

Department of Contracts
Notre Dame Ravelin
FLORIANA

To Permanent Secretaries
Directors General
Directors
Heads of Public Sector Organisations

06 January 2026

OFFICIAL FINANCIAL THRESHOLDS RELATING TO PUBLIC PROCUREMENT, UTILITIES PROCUREMENT AND CONCESSION CONTRACTS EU DIRECTIVES

The European Union (EU) establishes Minimum Standardised Rules for Procurement, the Financial Estimated Value of which equals or exceeds a certain Threshold. Every two (2) years, such thresholds need to be revised in accordance with the terms of the World Trade Organisation Agreement on Government Procurement¹ (GPA).

The revised thresholds, which have been revised downwards for Years 2026 – 2027 shall apply as of 1st January 2026.

Public/Utilities Procurement and Concession Contracts: EU Thresholds

The new EU Financial Estimated Value Thresholds excluding VAT, by EU Directive, are as detailed below and overleaf. Through the publication of a Legal Notice/s, the corresponding Thresholds shall be reflected in the relevant ‘Schedule’ of the local Procurement/Concession Legislations.

Directive 2014/24/EU: Public Procurement Regulations S.L. 601.03

| Publishing Authority | Supplies | Services | Design Contests | Works |
|---|-----------------|-----------------|------------------------|------------------|
| Department of Contracts ² | From €140,000 | From €140,000 | From €140,000 | From € 5,404,000 |
| Schedule 3 Contracting Authorities (excluding Local Councils) | From €140,000 | From €140,000 | From €140,000 | From € 5,404,000 |
| Sub-Central Contracting Authorities (i.e. Local Councils) | From € 216,000 | From € 216,000 | From € 216,000 | From € 5,404,000 |

¹ https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L_202502152, https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L_202502150,
https://eur-lex.europa.eu/eli/reg_del/2025/2151/oj/eng

² Operations Directorate and Sectoral Procurement Directorate – as applicable.

Directive 2014/25/EU: Public Procurement of Entities operating in the Water, Energy, Transport and Postal Services Sectors S.L. 601.05

| Publishing Authority | Supplies | Services | Design Contests | Works |
|--|-----------------|-----------------|------------------------|------------------|
| Utilities Contracting Authorities/Entities | From € 432,000 | From € 432,000 | From € 432,000 | From € 5,404,000 |

Directive 2014/23/EU: Concession Contracts Regulations S.L. 601.09

| Publishing Authority | Supplies | Services | Design Contests | Works |
|--------------------------------------|-----------------|------------------|------------------------|------------------|
| All Contracting Authorities/Entities | / | From € 5,404,000 | / | From € 5,404,000 |

At Annex II [Sheet A], a detailed table that portrays the above new ‘*EU Financial Thresholds*’ in comparison to the current EU Thresholds is being provided. Contracting Authorities/Entities are reminded that when the Estimated Procurement Value meets or exceeds the said thresholds a Contract Notice must be published in the Official Journal of the European Union (OJEU).

Additional Information

To assist Contracting Authorities/Entities in the administration of the procurement process, at Annex I, enclosed with this Contracts Circular, the Department of Contracts is providing specific information in relation to Local Thresholds, Departmental Procurement, Authority responsible for publishing Procurement Calls and e-Procurement Templates.

Contact

Contracting Authorities/Entities may submit any queries to the Department of Contracts’ Customer Care service on info.contracts@gov.mt or by calling on +356 2378 1001.

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OFFICIAL FINANCIAL THRESHOLDS

The European Union (EU) establishes Minimum Standardised Rules for Procurement, the Financial Estimated Value of which equals or exceeds a certain Threshold¹. Every two (2) years, such thresholds need to be revised² in accordance with the terms of the World Trade Organisation Agreement on Government Procurement (GPA)³. The purpose of these adjustments⁴ is to correct any currency movements between the Euro and the Special Drawing Rights (SDRs).

To this end, further to the publishing of the relevant Commission Delegated Regulations⁵ on the Official Journal of the European Union (OJEU)⁶, Article 8 of the Directive 2014/23/EU⁷, Article 4 of Directive 2014/24/EU⁸ and Article 15 of Directive 2014/25/EU⁹ have been amended so that the thresholds correspond to the thresholds established in the amended GPA¹⁰.

Further to the above and in accordance with Regulation 9(3) of the Public Procurement Regulations S.L. 601.03¹¹, Regulation 30(2) of the Utilities¹² Procurement Regulations S.L. 601.05¹³ and Regulation 57 of the Concession Contracts Regulations S.L. 601.09¹⁴, the Minister responsible for Finance shall revise the applicable thresholds, which shall be equal to and categorised in the same manner, as the thresholds established pursuant to the relevant European Union Directives. Accordingly, through the publication of a Legal Notice/s, the respective EU Thresholds shall be reflected in the relevant 'Schedule' of the local Procurement/Concession Legislations. Furthermore, any other applicable Local Thresholds shall also be revised as necessary.

¹ The harmonised rules for procurement is presumed to be of cross-border interest. The EU rules ensure that the award of contracts of above EU threshold procurement must be fair, equitable, transparent and non-discriminatory. On the other hand, procurement which is below the EU threshold shall adhere to national rules, which nevertheless have to respect general principles of EU Legislation.

² Article 9 of Directive 2014/23/EU, Article 6 of Directive 2014/24/EU and Article 17 of Directive 2014/25/EU empower the European Commission to adopt Delegated Acts, in accordance with Article 290 of the Treaty on the Functioning of the European Union, with respect to the revision of the said Thresholds

³ The amended Agreement on Government Procurement ('the Agreement') is a plurilateral instrument and its purpose is to mutually open government procurement markets among its parties. The GPA has a mechanism for recalculating the equivalent value of its thresholds, which are fixed in SDRs, in the currencies of its parties every two years.

⁴ The calculation of the Thresholds of the Public/Utilities Procurement and Concession Directives is based on the average daily value of the Euro in terms of the Special Drawing Rights, over a period of 24 months, terminating on 31st August preceding the revision⁴, with effect from 1st January. The said calculation carried out every two (2) years. The said calculation is a mathematical technical exercise wherein the purpose of the adjustments is to correct any currency movements between the signatories which would affect the extent of their procurement markets which are open to competition from companies in other signatory countries.

⁵ https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L_202502152, https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L_202502150, https://eur-lex.europa.eu/eli/reg_del/2025/2151/oj/eng

⁶ The Communication from the Commission on the corresponding values of the revised Thresholds (vis-à-vis Directives 2014/23/EU, 2014/24/EU and 2014/25/EU) in Non-Euro currencies of EU Member States have been published on the OJEU.

⁷ Directive 2014/23/EU: Award of Concession Contracts.

⁸ Directive 2014/24/EU: Public Procurement.

⁹ Directive 2014/25/EU: Procurement by Entities Operating in the Water, Energy, Transport and Postal Services Sectors.

¹⁰ The amended Agreement on Government Procurement is a plurilateral instrument and its purpose is to mutually open Government Procurement markets among its parties.

¹¹ Schedule 5: Values of Thresholds pursuant to Regulation 9 of S.L. 601.03.

¹² Utilities Procurement: Public Procurement of Entities operating in the Water, Energy, Transport and Postal Services Sectors.

¹³ Schedule 5: Values of Thresholds pursuant to Regulation 30 of S.L. 601.05.

¹⁴ Schedule 3: Values of thresholds pursuant to Regulation 57 of S.L. 601.09.

Public/Utilities Procurement and Concession Contracts: Local Thresholds

Pursuant to the EU and Local Financial Thresholds, a Departmental Procurement¹⁵ shall be deemed to be procurement in line with the below Estimated Procurement Values.

- Public Procurement Regulations S.L. 601.03: Less than € 140,000 excl. VAT.
- Utilities Procurement Regulations S.L. 601.05: Less than € 432,000 excl. VAT.

For ease of reference and perusal, at Annex II [Sheet B] the ‘*Local Financial Thresholds*’ (specifying which authority is responsible for the Procurement/Concession Procedure, thus, the publication of the relevant Procurement/Concession Call) applicable to local Public Contracts, as of 1st January 2026 is being provided.

Department of Contracts: Publication of Procurement Calls

The *Operations Directorate* at the Department of Contracts shall publish and administer procurement on behalf of the Contracting Authorities/Entities, in line with the details and Estimated Procurement Values as specified in the Table below.

| Contracting Authority/Entity Classification | Estimated Procurement Value Threshold excl. VAT |
|--|---|
| Contracting Authorities classified under Schedule 2 of S.L. 601.03 | Equal to or Exceeding € 140,000 |
| Contracting Authorities classified under Schedule 16 of S.L. 601.03 (<i>specifically for Procurement Procedures which <u>are</u> the Open or Restricted</i>) | Exceeding € 750,000 |
| Contracting Authorities classified under Schedule 16 of S.L. 601.03 (<i>specifically for Procurement Procedures which are <u>not</u> the Open or Restricted</i>) | Equal to or Exceeding € 140,000 |
| Contracting Entities pursuing activities in line with S.L. 601.05 ¹⁶ | Equal to or Exceeding € 432,000 |

The *Sectoral Procurement Directorate* also forming part of the Department of Contracts shall publish and administer procurement on behalf of the Contracting Authorities/Entities, in line with the details and Estimated Procurement Values as specified in the Table below.

| Contracting Authority Classification | Estimated Procurement Value Threshold excl. VAT |
|--|---|
| Contracting Authorities classified under Schedule 16 of S.L. 601.03 (<i>specifically for Procurement Procedures which <u>are</u> the Open or Restricted</i>) | Exceeding € 10,000 but not exceeding € 750,000 |

¹⁵ Departmental Tender is defined as tenders published by Contracting Authorities/Entities with an Estimated Value which is less than the threshold established under Regulation 9(1)(a) of S.L. 601.03/Regulation 30(1)(a) of S.L. 601.05.

¹⁶ Provided that, pursuant to Regulation 30(1)(b) of S.L. 601.05, Public Contracts required by the Contracting Entities specified in the said Regulation shall publish, administer and determine such Procurement Calls on their own without the involvement of the Director of Contract. Hence, Utilities Procurement Documents shall not be vetted by the Department of Contracts.

e-Procurement Templates

Contracting Authorities¹⁷/Entities¹⁸ shall utilise the 'Above Threshold' e-Procurement Template when drafting and compiling the Procurement Document whenever the Estimated Procurement Value of the Services/Supplies/Works Equals or Exceeds the Thresholds displayed in the Table below.

| | Authority responsible for publishing Procurement Calls | Estimated Procurement Value Threshold excl. VAT |
|----------------|--|--|
| S.L. 601.03 | Department of Contracts (<i>Operations Directorate and the Sectoral Procurement Directorate</i>) | € 140,000 |
| | Schedule 3 Contracting Authorities (<i>excluding Local Councils</i>) | € 140,000 |
| | Sub-Central Contracting Authorities (<i>i.e. Local Councils</i>) | € 216,000 |
| S.L. 601.05 | Department of Contracts (<i>Operations Directorate</i>) | € 432,000 |
| | Specific Contracting Authorities/Entities [<i>as specified in Regulation 30(1)(b)</i>] | € 432,000 |

In line with the above, the relevant Authority responsible for publishing Procurement Calls shall distinguish between 'Below' and 'Above' Local and EU Threshold Procurement, thus, administering the Procurement Procedure according to the applicable Regulations, Policies and Modus Operandi.

¹⁷ Contracting Authorities in S.L. 601.03, S.L. 601.05 and in S.L. 601.12 is defined as the 'State, regional or local authorities, bodies governed by public law or associations formed by one or more such authorities or one or more such bodies governed by public law'. Contracting Authorities in S.L. 601.09 is defined as per S.L. 601.03 with the additional inclusion of ... 'other than those authorities, bodies or associations which pursue one of the activities referred to in Schedule 4 and award a concession for the pursuit of one of those activities'. Contracting Authority in S.L. 601.08 is defined as 'one of the government entities specified in the Schedule' ie Central Procurement Supplies Unit and the Civil Protection Department.

¹⁸ Contracting Entities in S.L. 601.05 are entities which: (a) are contracting authorities or public undertakings and which pursue one of the activities referred to in regulations 8 to 14; (b) when they are not contracting authorities or public undertakings, have as one of their activities any of the activities referred to in regulations 7 to 13, or any combination thereof and operate on the basis of special or exclusive rights granted by a competent authority.

PUBLIC PROCUREMENT, UTILITIES PROCUREMENT AND CONCESSION CONTRACTS - EU THRESHOLDS
All Estimated Values are Excluding VAT

| | AUTHORITY PUBLISHING PROCUREMENT CALLS | SUPPLIES Estimated Value | SERVICES Estimated Value | DESIGN CONTESTS Estimated Value | WORKS Estimated Value |
|---|--|--|--|--|--|
| PUBLIC PROCUREMENT REGULATIONS S.L 601.03 (LN 352/2016) | Department of Contracts (<i>Operations Directorate & Sectoral Procurement Directorate - as applicable</i>) | From €140,000 <i>Previously was € 143,000</i> | From €140,000 <i>Previously was € 143,000</i> | From €140,000 <i>Previously was € 143,000</i> | From € 5,404,000 <i>Previously was € 5,538,000</i> |
| | Schedule 3 Contracting Authorities (<i>excluding Local Councils</i>) | From €140,000 <i>Previously was € 143,000</i> | From €140,000 <i>Previously was € 143,000</i> | From €140,000 <i>Previously was € 143,000</i> | From € 5,404,000 <i>Previously was € 5,538,000</i> |
| | Sub-Central Contracting Authorities (<i>i.e. Local Councils</i>) | From € 216,000 <i>Previously was € 221,000</i> | From € 216,000 <i>Previously was € 221,000</i> | From € 216,000 <i>Previously was € 221,000</i> | From € 5,404,000 <i>Previously was € 5,538,000</i> |
| UTILITIES PUBLIC PROCUREMENT REGULATIONS S.L 601.05 (LN 351/2016) | Utilities Contracting Authorities/Entities | From € 432,000 <i>Previously was € 443,000</i> | From € 432,000 <i>Previously was € 443,000</i> | From € 432,000 <i>Previously was € 443,000</i> | From € 5,404,000 <i>Previously was € 5,538,000</i> |
| CONCESSION CONTRACTS REGULATIONS S.L 601.09 (LN 353/2016) | All Contracting Authorities/Entities | / | From € 5,404,000 <i>Previously was € 5,538,000</i> | / | From € 5,404,000 <i>Previously was € 5,538,000</i> |

PUBLIC PROCUREMENT, UTILITIES PROCUREMENT AND CONCESSION CONTRACTS - LOCAL THRESHOLDS
All Estimated Values are Excluding VAT

| | AUTHORITY RESPONSIBLE FOR THE PROCUREMENT PROCESS AUTHORITY RESPONSIBLE FOR PUBLISHING PROCUREMENT CALLS | PROCUREMENT ESTIMATED VALUE |
|--|---|-------------------------------|
| PUBLIC PROCUREMENT REGULATIONS S.L. 601.03 (LN 352/2016) | Department of Contracts (Operations Directorate) obo Contracting Authorities classified under Schedule 2 | From € 140,000 |
| | Contracting Authorities classified under Schedule 2 | Below € 140,000 |
| | Department of Contracts (Sectoral Procurement Directorate) obo Contracting Authorities classified under Schedule 16 <i>Specifically for Procurement Procedures which are the Open or Restricted</i> | Above € 10,000 till € 750,000 |
| | Department of Contracts (Operations Directorate) obo Contracting Authorities classified under Schedule 16 <i>Specifically for Procurement Procedures which are not the Open or Restricted</i> | From € 140,000 |
| | Department of Contracts (Operations Directorate) obo Contracting Authorities classified under Schedule 16 <i>Specifically for Procurement Procedures which are the Open or Restricted</i> | From € 750,000 |
| | Contracting Authorities classified under Schedule 16 | Equal to or Below € 10,000 |
| | Schedule 3 Contracting Authorities (including Sub-Central Contracting Authorities i.e. Local Councils) | From € 0.01 |
| UTILITIES PUBLIC PROCUREMENT REGULATIONS S.L. 601.05 (LN 351/2016) | Department of Contracts (Operations Directorate) obo Contracting Authorities/Entities pursuing activities in line with S.L. 601.05 | From € 432,000 |
| | Contracting Authorities/Entities pursuing activities in line with S.L. 601.05 | Below € 432,000 |
| | Specific Contracting Authorities/Entities [as specified in Regulation 30(1)(b)] pursuing activities in line with S.L. 601.05 | From € 0.01 |
| CONCESSION CONTRACTS REGULATIONS S.L. 601.09 (LN 353/2016) | All Contracting Authorities/Entities | From € 0.01 |
| | | |