

The measures that matter to **Retail**



Enhanced VAT compliance requirements

Retailers will face stricter enforcement for failures to issue correct VAT invoices and fiscal receipts, with escalating administrative penalties and an increased risk of MTCA audits and inspections. Businesses should review their POS systems, receipt procedures and staff training.



Clarification of VAT treatment on ready-to-eat food

New guidance on the VAT exemption applicable to ready-to-eat food sold by supermarkets, convenience stores and similar outlets is expected to provide greater certainty and consistency across the sector, although system and product coding updates may be required.



Higher employment costs

The increase in the National Minimum Wage by €10.41 per week will raise payroll costs for retailers, particularly those employing shop assistants, cashiers and warehouse staff, potentially impacting pricing and staffing budgets.



Increased pressure on labour supply

The work permit application fee will increase from €600 to €800, together with a new annual €400 infrastructure contribution, increasing employment costs for firms relying on non-EU talent.



Investment and growth incentives

Smaller retailers with annual turnover not exceeding €1 million may benefit from a reduced 25% corporate tax rate on retained or reinvested profits. In addition, continued Malta Enterprise support for digitalisation and automation may encourage investment in e-commerce, inventory management systems and operational efficiencies.

