19 May 2010

Circular to all Periti

Dear Colleague

Re: Tariff K and VAT

Reference is made to previous circulars and directives regarding the application of the schedule of fees as defined in Tariff K and the inclusion of VAT, as part of the Cost of Construction.

We wish to draw your attention that a recent Court of Appeal judgement has ruled that the amount of VAT is not part of the Cost of Construction and that it should not be included in the computation of the fees due to the perit squashing a previous court judgment delivered by the First Hall of the Civil Court which had decided in favour of the inclusion of the amount of VAT as part of the Cost of Construction.

The Kamra tal-Periti, whilst taking note of the decision reached by the Court of Appeal, does not agree with this decision. We hereby inform you that KTP is already in the process of seeking legal advice on the matter and will vigorously challenge this interpretation of the term “cost of construction” with legitimate means and in the appropriate quarters.

Furthermore, as we have informed you earlier, a Legal Notice dated 29th December 2009 determined that fees are no longer mandatory and may be established by written agreement between the client and the perit. In the absence of such agreement, the fees described in Tariff K are to stand. Also in this instance we are not in agreement with this unilateral decision taken by government and we are also here seeking redress through the appropriate channels.

Vincent Cassar
President