

PRESS RELEASE

MDA proposals for Budget 2014

These are the Malta Developers Association's (MDA) proposals presented to Government for Budget 2014:

1. A one-time concession be given for the year 2014 to those who do not own any property and are buying a property for the first time in their lives so that they will not pay stamp duty.
2. Substantial incentives to encourage the regeneration of our village cores (UCAs), which are being neglected at an alarming rate and there is a huge lack of interests among developers to invest in these localities:
 - a substantial reduction in the MEPA tariffs so that houses and properties in these old areas are renovated, even when this involves demolition;
 - removal of Capital Gains Tax on the transfer of property in these localities and a tax of 15% on profits will be paid only after the relevant fiscal receipts are presented which show that VAT has been paid; and
 - all the village cores should be given fiscal incentives as Special Designated Areas.
3. Incentives for development of new buildings that exceed the EU's energy-saving objectives, as well as those that upgrade existing buildings.
4. The system of 15% withholding on residential rents should be introduced with the option of paying the normal tax rate on income.
5. For tax purposes, the Inland Revenue Department should accept the valuation that any architect gives to a property so long as that architect is responsible for the

valuation he/she gives. This is a temporary measure until the property price index, which is being discussed in the BICC, is established.

6. Since many neglected properties or undeveloped sites have ground rents imposed on them and in the majority of them the Direct Dominium is owned by the government itself, a scheme should be issued so that these government ground rents are converted to a freehold property. In this way one puts one's mind at rest if one invests in these sites. Whoever is given this concession would be bound to make a substantial investment in the site within five years.
7. The full process should start for all properties to be registered with the Land Registry so that the bureaucracy of research will be minimised and every buyer can put his/her mind at rest on the title of the property he/she is buying.
8. Where Capital Gains Tax has been paid at a rate of 12% on the value of the sale, a refund on that part of the tax that would have been paid on VAT would be given.
9. All of Gozo should be considered a special designated area.
10. The sale of property to foreigners should be encouraged. Schemes like the Malta Retirement Programme will be set up or updated to promote these property sales. A Marketing Incentive Scheme will be set up to assist developers to undertake marketing campaigns abroad for the sale of property.

The MDA feels that with all these measures there will be a positive impact and fresh investment will be attracted to property.

30 August, 2013

Maltese translation on next page...

PRESS RELEASE

Proposti tal-MDA għall-Budget 2014

Dawn huma l-proposti li l-Malta Developers Association (MDA) ipprezentat lill-Gvern għall-Budget 2014:

1. Tinghata koncessjoni ta' darba għas-sena 2014 lil min ma għandu ebda proprjetà u qed jixtri proprjetà għall-ewwel darba f'ħajtu biex ma jhallasx ebda taxxa tal-boll.
2. Inċentivi sostanzjali biex tkun inkoraġġita r-rigenerazzjoni fil-*village cores* (UCAs) tagħna, fejn qed tizzied b' mod allarmanti t-telqa u hemm nuqqas kbir ta' interess biex żviluppaturi jinvestu f'dawn il-lokalitajiet:
 - tnaqqis sostanzjali fit-tariffi tal-MEPA sabiexi jiġu rinovati djar u proprjetajiet f'dawn l-inħawi anki meta dan jinvolvi twaqqiġ;
 - titneħħa il-*Capital Gains Tax* għal trasferiment ta' proprjetà f'dawn il-lokalitajiet u tithallas biss 15% taxxa fuq il-qliegħ wara li jkunu ipprezentati l-irċevuti kollha fiskali li juru li tkun thallset il-VAT; u
 - il-*village cores* kollha għandhom jinghataw il-benefiċċji fiskali kollha ta' *Special Designated Areas*.
3. Inċentivi għal żvilupp li jaqbeż ir-rekwiziti minimi rigward il-miri tal-enerġija tal-bini mfassla mill-UE, kif ukoll għal min jagħmel dan f'bini eżistenti.
4. Tidhol is-sistema ta 15% *withholding* fuq kirjiet residenzjali bl-għażla li wieħed jista' jhallas ir-rati normali ta' taxxa tad-dhul.
5. Għal skop ta' tassazzjoni d-Dipartiment tat-Taxxi Interni għandu jaċċetta l-valur tal-proprjetà li tiġi stmata minn kwalunkwe perit sakemm dejjem tali perit ikun risponsabbli għall-valutazzjoni li jagħti. Din hi miżura temporanja sakemm tiġi stabbilita l-*property price index*, li qed tiġi diskussa fil-BICC.
6. Billi hafna mill-proprjetajiet li huma mitluqa jew siti m'humieħ żviluppati għandhom impost fuqhom ċnus temporanju u fil-biċċa l-kbira id-Dirett Dominium

huwa tal-gvern stess, għandha toħroġ skema biex dawn iċ-ċnus tal-gvern ikunu konvertiti fi proprjetà franka u libera. B'hekk wieħed iserrah rasu jekk jinvesti fuq dawn is-siti. Min jingħata din il-konċessjoni jkun irid jintrabat li jagħmel investment sostanzjali fuq is-sit fi żmien ħames snin.

7. Għandu jinbeda l-proċess sħiħ sabiex il-proprjetà kollha tkun reġistrata mar-Registru tal-Artijiet sabiex titnaqqas il-burokrazija tar-riċerki u kull xerrej iserrah rasu fuq it-titlu tal-proprjetà li jkun qed jixtri.
8. Fil-każ ta' hlas tal-*Capital Gains Tax* bir-rata ta' 12% fuq il-valur tal-bejgħ, jingħata rifużjoni tal-parti ta' din it-taxxa li tkun thallset fuq il-VAT.
9. Għawdex kollhu jkun konsidrat bħala *special designated area*.
10. Ikun inkorraġit il-bejgħ ta' proprjetà lill-barranin. Jerġgħu jitwaqqfu jew ikunu aġġornati skemi għal dan il-għan, bħall-*Malta Retirement Programme*. Titwaqqaf *Marketing Incentive Scheme* biex tingħata għajnuna lill-iżviluppaturi li jagħmlu *marketing campaigns* barra minn Malta għall-bejgħ ta' proprjetà.

L-MDA thoss li b'dawn il-miżuri kollha flimkien iħallu mpatt pożittiv u jattiraw investment ġdid fil-proprjetà.

30 ta' Awwissu, 2013



