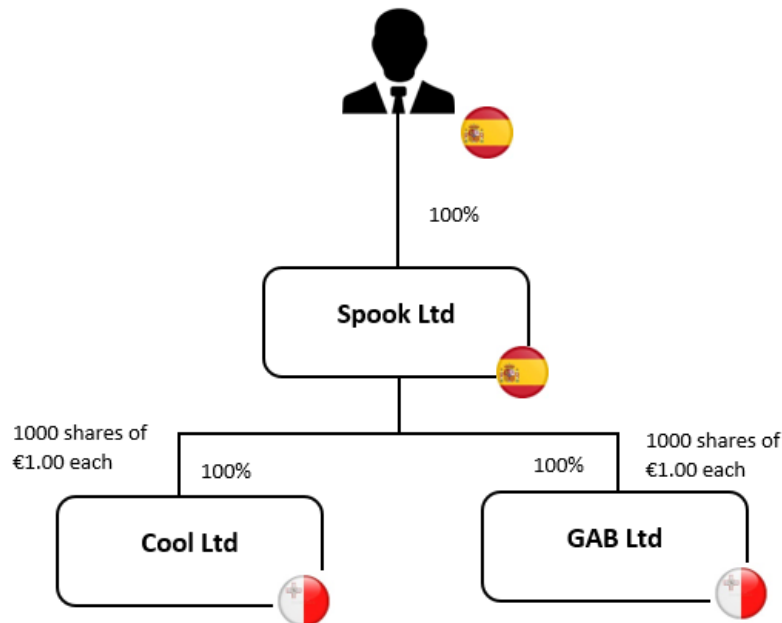


Diploma in Law (Malta): Intake October 2021

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: 11 May 2023	
<p>Task The purpose of this unit is to develop an understanding of a particular topic you will write about which forms part of Tax Law.</p> <p>Note 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 Tax Law.</p> <p><i>You should plan to spend approximately 20 hours researching, preparing for and writing each one of the assignments. The nominal word count for each assignment is 1,700 words.</i></p>	
<p>Choose and answer 2 questions from the following:</p> <p>Question 1: Explain the general concepts underlying allowable deductions in arriving at chargeable income as provided for in the Income Tax Act (Cap. 123 of the laws of Malta) with particular reference to capital allowances.</p> <p>Question 2: Cool Ltd is a Maltese company deriving income arising outside Malta from different sources and it is fully owned by a Spanish company, Spook Ltd.</p> <p>All of Cool Ltd's business interests are situated outside Malta.</p> <p>GAB Ltd, Cool Ltd's sister company, is also wholly owned by Spook Ltd. GAB Ltd produces a fizzy drink in Malta and employs a total of 30 employees in Malta. GAB Ltd has also appointed two agents, one in France and Germany to distribute the fizzy drinks produced by GAB Ltd and to develop the business, on GAB Ltd's behalf and on the basis of instructions provided by GAB Ltd, in these two markets.</p> <p>The ultimate shareholder of Spook Ltd is neither resident nor domiciled in Malta. Spook Ltd, in its capacity as shareholder of Cool Ltd and GAB Ltd, is registered with the Maltese Revenue for tax refund purposes.</p> <p>All of the companies within the above-mentioned structure do not own any immovable property situated in Malta and they also do not derive any income, directly or indirectly, from Maltese immovable property.</p> <ol style="list-style-type: none"> 1. Spook Ltd is currently contemplating selling 20% of its interest in Cool Ltd to a third-party, Francesco Di Monza, an Italian national who also resides in Italy. Regarding the proposed sale of the 20% shareholding, advise (giving the reasons for your answers) the parties on the Maltese income tax and stamp duty that may be payable, if any on the transfer of shares in Cool Ltd. 2. It is also the intention for an additional 1000 shares to be allotted in GAB Ltd in favour of its sole shareholder Spook Ltd. Comment on the tax implications, if any, which would be triggered by this share allotment. 3. At the end of the year, both Cool Ltd and GAB Ltd have profits available for distribution and each decide to distribute a dividend to Spook Ltd. Comment on: 	

- i) the tax implications following a distribution of dividend by each of Cool Ltd and GAB Ltd to Spook Ltd; and
 - ii) on any possible tax refunds which may be claimed by Spook Ltd on a distribution of dividends by each of Cool Ltd and GAB Ltd.
4. Explain the tax implications relative to:
- i) the employment of the employees in Malta, also referring to any tax compliance obligations;
 - ii) the appointment of two agents in France and Germany.



Question 3:

Double Taxation Relief occupies an important place in income tax law and practice in Malta. You are required to explain why this is so, and to prepare a basic brief on the methods of relief provided for in the Income Tax Act (Cap. 123 of the laws of Malta).

Question 4:

You have been contacted by a Malta-incorporated company, Higher Educational Services Limited (“HESL”) which is licensed as a Higher Education Institute with the Department of Education and Employment. HESL has been providing educational courses at its premises for a number of years. HESL is not registered under article 10 of the VAT Act (Cap. 406 of the laws of Malta) since its activities to date have been exempt (without credit). HESL is now exploring the possibility of providing online education to students both in Malta and throughout Europe, through its website.

HESL will provide the following:

1. access to 12 pre-recorded lectures;
2. workbooks completed by students online and marked automatically;
3. a tutorial package comprising live webinars

You have been asked to provide an overview of the VAT implications of HESL’s proposed operations (1 – 3 above), as well as the impact, if at all, that the proposed new activities could have on HESL’s right to claim input VAT.

Pass Mark - 50% of total assignments weighting	Total Assignments Weighting - 100%
By submitting I confirm that this assessment is my own work	
Mark:	Signature: <main assessor>
Date	Signature: <quality assurance>