



THE MALTA CHAMBER

PRESS RELEASE

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The Malta Chamber warns of a worrying precedent for law-abiding taxpayers

The Malta Chamber of Commerce, Enterprise and Industry is vociferous in its call to represent ethical business across Malta and the recent media reports of 'substantial tax reductions to tax offenders' are setting a very worrying precedent. Malta is struggling to crack down on tax evasion and such 'tax deals' continue to weaken compliance with the rule of law and foster a culture of corruption.

Government and Contracting authorities must promote a level-playing field among all economic operators and reward those who comply with the law, not only because it is the right thing to do, but also to safeguard the competitiveness of operators who comply with the law as against those who disrespect the law. Any 'deals' to reduce unpaid taxes should be transparent and beneficiaries should be considered according to predetermined guidelines such as a result of economic constraints arising from the current pandemic. All taxpayers should be treated equally.

In its report on 'Public Procurement Reform' published earlier this year, the Malta Chamber calls on authorities, namely the Department of Contracts and the Inland Revenue Department to create systems of seamless integration which would automatically flag economic operators who have pending social security payments, tax arrears and if no settlement agreement is in place. This is critical in evaluating the financial soundness or otherwise of bidders.

The near absence of blacklisting in Malta and the inadequacy of the current mechanism has been repeatedly identified by the Malta Chamber as a matter of concern which should be addressed as a priority in public procurement and good governance.

The Malta Chamber intends to fiercely advocate for the implementation of the reforms proposed while maintaining an open and constructive dialogue with all relevant stakeholders.

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