



Malta Expense Reimbursement Procedure

This guide outlines the rules and procedures for expense reimbursement for employees in Malta. It ensures compliance with Malta's Fringe Benefits Rules, social security laws, and internal company policy.

Tax treatment principles

Under Malta's Fringe Benefits Rules, the reimbursement of an expense is not a taxable fringe benefit where the expense was incurred wholly, exclusively and necessarily in the performance of the employee's duties and the reimbursement is made against actual receipts.

Where these conditions are met, the amount is paid to the employee free of tax and social security (non-taxable, paid on top of net salary).

Conversely, a fixed cash allowance paid without receipts, or any personal-benefit element, does not qualify for the exemption and must be added to gross pay and taxed through FSS.

When in doubt about whether an item is taxable, Payroll confirms the treatment with the Commissioner for Tax and Customs guidance or the company's tax advisor before processing.

Business purpose	Wholly, exclusively & necessarily for work	Personal benefit or mixed use
Evidence	Actual itemised receipt / invoice	No receipt – round-sum cash allowance
Payroll treatment	Reimbursed net, no tax / SSC	Grossed up, taxed via FSS

Eligible expenses

The following are normally reimbursable and, when supported by receipts, treated as non-taxable:

- ◆ **Business travel** – Transport, flights, and public transport for work trips away from the normal place of work.
- ◆ **Accommodation & subsistence** – Hotel and reasonable meals while travelling on business; the primary purpose of the trip must be work-related.
- ◆ **Use of own car for business** – Reimbursed at the approved mileage rate against a mileage log (home-to-office commuting is excluded).
- ◆ **Training & professional development** – Course fees and related travel and accommodation, where the training relates to the employee's duties.

- ◆ **Professional subscriptions** – Membership of a professional body where membership is necessary to carry out the role.
- ◆ **Telephone & internet** – Fixed or mobile service used for work, reimbursed against the bill (cash phone allowances remain taxable).
- ◆ **Work equipment & consumables** – Tools, software, or materials required to perform the job, purchased with prior approval.
- ◆ **Client-related costs** – Pre-approved client entertainment or hospitality with a documented business purpose and attendee list.

Note: A flat car cash allowance and a general home electricity allowance are not supported by the Fringe Benefits Rules as non-taxable items and have been removed from this list. Any such allowance must be paid as taxable pay through FSS unless it is restructured as a receipted, business-use reimbursement (e.g. mileage log for car use; itemised bill for internet).

Not reimbursable

- Home-to-work commuting, traffic fines, parking fines and penalties.
- Personal expenditure, personal grooming, or family/companion travel costs.
- Round-sum cash allowances paid without receipts (unless processed as taxable pay).
- Any expense incurred without the required prior approval, where prior approval was mandatory.

Reimbursement conditions



1. Travel expenses

- All travel must be business-related and subject to prior approval.
- Proper documentation must be provided to confirm the exact amounts spent.
- **Accommodation:** The company may cover the full or partial cost, provided the arrangement is agreed upon in advance.



2. Car-related expenses

- **Car cash allowance:** Provided for the use of a private car on work errands.
 - Tax benefit: 50% of the allowance is non-taxable, up to a maximum of €1,170 per year.
- **Fuel allowance:** Specifically designated to cover fuel used during work-related errands.
- All car-related claims must be justified, documented, and approved.



3. Mobile allowance

- Applicable only to business calls and data use related to company business.
- Reimbursement is subject to specific company policy limits.



4. Work-related expenses

- Purchases of office supplies or software require company approval before the expense is incurred.



5. Client & business entertainment

- Meals with clients are reimbursable but remain subject to internal company policy and prior authorisation.

Summary of key limits

- ◆ **Car cash allowance:** 50% non-taxable up to €1,170/year.
- ◆ **Fuel allowance:** Reimbursed based on documented work errands.
- ◆ **Accommodation:** Full or partial reimbursement as per prior agreement.
- ◆ **Mobile allowance:** Subject to internal policy limits.
- ◆ **Internet/Electricity:** Subject to internal policy; no specific statutory limit.

General conditions

A valid claim must be supported by an original itemised receipt or VAT invoice showing the supplier, date, description and amount. Credit-card slips or bank statements alone are not sufficient.

Receipts must be legible; foreign-currency receipts are converted to EUR at the rate on the transaction date, with the rate source noted. Records are retained for the period required by Maltese tax law so that any reimbursement can be substantiated on audit.

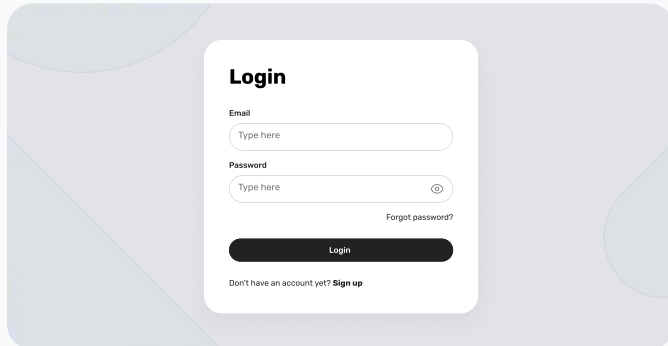
! Documentation requirements

The following documentation is required for each reimbursement request:

- **Receipts or invoices** – Must be provided for all claims to confirm the total amount and vendor details.
- **Expense justification** – Each claim must include a clear business purpose (e.g., travel purpose, specific work errand, or client meeting details).
- **Approval** – All claims must be signed off and authorised in accordance with the company's standard procedures.
- **Record-keeping** – All records and supporting documents must be stored in accordance with Malta's tax and legal requirements.

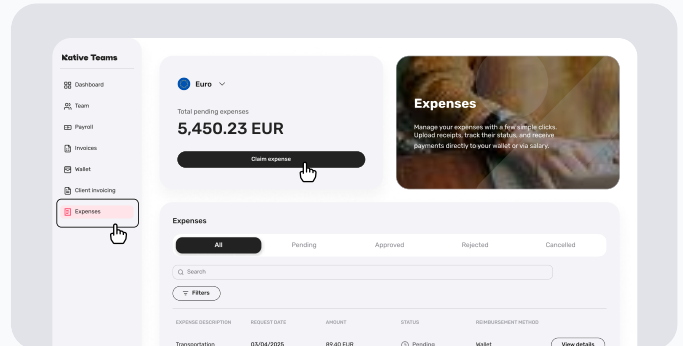
Expense Submission Process

Submitting via **Native Teams** Platform



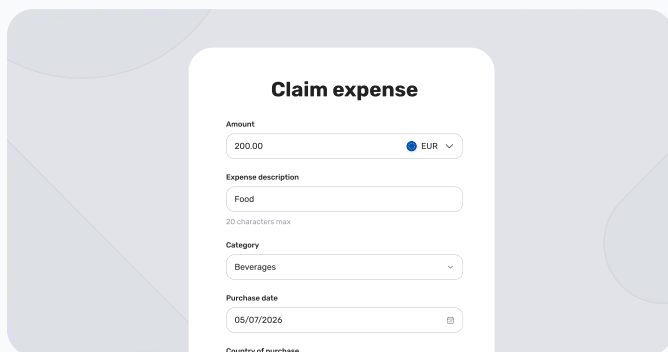
STEP 1

Log in to your Native Teams account.



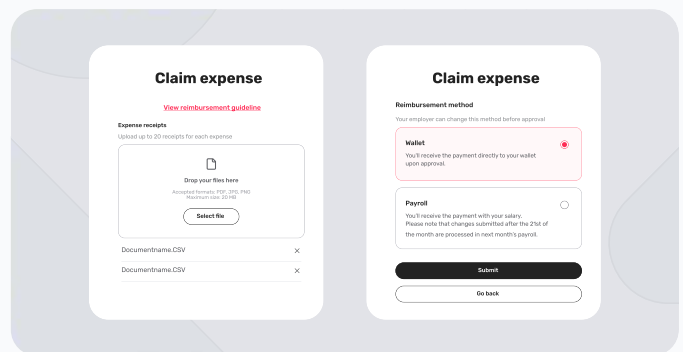
STEP 2

Click on the **Expenses** section on the left side menu and then on the **Claim expense** button.



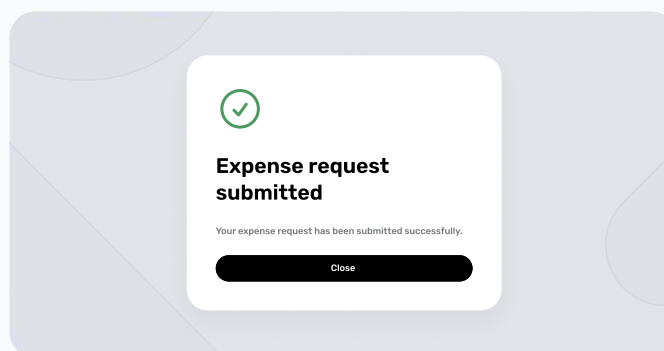
STEP 3

Fill in the required fields for the amount, expense description, category, purchase date, and country of purchase.



STEP 4

Attach a proof and select your reimbursement method: wallet or payroll.



STEP 5

Submit the claim and wait for your employer's approval of the reimbursement.

⚠ Submission deadlines

- All expense claims must be submitted by the **10th of each month** to be included in that month's payroll.
- Claims submitted after the 10th will be processed in the next month's payroll.
- If the 10th falls on a weekend or public holiday, the deadline extends to the next working day.



Native Teams legal entity - Malta

◆ **Entity name:** Pelagonian Limited

◆ **Registration number:** C 103901

◆ **Registered address:** 35, Strait Street, Valletta VLT 1434, Malta

Native Teams

For any questions regarding expense reimbursements, please
contact customersuccess@nteam.com