on account and penalties for non-compliance

C Corporate income tax liabilities

1. The scope of corporate income tax
2. Profits chargeable to corporate income tax
3. The comprehensive computation of corporate income tax liability and tax accounting, and the use of exemptions and reliefs
4. The effect of a group corporate structure for corporate income tax purposes
5. The time limits including payments on account and penalties for non-compliance

D Tax liabilities on the disposal of capital assets by individuals and companies

1. The scope of the taxation of capital asset disposals
2. The principles of computing gains and losses
3. Gains and losses on the disposal of movable and immovable property
4. Gains and losses on the disposal of shares and securities
5. The computation of the tax payable by individuals and companies, and the use of exemptions and reliefs

E Social security contributions

1. The scope of social security
2. Class 1 contributions for employed persons
3. Class 2 contributions for self-employed persons

F Value added tax

1. The scope of value added tax (VAT)
2. The VAT registration requirements
3. The computation of VAT liabilities
4. The effect of special schemes
5. Administration of VAT and penalties for non-compliance

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6. Detailed study guide

A The Maltese tax system and its administration

1. Maltese taxes

a) Explain the difference between direct and indirect taxation.[1]

b) Summarise the different types of capital and revenue tax.[1]

c) Recommend an appropriate ethical action or response to a given tax situation.[2]

2. Principal sources of revenue law and practice

a) Explain the overall structure of the Maltese tax system.[1]

b) Summarise the different sources of revenue law.[1]

c) Compare and contrast tax avoidance and tax evasion.[2]

d) Assess the circumstances in which advance revenue rulings would be requested by taxpayers.[2]

e) Assess the purpose of double taxation agreement.[2]

3. The system for self-assessment, the making of returns, submission of information, claims and the procedures relating to enquiries, appeals and disputes

a) Analyse the features of the self-assessment tax system and apply to individuals.[2]

b) Analyse the features of the self-assessment system and apply to companies.[2]

c) Apply the time limits to the filing of returns, declarations and the making of claims and adjustments.[2]

d) Summarise the information and records which taxpayers need to retain for tax purposes.[1]

e) Analyse the circumstance in which the Commissioner for Tax and Customs can enquire into a self-assessment tax return.[2]

f) Explain the procedures for dealing with appeals, objections and disputes.[1]

B Income tax liabilities

1. The scope of income tax

a) Explain how the residence of an individual is determined and the difference between residence and ordinary residence.[1]

b) Summarise the tax treatment of a resident individual and a non-resident individual.[1]

2. Income from employment

a) Assess the factors which determine whether an engagement is treated as employment or self-employment.[2]

b) Analyse the basis of assessment for employment income.[2]

c) Calculate the income assessable.[2]

d) Analyse the allowable deductions against employment income.[2]

e) Explain the Final Settlement System (FSS).[1]

f) Assess the circumstances in which taxable fringe benefits arise.[2]

g) Calculate the amount of fringe benefits assessable.[2]

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h) Assess the part-time rules as applicable to employment income.[2]

i) Assess the treatment of remuneration and benefits received by directors.[2]

j) Assess the applicable income tax on overseas employment income and analyse the conditions which must be satisfied to benefit from the flat 15% rate.[2]

3. Income from self-employment

a) Analyse the basis of assessment for self-employment income.[2]

b) Apply the badges of trade.[2]

c) Analyse the expenditure which is allowable in calculating the tax-adjusted trading profit.[2]

d) Analyse the relief which can be obtained for pre-trading expenditure.[2]

e) Calculate the assessable profits on commencement and on cessation.[2]

f) Capital allowances:

(i) Explain what constitutes plant and machinery, including industrial buildings or structures, for capital allowance purposes.[1]
(ii) Calculate the initial wear and tear allowances.[2]
(iii) Calculate capital allowances for commercial and non-commercial motor vehicles.[2]
(iv) Calculate balancing allowances and balancing charges.[2]
(v) Analyse the limitations on the absorption of unutilised capital allowances brought forward.[2]

g) Relief for trading losses:

(i) Analyse how trading losses can be carried forward.[2]
(ii) Summarise how trading losses can be claimed against total income and chargeable gains.[1]
(iii) Analyse the factors which will influence the choice of loss relief claim.[2]

h) Partnerships and limited liability partnerships:

(i) Analyse and calculate how a partnership is assessed to tax.[2]
(ii) Calculate the assessable profits for each partner following a change in the profit-sharing ratio.[2]
(iii) Calculate the assessable profits for each partner following a change in the membership of the partnership.[2]

i) Assess the part-time rules as applicable to income from self-employment.[2]

4. Property, investment and other income

a) Calculate the amount assessable when dividends, premiums, interest or discounts are received.[2]

b) Calculate the amount assessable when rents, royalties, premiums and other income from property are received.[2]

c) Calculate the maintenance allowance and other deductions which may be claimed against rental income.[2]

d) Calculate the amount assessable when pensions, charges, annuities and other annual payments are received.[2]

e) Analyse the investment income provisions and calculate the amount of investment income received.[2]

f) Analyse the concept of the final withholding tax and the treatment of income which has been subject to the final withholding tax.[2]

g) Calculate the tax payable on interest, discounts or premiums under the investment income provisions.[2]

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h) Calculate the tax payable on dividend income after taking into account the tax at source or double taxation relief.[2]

i) Analyse the instances when a shareholder need not declare dividends received from a Malta company and when it is advisable to declare such dividend income.[2]

5. The comprehensive computation of taxable income and income tax liability

a) Prepare a basic income tax computation involving different types of income.[2]

b) Calculate the amount of chargeable income and the Malta tax thereon.[2]

c) Calculate the amount of income tax payable after taking into account any tax credits, such as tax at source or double taxation relief.[2]

d) Assess the treatment of charges on income.[2]

e) Explain the difference between exemptions and deductions.[1]

f) Analyse the personal deductions available against total income for alimony payments, childcare fees, facilitator fees, sports fees, homes for the elderly fees, homes or respite centres for the disabled fees, school fees and fees for cultural activities.[2]

g) Analyse the treatment of income earned by spouses who opt for a joint tax computation and those who opt for a separate tax computation.[2]

6. The use of exemptions and reliefs in deferring and minimising income tax liabilities

a) Assess and calculate the various exemptions and deductions which may be claimed.[2]

b) Contrast between the positive test for deductions and the negative test for deductions.[2]

c) Analyse how a married couple can minimise their tax liabilities.[2]

7. The time limits including payments on account and penalties for non-compliance

a) Apply the due dates for the payment of tax under the self-assessment system.[2]

b) Analyse when a taxpayer is subject to the Final Settlement System (FSS) or subject to provisional tax payments and settlement tax.[2]

c) Analyse the withholding tax obligations and implications arising in connection with payments made to non-residents.[2]

d) Calculate interest on overdue tax.[2]

e) Assess the administrative penalties which can be charged.[2]

C Corporate income tax liabilities

1. The scope of corporate income tax

a) Explain the terms ‘chargeable income’, ‘company’, ‘tax return date’, ‘tax settlement date’, ‘total income’ and ‘year of assessment.[1]

b) Summarise when an accounting period starts and when an accounting period finishes.[1]

c) Assess the residence of a company.[2]

d) Summarise the tax treatment of a resident company and a non-resident company.[1]

e) Assess the operation of the full imputation system of taxation.[2]

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2. Profits chargeable to corporate income tax

a) Analyse the expenditure which is allowable in calculating the tax-adjusted trading profit.[2]

b) Explain how relief can be obtained for pre-trading expenditure.[1]

c) Calculate capital allowances (as for income tax on income from self-employment).[2]

d) Calculate property business profits under the Tax on Property Transfer Rules.[2]

e) Analyse the treatment of expenses incurred and not incurred in the production of income.[2]

f) Analyse how trading losses can be carried forward.[2]

g) Analyse how trading losses can be claimed/absorbed against income of the current accounting period.[2]

h) Summarise the factors which will influence the choice of accounting date and the procedure to change the accounting date.[1]

i) Analyse the factors which will influence the choice of loss relief claim.[2]

j) Calculate profits chargeable to corporate income tax, contrasting between the profits which are allocated to the Final Tax Account, the Immoveable Property Account, he Maltese Taxed Account, the Foreign Income Account and the Untaxed Account.[2]

3. The comprehensive computation of corporate income tax liability and tax accounting, and the use of exemptions and reliefs

a) Calculate the corporate income tax liability, claiming any tax at source in respect of Maltese source income and the appropriate double taxation relief in respect of foreign source income.[2]

b) Analyse the implications of receiving investment income subject to the final withholding tax and the treatment thereof in preparation of the tax computation.[2]

c) Analyse the various forms of double taxation relief to relieve withholding taxes and underlying taxes and the use of the flat rate foreign tax credit to minimise the corporate income tax on foreign source income.[2]

d) Calculate the effective tax payable in foreign source income.[2]

e) Calculate any applicable notional interest deduction (NID) and assess the impact of the NID on the allocation of the company's profits to its tax accounts.[2]

f) Apply the company's profits to the Final Tax Account, the Immoveable Property Account, the Maltese Taxed Account, the Foreign Income Account and the Untaxed Account and their sub-divisions.[2]

g) Analyse the implications arising upon a distribution of profits from the various tax accounts to resident shareholders and non-resident shareholders.[2]

h) Calculate the tax credits and tax refunds which may be claimed by a shareholder upon a distribution of profits.[2]

i) Analyse the available credits between the Malta tax paid and the relieved tax and calculate the overall tax refund.[2]

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j) Assess the requirements of a dividend certificate.[2]

k) Analyse how exemptions and reliefs can defer or minimise corporate income tax liabilities.[2]

4. The effect of a group corporate structure for corporate income tax purposes

a) Assess if a group exists for the purposes of the group relief provisions and analyse the reliefs which are available to members of such a group.[2]

b) Assess if a group exists for the purposes of capital gains and analyse the reliefs which are available to member of such a group.[2]

c) Assess the terms 'surrendering company', 'claimant company' and 'allowable losses' and analyse group relief provisions.[2]

d) Assess the treatment of a payment for group relief.[2]

e) Assess the limitations in the group relief provisions and the implications arising from the tax accounts.[2]

f) Assess the conditions which must be satisfied to claim group relief.[2]

5. The time limits including payments on account and penalties for non-compliance

a) Calculate provisional tax and advance company tax payments.[2]

b) Calculate interest on overdue tax.[2]

c) Assess the administrative penalties which can be charged.[2]

D Tax liabilities on the disposal of capital assets by individuals and companies

1. The scope of the taxation of capital asset disposals

a) Explain the scope of the capital gains rules.[1]

b) Explain the scope of the property transfer tax rules.[1]

c) Summarise assets which are subject to capital gains and the immoveable property which is subject to property transfers tax.[1]

2. The basic principles of computing gains and losses

a) Calculate capital gains for both individuals and companies.[2]

b) Calculate the inflation allowance and maintenance allowance available to transferors in determining the cost of acquisition.[2]

c) Calculate the amount of allowable expenditure in determining the cost of acquisition.[2]

d) Summarise the treatment of capital losses for both individuals and companies.[1]

e) Analyse the treatment of transfers between a husband and wife or between close relatives, and between companies within the same group.[2]

f) Analyse the treatment where an asset is damaged, lost or destroyed and the implications of receiving insurance proceeds and reinvesting such proceeds.[2]

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3. Gains and losses on the disposal of moveable and immoveable property

a) Contrast the assets which are subject to capital gains and assets which are outside the scope of the capital gains provisions.[2]

b) Assess the immoveable property which is subject to the property transfers tax.[2]

c) Summarise the various exemptions available.[1]

d) Assess own residence for the purposes of the capital gains provisions.[2]

4. Gains and losses on the disposal of shares and securities

a) Contrast the disposals of shares and securities which are subject to tax as capital gains and those which fall outside the scope of the capital gains tax provisions.[2]

b) Assess the value of shares, including shares prior to 1992.[2]

c) Assess and calculate 'goodwill' in arriving at the value of shares.[2]

d) Assess 'controlling interest' and analyse how a transfer of a controlling interest impacts on the calculate on the chargeable capital gain.[2]

e) Analyse the adjustment to the cost of acquisition when transferring shares in a company which has immoveable property and/or investments in another company.[2]

f) Calculate the increase for inflation of the value of immoveable property held by a company and the limitations which may apply.[2]

5. The computation of the tax payable by individuals and companies, and the use of exemptions and reliefs

a) Analyse whether the disposal or transfer of a business asset is subject to a balancing statement, capital gains or property transfer tax.[2]

b) Calculate the amount of capital gains tax or property transfer tax payable.[2]

c) Assess capital gains which may be taxed by final withholding and when it may be appropriate to elect to have these taxed in a standard way.[2]

d) Apply rollover relief to business assets as it relates to individuals and companies.[2]

e) Calculate provisional capital gains tax.[2]

E Social security contributions

1. The scope of social security

a) Explain the scope of social security.[1]

2. Class 1 contributions for employed persons

a) Calculate Class 1 contributions payable by employers and employees.[2]

3. Class 2 contributions for self-employed persons

a) Calculate Class 2 contributions.[2]

F Value added tax

1. The scope of value added tax (VAT)

a) Explain the scope of VAT.[1]

b) Summarise the principal supplies which are exempt with credit, exempt without credit or subject to a reduced rate.[1]

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2. The VAT registration requirements

a) Contrast the circumstance in which a person must register for VAT under articles 10, 11 or 12 of the VAT Act.[2]

b) Analyse the advantages of VAT registration for a small undertaking.[2]

c) Explain how and when a person can deregister for VAT.[1]

3. The computation of VAT liabilities

a) Assess the tax point when goods and services are supplied.[2]

b) Assess and apply the principles regarding the valuation of supplies.[2]

c) Analyse the circumstances in which input VAT is non-deductible.[2]

d) Calculate the relief which is available for bad debts.[2]

e) Assess the treatment of imports, exports and trade within the European Union.[2]

4. The effect of special schemes

a) Analyse the cash accounting scheme and when it will be possible and advantageous to use the scheme.[2]

b) Analyse the meaning of a 'small undertaking' and when it will be advantageous to be exempt or opt for the refund scheme.[2]

5. Administration of VAT and penalties for non-compliance

a) Analyse how VAT is accounted for and administered.[2]

b) Explain the circumstances and procedure for making adjustments to output tax and input tax and the penalties and interest which will be applied.[1]

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7. Reading list

Candidates should be aware of the primary and secondary legislation, guidelines and updates issued by the Malta Tax and Customs Administration, and the publication of court cases by the Malta Institute of Taxation, being the main sources of information for this exam.

8. Approach to examining the syllabus

The syllabus for E1 Taxation (E1 MLA) is assessed by a three-hour computer-based examination.

The examination will consist of two sections:

Section A will contain 15 two-mark objective test questions (OTs).

Section B will contain six constructed response questions (CRs). Four of the CR questions will be worth 10 marks each and two of the CR questions will be worth 15 marks each. The two 15-mark questions will focus on income tax (syllabus area B) and corporate income tax (syllabus area C).

All other questions can cover any areas of the syllabus.

Tax rates, allowances and information on certain reliefs will be given in the examination.

9. Guide to ACCA examination structure and delivery mode

The structure of examinations varies, depending on the level of the qualification.

The Expertise examinations contain 100% compulsory questions to encourage candidates to study across the breadth of each syllabus.

All Expertise examinations are assessed by three-hour computer-based examinations.

The pass mark for all Expertise examinations is 50%.

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10. Guide to ACCA examination assessment

ACCA reserves the right to examine anything contained within the study guide at any examination session. This includes knowledge, techniques, principles, theories, and concepts as specified.

For specified financial accounting, audit and tax examinations, except if indicated otherwise, ACCA will publish examinable documents once a year to indicate exactly what regulations and legislation could potentially be assessed within identified examination sessions. For most examinations (not tax), regulation issued, or legislation passed on or before 31 August annually, will be assessed from 1 September of the following year to 31 August of the year after. Please refer to the examinable documents for the examination (where relevant) for further information.

Regulations issued or legislation passed in accordance with the above dates may be examinable if the effective date is in the future, unless explicitly stated otherwise in the syllabus and study guide or examinable documents. The terms 'issued' or 'passed' relate to when regulation or legislation has been formally approved.

The term 'effective' relates to when regulation or legislation must be applied to entity transactions and business practices.

The study guide offers more detailed guidance on the depth and level at which the examinable documents will be examined. The study guide should therefore be read in conjunction with the examinable documents list, where applicable.

For E1 MLA, generally examinations in June and December will be based on legislation passed by the previous 30 September. Note: Exceptionally, the examination in June 2027 will be based on legislation passed by 30 September 2025 and only the examination in December 2027 will be based on legislation passed by 30 September 2026.

11. Learning hours and education recognition

The ACCA Qualification does not prescribe or recommend any particular number of learning hours for examinations because study and learning patterns and styles vary greatly between people and organisations. This also recognises the wide diversity of personal, professional and educational circumstances in which ACCA candidates find themselves.

As a member of the International Federation of Accountants, ACCA seeks to enhance the education recognition of its qualification on both national and international education frameworks, and with educational authorities and partners globally. In doing so, ACCA aims to ensure that its qualifications are recognised and valued by governments and regulatory authorities and employers across all sectors. To this end, ACCA qualifications are currently recognised on the educational frameworks in several countries. Please refer to your national education framework regulator for further information about recognition.

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