

**SUBSIDIARY LEGISLATION 123.102****DONATIONS (SPORTS AND CULTURE) RULES**

1st January, 2008

*LEGAL NOTICE 159 of 2008, as amended by Legal Notices 301 of 2009, 63 of 2015, and 147 and 399 of 2016.*

**1.** The title of these rules is the Donations (Sports and Culture) Rules. Citation.

**2.** These rules shall apply only to companies as defined in the Income Tax Act, hereinafter referred to as "the Act". Applicability.  
Cap. 123.

**3.** (1) Where, in any year of assessment, a company proves to the satisfaction of the Commissioner that it has made a cash donation to a sports person participating in a national sports event or an international sports event, such donation may be claimed as a deduction against income for the year of assessment in which it is made, provided that a certificate is issued in this respect by SportMalta thereby certifying recognition of the event and registration of the sports person: Donations towards participation in sports events.  
*Amended by:  
L.N. 301 of 2009;  
L.N. 399 of 2016.*

Provided that such deduction may only be claimed if the said sports person is not in any way related to the said donor company.

(2) The total deduction claimed by a company in any year of assessment in accordance with sub-rule (1) shall be the lesser of the expense actually incurred or sixty thousand (60,000) euro.

(3) The certificate referred to in sub-rule (1) shall show, in respect of each donation, the names and income tax registration numbers of the donor and the recipient, the date and value of the donation and the purpose for which the donation is being made.

(4) SportMalta shall provide such information as the Commissioner may require regarding all certificates issued for each calendar year by the 15th February of the following year and this information shall be made and delivered on such form and in such manner as the Commissioner may determine.

(5) For the purposes of this rule:

"international sports event" shall mean any form of event having a competitive element, being organized by an international governing body recognized by SportMalta, in which local sports persons can participate;

"national sports event" shall mean any league, knock-out competition or other form of local competition taking place in the territory of Malta intended for local sports persons, recognized as such by SportMalta; and

Cap. 455. "sports person" shall mean an athlete, club, association, federation, foundation or any other sports organisation registered under any other category as established by SportMalta which is deemed to be a "not-for-profit" sports entity and is registered in the Register of Persons kept by SportMalta as required by the Sports Act.

Donations to cultural organisations.  
Amended by:  
L.N. 63 of 2015;  
L.N. 147 of 2016.

4. (1) Where, in any year of assessment, a company proves to the satisfaction of the Commissioner that it has made a cash donation to the Arts Council Malta or a cash donation to a non-profit making cultural organisation approved by the Arts Council Malta, an amount equivalent to 150% of such donation may be claimed as a deduction against income for the year of assessment in which it is made, provided that a certificate is issued in this respect by the Arts Council Malta and that, in the case of a donation to a cultural organisation as aforesaid, such cultural organisation is not in any way related to the donor company.

(2) The total deduction claimed by a company in any year of assessment in accordance with sub-rule (1) shall be the lesser of the amount calculated as aforesaid or fifty thousand (50,000) euro.

(3) The certificate referred to in sub-rule (1) shall show, in respect of each donation, the names and income tax registration numbers of the donor and the recipient, the date and value of the donation and, with the exception of donations made to the Arts Council Malta, the approval of the recipient cultural organisation by the Arts Council Malta.

(4) The Arts Council Malta shall provide information as the Commissioner may require regarding all certificates issued for each calendar year by the 15th February of the following year and this information shall be made and delivered on such form and in such manner as the Commissioner may determine.

Donations and scholarships to artistes.

5. (1) Where, in any year of assessment, a company proves to the satisfaction of the Commissioner that it has made a cash donation or provided a scholarship to a *bona fide* artiste who is ordinarily resident in Malta, such expense may be claimed as a deduction against income for the year of assessment in which it is made provided that the said artiste is not in any way related to the donor company.

(2) The total deduction claimed by a company in any year of assessment in accordance with sub-rule (1) shall be the lesser of the expense actually incurred or eighteen thousand and six hundred (18,600) euro.

(3) A company claiming a deduction under this rule shall provide the Commissioner with particulars of the artiste, the nature of the artistic activity and such other information regarding the donation or scholarship as may be required on such form and in such manner as the Commissioner may determine.

---