No. 166

MINISTRY FOR FINANCE

Explanatory Notes[1]

1. Introduction

Title of the legal instrument	Excise Duty (Amendment of the Fifth and Sixth Schedules) (Amendment) Regulations, 2026, hereinafter referred to as the "regulations"
Purpose of the legislation	To regulate nicotine pouches products
Responsible entity	Ministry for Finance (Malta Tax and Customs Administration, Customs Operations)

2. Summary and background

These regulations are being introduced in order to establish a comprehensive fiscal and compliance framework for nicotine pouches. These products are defined as nicotine-containing items intended for oral application excluding inhalation, and tobacco cessation aids, and are classified under HS Code 2404.91.9000.

The regulatory framework fills a legislative gap by recognising nicotine pouches as excisable goods and subjecting them to excise duty, stamp requirements, and compliance obligations. This follows the broader policy direction to regulate emerging nicotine products in line with public health and fiscal objectives.

Consequently to these regulations there is the need to amend the Fifth and Sixth to the Excise Duty Act (Cap. 382) (hereinafter referred to as the "principal Act") in order to provide for the regulatory framework accordingly.

3. Overview of the structure of the instrument

Regulation 1: Citation and commencement
Regulation 2: Amends the Fifth Schedule to the principal Act
Regulation 3: Amends the Sixth Schedule to the principal Act

4. Commentary

Regulation 1 provides for the title of the regulations and for the of commencement
Regulation 2 sets the applicable excise duty rate for nicotine pouches at €8 per kilogram
Regulation 3 adds Part M to the Sixth Schedule, establishing the regulatory framework for nicotine pouches, including stamp requirements, penalties, record-keeping and retail restrictions.

5. Concluding sections

All the provisions of these regulations shall come into force on 1st April 2026.

Although these provisions have been classified as having an impact on small businesses, given that they consist of a fiscal measure, they are exempt from the standard two-month suspension period from publication in accordance with the Small Business Act (Exemptions) Regulations (S.L. 512.01).

For further information, please contact the Customs Operations via email at (malta.customs@gov.mt) or by phone at +356 23783310, 23783311, or 23783312.

N.B. These Explanatory Notes are not intended to be an exhaustive description of the instrument nor a substitute thereof or a legislative supplement thereto. These Explanatory Notes do not purport to be an authoritative ruling on the interpretation of the legislation.

6th February, 2026

[1]These Explanatory Notes are in accordance with and for the purpose of article 3(2)(c) of the Small Business Act (Chapter 512 of the Laws of Malta).