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SUBSIDIES

NEW AND FULL NOTIFICATION PURSUANT TO ARTICLE XVI:1 OF THE GATT 1994 AND ARTICLE 25 OF THE AGREEMENT ON SUBSIDIES AND COUNTERVAILING MEASURES

EUROPEAN UNION

Addendum

The following addendum to the notification of the notification of the European Union relates to subsidy programmes of **Malta**.

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INTRODUCTION

This report covers state aid programmes and schemes that were in operation between 2017 and 2018. The amounts stated in this report are in the Euro currency (EUR).

1 INVESTMENT AID SCHEME

1. Title of the subsidy

Investment Aid Scheme.

2. Period covered by the notification

The period covered by this notification starts from the 1st January 2017 until the 31st December 2018.

3. Policy objective and / or purpose of the subsidy

The Investment Aid Scheme seeks to assist the development of Malta by promoting the expansion and diversification of economic activities of enterprises located in Malta as well as to encourage firms to set up new establishments.

The main benefits derived from this assistance include:

- Increased investment;
- Increased job opportunities;
- Increase in the GDP.

4. Background and authority for the subsidy

The Investment Aid Scheme is administered by Malta Enterprise Corporation.

Malta Enterprise Corporation may issue and publish the official incentive guidelines covering this aid scheme in terms of Article 8 (3)(a) of the Malta Enterprise Act, Chapter 463 of the Laws of Malta.

The Corporation may design support measures in terms of the Malta Enterprise Act:

<http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=8929&l=1>

The Investment Aid Regulations as Subsidiary Legislation 463.02 to the Malta Enterprise Act, mentioned in the previous paragraph, forms the national legal basis of this aid scheme.

<http://justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=11607&l=1>

The terms and conditions covering this aid scheme are in line with Article 13 – Regional investment and employment aid of Section 1 - Regional Aid of Commission Regulation (EC) No 800/2008 of 6 August 2008 declaring certain categories of aid compatible with the common market in application of Articles 87 and 88 of the Treaty (General block exemption Regulation). The State Aid number of the Investment Aid Scheme is SA 34221 (2012/X).

In terms of the Malta Enterprise Act mentioned above, the parameters of aid and details of the support measure are found in the incentive guidelines. These incentive guidelines are a set of rules issued by the Corporation from time to time containing details on the definition, application, administration, grant and revocation of the schemes. The incentive guidelines for **Investment Aid Scheme** may be accessed by using the following link:

<https://www.maltaenterprise.com/sites/default/files/Investment%20Aid%20Tax%20Credits%20Incentive%20Guidelines%20%28valid%20up%20to%20June%202014%29.pdf>

5. Form of subsidy

The scheme allows aid to be awarded as a cash grant or a tax credit. When aid is awarded as a tax credit, the aid will be granted automatically subject to certain objective criteria being fulfilled. If the form of aid was not in the form of a tax credit, then the aid must be pre-approved in writing before work on the project is initiated. The aid reported in the relevant period refers only to tax credit in respect of project that met the parameters of the scheme due to the nature of tax credits are materialising following the investment.

The assistance provided by this support measure is calculated either in reference to material and immaterial investment costs resulting from an initial investment project or in reference to wage costs for the initial two (2) years of jobs directly created by the investment project.

6. To whom and how the subsidy is provided

Eligible enterprises for the assistance provided by this aid scheme may be Micro, SMEs or Large Enterprises.

Aid Intensities

The total amount of investment aid that may be awarded in terms of these regulations for a given investment project shall be:

- In the case of a company which qualifies as a "Small" enterprise, never exceed 50% of the eligible investment;
- In the case of a company which qualifies as a "Medium" enterprise, never exceed 40% of the eligible investment;
- In the case of a company which qualifies as a "Large" enterprise, never exceed 30% of the eligible investment.

Qualifying Activities

The activities that qualify for Investment Aid are as follows:

- a. (i.) the production, manufacture, improvement, assembly, preservation, processing of any goods, materials, commodities, equipment, plant and machinery;

(ii.) the rendering of any industrial services analogous to the activities mentioned in (i.) above;

(iii.) the repair, overhaul or maintenance of pleasure crafts, yachts not having more than thirty berths, aircraft, engines or equipment incorporated or used in such vessels or aircraft;
- b. Information and Communications Technology (I.C.T.) development activities, software development, Information Technology (I.T.) enabled services including call centres and Information Technology (I.T.) solutions, but excluding telecommunications service providers;
- c. research and development, and innovative start-ups;
- d. eco-innovations, waste treatment and environmental solutions;
- e. biotechnology, comprising the production or development of intellectual property or goods or the rendering of services resulting from, or related to, the study, research, discovery, application, modification or development of living organisms or materials derived from them;
- f. the provision of facilities directly required in the development or production of feature films, television programmes or commercials;

- g. the provision of science and technology private tertiary education;
- h. the provision of private health-care services through the setting up of new projects carrying out an investment of not less than €2.5 million in medical equipment, excluding land or buildings;
- i. the provision of logistics services that include part-transformation that adds value by undertakings employing not less than 250 full-time employees or their equivalent;
- j. activities set out in Article 11 of the Malta Freeports Act and carried on mainly in a Freeport as defined by the Act by an undertaking licensed under the Act.

7. Amount of subsidy

2017 – €50,369,848.00.

2018 – €26,126,626.00.

The values found in this report relate to fiscal incentives claimed by undertakings as follows:

2017: the values are for year of assessment 2017 (financial year 2016).

2018: the values are for year of assessment 2018 (financial year 2017).

The Corporation is not yet in a position to report the values of the aid applicable to fiscal incentives for financial year 2018. This information will be reported in the next WTO report since the audited financial statements for financial year 2018 are still not available.

8. Duration of subsidy

This incentive measure was implemented on the 1st January 2008 and terminated on the 30th June 2014.

9. Trade effects of the subsidy

There are no effects on international trade.

2 INVESTMENT AID TAX CREDITS 2014 - 2020

1. Title of the subsidy

Investment Aid Tax Credits 2014 – 2020.

2. Period covered by the notification

The period covered by this notification starts from the 1st January 2017 until the 31st December 2018.

3. Policy objective and / or purpose of the subsidy

Investment Aid Tax Credits 2014 – 2020 is intended to facilitate initial investments by encouraging the setting up of new establishments and the expansion and development of existing businesses.

4. Background and authority for the subsidy

The Investment Aid Tax Credits 2014 – 2020 is administered by Malta Enterprise Corporation.

Malta Enterprise Corporation may issue and publish the official incentive guidelines covering this aid scheme in terms of Article 8 (3)(a) of the Malta Enterprise Act, Chapter 463 of the Laws of Malta.

The Corporation may design support measures in terms of the Malta Enterprise Act:

<http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=8929&l=1>

The Investment Aid (July 2014) Regulations as Subsidiary Legislation 463.10 to the Malta Enterprise Act, mentioned in the previous paragraph, forms the national legal basis of this aid scheme.

<http://justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=12252&l=1>

The terms and conditions covering this aid scheme shall be in line with Commission Regulation (EU) No 651/2014 of 17th June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty, (OJ L 187/1, 26.6.2014).

<http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0651&from=EN>

In terms of the Malta Enterprise Act mentioned above, the parameters of aid and details of the support measure are found in the incentive guidelines. These incentive guidelines are a set of rules issued by the Corporation from time to time containing details on the definition, application, administration, grant and revocation of the schemes. The incentive guidelines for **Investment Aid Tax Credits 2014 – 2020** may be accessed by using the following link:

https://www.maltaenterprise.com/sites/default/files/Guidelines%20version%203.2_1.pdf

5. Form of subsidy

In principle this is a fiscal measure, yet at the discretion of the Corporation, cash grants may be exceptionally awarded in respect to initial investment projects that provide a significant contribution to the development of the Maltese economy.

Qualifying Expenditure

Eligible expenditure shall be considered to be tangible and intangible assets that are incurred as a result of an eligible initial investment project.

The value of qualifying expenditure is calculated either as the value of qualifying assets acquired in relation to an initial investment project or the value of wage costs for jobs directly created by the initial investment project. In any case, all figures used shall be taken before any deduction of tax or other charge (unless such taxes or charges are otherwise recoverable).

Qualifying Tangible Assets

For the purpose of this support measure, "Qualifying Tangible Assets" means assets consisting of land, building and plant, machinery and equipment. The assets required shall be new for SMEs and for the acquisition of an establishment. In any case, the asset needs to be first time used in Malta.

With the exception of plant or equipment which has become outdated due to rapid technological change, the tangible assets must be kept by the undertaking for at least five (5) years or three (3) years in the case of SMEs, after completion of the investment.

Qualifying Intangible Assets

For the purpose of this incentive, "Qualifying Intangible Assets" means assets that do not have a physical or financial embodiment such as patent rights, licences, know-how or other intellectual property. Costs for the procurement of Qualifying Intangible Assets shall be considered only if the assets are:

- a. used exclusively in the undertaking receiving the aid;
- b. regarded as amortizable assets;
- c. purchased under market conditions from third parties unrelated to the buyer;

- d. included in the assets of the undertaking receiving the aid and must remain associated with the project for which the aid is granted for at least five years or three years in the case of SMEs.

Qualifying assets when acquiring the assets of an establishment

In the case of acquisition of the assets belonging to an establishment that has closed or would have closed had it not been purchased, the following rules shall be applicable:

- a. Only the costs of assets purchased from third parties unrelated to the buyer shall be taken into consideration. The transaction shall take place under market conditions;
- b. If aid has already been granted for the acquisition of assets prior to their purchase, the costs of those assets shall be deducted from the eligible costs related to the acquisition of an establishment;
- c. Where a member of the family of the original owner, or an employee, takes over a small enterprise, the condition that the assets be bought from third parties unrelated to the buyer shall be waived;
- d. The acquisition of shares does not constitute initial investment and hence does not constitute a qualifying expenditure.

Calculating the value of investment on the basis of jobs created

For calculating the value of qualifying investment on the basis of job creation, the qualifying wage costs covering new employment created within three (3) years of the completion of the investment project shall be considered. The value of aid shall be calculated as the estimate of wage costs arising from job creation as a result of an initial investment, calculated over a period of two (2) years and actual disbursement of support will be in relation to actual costs incurred.

6. To whom and how the subsidy is provided

Eligible undertakings are small and medium-sized enterprises in terms of Annex I of Commission Regulation (EU) No 651/2014, as well as large undertakings.

To be eligible for aid through this incentive, an undertaking must operate from Malta and be incorporated in the European Union as a partnership *en nom collectif*, *en commandite* or a limited liability company, co-operative, family business or similar set-up.

Eligible Projects

Initial Investment Projects shall be considered for support if:

- ❖ The investment is related to the development of a Qualifying Economic Activity.
- ❖ The underlying Qualifying Economic Activity shall be retained in Malta for the minimum period of at least five (5) years or three (3) years in the case where the beneficiary is an SME, after completion of the investment.
- ❖ The beneficiary provides a financial contribution of at least 25% of the eligible costs, either through its own resources or by external financing, in a form, which is free of any public support.
- ❖ The applicant confirms that it has not carried out a relocation to the establishment in which the initial investment for which aid is requested is to take place, in the two (2) years before aid application and commits that it will not carry out a relocation up to a period of two years after completion of the investment for which aid is requested.

Eligible Initial Investment Projects for SMEs

Investment Aid Tax Credits shall be awarded to SMEs in respect to "*initial investment*" meaning:

- ❖ An investment in tangible and intangible assets resulting in:

- The setting-up of a new establishment;
 - The extension of the capacity of an existing establishment;
 - A fundamental change in the overall production process of an existing establishment;
 - A diversification of the output of an establishment into products not previously produced in the establishment; or
- ❖ The acquisition of assets belonging to an establishment that has closed or would have closed had it not been purchased and is bought by an investor unrelated to the seller (nevertheless the sole acquisition of the shares of an undertaking is excluded).

Eligible Initial Investment Projects for Large Enterprises

Investment Aid Tax Credits shall be awarded to large enterprises in respect to "initial investments in favour of a new economic activity or activities" as long as the activity is not the same or a similar activity to the activity previously performed in the establishment (i.e. an activity falling under the same class (four-digit numerical code) of the NACE Rev. 2 statistical classification of economic activities as laid down in Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains).

An "initial investment in favour of a new economic activity or activities" means:

- a. an investment in tangible and intangible assets related to the setting up of a new establishment, or to the diversification of the activity of an establishment, under the condition that the new activity is not the same or a similar activity to the activity previously performed in the establishment; or
- b. the acquisition of the assets belonging to an establishment that has closed or would have closed had it not been purchased, and is bought by an investor unrelated to the seller, under the condition that the new activity to be performed using the acquired assets is not the same or a similar activity to the activity performed in the establishment prior to the acquisition. Nevertheless, the sole acquisition of the shares of an undertaking is excluded.

Applicable Aid Intensity¹

A) Applicable Aid intensities for project where the "start of works" is on or after 01/07/2014 and before 31/12/2017

The total amount of investment aid that may be awarded in terms of these regulations for a given investment project shall not exceed:

- a. 35% of the qualifying expenditure for an undertaking which qualifies as a "Small" undertaking;
- b. 25% of the qualifying expenditure for an undertaking which qualifies as a "Medium-sized" undertaking;
- c. 15% of the qualifying expenditure for an undertaking which qualifies as a "Large" undertaking;
- d. 15% of the eligible expenditure in the case of hotels.

¹ For the purposes of calculating aid intensity and eligible costs, all figures used shall be taken before any deduction of tax or other charge.

B) Applicable Aid intensities for projects where the "start of works" is on or after 01/01/2018 and before 31/12/2020

The total amount of investment aid that may be awarded in terms of these regulations for a given investment project shall not exceed:

- a. 30% of the qualifying expenditure for an undertaking which qualifies as a "Small" undertaking;
- b. 20% of the qualifying expenditure for an undertaking which qualifies as a "Medium-sized" undertaking;
- c. 10% of the qualifying expenditure for an undertaking which qualifies as a "Large" undertaking;
- d. Hotels are eligible to, 10% of the eligible expenditure in the case large undertakings, and 15% in the case of small and medium undertakings.

C) Large Investment Projects

For "large investment projects" that is undergoing an initial investment as previously described and with eligible costs exceeding EUR 50 million, the applicable maximum permissible aid shall be adjusted according to the following formula:

$$\text{maximum aid amount} = R \times (5 + 0.50 \times B + 0 \times C)$$

where: R is the maximum aid intensity applicable in the area concerned established in an approved regional map and which is in force on the date of granting the aid, excluding the increased aid intensity for SMEs; B is the part of eligible costs between €50 million and €100 million; C is the part of eligible costs above €100 million.

Any initial investment started by the same beneficiary (at group level) within a period of three (3) years from the date of start of works on another aided investment shall be considered to be part of a single investment project.

7. Amount of subsidy

2017 – Cash Grants:	€7,085,308.00	Tax Credits: €6,425,418.00.
2018 – Cash Grants:	€1,225,000.00	Tax Credits: €7,262,717.00.

The values found in this report relate to fiscal incentives claimed by undertakings as follows:

2017: the values are for year of assessment 2017 (financial year 2016).
 2018: the values are for year of assessment 2018 (financial year 2017).

The Corporation is not yet in a position to report the values of the aid applicable to fiscal incentives for financial year 2018. This information will be reported in the next WTO Report since the audited financial statements for financial year 2018 are still not available.

8. Duration of subsidy

The Investment Aid Tax Credits (2014 – 2020) was affective as from the 1st July 2014 and will remain in force until the 31st December 2020.

***Amendment in Relation to Rules Concerning "Large Investment Projects":
(w.e.f. 04/2018)***

For "Large Investment Projects" meaning initial investment projects with value of eligible costs exceeding EUR 50 million, the applicable maximum permissible aid shall be adjusted according to the following formula:

$$\text{Maximum aid amount} = R \times (A + 0.50 \times B + 0 \times C).$$

Where:

R is the maximum aid intensity applicable in the area concerned established in an approved regional map and which is in force on the date of granting the aid, excluding the increased aid intensity for SMEs;

A is the initial €50 million of eligible costs;

B is the part of eligible costs between €50 million and €100 million; and

C is the part of eligible costs above €100 million.

Any initial investment started by the same undertaking (at group level) within a period of three (3) years from the date of "start of works" or other aided investment in the same level 3 region of the Nomenclature of Territorial Units for Statistics shall be considered to be part of a single investment project. Where such single investment project is a large investment project, the total aid amount for the single investment project shall not exceed the adjusted aid amount for large investment projects.

9. Trade effects of the subsidy

There are no effects on international trade.

3 BUSINESS START (B. START)

1. Title of the Subsidy

Business START (also known as B. Start).

2. Period covered by the notification

The period covered by this notification starts from the 1st January 2017 until the 31st December 2018.

3. Policy objectives

The Corporation, through Business START, is offering assistance to small start-up undertakings. The support measure is intended to support small start-up undertakings that have a viable business concept and are in their early stages of their development. Ensuring that viable small start-up undertakings have access to suitable assistance is essential for a sustainable economy. In this regard, the Corporation is dedicated to creating the conditions for a strong sustainable growth by ensuring that small start-up undertakings in the region of Malta are assisted so that they may be competitive, dynamic and able to internationalise and participate in efficient markets.

The benefits expected to be derived from this scheme are related to facilitating access to finance for small start-up undertakings that are in the process of establishing and/or consolidating a business operation that has been deemed as economically feasible and innovative. Various studies have shown that financial access promotes growth for undertakings through the provision of credit to both new and existing businesses. Such financing is beneficial to both the beneficiaries and in return to the economy in general by accelerating economic growth, intensifying competition, as well as boosting employment.

For the purpose of this incentive, a "Small Start-up Undertaking" shall be defined as an unlisted small undertaking that has been established for less than five (5) years which has not yet distributed profits and has not been formed through a merger.

For undertakings that are not subject to registration, the five (5) years eligibility period will be considered to start from the moment when the undertaking becomes liable to tax on income from its economic activity.

The main factors determining whether an undertaking is a small undertaking are:

- 1) number of employees which must be less than fifty (50) full-time equivalent (FTE) employees; and
- 2) a turnover or balance sheet total which does not exceed €10 million.

Establishment Date (Start-up Date)

The establishment date of an undertaking shall be determined as follows:

In the case of limited liability companies, the establishment date shall be deemed to be the date of registration with the Malta Financial Services Authority (MFSA) as long as the undertaking was not operative under a different form before registering with the MFSA. The audited accounts of the company shall be used to determine whether the company actually distributed profits.

In the case of self-employed, the establishment date shall be determined as the date the person registered as a self-employed with Jobsplus.

- i. In the case of registered partnerships, the establishment date shall be determined as the date an agreement is signed between the parties within the respective partnerships as duly registered with the Registry of Companies.
- ii. In the case of unregistered partnerships, the earlier date in which any involved individual was registered as a self-employed or any involved entity was duly set up as per applicable regulations. Unregistered partnership agreements have to be notarized.
- iii. In the case of cooperatives, the establishment date shall be determined as the date of registration of the cooperative with the Co-operatives Board for evaluation.

For eligible undertakings that are not subject to registration, the five (5) years eligibility period will be considered to start from the moment when the undertaking becomes liable to tax on income from its economic activity.

4. Background and authority for the subsidy

Business START is administered by Malta Enterprise Corporation.

The official incentive guidelines covering this aid scheme are issued and published in terms of Article 8 (3)(a) of the Malta Enterprise Act, Chapter 463 of the Laws of Malta.

The Corporation may design support measures in terms of the Malta Enterprise Act:

<http://justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=8929&l=1>

Regulation 12 of the Assistance to Small and Medium-Sized Undertakings Regulations as subsidiary legislation 463.03 to the Malta Enterprise Act, Chapter 463 of the Laws of Malta forms the national legal basis of this Aid Scheme.

<http://justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=11608&l=1>

The terms and conditions covering this aid scheme are in line *Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty* (General Block Exemption Regulation).

<http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0651&from=EN>

In terms of the Malta Enterprise Act mentioned above, the parameters of aid and details of the support measure are found in the incentive guidelines. These incentive guidelines are a set of rules issued by the Corporation from time to time containing details on the definition, application, administration, grant and revocation of the schemes. The incentive guidelines for **Business START (B. Start)** may be accessed by using the following link:

https://www.maltaenterprise.com/sites/default/files/Business%20Start%20%28B%20Start%29%20Version%206%20FINAL_0.pdf

5. Form of subsidy

Beneficiaries will be supported through a cash grant of up to €25,000 and must be an economic undertaking established within the European Union and with an operating base in Malta. An applicant is deemed to have an operating base in Malta if it owns, leases or has been given the right of use by a third-party, adequate premises from where to conduct an eligible economic activity in the region of Malta and employs at least one person that is based in Malta and is liable to pay income tax in Malta.

Beneficiaries must carry out a commercial activity where principle business shall be classified under one (1) of these sectors:

- ❖ Manufacturing;
- ❖ Electricity, gas, steam and air conditioning supply;
- ❖ Water supply, sewerage, waste management and remediation activities;
- ❖ Transport and storage;
- ❖ Information and communication;
- ❖ Professional, scientific and technical activities;
- ❖ Administrative and support service activities;
- ❖ Human health and social work activities;
- ❖ Arts, entertainment and recreation;
- ❖ Other service activities.

Innovation:

In order to be eligible, the applicant must be:

- a. proposing products and/or services that have potential to be marketed and distributed internationally; and
- b. producing products and/or services which are new or substantially improved compared to the state of the art in the local industry.

Knowledge:

The activities of the start-up undertaking must be linked to the knowledge of the key promoter/s. It is expected that the key persons engaged in the start-up have the academic background and/or hands on experience in the relevant sector.

Other Provisions:

Small start-up undertakings will not be eligible for this incentive if the applicant is controlled by:

- a. owners of existing businesses or other undertakings that are operative or have interests that exceed 25% in other undertakings in the same or related sector.

- b. owners of an undertaking operative in the same or related sector that had closed down in the twelve (12) months preceding their establishment date.

Eligible start-up undertakings may be awarded a maximum grant of up to €25,000 over a period of twelve (12) months.

An initial instalment of up to €10,000 shall be paid once the project is approved. The initial payment shall only be paid once the applicant registers a minimum of one (1) employee. Subsequent instalments shall be paid quarterly after the Corporation reviews and endorses that the progress achieved is in line with the business plan as approved or as adjusted to adapt to market requirement. The grant at the end of each quarter shall be calculated by multiplying €1,500 to the number of full-time employees which have been engaged with the beneficiary at least one (1) month prior to the end of the quarter in review. The total payment in any quarter shall not exceed €10,000.

6. To whom and how the subsidy is provided

In order to be eligible for assistance in terms of *B. Start*, small start-up undertakings must fill the following criteria:

The applicant must be:

- a. an undertaking operating from Malta and be incorporated in the European Union as a partnership *en nom collectif, en commandite* or a limited liability company; or
- b. registered as self-employed with JobsPlus; or
- c. registered Partnership with the Malta Financial Services Authority. In case of unregistered partnerships, the agreement has to be notarized; or
- d. registered as a Co-operative under the Co-operatives Societies Act, Chapter 442 of the Laws of Malta.

7. Amount of subsidy

2017 – €500,000.00.

2018 – €375,000.00.

8. Duration of subsidy

This Support Measure was launched on the 1st June 2015 and will run till 31st December 2020.

Amendments to The Definition of a Start-Up Undertaking (w.e.f. 01/2018)

For the purpose of this support measure, a "Small Start-up Undertaking" shall be defined as an unlisted small undertaking that has been established for less than five (5) years and which fulfils all the following conditions:

- a. It has not taken over the activity of another enterprise;
- b. It has not yet distributed profits;
- c. It has not been formed through a merger. Enterprises formed through a merger between undertakings that are individually eligible for aid shall also be considered as eligible undertakings up to five (5) years from the date of registration of the oldest enterprise participating in the merger.

The main factors determining whether an undertaking is a Small Undertaking are:

- ❖ number of employees which must be less than fifty (50) full-time equivalent (FTE) employees; and

- ❖ a turnover or balance sheet total which does not exceed €10 million.

For undertakings that are subject to registration (such as a limited liability companies) the establishment date shall be deemed to be the date of registration with the relevant authority. In respect to undertakings that are not subject to registration, the five (5) years eligibility period will be considered to start from the moment when the undertaking becomes liable to tax on income from its economic activity.

In line with the above the following shall be applicable:

- a. In the case of limited liability companies, the establishment date shall be determined as the date of registration in the European Union as a partnership *en nom collectif*, *en commandite* or a limited liability company or a similar set-up.
- b. In the case of self-employed, the establishment date shall be determined as the date the person registered as a self-employed with Jobsplus.
- c. In the case of registered partnerships, the establishment date shall be determined as the date an agreement is signed between the parties within the respective partnerships as duly registered in the European Union.
- d. In the case of unregistered partnerships, the earlier date in which any involved individual was registered as a self-employed or any involved entity was duly set up as per applicable regulations. Unregistered partnership agreements have to be notarized.
- e. In the case of cooperatives, the establishment date shall be determined as the date of registration of the cooperative with the Co-operatives Board for evaluation.
- f. In instance where an undertaking is partnered or linked to other undertakings the earlier date in which any of the related undertakings was established shall be considered as the establishment date.

Additional Eligible Business Activities (w.e.f. 01/2018)

- ❖ Mining and quarrying
- ❖ Wholesale and retail trade; repair of motor vehicles and motorcycles
- ❖ Accommodation and food service activities
- ❖ Financial and insurance activities
- ❖ Real estate activities
- ❖ Education

Updated Rules on Subsequent Instalments (w.e.f. 01/2018)

Subsequent instalments shall be paid quarterly after the Corporation reviews and endorses that the progress achieved is in line with the business plan as approved or as adjusted to adapt to market requirements. The grant at the end of each quarter shall be calculated by multiplying €1,500 to the number of full-time employees who have been engaged with the beneficiary at least one (1) full month prior to the end of the quarter in review.

If the beneficiary is female who is actively involved in the business development and controls at least 50% of the undertaking, the grant at the end of each quarter shall be calculated by multiplying €2,000 to the number of full-time employees who have been engaged with the beneficiary at least one (1) month prior to the end of the quarter in review.

The Corporation may approve that a Beneficiary is disbursed up to €1,000 per quarter if at the quarter review the beneficiary does not employ any full-time employees. This concession shall be subject to the terms specified in the Corporation's approval on the support.

The total payment in any quarter shall not exceed €10,000.

This assistance may only be provided to beneficiaries as long as:

- a. the beneficiary is classified as a start-up undertaking at the start of the quarter being reviewed.
- b. the beneficiary is carrying out or is in the process of setting up the eligible activity as approved by the Corporation.

9. Trade effects of the subsidy

There were no effects on international trade.

4 CERTIFY (TAX CREDITS) 2017-2018

1. Title of the subsidy

Certify (Tax Credits).

2. Period covered by the notification

The period covered by this notification starts from the 1st January 2017 until the 31st December 2018.

3. Policy objective

Certify (Tax Credits) is a fiscal measure to encourage eligible undertakings to continuously improve the quality of their products, services and processes through the attainment of industry recognised certifications and quality marks. This incentive is intended to boost awareness of the added value that may be achieved through certification when competing in international markets.

4. Background and authority for the subsidy

Certify (Tax Credits) is administered by Malta Enterprise Corporation.

The official incentive guidelines covering this aid scheme are issued and published in terms of Article 8 (3)(a) of the Malta Enterprise Act, Chapter 463 of the Laws of Malta.

The Corporation may design support measures in terms of the Malta Enterprise Act:

<http://justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=8929&l=1>

The Enterprise Support incentives Regulation as subsidiary legislation 463.04 to the Malta Enterprise Act, Chapter 463 of the Laws of Malta forms the national legal basis of this Aid Scheme.

<http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=11609&l=1>

The terms and conditions covering this aid scheme are in line with the Commission Regulation (EU) No. 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid (the *de minimis* Regulation).

The total amount of *de minimis* aid granted to a single undertaking shall not exceed the amount of €200,000 over any period of three consecutive fiscal years.

This aggregate maximum threshold applies in principle to all economic sectors with the exception of the road transport, agriculture and fisheries sectors for which different thresholds and criteria apply. The term "undertaking" includes also all companies in a group (which fall under the direct or indirect ownership or control of the same ultimate parent company) and relevant partner and linked enterprises as defined in Annex I of Commission Regulation (EU) No. 651/2014 of 17th June 2014). This period covers the fiscal year concerned as well as the previous two fiscal years. "Fiscal year" means the fiscal year as used for tax purposes by the undertaking concerned.

This maximum threshold would include all State aid granted under this aid scheme and any other State aid measure granted under the *de minimis* rule including that received from any entity other than Malta Enterprise. Any *de minimis* aid received in excess of the established threshold will have to be recovered, with interest, from the undertaking receiving the aid.

http://ec.europa.eu/competition/state_aid/legislation/de_minimis_regulation_en.pdf

In terms of the Malta Enterprise Act mentioned earlier, the parameters of aid and details of the aid scheme are found in the incentive guidelines. These incentive guidelines are a set of rules issued by the Corporation from time to time containing details on the definition, application, administration, grant and revocation of aid schemes. The incentive guidelines for the aid scheme **Certify (Tax Credits)** are accessible on the following link:

https://www.maltaenterprise.com/sites/default/files/Certify%20Incentive%20Guidelines%20Version%202.0%20%2831.05.2017%29_0.pdf

5. Form of subsidy

This incentive will award tax credits to single undertakings that achieve qualifying certifications awarded by a Certifying Body.

Qualifying Expenditure

Eligible costs must be rendered and paid for on a date which is after the launch of this incentive and prior to the submission of the application form to the Corporation.

(A) Consultancy Costs:

Consultancy services leading to qualifying certifications shall be considered eligible. The capping established by the Corporation is final.

(B) Certification Costs:

Costs incurred from a certifying body as may be required by the undertaking to achieve the certification. These costs include first time audits, due diligence or verification service.

6. To whom and how the subsidy is provided

This incentive is open to all undertakings which, at the point of application, satisfy the criteria established within the official guidelines.

The certifications must be required to:

- a. improve the processes, products or services of the undertaking; or
- b. achieve growth in international markets.

The Corporation may establish a tax credit capping based on the size of the single undertaking for any qualifying certification. Such capping may be established through market studies or through a review or previous application received for the same certification.

Applicable Aid Intensity

The maximum aid intensity shall be capped as follows:

Eligible Costs	%
Consultancy	50
Certification	75

7. Amount of subsidy

2017 – €113,662.00.

2018 – €NIL.

8. Duration of subsidy

This aid scheme was terminated on the 31st December 2017.

9. Trade effects of the subsidy

There are no effects on international trade.

5 CERTIFY (TAX CREDITS) 2018 – 2020

1. Title of Aid Scheme

Certify (Tax Credits) 2018 – 2020.

2. Period covered by the notification

The period covered by this notification starts from the 1st January 2017 until the 31st December 2018.

3. Policy Objective

The main objective of this support measure is to increase the awareness of industry standards among the business community and to help disseminate the importance of such standards in supporting undertakings tackle the challenges of modern business.

The assistance will encourage undertakings to continuously improve the quality of their products, services and processes through the attainment of industry recognised certifications and quality marks.

4. Background and authority for the subsidy

Certify (Tax Credits) 2018 – 2020 is administered by Malta Enterprise Corporation.

The official incentive guidelines covering this aid scheme are issued and published in terms of Article 8 (3)(a) of the Malta Enterprise Act, Chapter 463 of the Laws of Malta.

The Corporation may design support measures in terms of the Malta Enterprise Act:

<http://justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=8929&l=1>

The Enterprise Support incentives Regulation as subsidiary legislation 463.04 to the Malta Enterprise Act, Chapter 463 of the Laws of Malta forms the national legal basis of this Aid Scheme.

<http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=11609&l=1>

The terms and conditions covering this aid scheme are in line with the Commission Regulation (EU) No. 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid (the *de minimis* Regulation).

The total amount of *de minimis* aid granted to a single undertaking shall not exceed the amount of €200,000 over any period of three consecutive fiscal years.

This aggregate maximum threshold applies in principle to all economic sectors with the exception of the road transport, agriculture and fisheries sectors for which different thresholds and criteria apply. The term "undertaking" includes also all companies in a group (which fall under the direct or indirect

ownership or control of the same ultimate parent company) and relevant partner and linked enterprises as defined in Annex I of Commission Regulation (EU No. 651/2014 of 17th June 2014). This period covers the fiscal year concerned as well as the previous two fiscal years. "Fiscal year" means the fiscal year as used for tax purposes by the undertaking concerned.

This maximum threshold would include all State aid granted under this aid scheme and any other State aid measure granted under the *de minimis* rule including that received from any entity other than Malta Enterprise. Any *de minimis* aid received in excess of the established threshold will have to be recovered, with interest, from the undertaking receiving the aid.

http://ec.europa.eu/competition/state_aid/legislation/de_minimis_regulation_en.pdf

In terms of the Malta Enterprise Act mentioned earlier, the parameters of aid and details of the aid scheme are found in the incentive guidelines. These incentive guidelines are a set of rules issued by the Corporation from time to time containing details on the definition, application, administration, grant and revocation of aid schemes. The incentive guidelines for the aid scheme **Certify (Tax Credits) 2018 – 2020** are accessible on the following link:

<https://www.maltaenterprise.com/sites/default/files/Certify%20IG%20version%201.pdf>

5. Form of subsidy

The assistance provided is in the form of a tax credit of up to €25,000 per certification.

Qualifying Expenditure

Eligible costs must be rendered and paid for on a date which is after the launch of this incentive and prior to the submission of the application form to the Corporation.

(A) Consultancy Costs:

Consultancy services provided by third parties leading to qualifying certifications shall be considered eligible. The capping established by the Corporation is final.

(B) Certification Costs:

Costs incurred from a **Certifying Body** as may be required by the undertaking to achieve the Certification. These costs include first time audits, due diligence, verification service, and laboratory costs.

6. To whom and how the subsidy is provided

This incentive is open to all undertakings which, at point of application, satisfy the criteria established within the incentive guidelines.

Applicable Aid Intensity

The maximum aid intensity shall be capped as follows:

Eligible Costs	%
Consultancy	50
Certification	75

The total aid that may be awarded to any single undertaking through this measure is capped at €25,000 per certification.

Consultancy costs are capped at €2,500 per certification.

7. Amount of subsidy

2017 – €NIL.
2018 – €6,150.00.

8. Duration of subsidy

This incentive will be available between 16th April 2018 and 30th November 2020.

9. Trade effects of the subsidy

There are no effects on international trade.

6 SOFT LOANS

1. Title of the subsidy

Soft Loans.

2. Period covered by the notification

The period covered by this notification starts from the 1st January 2017 until the 31st December 2018.

3. Policy objective

This support measure provides assistance through loans at low interest rates for part financing investments in qualifying expenditure.

This assistance aims at promoting competitiveness through:

- the acquisition of tangible and intangible capital assets for more effective and efficient production and supply of services;
- innovation;
- energy and water conservation.

The assistance also encourages investment in:

- Research and development;
- Plant and machinery first used in Malta.

4. Background and authority for the subsidy

This incentive is administered by Malta Enterprise Corporation.

The legal basis of this assistance is Regulation 8 of the Business Promotion Regulations as subsidiary legislation 325.06 to the Business Promotion Act, Chapter 325 of the Laws of Malta:

<http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=9791&l=1>

The Regulation for **Soft Loans** may be accessed using the following link:

<https://www.maltaenterprise.com/support/soft-loans>

5. Form of subsidy

Qualifying companies may be assisted by low interest rate loans covering up to 75% of the qualifying expenditure undertaken by them.

Qualifying expenditure refers to expenditure of a capital nature which is incurred in acquiring, developing or constructing tangible fixed assets consisting of:

- a. land, industrial buildings or structures (including warehouses and offices but excluding showrooms) within an industrial building or structure.
- b. plant and machinery, including computer hardware, office furniture and fittings or commercial vehicles as may be certified by the Corporation as essential for the implementation of a qualifying investment project.
- c. the acquisition or development of technology or know-how whether this is patented or not.

The loan must be secured by a general hypothec over the property of the company receiving the loan in addition to any other security which the Corporation may require.

The Corporation may further accept a bank guarantee or other similar security in respect of its loan instead of or in addition to a general hypothec.

The repayment of the loan and payment of interest thereon shall be made within a period of time and at instalments to be agreed upon with the Corporation. Such period shall in no case exceed ten years from the date on which the first loan amount was received by the company.

6. To whom and how the subsidy is provided

Qualifying companies may be assisted by low interest rate loans covering up to 75% of the qualifying expenditure undertaken by them.

7. Amount of subsidy

2017 – €883,900.

2018 – €135,905.

8. Duration of subsidy

There is no fixed duration for this aid scheme.

9. Trade effects of the subsidy

There are no effects on international trade.

7 INTEREST RATE SUBSIDIES SCHEME

1. Title of the subsidy

Interest Rate Subsidies Scheme

2. Period covered by the notification

The period covered by this notification starts from the 1st January 2017 until the 31st December 2018.

3. Policy objective

A qualifying company may benefit from this support measure through subsidised rates of interest payable by the company on loans which the said company may take out in order to acquire additional assets to be employed in the undertaking's trade or business to the extent that the expenditure on such assets constitutes qualifying expenditure.

Qualifying expenditure refers to expenditure of a capital nature which is incurred in acquiring, developing or constructing tangible fixed assets consisting of:

- a. land, industrial buildings or structures (including warehouses and offices but excluding showrooms) within an industrial building or structure;
- b. plant and machinery, including computer hardware, office furniture and fittings or commercial vehicles as may be certified by the Corporation as essential for the implementation of a qualifying investment project;
- c. the acquisition or development of technology or know-how whether this is patented or not.

The subsidy provided shall be in respect of loans taken to finance qualifying expenditure for which a soft loan has not been granted.

Qualifying loans under this incentive shall be loans provided by banks and other licenced financial institutions.

4. Background and authority for the subsidy

This incentive is administered by Malta Enterprise Corporation.

The legal basis of this assistance is Regulation 9 of the Business Promotion Regulations as subsidiary legislation 325.06 to the Business Promotion Act, Chapter 325 of the Laws of Malta:

<http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=9791&l=1>

The Regulations for **Interest Rates Subsidies Scheme** may be accessed using the following link:

<https://www.maltaenterprise.com/support/interest-rate-subsidies>

5. Form of subsidy

Aid provided by this support measure is a subsidy on the interest rate payable on loans.

6. To whom and how the subsidy is provided

This incentive intends to support new investment projects undertaken by enterprises engaged in manufacturing.

This incentive consists of a loan interest rate subsidy of 1%, 2%, or 3%. This interest rate subsidy may be granted on interest payable to a bank during the first five years of the duration of the loan taken to finance investment in plant and equipment.

7. Amount of subsidy

2017 – €14,985.

2018 – €121,338.

8. Duration of subsidy

There is no fixed duration for this aid scheme.

9. Trade effects of the subsidy

There are no effects on international trade.

8 LOAN GUARANTEES

1. Title of the subsidy

Loan Guarantees.

2. Period covered by the notification

The period covered by this notification starts from the 1st January 2017 until the 31st December 2018.

3. Policy objective

Loan Guarantees facilitate access to finance to assist enterprises in the acquisition of capital assets that will lead to a more effective and efficient production and supply of service/s.

This support measure encourages capital investments by providing guarantees to secure up to 75% of the loans taken by qualifying companies to finance the acquisition of assets.

The benefits expected to be derived from this scheme are to encourage investment in:

- Research and development
- Innovation
- Plant and machinery first used in Malta

4. Background and authority for the subsidy

This incentive is administered by Malta Enterprise Corporation.

The legal basis of this assistance is Regulation 10 of the Business Promotion Regulations as subsidiary legislation 325.06 to the Business Promotion Act, Chapter 325 of the Laws of Malta.

<http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=9791&l=1>

The Regulations for the **Loan Guarantees** may be accessed by using the following link:

<https://www.maltaenterprise.com/support/loan-guarantees>

5. Form of subsidy

Assistance provided by this support measure is in the form of a loan guarantee.

6. To whom and how the subsidy is provided

A qualifying company may benefit from this support measure through subsidised rates of interest payable by the company on loans which the said company may take out in order to acquire additional assets to be employed in the undertaking's trade or business to the extent that the expenditure on such assets constitutes qualifying expenditure.

Qualifying expenditure refers to expenditure of a capital nature which is incurred in acquiring, developing or constructing tangible fixed assets consisting of:

- a. land, industrial buildings or structures (including warehouses and offices but excluding showrooms) within an industrial building or structure.
- b. plant and machinery, including computer hardware, office furniture and fittings or commercial vehicles as may be certified by the Corporation as essential for the implementation of a qualifying investment project.
- c. the acquisition or development of technology or know-how whether this is patented or not.

The loan guarantee shall not exceed 75% of the qualifying expenditure in respect of which the loan is provided.

Malta Enterprise shall keep sufficient funds on investment in order to cover the maximum amount of capital and interest that the Corporation may be required to pay as guarantor at any point in time. This is applicable for every loan guarantee provided by the Corporation.

While acting as guarantor, the Corporation shall retain its rights to be subrogated in the rights of the lender once it effects a payment under the guarantee.

The Corporation shall only provide guarantees to banks and other licensed financial institutions.

7. Amount of subsidy

2017 – €3,334,346.

2018 – €135,600.

8. Duration of subsidy

There is no fixed duration for this aid scheme.

9. Trade effects of the subsidy

There are no effects on international trade.

9 TRADE PROMOTION SCHEME

1. Title of the subsidy

Trade Promotion Scheme.

2. Period covered by the notification

The period covered by this notification starts from the 1st January 2017 until the 31st December 2018.

3. Policy objective

International markets present various opportunities to forward-looking businesses. Undertakings willing to build capacity to compete in different markets tend to be more innovative in their product/service offerings and processes. This incentive aims to support undertakings that are willing to establish new markets, or to introduce a new service or product in an existing international market.

4. Background and authority for the subsidy

This incentive is administered by Malta Enterprise Corporation.

The official incentive guidelines covering this aid scheme are issued and published in terms of Article 8 (3)(a) of the Malta Enterprise Act, Chapter 463 of the Laws of Malta.

The Corporation may design support measures in terms of the Malta Enterprise Act:

<http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=8929&l=1>

The Enterprise Support Incentives Regulations SL 463.04 (Malta Enterprise Act, Chapter 463 of the Laws of Malta) provides the legal basis of this incentive.

The Corporation may design support measures in terms of the Malta Enterprise Act:

<http://justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=11609&l=1>

These incentive guidelines are in line with the *Commission Regulation (EU) No. 1407/2013 of 18th December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid*.

The terms and conditions covering this aid scheme are in line with the *Commission Regulation (EU) No. 1407/2013 of 18th December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid* (the *de minimis* Regulation).

The total amount of *de minimis* aid granted to a single undertaking shall not exceed the amount of €200,000 over any period of three consecutive fiscal years.

This aggregate maximum threshold applies in principle to all economic sectors with the exception of the road transport, agriculture and fisheries sectors for which different thresholds and criteria apply. The term "undertaking" includes also all companies in a group (which fall under the direct or indirect ownership or control of the same ultimate parent company) and relevant partner and linked enterprises as defined in Annex I of Commission Regulation (EC No 800/2008). This period covers the fiscal year concerned as well as the previous two fiscal years. "Fiscal year" means the fiscal year as used for tax purposes by the undertaking concerned.

http://ec.europa.eu/competition/state_aid/legislation/de_minimis_regulation_en.pdf

In terms of the Malta Enterprise Act mentioned earlier, the parameters of aid and details of the aid scheme are found in the incentive guidelines. These incentive guidelines are a set of rules issued by the Corporation from time to time containing details on the definition, application, administration, grant and revocation of aid schemes. The incentive guidelines for the **Trade Promotion Scheme** are accessible on the following link:

<https://www.maltaenterprise.com/sites/default/files/Incentive%20Guidelines%20Version%202%200%2831.05.2017%29.pdf>

5. Form of subsidy

The assistance provided under the Trade Promotion Scheme is in the form of a cash grant.

6. To whom and how the subsidy is provided

This incentive is open to undertakings whose purpose is to intensify their internationalization activities. The different actions that can be supported are defined into separate Schedules which may be available to specific business activities.

The Applicant must be:

- a. An undertaking operating from Malta and be incorporated in the European Union as a partnership *en nom collectif*, *en commandite* or a limited liability company; or
- b. registered as self-employed with JobsPlus; or
- c. registered as a Co-operative under the Co-operatives Societies Act, Chapter 442 of the Laws of Malta.

Maximum Aid And Applicable Aid Intensity

The Corporation may reimburse up to a maximum of 50% of the eligible costs. Per diem costs shall be reimbursed at up to 50% of the official government rate.

The Corporation, in collaboration with Trade Malta, may establish lower aid intensities by economic activities and specifically exclude certain activities from assistance through this measure. Such capping shall be based on the NACE activity of the undertaking and shall be published on the Malta Enterprise website.

7. Amount of subsidy

2017– €981,712.08.
2018 – €NIL.

8. Duration of subsidy

This support measure was available between the 1st November 2016 and 2nd April 2018.

9. Trade effects of the subsidy

There are no effects on international trade.

10 BUSINESS DEVELOPMENT AND CONTINUITY SCHEME

1. Title of the subsidy

Business Development and Continuity Scheme.

2. Period covered by the notification

The period covered by this notification starts from the 1st January 2017 until the 31st December 2018.

3. Policy objective

The Business Development and Continuity Scheme is intended to facilitate value adding projects that are expected to contribute to the regional development of Malta and to support existing undertakings sustain operations during restructuring. The scheme may support various activities such as the initial development phase of undertakings establishing an operational base in Malta, expansion projects, consolidation of activities and the reorganisation of activities. Supported initiatives should lead to the development of new business or to ensuring the continuity of current operations.

4. Background and authority for the subsidy

This incentive is administered by Malta Enterprise Corporation.

Malta Enterprise is enabled to issue and publish official incentive guidelines in terms of Article 8 (3)(a) of the Malta Enterprise Act, Chapter 463 of the Laws of Malta.

The Corporation may design support measures in terms of the Malta Enterprise Act:

<http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=8929&l=1>

The Enterprise Support Incentives Regulations SL 463.04 (*Malta Enterprise Act, Chapter 463 of the Laws of Malta*) provides the legal basis of this incentive.

<http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=11609&l=1>

These incentive guidelines are in line with the *Commission Regulation (EU) No. 1407/2013 of 18th December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid*.

The terms and conditions covering this aid scheme are in line with the *Commission Regulation (EU) No. 1407/2013 of 18th December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid* (the *de minimis* Regulation).

The total amount of *de minimis* aid granted to a single undertaking shall not exceed the amount of €200,000 over any period of three consecutive fiscal years.

This aggregate maximum threshold applies in principle to all economic sectors with the exception of the road transport, agriculture and fisheries sectors for which different thresholds and criteria apply. The term "undertaking" includes also all companies in a group (which fall under the direct or indirect ownership or control of the same ultimate parent company) and relevant partner and linked enterprises as defined in Annex I of Commission Regulation (EC No 800/2008). This period covers the fiscal year concerned as well as the previous two fiscal years. "Fiscal year" means the fiscal year as used for tax purposes by the undertaking concerned.

http://ec.europa.eu/competition/state_aid/legislation/de_minimis_regulation_en.pdf

In terms of the Malta Enterprise Act mentioned earlier, the parameters of aid and details of the aid scheme are found in the Incentive guidelines. These Incentive guidelines are a set of rules issued by the Corporation from time to time containing details on the definition, application, administration, grant and revocation of aid schemes. The Incentive guidelines for the aid scheme **Business Development and Continuity Scheme** are accessible on the following link:

<https://www.maltaenterprise.com/sites/default/files/Incentive%20Guidelines%20Version%203%20%2801.04.2017%29.pdf>

5. Form of subsidy

Assistance of up to €200,000 shall be awarded through this support measure, either in the form of a tax credit or a cash grant.

6. To whom and how the subsidy is provided

The Corporation shall consider all proposals but shall give priority to:

- a. Manufacturing operations;
- b. Providers of Industrial Services;
- c. Creative Enterprises;
- d. Developers of Digital Media; and
- e. Activities linked to Life Sciences.

The value disbursed in any fiscal year shall not exceed the wage costs incurred by the single undertaking in that fiscal year.²

The Corporation may grant aid under this incentive as a:

- i. assistance equivalent or less than an increase in paid-up share capital invested in the beneficiary which takes place after the assistance has been approved by the Corporation.
and/or
- ii. reimbursement of the below eligible expenses and as indicated in Section 4.5 of the Scheme Incentive guidelines:
 - a. Relocation costs of key personnel;
 - b. Temporary secondment of personnel;
 - c. Relocation costs of assets;

² This Regulation will not apply to undertakings that have been registered in Malta for less than five [5] years

- d. Operating expenditure covering the twelve (12) months;
- e. Services directly related to the business operations;
- f. Wage costs.

Applicants benefitting from temporary secondment may not claim for relocation of costs of the same personnel.

Once a project is approved, the Corporation will issue a Letter of Approval or an Incentive Entitlement Certificate in line with Part VI of the Malta Enterprise Act, Chapter 463 of the Laws of Malta.

7. Amount of subsidy

2017 – €3,091,465.

2018 – €3,312,908.

8. Duration of subsidy

The implementation date of this aid scheme was 1st May 2016 and will run till 31st December 2020.

9. Trade effects of the subsidy

There are no effects on international trade.

11 BUSINESS ADVISORY SERVICES SCHEME

1. Title of the subsidy

Business Advisory Services Scheme (Assistance for the engagement of Advisors).

2. Period covered by the notification

The period covered by this notification starts from the 1st January 2017 until the 31st December 2018.

3. Policy objective

The scheme aims to provide tailored business advice to undertakings through advisors selected by Malta Enterprise. Each advisory service will address various aspects, key to the complete development and growth of the undertaking.

The advice provided should facilitate business owners and management in maintaining competitiveness and developing new market and business growth opportunities. The knowledge gained should help decision makers in the supported undertaking in evaluating projects and embark on business development projects.

4. Background and authority for the subsidy

This incentive is administered by Malta Enterprise Corporation.

Malta Enterprise is enabled to issue and publish official Incentive guidelines in terms of Article 8 (3)(a) of the Malta Enterprise Act, Chapter 463 of the Laws of Malta.

The Corporation may design support measures in terms of the Malta Enterprise Act:

<http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=8929&l=1>

The Enterprise Support Incentives Regulations SL 463.04 (Malta Enterprise Act, Chapter 463 of the Laws of Malta) provides the legal basis of this incentive.

<http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=11609&l=1>

These incentive guidelines are in line with the *Commission Regulation (EU) No. 1407/2013 of 18th December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid*.

The terms and conditions covering this aid scheme are in line with the *Commission Regulation (EU) No. 1407/2013 of 18th December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid* (the *de minimis* Regulation).

The total amount of *de minimis* aid granted to a single undertaking shall not exceed the amount of €200,000 over any period of three consecutive fiscal years.

This aggregate maximum threshold applies in principle to all economic sectors with the exception of the road transport, agriculture and fisheries sectors for which different thresholds and criteria apply. The term "undertaking" includes also all companies in a group (which fall under the direct or indirect ownership or control of the same ultimate parent company) and relevant partner and linked enterprises as defined in Annex I of Commission Regulation (EC No 800/2008). This period covers the fiscal year concerned as well as the previous two fiscal years. "Fiscal year" means the fiscal year as used for tax purposes by the undertaking concerned.

http://ec.europa.eu/competition/state_aid/legislation/de_minimis_regulation_en.pdf

In terms of the Malta Enterprise Act mentioned earlier, the parameters of aid and details of the aid scheme are found in the Incentive guidelines. These Incentive guidelines are a set of rules issued by the Corporation from time to time containing details on the definition, application, administration, grant and revocation of aid schemes. The Incentive guidelines for the aid scheme **Business Advisory Services Scheme (Assistance for the engagement of advisors)** are accessible on the following link:

<https://www.maltaenterprise.com/sites/default/files/Business%20Advisory%20Incentive%20Guidelines%20%28April%202014%29.pdf>

5. Form of subsidy

Assistance under this aid scheme is in the form of a cash grant.

6. To whom and how the subsidy is provided

Aid under this support measure is available to small and medium-sized enterprises (SMEs) as well as large undertakings.

Business advisory services are provided with the aim to support undertakings identify strengths and overcome weaknesses in specific areas. A range of business advisory services are available and every effort is made to match the right advisor to the specific needs of the applicant.

Business advisory services are available for:

- a. Business start-up support;
- b. Business planning and modelling;
- c. International competitiveness and export readiness;
- d. Market development;
- e. Human resources management;
- f. Intellectual property management and registration;

- g. Product and service development;
- h. Quality – certification and improvement;
- i. Information management;
- j. Engineering and logistics;
- k. Business processes reengineering;
- l. Supply chain management.

Eligible costs and the applicable aid intensity

Typically, advisory services will be provided in two stages. Stage one involves a preliminary investigation of particular areas which the undertaking wishes to address. This stage will be financed by Malta Enterprise and is normally completed in less than ten hours. The value of this stage is estimated by Malta Enterprise at the start of the service and is granted as *de minimis* aid. During stage two advisors will provide more focused consultancy, support and handholding and will be charged at by Malta Enterprise at an hourly rate of €40. Yet the costs levied will be discounted according to the size of the enterprise as follows:

- Large Enterprises 30%
- Medium Sized Enterprise 40%
- Small and Micro Enterprise 50%

An undertaking may receive business advisory services on multiple projects yet the total direct value financed by Malta Enterprise under this scheme is limited to €2,500 *per annum*. In the case an undertaking reaches this limit, additional advisory services will be charged at 100% of cost.

7. Amount of subsidy

2017 – €28,790.

2018 – €NIL.

8. Duration of subsidy

This aid scheme was effective as from the 1st January 2014 and has terminated on the 31st December 2017.

9. Trade effects of the subsidy

There are no effects on international trade.

12 GOZO TRANSPORT GRANTS SCHEME

1. Title of the subsidy

Gozo Transport Grants Scheme.

2. Period covered by the notification

The period covered by this notification starts from the 1st January 2017 until the 31st December 2018.

3. Policy objective

The aim of this support measure **Gozo Transport Grants Scheme** is to support manufacturing undertakings operating from Gozo by reducing the additional inter-island transport cost incurred for transporting materials, goods and finished products between Malta and Gozo.

This assistance serves to reduce the cost-disadvantages for manufacturers based in Gozo, rendering these businesses in a better position to compete effectively within the single market.

The benefits expected to be derived from this incentive are in relation to providing assistance to counter the effect of the additional operating expenses, which manufacturing companies operating from Gozo have to incur as a direct result of the double insularity of the sister island. The incentive assists SMEs to be more competitive. Competitive and dynamic SMEs tend to make a sizeable contribution to the national economy. Such SMEs drive the GDP and the productivity growth.

4. Background and authority for the subsidy

This Incentive is administered by Malta Enterprise Corporation.

Malta Enterprise is enabled to issue and publish official Incentive guidelines in terms of Article 8 (3)(a) of the Malta Enterprise Act, Chapter 463 of the Laws of Malta.

The Corporation may design support measures in terms of the Malta Enterprise Act:

<http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=8929&l=1>

The Enterprise Support Incentives Regulations SL 463.04 (*Malta Enterprise Act, Chapter 463 of the Laws of Malta*) provides the legal basis of this incentive.

<http://justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=11609&l=1>

These incentive guidelines are in line with the *Commission Regulation (EU) No. 1407/2013 of 18th December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid*.

The terms and conditions covering this aid scheme are in line with the *Commission Regulation (EU) No. 1407/2013 of 18th December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid* (the *de minimis* Regulation).

The total amount of *de minimis* aid granted to a single undertaking shall not exceed the amount of €200,000 over any period of three consecutive fiscal years.

This aggregate maximum threshold applies in principle to all economic sectors with the exception of the road transport, agriculture and fisheries sectors for which different thresholds and criteria apply. The term "undertaking" includes also all companies in a group (which fall under the direct or indirect ownership or control of the same ultimate parent company) and relevant partner and linked enterprises as defined in Annex I of Commission Regulation (EC No 800/2008). This period covers the fiscal year concerned as well as the previous two fiscal years. "Fiscal year" means the fiscal year as used for tax purposes by the undertaking concerned.

http://ec.europa.eu/competition/state_aid/legislation/de_minimis_regulation_en.pdf

In terms of the Malta Enterprise Act mentioned earlier, the parameters of aid and details of the aid scheme are found in the Incentive guidelines. These Incentive guidelines are a set of rules issued by the Corporation from time to time containing details on the definition, application, administration, grant and revocation of aid schemes. The Incentive guidelines for the aid scheme **Gozo Transport Grants Scheme** are accessible on the following link:

<https://www.maltaenterprise.com/sites/default/files/Gozo%20Transport%20Incentive%20Guidelines%20version%203.pdf>

5. Form of subsidy

The aid shall be granted in the form of a cash grant.

Qualifying Costs

- a. Transport Expenses incurred using owned or leased commercial vehicles
- b. The Corporation will calculate the grant on the basis of the number of trips which shall be established by taking into account the number of ferry tickets submitted. The grant per trip shall be based on the vehicle utilised which shall be determined from the ticket presented as per details in the table below.

Ticket Presented	Grant Per Trip (€)
Car and Driver Gozo Resident Subsidised Fare ³	50
Gozo Subsidised Commercial Vehicle Category 2	60
Gozo Subsidised Commercial Vehicle Category 3	70
Gozo Subsidised Commercial Vehicle Category 4	90
Gozo Subsidised Commercial Vehicle Category 5	100
Gozo Subsidised Commercial Vehicle Category 6	110
Gozo Subsidised Commercial Vehicle Category 7	120

- c. The Corporation shall establish a capping of one (1) trip per day for each commercial vehicle owned by or leased to the beneficiary.
- d. Subcontracted Haulage Expenses.
- e. Subcontracted haulage expenses (including ferry costs) are eligible for a refund of 100% of the invoiced value excluding VAT.
- f. Invoices shall be deemed as eligible by the Corporation if the service provided is related to haulage and must be accompanied by a bill of lading or a clear description of the items transported.
- g. Courier Services.
- h. Subcontracted Courier services are eligible for a refund of 70% of the invoiced value excluding VAT.
- i. Courier services shall be deemed as eligible if the invoice provided clearly indicates the points of collection and drop off and as long as one of these locations is in Malta and the other in Gozo.

6. To whom and how the subsidy is provided

Gozo based undertakings engaged in manufacturing (NACE rev. 2.0 Section C) and in possession of an entitlement certificate confirming that the Corporation is satisfied that all or a significant part of the manufacturing activity is being carried out in Gozo.

To be eligible for aid through this incentive, undertakings must be:

- a. an undertaking operating from Malta and be incorporated in the European Union as a partnership *en nom collectif*, *en commandite* or a limited liability company;
or
- b. any body of persons constituted, incorporated or registered outside Malta, and of a nature similar to the above;
or
- c. be duly registered as a Cooperative under the Cooperatives Societies Act, Chapter 442 of the Laws of Malta.

³ The Corporation may request further information to confirm that the driver is an employee of the undertaking.

Single undertakings engaged in manufacturing activities and which operate from Gozo may apply for assistance under the **Gozo Transport Grants Scheme**. The expenses claimed must be related to the transportation of machinery, plant, materials, goods and products, required for the undertaking's manufacturing activities in Gozo.

Applicable Aid Intensities

The Corporation will calculate the grant on the basis of the number of trips which shall be established by taking into account the number of ferry tickets submitted. The grant per trip shall be based on the vehicle utilised which shall be determined from the ticket presented and as stipulated in Section 4 of the incentive guidelines.

Subcontracted haulage expenses (including ferry costs) are eligible for a refund of 100% of the invoiced value excluding VAT.

Subcontracted Courier services are eligible for a refund of 70% of the invoiced value excluding VAT.

Amendments to The Incentive Guidelines (w.e.f. 02/2018)

- a. As from 2018, the applicant will be required to provide a VAT receipt for all non Gozo subsidized ferry tickets presented.
- b. As from 2019, the applicant will be required to provide a VAT receipt for all ferry tickets presented.

7. Amount of subsidy

2017 – €347,284.59.

2018 – €390,559.89.

8. Duration of subsidy

The **Gozo Transport Grants Scheme** was implemented on the 1st January 2016 and will run till 31st December 2020. Applications for costs incurred in 2020 may be received by the Corporation by not later than 3rd April 2021.

9. Trade effects of the subsidy

There are no effects on international trade.

13 MICRO INVEST

1. Title of the subsidy

Micro Invest: Tax Credit Incentive for Enterprises and Self-Employed (also known as Micro Invest).

2. Period covered by the notification

The period covered by this notification starts from the 1st January 2017 until the 31st December 2018.

3. Policy objective

The aim of the aid scheme *Micro Invest: Tax Credit Incentive for Enterprises and Self Employed* is to encourage capital investment by undertakings and the self-employed that undertake an economic activity. The assistance will help such undertakings upgrade their services through further capital investment and refurbish their business facilities. The acquisition of adequate equipment and the necessary refurbishment will enhance the economic activity undertaken.

Assistance approved under this aid scheme will create growth in local micro and small undertakings.

The assistance also facilitates the development of economic activities of such undertakings as well as those of sole traders thus making them innovative and more competitive whilst facilitating job retention.

4. Background and authority for the subsidy

This incentive is administered by Malta Enterprise Corporation.

Malta Enterprise is enabled to issue and publish official Incentive guidelines in terms of Article 8 (3)(a) of the Malta Enterprise Act, Chapter 463 of the Laws of Malta.

The Corporation may design support measures in terms of the Malta Enterprise Act:

<http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=8929&l=1>

The Tax Credits for Micro Enterprises and Self-Employed Regulations as Subsidiary Legislation 463.09 to the Malta Enterprise Act, forms the national legal basis of this aid scheme.

<http://justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=12194&l=1>

These incentive guidelines are in line with the *Commission Regulation (EU) No. 1407/2013 of 18th December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid*.

The terms and conditions covering this aid scheme are in line with the *Commission Regulation (EU) No. 1407/2013 of 18th December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid* (the *de minimis* Regulation).

The total amount of *de minimis* aid granted to a single undertaking shall not exceed the amount of €200,000 over any period of three consecutive fiscal years.

This aggregate maximum threshold applies in principle to all economic sectors with the exception of the road transport, agriculture and fisheries sectors for which different thresholds and criteria apply. The term "undertaking" includes also all companies in a group (which fall under the direct or indirect ownership or control of the same ultimate parent company) and relevant partner and linked enterprises as defined in Annex I of Commission Regulation (EC No 800/2008). This period covers the fiscal year concerned as well as the previous two fiscal years. "Fiscal year" means the fiscal year as used for tax purposes by the undertaking concerned.

http://ec.europa.eu/competition/state_aid/legislation/de_minimis_regulation_en.pdf

In terms of the Malta Enterprise Act mentioned earlier, the parameters of aid and details of the aid scheme are found in the Incentive guidelines. These Incentive guidelines are a set of rules issued by the Corporation from time to time containing details on the definition, application, administration, grant and revocation of aid schemes. The incentive guidelines for the aid scheme **Micro Invest** are accessible on the following link:

<https://www.maltaenterprise.com/sites/default/files/Micro%20Invest%20Incentive%20Guidelines%20version%207.pdf>

5. Form of subsidy

Aid awarded under this support measure is in the form of a tax relief (tax credit).

Eligible costs for the aid scheme *Micro Invest: Tax Credit Incentive for Enterprises and Self Employed* must be incurred and paid for between 1st January 2014 and 31st December 2020 and submitted within the following stipulated deadlines.

Claims for costs incurred in	Primary Deadline(self employed submitting tax return in June):	Primary Deadline(Companies submitting tax return in September):	Late Submissions	Eligible Application will receive an Incentive Entitlement Certificate commencing from year of assessment
2014	30 th March 2015			2015
			30 th November 2015	2016
2015	30 th March 2016			2016
			30 th November 2016	2017
2016	30 th March 2017	31 st May 2017		2017
			15 th December 2017	2018
2017	28 th March 2018	30 th May 2018		2018
			12 th December 2018	2019
2018	27 th March 2019	29 th May 2019		2019
			11 th December 2019	2020
2019	25 th March 2020	27 th May 2020		2020
			16 th December 2020	2021
2020	24 th March 2021	26 th May 2021		2021
			15 th December 2021	2022

Applicants that submit their application by the primary deadlines and whose application is accepted by the Corporation will receive an Incentive Entitlement Certificate which shall be valid from that Year of Assessment.

Applicants that submit their application after the primary deadlines but not later than the extended deadline and whose application is accepted by the Corporation will receive an Incentive Entitlement Certificate valid from the following Year of Assessment.

An undertaking that submits a claim by the March deadline may not submit another claim in November of the same year unless the claim submitted in March is rejected by the Corporation.

Qualifying Expenditure

Wage Costs

Eligible undertakings may apply for a tax credit on an increase in wage cost that exceed 3%, calculated by deducting from wage costs incurred in the relevant fiscal year, the highest annual wage cost incurred in the preceding two (2) fiscal years.

Furbishing and refurbishing

Costs incurred for services rendered for the furbishing, refurbishing and upgrading of business premises by third parties, including costs of materials and other items required for furbishing, refurbishing and upgrading of the business premises that are endorsed as to have been utilised by the third party providing the services in the works carried out.

When furbishing and refurbishing works are carried out by the applicant or the applicant's employees, the Corporation shall accept the costs incurred for the purchase of materials if photographic evidence of the works is provided.

The furbishing and refurbishing property intended for short term lets is only considered when the property is adequately licensed at the time of application.

Investment Costs

Eligible undertakings may apply for investments in:

- a. Acquiring new (or first time used in Malta) machinery, technology, apparatus and instruments.
- b. Systems intended to produce alternative energy.

- c. Tangible and intangible assets required for digitisation of the business operation. Eligible costs may include:
- i. Computer hardware.
 - ii. Packaged software solutions.
 - iii. Development costs for new software systems, websites and digital applications. In these instances, the applicant must submit the agreement with the supplier specifying the parameters and functionality of the systems/website/application being developed. Maintenance costs are not eligible.
 - iv. Costs incurred in relation to the applicant's websites developments, updates and enhancement.

Motor Vehicle Costs

Over a period of three (3) years, eligible undertakings may claim the cost incurred for the purchase of one (1) commercial vehicle which must be new or first time registered in Malta.

As from 2018 (for costs incurred in 2017), an eligible undertaking may also claim cost for the purchase of all new commercial vehicles having the latest European Emission Standard rating (currently Euro 6 (2014)) procured to replace similar vehicles shall be considered as eligible.

6. To whom and how the subsidy is paid

Assistance awarded under this aid scheme will encourage undertakings to invest in their economic activities so that they may innovate, expand, implement compliance directives or develop their operations. Such undertakings may include self-employed persons.

Undertakings will be supported through a tax credit representing a percentage of the eligible expenditure and wage costs.

This incentive is open to all undertakings, which at point of application satisfy all of the following criteria:

For applications received until 31st December 2017, the applicant must be an undertaking that for a consecutive three (3) month period during the year in which the costs were incurred did not employ more than thirty (30) persons on full-time (FT) contracts (the data used to verify this condition is provided by Jobsplus).

As from 1st January 2018 an applicant must be an undertaking that for a consecutive three (3) month period during the year in which the costs were incurred did not employ more than fifty (50) persons on full-time (FT) contracts (the data used to verify this condition is provided by Jobsplus).

- The applicant must be an undertaking whose turnover did not exceed €10 million in the fiscal year preceding the year in which the application is submitted.
- At the date of application, the applicant (legal person submitting the application) must employ at least one (1) person (on full- or part-time basis).
- Unless exempted, applicants should be duly registered with the VAT department.
- Persons or undertakings engaged in activities specifically excluded under the *de minimis* regulations are not eligible for this incentive.

Applicants who have applied for investment aid measures (such as the Investment Aid Tax Credits 2014 – 2020) may not apply for this incentive and for any investment carried out within the same year.

Applicable aid intensity

Under this aid scheme, Malta Enterprise Corporation may approve a tax credit equivalent to 45% of the eligible expenditure. An additional bonus of 20% (and that is, a total 65% tax credit) applies to undertakings operating from Gozo.

As from 1st January 2018, (for costs incurred in 2017), the maximum eligible tax credits per single undertaking shall be capped at €50,000 over any period of three (3) consecutive fiscal years, starting from eligible expenses incurred and paid for during the period from 1st January 2017 to 31st December 2017.

This capping specified above shall be increased by €20,000 (to a total of €70,000) for undertakings:

- operating from Gozo;
- registered as Family Business; and
- having more than 50% of the ownership attributed to female persons.

In case of partnerships the eligible amount will be split according to ownership. Hence, in case of a partnership, where ownership is split equally between two persons, two Incentive Entitlement Certificates, each equivalent to 50% of the approved tax credits will be issued to the persons forming the partnership.

Legal persons forming part of multiple partnerships and that may also be carrying out other activities through self-employment may receive support through the different undertakings in which they are active but may not benefit from a tax credit which exceeds the relevant maximum capping as established above.

7. Amount of subsidy

2017 – €15,222,275.91.

2018 – €25,540,172.47.

8. Duration of subsidy

This incentive was effective as from 1st January 2014 and shall be available until 31st December 2020.

9. Trade effects of the subsidy

There are no effects on international trade.

14 RENT SUBSIDY SCHEME

1. Title of the subsidy

Rent Subsidy Scheme.

2. Period covered by the notification

The period covered by this notification starts from the 1st January 2017 until the 31st December 2018.

3. Policy objective

The main objective of the support measure *Rent Subsidy* is to support small undertakings engaged in manufacturing activities that require industrial space as a temporary, or permanent, solution to: implement growth plans, handle an increase in orders, and/or carry out process innovations required to increase efficiency.

4. Background and authority for the subsidy

This incentive is administered by Malta Enterprise Corporation.

Malta Enterprise is enabled to issue and publish official Incentive guidelines in terms of Article 8 (3)(a) of the Malta Enterprise Act, Chapter 463 of the Laws of Malta.

The Corporation may design support measures in terms of the Malta Enterprise Act:

<http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=8929&l=1>

The Enterprise Support Incentives Regulations SL 463.04 (*Malta Enterprise Act, Chapter 463 of the Laws of Malta*) provides the legal basis of this incentive.

<http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=11609&l=1>

These incentive guidelines are in line with the *Commission Regulation (EU) No. 1407/2013 of 18th December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid*.

The terms and conditions covering this aid scheme are in line with the *Commission Regulation (EU) No. 1407/2013 of 18th December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid* (the *de minimis* Regulation).

The total amount of *de minimis* aid granted to a single undertaking shall not exceed the amount of €200,000 over any period of three consecutive fiscal years.

This aggregate maximum threshold applies in principle to all economic sectors with the exception of the road transport, agriculture and fisheries sectors for which different thresholds and criteria apply. The term "undertaking" includes also all companies in a group (which fall under the direct or indirect ownership or control of the same ultimate parent company) and relevant partner and linked enterprises as defined in Annex I of Commission Regulation (EC No 800/2008). This period covers the fiscal year concerned as well as the previous two fiscal years. "Fiscal year" means the fiscal year as used for tax purposes by the undertaking concerned.

http://ec.europa.eu/competition/state_aid/legislation/de_minimis_regulation_en.pdf

In terms of the Malta Enterprise Act mentioned earlier, the parameters of aid and details of the aid scheme are found in the Incentive guidelines. These Incentive guidelines are a set of rules issued by the Corporation from time to time containing details on the definition, application, administration, grant and revocation of aid schemes. The Incentive guidelines for the **Rent Subsidy Scheme** are accessible on the following link:

<https://www.maltaenterprise.com/sites/default/files/Rent%20Subsidy%20IG%20Version%202%20%2812th%20June%202017%29.pdf>

Enterprise Support Incentives Legal Notice:

<http://justiceservices.gov.mt/DownloadDocument.aspx?app=lp&itemid=27625&l=1>

5. Form of subsidy

The aid shall be granted in the form of a cash grant.

Qualifying Expenditure

The Corporation may support, through partial reimbursement, costs incurred for rental or leasing of premises required for:

- Manufacturing activities;
- Storage of works in progress related to manufacturing activities carried out in Malta by the applicant;
- Storage of raw materials required for manufacturing activities carried out in Malta by the applicant;
- Carrying out one (1) of the NACE activities as indicated in the relative scheme guidelines.

For the rental agreement to be considered for assistance, all the following conditions must be adhered to:

- The property must be rented / leased from a third party in the private sector which is not related to the single undertaking; and
- The rent / lease agreement must have a commencement date which is not more than one (1) calendar month prior to the application date.

6. To whom and how the subsidy is provided

This incentive is intended to support small undertakings engaged in manufacturing activities that require industrial space as a temporary, or permanent, solution to:

- i. implement growth plans;
- ii. handle an increase in orders; and/or
- iii. carry out process innovations required to increase efficiency.

Maximum Applicable Aid Intensity

The aid intensity is established at 50% of the cost incurred after excluding any taxes.

The total aid which may be granted to a single undertaking is capped at €20,000 over a period of two (2) consecutive years. This amount is limited up to €10,000 over any period of 12 months and up to €50 per square meter *per annum*.

7. Amount of subsidy

2017 – €18,500.

2018 – €NIL.

8. Duration of subsidy

Applications for this support measure will be received between 1st March 2016 and 31st October 2019. The scheme will terminate on the 31st December 2019.

9. Trade effects of the subsidy

There are no effects on international trade.

15 RESEARCH AND DEVELOPMENT 2014 - 2020

1. Title of the subsidy

Research and Development 2014 – 2020.

2. Period covered by the notification

The period covered by this notification starts from the 1st January 2017 until the 31st December 2018.

3. Policy objective

The aim of this incentive is to:

- a. assist undertakings that carry out Industrial Research or Experimental Development required for acquisition of knowledge leading to the development of innovative products and solutions.
- b. encourage cooperation between firms by providing additional assistance for collaborative Industrial Research and Experimental Development projects, which may include Eureka endorsed projects and accepted under the Eurostars framework of the European Commission.

4. Background and authority for the subsidy

This incentive is administered by Malta Enterprise Corporation.

Malta Enterprise is enabled to issue and publish official Incentive guidelines in terms of Article 8 (3)(a) of the Malta Enterprise Act, Chapter 463 of the Laws of Malta.

The Corporation may design support measures in terms of the Malta Enterprise Act:

<http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=8929&l=1>

The Research and Development Activities Regulations SL 463.17 (*Malta Enterprise Act, Chapter 463 of the Laws of Malta*) provides the legal basis of this incentive.

<http://justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=11610&l=1>

<http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=12675&l=1>

The terms and conditions set out in these guidelines are in line with the Commission Regulation (EU) No. 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty.

<http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0651&from=EN>

In terms of the Malta Enterprise Act mentioned earlier, the parameters of aid and details of the aid scheme are found in the incentive guidelines. These incentive guidelines are a set of rules issued by the Corporation from time to time containing details on the definition, application, administration, grant and revocation of aid schemes. The incentive guidelines for the **Research and Development 2014 - 2020** are accessible on the following link:

https://www.maltaenterprise.com/sites/default/files/R%26D%202014%20-%202020%20Incentive%20Guidelines%20%28Version%202.1%29_0.pdf

5. Form of subsidy

Undertakings established in Malta may benefit from assistance in the form of a cash grant covering wage costs capped at €500,000 *per annum* per project and tax credits for other eligible costs as referred to in the Guidelines. Cash grants are awarded at the sole discretion of the Corporation.

Qualifying Expenditure

The following costs are considered as eligible as long as they are incurred in relation to an approved Industrial Research or Experimental Development project after the "start of works".

Personnel costs

Wages of researchers and technicians, and other supporting staff, to the extent and for the duration that they are directly engaged on the approved research project.

- Eligible wage costs shall be limited to the actual basic salary as defined in the employment contract of the employee. (Any other costs, including bonuses, allowances, national insurance and other taxes, insurance payments and *per diem* shall not be considered eligible).
- All employees in respect of whom wage costs are claimed must be registered with *Jobsplus* and covered by a valid contract of employment in terms of the national legislation on employment.
- Personnel costs are calculated using an hourly rate calculated on the employee's basic wage. The total hours worked by a full-time employee shall be established as 1760 hours *per annum*.
- Eligible wage costs of supporting staff shall be capped at 10% of the total personnel costs.

Instruments and equipment

Costs of instruments and equipment shall be considered as eligible to the extent and for the period used for the project. Where such instruments and equipment are not used for their full life for the project, only the depreciation costs corresponding to the life of the project, as calculated on the basis of generally accepted accounting principles are considered as eligible.

Contractual research, technical knowledge and patents

Costs of contractual research, technical knowledge and patents bought or licensed from outside sources at arm's length conditions, as well as costs of consultancy and equivalent services used exclusively for the research activity.

Costs of consultancy and equivalent services must be rendered by either:

- i. experts in the relevant field of research that have successfully completed doctoral training; or
- ii. research and knowledge-dissemination organisation; or
- iii. technical laboratories or other similar infrastructures.

Other operating expenses

Costs of materials, supplies and similar products, incurred directly as a result of the project.

6. To whom and how the subsidy is provided

This incentive is awarded to undertakings carrying out research and development projects and which are classified as Industrial Research or Experimental Development as per terms and conditions set within the Incentive guidelines. The objective is to assist enterprises create or improve technology that can provide a competitive advantage at the business, industry, or national level.

Moreover, Malta Enterprise has re-committed itself to participating in the Eureka Network and Eurostars Joint Programme between 2014 and 2020. As a result, the proposed scheme encourages cooperation between firms by providing additional assistance for collaborative Eureka or Eurostars projects.

Maximum Aid Intensities

The maximum levels of assistance that may be provided under this incentive are found in the table below.

Project Type	Small Undertaking	Medium Undertaking	Large Undertaking
Industrial Research & Experimental Development Projects	45%	35%	25%
Collaborative Industrial Research & Experimental Development Projects	60%	50%	40%

7. Amount of subsidy

2017 – €143,898.

2018 – €162,943.

8. Duration of subsidy

This support measure became effective on the 1st November 2014 and will terminate on the 31st December 2020.

9. Trade effects of the subsidy

There are no effects on international trade.

16 R & D FEASIBILITY STUDIES 2014 - 2020

1. Title of the subsidy

R & D Feasibility Studies 2014 – 2020.

2. Period covered by the notification

The period covered by this notification starts from the 1st January 2017 until the 31st December 2018.

3. Policy objective

Since Research & Development (R&D) initiatives are associated with high risk, it is advisable that undertakings carry out feasibility studies to determine that the key elements of the proposed research project are based on sound principles.

The objective of this incentive is to support undertakings intending to undertake industrial research and experimental development projects in determining the feasibility of their planned project.

4. Background and authority for the subsidy

This Incentive is administered by Malta Enterprise Corporation.

Malta Enterprise is enabled to issue and publish official Incentive guidelines in terms of Article 8 (3)(a) of the Malta Enterprise Act, Chapter 463 of the Laws of Malta.

The Corporation may design support measures in terms of the Malta Enterprise Act:

<http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=8929&l=1>

The Research and Development Activities Regulations SL 463.17 (*Malta Enterprise Act, Chapter 463 of the Laws of Malta*) provides the legal basis of this incentive.

<http://justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=11610&l=1>

<http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=12675&l=1>

The terms and conditions set out in these guidelines are in line with the Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty.

<http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0651&from=EN>

In terms of the Malta Enterprise Act mentioned earlier, the parameters of aid and details of the aid scheme are found in the incentive guidelines. These incentive guidelines are a set of rules issued by the Corporation from time to time containing details on the definition, application, administration, grant and revocation of aid schemes. The incentive guidelines for the **R & D Feasibility Studies 2014 - 2020** are accessible on the following link:

https://www.maltaenterprise.com/sites/default/files/R%26D%20Feasibility%20Studies%20Incentive%20Guidelines_0.pdf

5. Form of subsidy

Undertakings carrying out an R&D feasibility study may receive up to €50,000 per project. Aid is capped at €5,000 per full-time employee engaged by the applicant at the time of application, provided that applicants established in the twenty-four (24) months preceding the date of application may still be approved a grant of up to €20,000 irrespective of the number of full-time employees engaged.

Qualifying Expenditure

Supported projects must be completed within six (6) months from the date the project is approved by the Corporation. All eligible costs should be incurred and paid for within this timeframe.

The following costs are considered eligible as long as they are incurred in relation to an approved Industrial Research and Experimental Development project.

Personnel costs

- ❖ Wages of researchers and technicians, and other supporting staff, to the extent and for the duration that they are directly engaged on the approved R&D feasibility study.
- ❖ Eligible wage costs shall be limited to the actual basic salary as defined in the employment contract of the employee. (Any other costs, including bonuses, allowances, national insurance and other taxes, insurance payments and *per diem* are ineligible).
- ❖ All employees in respect of whom wage costs are claimed must be registered with *Jobsplus* and covered by a contract of employment.
- ❖ Personnel costs are calculated using an hourly rate calculated on the employee's basic wage. The total hours worked by a full-time employee shall be established as 1760 hours *per annum*.
- ❖ Eligible wage costs of supporting staff shall be capped at 10% of the total personnel costs.

Acquisition of Knowledge

Costs of contractual research and technical knowledge bought or licensed from outside sources at arm's length conditions, as well as costs of consultancy and equivalent services used exclusively for feasibility study;

Costs of consultancy and equivalent services must be rendered by either:

- i. experts in the relevant field of research that have successfully completed doctoral training;

- ii. research and knowledge-dissemination organisation; or
- iii. technical laboratories or other similar infrastructures.

6. To whom and how the subsidy is provided

Undertakings employing at least two (2) full-time employees that intend to carry out an industrial research or experimental development project may benefit from assistance under this incentive.

The aim of carrying out such studies is to:

- establish the feasibility of a planned industrial research and experimental development project.
- The proposed study should lead to research that has clear scope and objectives and is of strategic importance to the undertaking.
- The application requesting assistance should clearly indicate the methodology which will be adopted in carrying out the study and should also identify clear milestones and deliverables.
- The extent (based on a preliminary business case) in which the beneficiary's growth in terms of market positioning, investment and employment should be enhanced, should the Industrial Research and Experimental Development project be carried out.

Supported projects must be completed within six (6) months from the date the project is approved by the Corporation. All eligible costs should be incurred and paid for within this timeframe.

Aid Intensity

The maximum levels of assistance provided through this incentive is further capped at:

Type of Undertaking	%
Small	70
Medium	60
Large	50

7. Amount of subsidy

2017 – €34,017.

2018 – €13,952.

8. Duration of subsidy

This support measure became effective on the 1st November 2014 and will terminate on the 31st December 2020.

9. Trade effects of the subsidy

There are no effects on international trade.

17 START-UP FINANCE 2017 - 2020

1. Title of the subsidy

Start-Up Finance 2017 - 2020.

2. Period covered by the notification

The period covered by this notification starts from the 1st January 2017 until the 31st December 2018.

3. Policy objective

The aim of this measure is to finance innovative undertakings in their early stages of development by supporting Small Start-up Undertakings that demonstrate a viable business concept in the setting-up and initial growth phases.

4. Background and authority for the subsidy

This incentive is administered by Malta Enterprise Corporation.

Malta Enterprise is enabled to issue and publish official incentive guidelines in terms of Article 8 (3)(a) of the Malta Enterprise Act, Chapter 463 of the Laws of Malta.

The Corporation may design support measures in terms of the Malta Enterprise Act:

<http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=8929&l=1>

The Assistance to Small and Medium-Sized Undertakings Regulations SL 463.03 (*Malta Enterprise Act, Chapter 463 of the Laws of Malta*) provides the legal basis of this incentive.

<http://justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=11608&l=1>

The terms and conditions set out in these guidelines are in line with the Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty.

<http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0651&from=EN>

In terms of the Malta Enterprise Act mentioned earlier, the parameters of aid and details of the aid scheme are found in the incentive guidelines. These incentive guidelines are a set of rules issued by the Corporation from time to time containing details on the definition, application, administration, grant and revocation of aid schemes. The incentive guidelines for the **Start-Up Finance 2017 - 2020** are accessible on the following link:

<https://www.maltaenterprise.com/sites/default/files/Startup%20Finance%20Incentive%20Guidelines%202017%20-%202020%20%28Version%201%29.pdf>

Start-Up Finance Regulations, 2017 Legal Notice:

<http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lp&itemid=28561&l=1>

5. Form of subsidy

Undertakings may benefit from assistance in the form of a repayable assistance.

Qualifying Expenditure

Small start-up undertakings shall be considered as eligible if they are, or shall be engaged in one (1) or more of the following activities:

- i. Manufacturing including the manufacture of gas;
- ii. Information Technology, Digital Media and Communications;
- iii. Research, Development and Technical Innovation;
- iv. Industrial and Product Design;
- v. Biotechnology, Pharmaceuticals and Life Sciences;

- vi. Audio visual and creative media investment in facilities (sound studio).

At its discretion, the Corporation, may request the applicant to verify the activity of the undertaking.

Innovation

In order to be eligible, the applicant must be:

1. proposing products and/or services that have potential to be marketed and distributed internationally; and
2. producing products and/or service which are new or substantially improved compared to the state of the art in the local industry.

6. To whom and how the subsidy is provided

Assistance is available to small start-up undertakings operating from Malta and who are incorporated in the European Union as a partnership *en nom collectif*, *en commandite*, or a limited liability company or a similar set-up.

Assistance will be provided as a repayable assistance of up to €200,000. The support shall be linked to either:

- Co-investment linked to private equity; or
- The procurement of tangible assets; or
- Crowd funding campaigns.

7. Amount of subsidy

2017 – €NIL.

2018 – €200,000.

8. Duration of subsidy

This support measure became effective on the 2nd May 2017 and will run until 31st December 2020.

9. Trade effects of the subsidy

There are no effects on international trade.

18 BUSINESS ASSOCIATIONS GRANT SCHEME

1. Title of the subsidy

Business Associations Grant Scheme.

2. Period covered by the notification

The period covered by this notification starts from the 1st January 2017 until the 31st December 2018.

3. Policy objective

The aim of this scheme is to assist business associations achieve common objectives that in return support growth, innovation and development of their member undertakings. In order to achieve such benefits, eligible associations are being encouraged to employ a coordinator to animate and support the association's activities as well as to affiliate with international associations and attend international events relevant to the goals and objectives of the business associations.

This assistance will also support the business associations and their member undertakings to be more competitive.

4. Background and authority for the subsidy

This incentive is administered by Malta Enterprise Corporation.

Malta Enterprise is enabled to issue and publish official incentive guidelines in terms of Article 8 (3)(a) of the Malta Enterprise Act, Chapter 463 of the Laws of Malta.

The Corporation may design support measures in terms of the Malta Enterprise Act:

<http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=8929&l=1>

The Enterprise Support Incentives Regulations SL 463.04 (*Malta Enterprise Act, Chapter 463 of the Laws of Malta*) provides the legal basis of this incentive.

<http://justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=11609&l=1>

These incentive guidelines are in line with the *Commission Regulation (EU) No. 1407/2013 of 18th December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid*.

The terms and conditions covering this aid scheme are in line with the *Commission Regulation (EU) No. 1407/2013 of 18th December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid* (the *de minimis* Regulation).

The total amount of *de minimis* aid granted to a single undertaking shall not exceed the amount of €200,000 over any period of three consecutive fiscal years.

This aggregate maximum threshold applies in principle to all economic sectors with the exception of the road transport, agriculture and fisheries sectors for which different thresholds and criteria apply. The term "undertaking" includes also all companies in a group (which fall under the direct or indirect ownership or control of the same ultimate parent company) and relevant partner and linked enterprises as defined in Annex I of Commission Regulation (EC No 800/2008). This period covers the fiscal year concerned as well as the previous two fiscal years. "Fiscal year" means the fiscal year as used for tax purposes by the undertaking concerned.

http://ec.europa.eu/competition/state_aid/legislation/de_minimis_regulation_en.pdf

In terms of the Malta Enterprise Act mentioned earlier, the parameters of aid and details of the aid scheme are found in the incentive guidelines. These incentive guidelines are a set of rules issued by the Corporation from time to time containing details on the definition, application, administration, grant and revocation of aid schemes. The incentive guidelines for the aid scheme **Business Associations Grant Scheme** are accessible on the following link:

<https://www.maltaenterprise.com/sites/default/files/Business%20Associations%20Grant%20IG%20Version%202.pdf>

5. Form of subsidy

Aid under this support measure is awarded in the form of a cash grant. Each business association may receive up to €10,000 *per annum*.

Qualifying Expenditure

The assistance provided consists in financing eligible costs relating to:

1. Wage costs of a coordinator or administrator;

2. Annual memberships; and
3. Attendance to international sectoral events held outside Malta.

6. To whom and how the subsidy is provided

Eligible business associations that enhance collaboration between undertakings in the following industries:

- Manufacturing
- Industrial Services
- Information and Communication Technologies
- Digital Media
- Life Sciences
- Crafts

Business Associations must represent at least ten (10) single undertakings in the same relevant sector, or five (5) single undertakings mainly engaged in a specific activity. The business association must not have more than 100 registered members.

Applicable Aid Intensities

Assistance will be provided on an annual basis in the form of a cash grant and each business association may receive up to €10,000 *per annum*.

7. Amount of subsidy

2017 – € 4,900.

2018 – €14,578.

8. Duration of subsidy

This support measure became effective on the 1st January 2016 and will run till the 31st December 2020.

9. Trade effects of the subsidy

There are no effects on international trade.

19 ENERGY AUDIT VOUCHER SCHEME

1. Title of the subsidy

Energy Audit Voucher Scheme. (This support measure falls under the Business Advisory Services).

2. Period covered by the notification

The period covered by this notification starts from the 1st January 2017 until the 31st December 2018.

3. Policy objective

A small undertaking that has high energy consumption may engage an engineer to carry out a high-level energy review of the activity. Through the energy review, the business would identify actions and investments that may be carried out to reduce energy consumption.

4. Background and authority for the subsidy

This incentive is administered by Malta Enterprise Corporation.

Malta Enterprise is enabled to issue and publish official incentive guidelines in terms of Article 8 (3)(a) of the Malta Enterprise Act, Chapter 463 of the Laws of Malta.

The Corporation may design support measures in terms of the Malta Enterprise Act:

<http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=8929&l=1>

The Enterprise Support Incentives Regulations SL 463.04 (*Malta Enterprise Act, Chapter 463 of the Laws of Malta*) provides the legal basis of this incentive.

<http://justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=11609&l=1>

These incentive guidelines are in line with the *Commission Regulation (EU) No. 1407/2013 of 18th December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid*.

The terms and conditions covering this aid scheme are in line with the *Commission Regulation (EU) No. 1407/2013 of 18th December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid* (the *de minimis* Regulation).

The total amount of *de minimis* aid granted to a single undertaking shall not exceed the amount of €200,000 over any period of three consecutive fiscal years.

This aggregate maximum threshold applies in principle to all economic sectors with the exception of the road transport, agriculture and fisheries sectors for which different thresholds and criteria apply. The term "undertaking" includes also all companies in a group (which fall under the direct or indirect ownership or control of the same ultimate parent company) and relevant partner and linked enterprises as defined in Annex I of Commission Regulation (EC No 800/2008). This period covers the fiscal year concerned as well as the previous two fiscal years. "Fiscal year" means the fiscal year as used for tax purposes by the undertaking concerned.

http://ec.europa.eu/competition/state_aid/legislation/de_minimis_regulation_en.pdf

In terms of the Malta Enterprise Act mentioned earlier, the parameters of aid and details of the aid scheme are found in the incentive guidelines. These incentive guidelines are a set of rules issued by the Corporation from time to time containing details on the definition, application, administration, grant and revocation of aid schemes. The incentive guidelines for the **Energy Audit Voucher Scheme** are accessible on the following link:

<https://www.maltaenterprise.com/sites/default/files/Incentive%20Guidelines%20Energy%20Audit%20%28Version%201%29.docx.pdf>

5. Form of subsidy

Beneficiaries will receive an Energy Audit Voucher which can be used to pay for a certified energy auditor to carry out a review of the business operation of the beneficiary in order to identify actions and investments that may be carried out to reduce energy consumption.

A single undertaking may benefit once from this measure and in relation to one site. The assistance will be capped according to the Annual Electricity Consumption. Assistance to single undertakings that have an annual electricity consumption of between 10,000 kWhr and 25,000 kWhrs will be capped at €250. Assistance to single undertakings that have an annual electricity consumption above 25,000 kWhrs but less than 75,000 kWhrs will be capped at €380 as indicated below:

Annual Electricity Consumption	€ (inclusive of VAT)
10 000kWhr and 25 000kWhr	250
25 001kWhr and 75 000kWhr	380

6. To whom and how the subsidy is provided

This incentive is available to all undertakings with an annual electricity consumption of between 10,000 kWhrs and 75,000 kWhrs and which are not excluded by State Aid Regulations.

7. Amount of subsidy

2017 – €500.

2018 – €NIL.

8. Duration of subsidy

This support measure was available between the 1st September 2016 and 30th June 2017.

9. Trade effects of the subsidy

There are no effects on international trade.

20 AID FOR RESEARCH AND DEVELOPMENT PROJECTS (TAX CREDITS)

1. Title of the subsidy

Aid for Research and Development Projects (Tax Credits).

2. Period covered by the notification

The period covered by this notification starts from the 1st January 2017 until the 31st December 2018.

3. Policy objective

The main objective of this incentive measure is to drive enterprises to be innovative, to contribute towards the scientific or technological advances through the resolution of scientific or technological uncertainty.

4. Background and authority for the subsidy

This incentive is administered by Malta Enterprise Corporation.

Malta Enterprise is enabled to issue and publish official incentive guidelines in terms of Article 8 (3)(a) of the Malta Enterprise Act, Chapter 463 of the Laws of Malta.

The Corporation may design support measures in terms of the Malta Enterprise Act:

<http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=8929&l=1>

The Research and Development Activities Regulations SL 463.17 (*Malta Enterprise Act, Chapter 463 of the Laws of Malta*) provides the legal basis of this incentive.

<http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=12675&l=1>

The terms and conditions set out in these guidelines are in line with the Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty.

<http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0651&from=EN>

In terms of the Malta Enterprise Act mentioned earlier, the parameters of aid and details of the aid scheme are found in the incentive guidelines. These incentive guidelines are a set of rules issued by the Corporation from time to time containing details on the definition, application, administration,

grant and revocation of aid schemes. The incentive guidelines for the ***Aid for Research and Development Projects (Tax Credits)*** are accessible on the following link:

<https://www.maltaenterprise.com/sites/default/files/Incentive%20Guidelines%20Version%201%20%288.6.2017%29.pdf>

5. Form of subsidy

Undertakings established in Malta may benefit from assistance in the form of a tax credit.

Qualifying Expenditure

The project or projects carried out must relate to the company's current trade activity or to a trade activity that the company intends to start based on the results of the R&D activity.

Costs related to prototypes that are sold to third parties following the completion of a project are not considered eligible.

Qualifying Employee costs

Staffing cost of directors and employees actively engaged on an eligible R&D activity can be considered as qualifying expenditure. When a director or employee is not fully engaged actively on an eligible R&D activity, then only the proportion on which the person is engaged actively on an eligible R&D activity shall be considered as qualifying.

Employee costs may be considered when a person is directly or indirectly contributing to the R&D activity. A person's extent of engagement in the R&D activity is based on the duties performed in relation to the activity and not on the job title. It is therefore not possible to establish a list of eligible roles, as in many cases, employees (especially support staff) are only partly engaged in an R&D activity.

To directly contribute to an R&D Activity, the persons must be engaged in attempting to resolve an element of scientific or technological uncertainty. This would include activities:

- aimed to create or adapt software, materials or equipment needed to resolve the scientific or technological uncertainty, provided that the software, material or equipment is created or adapted solely for use in R&D; and
- of planning, design, testing and analysis undertaken to resolve the scientific or technological uncertainty.

To indirectly contribute to an R&D activity the persons must be engaged in:

- carrying out feasibility studies to support and define the strategic direction of a specific R&D activity;
- research (where this research is not R&D in its own right) to devise new scientific or technological testing, survey, or sampling methods;
- providing information services, insofar as they are conducted for the purpose of the R&D activity;

Supporting activities such as maintenance, training, security, administration, finance and personnel activities, insofar as these activities are carried out for the purposes of an R&D activity.

Staff costs may only be claimed in respect to employees who are covered by a contract of employment and registered as employees of the company claiming the benefit. Only the following costs shall be considered as eligible:

- the emoluments paid by the company to its directors or employees prior to any tax or social security deduction collected by the company from the directors or employees on behalf of the Government, insofar that only salaries, wages, and predetermined fixed cash benefits shall be considered as eligible; and
- the compulsory Social Security contributions paid by the company.

It is understandable that some groups entrust one group company to employ all the staff for the group, and recharge other group companies for their services. Since the company claiming under this measure is recharged for the use of employees from another group company these costs cannot be considered directly as the claimant's own staffing expenditure. In such instances, the value of eligible costs should be established as a function of the actual staff costs based on the remuneration received by the staff engaged in the R&D Activity.

Contracted R&D expenditure

Costs of contractual research purchased for enterprises as well as costs of consultancy and equivalent services used exclusively for the research activity may be claimed as long as the transactions are conducted at arm's length conditions.

Contracted R&D costs may not exceed 20% of total costs claimed in respect of a specific R&D project.

Materials and Utilities

Costs for the procurement of materials used directly, thus consumed or transformed in the process of carrying out of an R&D activity, are eligible for these tax credits. Such materials must consequently be no longer so useable in their original form following the R&D activity.

Eligible materials would include: chemical products transformed through the R&D process (even if the resultant chemical product may be recycled and used for a purpose that is not its original purpose); electronic components which may not be used for other purposes following the use in the project; and components required for a prototype.

Costs for the procurement of water and power.

Telecommunication costs are not considered as eligible costs unless the transmission of information over a telecommunications network is an integral part of a research project.

In instances where materials and utilities are only partly directly utilised in the R&D activity, an appropriate apportionment of the expenditure should be established. This calculation will depend significantly on the particular R&D activity and on other parameters such as the facility and the number of employees. A practical approach should be adopted to establish an adequate apportionment which should be backed by reasonable arguments justifying the approach and methodology adopted.

Software

Software As A Service (SAAS) costs are considered as eligible expenditure to the extent that the software is used directly for the R&D activity. If the SAAS is partially used in R&D, the cost should be apportioned to reflect the cost in respect to the R&D activity.

Costs for the purchase of software procured specifically for the R&D activity, and which will have no use following the completion of the specific R&D project or projects for which it is purchased, are eligible.

Software costs which are considered as amortisable or registered in the fixed asset register of a company are not eligible.

6. To whom and how the subsidy is provided

This Scheme provides a tax credit to registered companies that carry out an R&D project or projects relevant to the Company's trade.

The supported R&D activity must be identified in specific projects that seek to address a scientific or technological uncertainty and which can fall within the definitions of industrial research or experimental development.

The commencement of an R&D project supported under this incentive may not be prior to the 1st January 2017. An R&D project begins when work to resolve the scientific or technological uncertainty starts and ends when that uncertainty is resolved or the work to resolve it ceases.

The project or projects carried out must relate to the company's current trade activity or to a trade activity that the company intends to start based on the results of the R&D activity.

A company claiming the tax credit must own any intellectual property that might arise from the R&D activity claimed.

Aid Intensity

Beneficiaries that carry out an eligible R&D activity will receive a tax credit calculated at twenty-five percent (25%) of the eligible expenditure.

The percentage shall be increased by 10% when the applicant is a medium sized enterprise and by 20% when the applicant is a small enterprise.

The total support shall be limited to €15 million for any project covered by the R&D activity.

7. Amount of subsidy

2017 – €NIL.

2018 – €37,749.

8. Duration of subsidy

This support measure became effective on the 1st January 2017 and will terminate on the 31st December 2020.

9. Trade effects of the subsidy

There are no effects on international trade.

21 TAX CREDITS FOR R&D AND INNOVATION

1. Title of the subsidy

Tax Credits for R&D and Innovation.

2. Period covered by the notification

The period covered by this notification starts from the 1st January 2017 until the 31st December 2018.

3. Policy objective

The main objective of the aid scheme is to assist undertakings that employ for a period of at least twelve (12) months a person holding or reading for a doctoral degree in science, information technology or engineering. The support may be claimed once, after a person holding a doctoral degree (MQF Level 8) or reading a doctoral degree in science, information technology or engineering has been employed for a minimum of twelve (12) months. Such employment must not have commenced prior to 1st January 2016.

4. Background and authority for the subsidy

This incentive is administered by Malta Enterprise Corporation.

Malta Enterprise is enabled to issue and publish official incentive guidelines in terms of Article 8 (3)(a) of the Malta Enterprise Act, Chapter 463 of the Laws of Malta.

The Corporation may design support measures in terms of the Malta Enterprise Act:

<http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=8929&l=1>

The Tax Credits for Research and Development and Innovation Regulations SL 463.15 (*Malta Enterprise Act, Chapter 463 of the Laws of Malta*) provides the legal basis of this incentive.

<http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=12669&l=1>

These incentive guidelines are in line with the *Commission Regulation (EU) No. 1407/2013 of 18th December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid*.

The terms and conditions covering this aid scheme are in line with the *Commission Regulation (EU) No. 1407/2013 of 18th December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid* (the *de minimis* Regulation).

The total amount of *de minimis* aid granted to a single undertaking shall not exceed the amount of €200,000 over any period of three consecutive fiscal years.

This aggregate maximum threshold applies in principle to all economic sectors with the exception of the road transport, agriculture and fisheries sectors for which different thresholds and criteria apply. The term "undertaking" includes also all companies in a group (which fall under the direct or indirect ownership or control of the same ultimate parent company) and relevant partner and linked enterprises as defined in Annex I of Commission Regulation (EC No 800/2008). This period covers the fiscal year concerned as well as the previous two fiscal years. "Fiscal year" means the fiscal year as used for tax purposes by the undertaking concerned.

http://ec.europa.eu/competition/state_aid/legislation/de_minimis_regulation_en.pdf

In terms of the Malta Enterprise Act mentioned earlier, the parameters of aid and details of the aid scheme are found in the incentive guidelines. These incentive guidelines are a set of rules issued by the Corporation from time to time containing details on the definition, application, administration, grant and revocation of aid schemes. The incentive guidelines for the aid scheme **Tax Credits for R&D and Innovation** are accessible on the following link:

https://www.maltaenterprise.com/sites/default/files/Tax%20Credits%20for%20RD%20and%20Innovation%20%28Version%201.0%29_0.pdf

5. Form of subsidy

Aid under this support measure is awarded in the form of a tax credit.

6. To whom and how the subsidy is provided

In order to be eligible for assistance applicants must fill the following criteria:

The applicant must be:

- a. An undertaking operating from Malta and be incorporated in the European Union as a partnership *en nom collectif*, *en commandite* or a limited liability company; or
- b. registered as self-employed with JobsPlus; or
- c. registered as a Co-operative under the Co-operatives Societies Act, Chapter 442 of the Laws of Malta.

Applicable Aid Intensities

Beneficiaries shall be awarded a tax credit of €10,000.

7. Amount of subsidy

2017 – €NIL.

2018 – €10,000.

8. Duration of subsidy

This support measure became effective on the 1st October 2016 and will terminate on the 31st December 2020.

9. Trade effects of the subsidy

There are no effects on international trade.

22 KNOWLEDGE TRANSFER SCHEME1. Title of the subsidy

Knowledge Transfer Scheme.

2. Period covered by the notification

The period covered by this notification starts from the 1st January 2017 until the 31st December 2018.

3. Policy objective

The main objective of the **Knowledge Transfer Scheme** is to support the development of training programs and their implementation. The training should lead to the upskilling and re-skilling of new and existing employees. The training may be delivered by trainers employed by the applicant, engaged from a related enterprise or by qualified external providers. The aim is to support knowledge transfer and the acquisition of new competence in line with the knowledge and skill requirements of the industry.

4. Background and authority for the subsidy

This incentive is administered by Malta Enterprise Corporation.

Malta Enterprise is enabled to issue and publish official incentive guidelines in terms of Article 8 (3)(a) of the Malta Enterprise Act, Chapter 463 of the Laws of Malta.

The Corporation may design support measures in terms of the Malta Enterprise Act:

<http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=8929&l=1>

The Assistance for Knowledge Transfer Regulations S.L. 463.12 (*Malta Enterprise Act, Chapter 463 of the Laws of Malta*) provides the legal basis of this incentive.

<http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=12502&l=1>

The terms and conditions set out in these guidelines are in line with the Commission Regulation (EU) No. 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty.

<http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0651&from=EN>

In terms of the Malta Enterprise Act mentioned earlier, the parameters of aid and details of the aid scheme are found in the incentive guidelines. These incentive guidelines are a set of rules issued by the Corporation from time to time containing details on the definition, application, administration, grant and revocation of aid schemes. The incentive guidelines for the **Knowledge Transfer Scheme** are accessible on the following link:

<https://www.maltaenterprise.com/sites/default/files/Knowledge%20Transfer%20Incentive%20Guidelines.pdf>

Knowledge Transfer Regulations L.N. 178 of 2016

<http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lp&itemid=27708&l=1>

5. Form of subsidy

Aid under this incentive is in the form of a tax credit. The Corporation may yet approve a cash grant for the partial reimbursement of wage costs of trainees of undertakings engaged in the Manufacturing Sector. Such cash grants may not exceed the applicable aid intensity and shall be capped at €8 per hour for each employee trained.

Qualifying Expenditure

a. Training Needs Analysis and development of Training Program

Consultancy costs for carrying out a training needs analysis and the development of the training programme. (These are required at application stage and may be considered eligible for tax credits once the training programme is implemented).

This assistance is conditional to:

i. capping of €100 per employee trained;

and

ii. an overall capping of €5,000.

b. In-house Training

When the training programme, or part thereof, is delivered by employees of the company, the basic wage cost of such employees, covering the hours during which the employees of the undertaking deliver the training, shall be considered eligible. Only the direct contact hours during which the trainer is delivering the training may be claimed.

c. Training delivered from related enterprises

When the training programme, or part thereof, is delivered by trainers provided from a partner undertaking:

- i. The basic wage cost covering the hours during which the trainer is delivering the training may be claimed. Only the direct contact hours during which the trainer is delivering the training are eligible. If the trainer's basic wage costs are not provided, then the national minimum wage shall be considered as the eligible cost; Or
- ii. As an alternative to (i) above when the training is provided by a related undertaking, which is not established in Malta, and when the trainer is not resident in Malta, the eligible cost may be considered to be the cost of training as invoiced by the related undertaking for those hours during which the trainers participate in the training.

d. Training Delivered by Qualified External Trainers

Costs of qualified external training service providers engaged to deliver training shall be considered as eligible. These services must be provided by a qualified trainer holding a degree relevant to the training, and who has at least five (5) years' work experience in a sector similar to the one for which the training is provided. Only the direct contact hours during which the trainer is delivering the training are eligible.

e. Trainee Basic Wage Costs

Basic wage costs of Trainees, for the hours during which the trainees are participating in the approved training, may be claimed as eligible costs. The trainees need to be formally employed with the beneficiary during the training period.

6. To whom and how the subsidy is provided

The training should be designed to address the skills and knowledge requirements of the applicant. The nature of the training should be:

- i. relevant to the eligible activity of the applicant; and
- ii. organised specifically for the employees of the applicant.

Moreover, the undertaking must:

- be a newly-established undertaking as defined within Section 2 of the incentive guidelines;
- have directly employed at least five (5) persons (on full time basis) for the last two (2) fiscal years.
- An undertaking operating from Malta and be incorporated in the European Union as a partnership *en nom collectif*, *en commandite* or a limited liability company.
- Not be defaulting on VAT, Income Tax, and Social Security.
- Adhere to applicable State Aid Regulations.
- The undertakings must be engaged in one (1) of the following Sectors:

Sector	NACE
Manufacturing	Section C
Warehousing and storage	52.10
Computer programming activities	62.01
Technical testing and analysis	71.20
Research and experimental development on biotechnology	72.11
Other research and experimental development on natural sciences and engineering	72.19
Specialised design activities	74.10
Activities of call centres	82.20

Aid Intensity

The aid intensity shall be established according to the size of undertaking. The aid intensity applicable shall not exceed the following percentages of the eligible costs:

Size of Undertaking	%
Small	70
Medium	60
Large	50

7. Amount of subsidy

2017 – €85,000.

2018 – € 1,889.32.

8. Duration of subsidy

This support measure became effective on the 1st March 2016 and was terminated 31st August 2018.

Changes to The Scheme Termination Date

Malta Enterprise Corporation had notified the competent authorities that this incentive measure was to be terminated on 31st August 2018 instead of the 31st December 2020 as previously notified.

9. Trade effects of the subsidy

There are no effects on international trade.

23 COOPERATE FOR GROWTH

1. Title of the subsidy

Cooperate for Growth.

2. Period covered by the notification

The period covered by this notification starts from the 1st January 2017 until the 31st December 2018.

3. Policy objective

The main objective of this aid scheme is to assist undertakings that are willing to establish new markets, or to introduce a new service or product in an existing market.

4. Background and authority for the subsidy

This incentive is administered by Malta Enterprise Corporation.

Malta Enterprise is enabled to issue and publish official incentive guidelines in terms of Article 8 (3)(a) of the Malta Enterprise Act, Chapter 463 of the Laws of Malta.

The Corporation may design support measures in terms of the Malta Enterprise Act:

<http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=8929&l=1>

The Cooperate for Growth Regulations S.L. 463.21 (*Malta Enterprise Act, Chapter 463 of the Laws of Malta*) provides the legal basis of this incentive.

<http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=12814&l=1>

These incentive guidelines are in line with the *Commission Regulation (EU) No. 1407/2013 of 18th December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid*.

The terms and conditions covering this aid scheme are in line with the *Commission Regulation (EU) No. 1407/2013 of 18th December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid* (the *de minimis* Regulation).

The total amount of *de minimis* aid granted to a single undertaking shall not exceed the amount of €200,000 over any period of three consecutive fiscal years.

This aggregate maximum threshold applies in principle to all economic sectors with the exception of the road transport, agriculture and fisheries sectors for which different thresholds and criteria apply. The term "undertaking" includes also all companies in a group (which fall under the direct or indirect ownership or control of the same ultimate parent company) and relevant partner and linked enterprises as defined in Annex I of Commission Regulation (EC No 800/2008). This period covers the fiscal year concerned as well as the previous two fiscal years. "Fiscal year" means the fiscal year as used for tax purposes by the undertaking concerned.

http://ec.europa.eu/competition/state_aid/legislation/de_minimis_regulation_en.pdf

In terms of the Malta Enterprise Act mentioned earlier, the parameters of aid and details of the aid scheme are found in the incentive guidelines. These incentive guidelines are a set of rules issued by the Corporation from time to time containing details on the definition, application, administration,

grant and revocation of aid schemes. The incentive guidelines for the aid scheme **Cooperate for Growth** are accessible on the following link:

https://www.maltaenterprise.com/sites/default/files/Cooperate%20for%20Growth%20Incentive%20Guidelines%20version%201_0.pdf

The Cooperate for Growth Regulations L.N. 100 of 2018.

<http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lp&itemid=28998&l=1>

5. Form of subsidy

The aid shall be granted in the form of a cash grant.

Qualifying Costs

An eligible undertaking may be awarded support to participate in planned meetings between two or more parties organised for the purpose of technology transfer, knowledge sharing, developing business, facilitating research collaborations, venture funding and similar business interaction. Support shall also be awarded when such meetings are facilitated as part of an activity or initiative coordinated by national or international organisations as may be approved by the Corporation prior to the activity.

To receive support the applicant shall be required to demonstrate to the satisfaction of the Corporation that the ultimate scope of the action is to develop, increase or enhance economic activities through cross-border collaboration.

The support shall be limited to a *per diem* covering the days of the event as indicated by the event organiser. The aid shall only be awarded if:

- a. the person attending the meeting is an employee or director of the applicant and was physically present for the meeting;
- b. the meeting is not held in Malta; and
- c. the person attending is not resident in the country where the meeting was held.

6. To whom and how the subsidy is provided

The beneficiary must be an undertaking registered as one (1) of the following:

- a. An undertaking operating from Malta and be incorporated in the European Union as a partnership *en nom collectif*, *en commandite* or a limited liability company.
- b. Self-employed persons registered with Jobsplus.
- c. Co-operatives registered with the Co-operatives Board.

Applicable Aid Intensities

If the Corporation is satisfied that the above criteria are addressed, the Corporation shall issue an incentive Entitlement Certificate, awarding a *per diem* covering the days of the action. If the undertaking holds multiple meetings that the Corporation deems to satisfy the above criteria with the same or other undertakings over a number of days, the aid awarded in the Incentive Entitlement Certificate will be equivalent to the *per diem* rate covering each day in which the meetings are held.

The *per diem* rates applicable to the measure shall be published periodically on the Corporation's website and shall be pegged to the official per diem rates established by the Maltese Government for travel of public officials.

7. Amount of subsidy

2017 – €NIL.

2018 – €4,518.

8. Duration of subsidy

The Cooperation for Growth Scheme became effective on the 1st March 2018 and will run till 31st December 2020.

9. Trade effects of the subsidy

There are no effects on international trade.

24 LEAP2ENTERPRISE SCHEME1. Title of the subsidy

Leap2Enterprise Scheme.

2. Period covered by the notification

The period covered by this notification starts from the 1st January 2017 until the 31st December 2018.

3. Policy objective

Leap2Enterprise is a support initiative designed to assist vulnerable individuals in setting up their own sustainable, income-generating business activities. To implement this measure, Malta Enterprise, together with LEAP and JobsPlus, will assist beneficiaries to set up their own business or develop an income-generating activity. Initiatives that are deemed to be economically viable shall be supported through a financial assistance package of up to €25,000 over a period of twenty-four (24) months.

4. Background and authority for the subsidy

This incentive is administered by Malta Enterprise Corporation.

Malta Enterprise is enabled to issue and publish official incentive guidelines in terms of Article 8 (3)(a) of the Malta Enterprise Act, Chapter 463 of the Laws of Malta.

The Corporation may design support measures in terms of the Malta Enterprise Act:

<http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=8929&l=1>

The Aid for Disadvantaged Persons to Commence their Own Business Regulations, 2018 L.N. 66 of 2018 (*Malta Enterprise Act, Chapter 463 of the Laws of Malta*) provides the legal basis of this incentive.

<http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lp&itemid=28945&l=1>

The terms and conditions set out in these guidelines are in line with the Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty.

<http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0651&from=EN>

In terms of the Malta Enterprise Act mentioned earlier, the parameters of aid and details of the aid scheme are found in the incentive guidelines. These incentive guidelines are a set of rules issued by the Corporation from time to time containing details on the definition, application, administration,

grant and revocation of aid schemes. The incentive guidelines for the **Leap2Enterprise Scheme** are accessible on the following link:

https://www.maltaenterprise.com/sites/default/files/Leap2enterprise%20Scheme%20Incentive%20Guidelines%20%28Version%201%200%29_0.pdf

5. Form of subsidy

The aid is granted in the form of a cash grant.

Qualifying Expenditure

An approved project may receive a maximum value of aid of €25,000.

Funding may be provided to cover the following:

- ❖ The acquisition or lease of machinery and equipment required for the business;
- ❖ Costs incurred in upgrading or finishing the property the business is operating from;
- ❖ The purchase of stock required to commence production or operations;
- ❖ The purchase of consumables required for the business operation;
- ❖ A monthly disbursement capped at €600.00 per month for a period of twenty-four (24) months. This shall be provided to assist the business in addressing daily costs.

All financial support is conditional to confirmation that the undertaking:

- a. is still active;
- b. is implementing the project in line with recommendations being provided by relevant professionals - JobsPlus, Malta Enterprise and LEAP;
- c. has registered the self-employment / related employment with JobsPlus;
- d. still operates an active bank account.

6. To whom and how the subsidy is provided

To qualify through this measure, the undertaking must be owned and controlled by a person or persons:

- Registered as Special Cases within the JobsPlus Inclusive Employment Services Division OR
- Registered with LEAP under the following parameters:
- Persons leaving correctional facility or a rehabilitation centre.
- Persons in receipt of any of the following non-contributory benefit:
 - i. Unemployment Assistance – based on means testing and given to persons who are head of household and are registering on Part 1 of the JobsPlus register;
 - ii. Social Assistance – based on means testing and given to single unmarried parents who have no or limited income and cannot work since they have to look after their children;
 - iii. Carer's Allowance;
 - iv. Disability Allowance.

Aid Intensity

An approved project may receive a maximum value of aid of €25,000.

7. Amount of subsidy

2017 – €NIL.

2018 – €225,000.

8. Duration of subsidy

This support measure was available between the 1st January 2018 and 31st December 2018.

9. Trade effects of the subsidy

There are no effects on international trade.

25 SUPPORT FOR THE DEVELOPMENT OF BUSINESS UNITS AT THE ARTISAN VILLAGE, TA'-QALI

1. Title of the subsidy

Support for the Development of Business Units at The Artisan Village, Ta' Qali.

2. Period covered by the notification

The period covered by this notification starts from the 1st January 2017 until the 31st December 2018.

3. Policy objective

The main objective of this support measure is to assist in the development and refurbishing of business premises to carry out the activity agreed to with Malta Industrial Parks Limited.

Tenants of Malta Industrial Parks Limited, situated at the artisan village, Ta' Qali, will be supported in the development of the business premises situated at the artisan village. Tenants will have the possibility to request a guarantee of up to one hundred and fifty thousand Euro (€150,000) covering up to seventy-five percent (75%) of a bank loan or a cash grant of up to seventy-thousand Euro (€70,000) as part financing of up to fifty per cent (50%) of the project.

4. Background and authority for the subsidy

This incentive is administered by Malta Enterprise Corporation.

Malta Enterprise is enabled to issue and publish official incentive guidelines in terms of Article 8 (3)(a) of the Malta Enterprise Act, Chapter 463 of the Laws of Malta.

The Corporation may design support measures in terms of the Malta Enterprise Act:

<http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=8929&l=1>

The Enterprise Support Incentives Regulations S.L. 463.04 (*Malta Enterprise Act, Chapter 463 of the Laws of Malta*) provides the legal basis of this incentive.

<http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=11609&l=1>

These incentive guidelines are in line with the *Commission Regulation (EU) No. 1407/2013 of 18th December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid*.

The terms and conditions covering this aid scheme are in line with the *Commission Regulation (EU) No. 1407/2013 of 18th December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid* (the *de minimis* Regulation).

The total amount of *de minimis* aid granted to a single undertaking shall not exceed the amount of €200,000 over any period of three consecutive fiscal years.

This aggregate maximum threshold applies in principle to all economic sectors with the exception of the road transport, agriculture and fisheries sectors for which different thresholds and criteria apply. The term "undertaking" includes also all companies in a group (which fall under the direct or indirect ownership or control of the same ultimate parent company) and relevant partner and linked enterprises as defined in Annex I of Commission Regulation (EC No 800/2008). This period covers the fiscal year concerned as well as the previous two fiscal years. "Fiscal year" means the fiscal year as used for tax purposes by the undertaking concerned.

http://ec.europa.eu/competition/state_aid/legislation/de_minimis_regulation_en.pdf

In terms of the Malta Enterprise Act mentioned earlier, the parameters of aid and details of the aid scheme are found in the incentive guidelines. These incentive guidelines are a set of rules issued by the Corporation from time to time containing details on the definition, application, administration, grant and revocation of aid schemes. The incentive guidelines for the aid scheme **Support for the Development of Business Units at The Artisan Village, Ta' Qali** are accessible on the following link:

<https://www.maltaenterprise.com/sites/default/files/IG%20Support%20for%20the%20Development%20of%20Business%20Units%20at%20Artisan%20Village%20Ta%20Qali%20%28FINAL%29.pdf>

5. Form of subsidy

The aid shall be granted either in the form of a cash grant or as a guarantee.

Qualifying Expenditure

Cash Grants:

Malta Enterprise may award a Cash Grant of up to Seventy Thousand Euro (€70,000) to part finance up to fifty percent (50%) of costs incurred in respect to the development of immovable property situated at The Artisan Village, Ta' Qali and any plant, machinery and equipment located within the property.

Cash grants on movable assets (located within the property) will only be disbursed following the completion of the development of the immovable property. Cash grants may only be awarded to new equipment or second-hand equipment to be used in Malta for the first time.

The Corporation may agree to disburse up to ten thousand Euro (€10,000) covering not more than 50% of a signed contract for the development of immovable property. The Corporation will require that prior to further disbursements, the beneficiary submits invoices and proof of payment covering eligible costs of an equivalent amount.

Loan Guarantees:

Malta Enterprises may approve a Loan Guarantee of up to one hundred and fifty thousand Euro (€150,000) and cover up seventy-five percent (75%) of costs funded through a Bank loan in respect to the:

- ❖ development and refurbishing of immovable property situated at the artisan village, Ta'-Qali.
- ❖ procurement of plant, machinery and equipment required by the beneficiary to carry out the activity agreed to with Malta Industrial Parks Limited.

The Guarantee shall relate only to new banking facilities (that is, re-financing of existing loans is not eligible), and may not be used to support overdrafts or other revolving credit facilities.

The guaranteed loan should have a distinct term with a predetermined fixed repayment schedule that would not be expected to exceed ten (10) years unless specifically agreed to by the Corporation, the Bank and the Beneficiary.

For State aid purposes, the value of aid of the guarantee shall be calculated at twenty-seven percent (27%) of the guaranteed amount.

6. To whom and how the subsidy is provided

This incentive is applicable only to any undertaking having a temporary emphyteutical agreement with Malta Industrial Parks Limited in respect of property located within the Ta' Qali artisan village up until 1st March 2019. Following this date, only undertakings that entered in temporary emphyteutical agreements with Malta Industrial Parks Limited in respect of property located within the artisan village in the six (6) months preceding the application date, and as long as they had previously no title in connection with the same property, are deemed to be eligible.

On submitting an application, the undertaking must have at least one (1) person employed on a part-time or full-time basis. At the discretion of the Corporation, a self-employed person duly registered with JobsPlus may be considered to satisfy this condition.

On submitting an application, the undertaking should be in possession of a valid VAT number issued by the VAT Department.

Applicable Aid Intensities

Malta Enterprise may award a cash grant of up to seventy thousand Euro (€70,000), to part finance up to fifty percent (50%) of costs incurred in respect to the development of immovable property situated at the Artisan Village, Ta' Qali and any plant, machinery and equipment located within the property.

Malta Enterprises may approve a Loan Guarantee of up to one hundred and fifty thousand Euro (€150,000) and cover up seventy-five percent (75%) of costs funded through a bank loan.

For state aid purposes, the value of aid of the guarantee shall be calculated at twenty-seven percent (27%) of the guaranteed amount.

7. Amount of subsidy

2017 – €NIL.

2018 – €1,707,430.

8. Duration of subsidy

The support for the development of business units at the artisan village, Ta' Qali, became effective on 1st July 2017 and will run till 31st December 2020.

9. Trade effects of the subsidy

There are no effects on international trade.

26 FAMILY BUSINESS SUPPORT SERVICES

1. Title of the subsidy

Family Business Support Services.

2. Period covered by the notification

The period covered by this notification starts from the 1st January 2017 until the 31st December 2018.

3. Policy objective

The Family Business Support Services Scheme is intended to support the development of family businesses in building internal capacities and supporting them in the transfer of their business activity. The support provides advisory during business transition and access to specific training deemed beneficial in facilitating the growth of family businesses.

4. Background and authority for the subsidy

This incentive is administered by Malta Enterprise Corporation.

Malta Enterprise is enabled to issue and publish official incentive guidelines in terms of Article 8 (3)(a) of the Malta Enterprise Act, Chapter 463 of the Laws of Malta.

The Corporation may design support measures in terms of the Malta Enterprise Act:

<http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=8929&l=1>

The Family Business Support Services Regulations S.L. 463.14 (*Malta Enterprise Act, Chapter 463 of the Laws of Malta*) provides the legal basis of this incentive.

<http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=12664&l=1>

These incentive guidelines are in line with the *Commission Regulation (EU) No. 1407/2013 of 18th December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid*.

The terms and conditions covering this aid scheme are in line with the *Commission Regulation (EU) No. 1407/2013 of 18th December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid* (the *de minimis* Regulation).

The total amount of *de minimis* aid granted to a single undertaking shall not exceed the amount of €200,000 over any period of three consecutive fiscal years.

This aggregate maximum threshold applies in principle to all economic sectors with the exception of the road transport, agriculture and fisheries sectors for which different thresholds and criteria apply. The term "undertaking" includes also all companies in a group (which fall under the direct or indirect ownership or control of the same ultimate parent company) and relevant partner and linked enterprises as defined in Annex I of Commission Regulation (EC No 800/2008). This period covers the fiscal year concerned as well as the previous two fiscal years. "Fiscal year" means the fiscal year as used for tax purposes by the undertaking concerned.

http://ec.europa.eu/competition/state_aid/legislation/de_minimis_regulation_en.pdf

In terms of the Malta Enterprise Act mentioned earlier, the parameters of aid and details of the aid scheme are found in the incentive guidelines. These incentive guidelines are a set of rules issued by the Corporation from time to time containing details on the definition, application, administration, grant and revocation of aid schemes. The incentive guidelines for the aid scheme **Family Business Support Services** are accessible on the following link:

<https://www.maltaenterprise.com/sites/default/files/Incentive%20Guidelines%20Version%201%2004.10.2016.pdf>

5. Form of subsidy

The aid shall be granted in the form of a cash grant.

Qualifying Expenditure**Advisory for Business Transfer:**

A family business in the process of transferring the business from the current owner to either a person or persons related to the owner or to third parties may request support to cover the cost of legal, notarial or accountancy advisory services required in carrying out the process.

- a. The first €500 shall be fully covered by Malta Enterprise Corporation. Any additional expenditure will be supported at 75% of the incurred cost. The value of aid that may be awarded shall in no instance exceed €2,500 in any single calendar year.
- b. Support may be provided over a consecutive period which shall not exceed five (5) years.
- c. The support may only cover costs incurred by the family business for providing legal, notarial or accountancy services required for assisting in the succession or business transfer.
- d. Advisors must be in possession of a warrant in their respective profession.

Arbitration:

Fees covering the services rendered for the first five (5) sittings of an arbitrator appointed by the Regulator to assist in the valuation of assets and / or shares being transferred and to set a fair value of the assets and shares may be supported by Malta Enterprise Corporation if the involved parties confirm to the Regulator of Family Businesses their agreement to use the services of a joint single arbitrator from the list of recommended arbitrators on the Regulator's list.

A total support covering arbitration may not exceed €2,500 per family business.

Training:

Attendance by owners of family businesses and their employees to seminars and information sessions endorsed by the Regulator as beneficial for the development, growth and better administration and management of the family business.

The total annual support covering training shall not exceed €1,000 per family.

6. To whom and how the subsidy is provided

The incentive is available to all undertakings registered as a family business.

Request for support for Advisory and Arbitration related to the transfer of business

A family business seeking support under this aid scheme should request the required support from the Regulator for Family Businesses. If the Regulator agrees to provide the requested support, a voucher will be issued to the applicant indicating the value that may be claimed. The voucher will have a validity of 12 months.

Training Support

The Regulator shall identify training seminars or providers that are deemed of value to the development of family businesses. A list of these training seminars or providers will be published on the Regulator's / Corporation's websites.

After attending a listed training event, a family business may request a refund of costs by submitting a claim during the month of January or July of any year.

Applicable Aid Intensities

Advisory for Business Transfer:

The first €500 shall be fully covered by Malta Enterprise Corporation. Any additional expenditure will be supported at seventy-five percent (75%) of the incurred cost. The value of aid that may be awarded shall in no instance exceed €2,500 in any single calendar year.

Arbitration:

The total support covering arbitration may not exceed €2,500 per family business.

Training:

The total annual support covering training shall not exceed €1,000 per family business.

7. Amount of subsidy

2017 – €NIL.

2018 – €50,654.12

8. Duration of subsidy

The Family Business Support Services Scheme became effective on 1st January 2017 and will be available until 31st December 2020.

9. Trade effects of the subsidy

There are no effects on international trade.

27 FAMILY BUSINESS TRANSFER OF OWNERSHIP

1. Title of the subsidy

Family Business Transfer of Ownership.

2. Period covered by the notification

The period covered by this notification starts from the 1st January 2017 until the 31st December 2018.

3. Policy objective

The objective of this Support Measure shall facilitate the transfer of the registered family business from the owners who are family members to other family members within the same family.

4. Background and authority for the subsidy

This incentive is administered by Malta Enterprise Corporation.

Malta Enterprise is enabled to issue and publish official incentive guidelines in terms of Article 8 (3)(a) of the Malta Enterprise Act, Chapter 463 of the Laws of Malta.

The Corporation may design support measures in terms of the Malta Enterprise Act:

<http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=8929&l=1>

The *Family Business Act, Chapter 565 of the Laws of Malta* provides the legal basis of this incentive.

<http://justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=12569&l=1>

These incentive guidelines are in line with the *Commission Regulation (EU) No. 1407/2013 of 18th December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid*.

The terms and conditions covering this aid scheme are in line with the *Commission Regulation (EU) No. 1407/2013 of 18th December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid* (the *de minimis* Regulation).

The total amount of *de minimis* aid granted to a single undertaking shall not exceed the amount of €200,000 over any period of three consecutive fiscal years.

This aggregate maximum threshold applies in principle to all economic sectors with the exception of the road transport, agriculture and fisheries sectors for which different thresholds and criteria apply. The term "undertaking" includes also all companies in a group (which fall under the direct or indirect ownership or control of the same ultimate parent company) and relevant partner and linked enterprises as defined in Annex I of Commission Regulation (EC No 800/2008). This period covers the fiscal year concerned as well as the previous two fiscal years. "Fiscal year" means the fiscal year as used for tax purposes by the undertaking concerned.

http://ec.europa.eu/competition/state_aid/legislation/de_minimis_regulation_en.pdf

In terms of the Malta Enterprise Act mentioned earlier, the parameters of aid and details of the aid scheme are found in the incentive guidelines. These incentive guidelines are a set of rules issued by the Corporation from time to time containing details on the definition, application, administration, grant and revocation of aid schemes. The incentive guidelines for the aid scheme **Family Business Transfer of Ownership** are accessible on the following link:

https://www.maltaenterprise.com/sites/default/files/Family%20Business%20Transfer%20of%20Ownership%20Incentive%20Guidelines%20%28Version%201%29_0.pdf

5. Form of subsidy

Duty shall be charged on the first five hundred thousand euro (€500,000) of the value of the property transferred at the rate of three euro and fifty cents (€3.50) per one hundred euro (€100).

With regards to transfer of shares or interests in partnership, trust or foundation held in a family business which carries on a business, no account shall be taken of the first one hundred and fifty thousand euro (€150,000) or such other greater amount as may be prescribed of the value of shares, or interests in partnerships, trust or foundation transferred.

Qualifying Expenditure

The eligible costs and expenses are in relation to:

- ❖ Transfer duty of immovable property that had been used for a period of at least three years;
- ❖ The assessment of duty chargeable when an individual transfers shares or interest in a partnership, trust or foundation to family members.

6. To whom and how the subsidy is provided

The incentive is available to all undertakings established in Malta and registered as a family business. These include listed companies, limited liability companies, registered partnerships and trusts.

7. Amount of subsidy

2017 – €NIL.

2018 – €14,276.

8. Duration of subsidy

The Family Business Transfer of Ownership Scheme became effective on 1st January 2017 and will be available until 31st December 2020.

9. Trade effects of the subsidy

There are no effects on international trade.

28 DAIRY SCHEME

1. Title of the subsidy

Temporary de minimis assistance to Dairy Producers

2. Period covered by the notification

2017 - 2018

3. Policy objectives

The dairy producers have suffered from a further reduction in their income due to the poor rainy season that occurred in the period between 2015 – 2016. This resulted in the increase in the production cost for these primary producers.

4. Background and Authority for the subsidy

The scheme was implemented by the Ministry for the Environment Sustainable Development and Climate Change.

5. Form of the subsidy

Aid was granted in the form of cash grant.

6. To whom and how the subsidy is provided

Aid in the form of a cash grant was paid to operational dairy producers.

7. Amount of the subsidy

2017 - €200,000.

8. Duration of the subsidy

Two months between the 1st of November 2017 till the 31st of December 2017.

9. Trade effects of the subsidy

There were no effects on international trade.

29 DROUGHT SCHEME

Title of the subsidy

Temporary de minimis assistance to registered land farmers

1. Period covered by the notification

2017 – 2018.

2. Policy objectives

The rainy season of 2015-2016 were very minimal. As a result, arable farmers have lost most of their produce. On the other and farmers that have access to irrigation water had their production cost increase because of the dry spell. The scheme is intended to provide financial support for the loss incurred.

3. Background and Authority for the subsidy

The scheme was implemented by the Ministry for the Environment Sustainable Development and Climate Change.

4. Form of the subsidy

Aid was granted in the form of cash grant.

5. To whom and how the subsidy is provided

Aid in the form of a cash grant was paid to registered land farmers.

6. Amount of the subsidy

2017 - €874,109.

2018 - € 4,557.14.

7. Duration of the subsidy

This was a onetime cash grant paid over the period May 2017 to November 2018.

8. Trade effects of the subsidy

There were no effects on international trade.

30 TRAINEESHIP SCHEME

1. Title of the subsidy programme

Traineeship Scheme

2. Period covered by the notification

Under the ESF2.201 – Enhancing Employability through Training Project, Jobsplus started running the first Traineeship Schemes in 2014. All traineeships offered under this project were concluded by end 2015. In 2016, Jobsplus re-launched the Traineeship Scheme through another ESF Project (ESF.01.001 – Training for Employment).

The Traineeship Scheme forms part of the *Training for Employment* project, which is co-financed by the European Social Fund 2014-2020.

3. Policy objective and/or purpose of the subsidy

The Traineeship Scheme provides jobseekers with initial vocational training (pre-employment training) that would help individuals obtain the knowledge, skills and competences required to find and retain employment. Traineeships are based on a combination of on-the-job and off-the-job training. The programmes offered are labour market driven, whereby the job preferences of the jobseekers are matched with the requests made by employers participating in the scheme.

4. Background and authority for the subsidy (including identification of the legislation under which it is granted)

For 2015:

The reimbursements payable to trainees and employers is co-financed by the European Social Funds (85% through ESF and 15% through National Funds).

Jobsplus, Malta's Public Employment Service, is responsible for administering the ESF funded project "Enhancing Employability through Training".

The general framework for traineeships in Malta was set by articles 29 to 45 of the Employment and Training Services Act (Chapter 343).

For 2016 onwards:

The reimbursements payable to trainees is co-financed by the European Social Funds (80% through ESF and 20% through National Funds).

Jobsplus, Malta's Public Employment Service is responsible for administering the ESF funded project "Training for Employment".

The general framework for traineeships in Malta was set by articles 19 to 25 of the recently amended Employment and Training Services Act (Chapter 594) which came into force in 2018.

5. Form of the subsidy (i.e., grant, loan, tax concession, etc.)

Periodic payments.

6. To whom and how the subsidy is provided

In 2015:

During participation in the scheme, trainees had to choose between the training allowance payable by Jobsplus and social benefits. The training allowance to be paid by Jobsplus was set at €3.33 per hour attended (the hourly rate was set at 80% of the national statutory minimum wage applicable at the time). Irrespective whether a trainee chose training allowance or benefits, trainees had to submit original attendance sheets that highlighted the time when they started and concluded the on-the-job and off-the-job training for each day. The attendance sheets had to be endorsed by the employer representative. Once the attendance sheets were verified and computation was confirmed as correct, a reimbursement request form for trainees opting for the training allowance was generated and trainee was paid accordingly. Payments were issued on the 20th day of each month.

Employers who participated in the scheme were also entitled for a grant that was calculated at €1 per hour attended by the trainee. Employers did not submit additional documentation since their reimbursement was based on the trainees' on-the-job attendance sheets.

From 2016 onwards:

During participation in the scheme, trainees were no longer requested to choose between the training allowance payable by Jobsplus and social benefits, but they were only eligible for the training allowance payable by Jobsplus. In 2016, the training allowance was set at €4.20 per hour attended (the hourly rate was set on the national statutory minimum wage applicable at the time – allowances are pegged to the minimum wage), while in 2017 and 2018 the rate increased to €4.24 and €4.31 respectively. Trainees were requested to submit original attendance sheets that highlighted the time when they started and concluded the on-the-job and off-the-job training for each day. The attendance sheets had to be endorsed by the employer representative. Once the attendance sheets were verified and computation was confirmed as correct, a reimbursement request form for trainees opting for the training allowance was generated and trainee was paid accordingly. Payments were issued on the 20th day of each month.

Under the Training for Employment Project employers are not entitled for any allowances, as all costs related to participants' training and work placement are borne by Jobsplus.

7. Subsidy per unit, or the total amount

In the year 2017 there have been no disbursements as the Training for Employment Project funds started being disbursed in 2018. In 2018 the amount disbursed was €1,190,915.60. These amounts comprise ESF and National Funds combined.

8 Duration of the subsidy

Since 2016 (including the period of 2017-2018 covered in this report).

Typical and maximum duration planned for a participant as per below.

14 weeks for the Sales Techniques Traineeship, 14 weeks for the Life Skills for the Work Environment Traineeship, 16 weeks for the Process Manufacturing Traineeship and 16 weeks for the Office Procedures Traineeship. In year 2017 only, Jobsplus ran a Traineeship Scheme on the Maintenance and Preservation of Cultural Sites that was conducted over a period of 52 weeks.

Maximum extended duration which applies under special conditions or for particular groups: N/A as Traineeship Agreements cannot be extended.

9. There are no effects on trade.

31 WORK EXPOSURE SCHEME

1. Title of the subsidy programme

Work Exposure Scheme.

2. Period covered by the notification

Under the ESF2.201 – Enhancing Employability through Training Project, Jobsplus started running the Work Exposure Scheme in 2015. In 2016, Jobsplus re-launched the Work Exposure Scheme under the new ESF.01.001 – Training for Employment Project.

The Work Exposure Scheme forms part of the *Training for Employment* project, which is co-financed by the European Social Fund 2014-2020.

3. Policy objective and/or purpose of the subsidy

The Work Exposure Scheme is intended to facilitate transition into employment by providing jobseekers with initial hands-on training that would help individuals obtain the knowledge, skills and competences required to find and retain employment. This scheme is designed to mirror contemporary labour market demand, whereby the job preferences of the jobseekers are matched with employers' requests.

4. Background and authority for the subsidy (including identification of the legislation under which it is granted)

In 2015, the training allowance payable to trainees was co-financed by the European Social Funds (85% through ESF and 15% through national funds).

In 2016, the training allowance payable to trainees was co-financed by the European Social Funds (80% through ESF and 20% through national funds). Jobsplus, Malta's Public Employment Service is responsible for administering the ESF funded project. The general framework for this scheme was set by the Employment and Training Services Act (Chapter 594).

5. Form of the subsidy (i.e., grant, loan, tax concession, etc.)

Periodic payments.

6. To whom and how the subsidy is provided

During the participation in the scheme, trainees received a training allowance payable by Jobsplus, which in 2015 was set at €4.00 per hour attended; while in 2016 it was set at €4.20 per hour attended (the hourly rate was based on the national statutory minimum wage applicable at the time). In 2017 and 2018, trainees earned €4.24 and €4.31 respectively for every hour attended (Allowance are still pegged to the national minimum wage. The weekly hourly rates are calculated based on the minimum wage per week as quoted on DIER's website. For 2019, the national minimum wage per week of whole-time employees is of €175.84 for persons aged 18 and over. This is then divided by 40 hours so as to get the hourly rate. The National Agreement on the minimum wage was signed by the social partners in 2017 and became effective by means of Legal Notice 144 of 2017). To claim the reimbursement, trainees had to submit original attendance sheets that highlighted the time when they started and concluded the on-the-job training for each day. The attendance sheets had to be endorsed by the employer representative. Once the attendance sheets were verified and computation was confirmed correct, a reimbursement request form was generated, and trainee was paid accordingly. Payments were issued on the 20th day of each month.

Those trainees who received social benefits prior to the scheme, continued to receive part of their benefits throughout the scheme since the remuneration triggered through the scheme was based on part-time employment instead of full-time employment.

7. Subsidy per unit or the total amount

The Work Exposure Scheme disbursed €238,670.84 in 2015 and €282,040.50 in 2016. In 2018 the disbursements under the Training for Employment Project amounted to €635,786. These amounts comprise ESF and National Funds combined.

8. Duration of the subsidy

Typical duration planned for a participant: 12 weeks.

Maximum duration planned or allowed: 12 weeks.

Maximum extended duration which applies under special conditions or for particular groups: N/A as Work Exposure Agreements cannot be extended.

The duration of the work exposure is to be of 12 weeks and a participant is to report to the place of work for an average of 20 hours/week. The on-the-job training will take place at the employer's premises with whom the trainee is placed.

9. Statistical data

There are no effects on trade.

32 WORK PLACEMENT SCHEME

1. Title of the subsidy programme

Work Placement Scheme.

2. Period covered by the notification

The Work Placement Scheme started being offered in 2016 under the ESF.01.001 – Training for Employment Project.

The Work Placement Scheme forms part of the Training for Employment project, which is co-financed by the European Social Fund 2014-2020.

3. Policy objective and/or purpose of the subsidy

The Work Placement Scheme provides training to participants following a course offered by Jobsplus, which includes a practical component. The Work Placement Scheme gives Jobsplus' trainees an opportunity to acquire both theoretical and practical training.

4. Background and authority for the subsidy (including identification of the legislation under which it is granted)

The training allowance payable to trainees is co-financed by the European Social Funds (80% through ESF and 20% through national funds).

Jobsplus, Malta's Public Employment Service, is responsible for administering the ESF funded project.

The general framework for this scheme was set by the Employment and Training Services Act (Chapter 594).

5. Form of the subsidy (i.e., grant, loan, tax concession, etc.)

Periodic payments.

6. To whom and how the subsidy is provided

This scheme is available to persons who were/are unemployed or inactive. Other entry requirements may be requested depending on the chosen work/study area;

The on-the-job training takes place at the employer's premises with whom the trainee is placed. The hours trainees have to perform are set by Jobsplus, although trainees are allowed a degree of attendance flexibility ranging approximately between 20 hours to 40 hours per week.

Any employers from both the public and private entities, including NGOs are eligible to benefit from having participants in this scheme.

7. Subsidy per unit or the total amount

In 2018, the sum of €110,755.40 was disbursed. These amounts comprise ESF and national funds combined.

8. Duration of the subsidy and/or any other time limits attached to it, including date of inception/commencement

Each trainee has a maximum of 26 weeks to make up the following placement hours:

- Care Workers for the Elderly: 100 hours;
- Care Workers for Persons with Disability: 71 hours;
- Childcare: 500 hours.

9. Statistical data

There are no effects on trade.

33 YOUTH GUARANTEE 2.0 SCHEME ESF.01.002

1. Title of the subsidy programme

Youth Guarantee 2.0 ESF.01.002 / Garanzija għaż-Zghazagh 2.0 FSE.01.002.

2. Period covered by the notification

The Youth Guarantee 2.0 Scheme started in 2015 till end of December 2019.

3. Policy objective and/or purpose of the subsidy

The Youth Guarantee scheme (ESF.01.002 - Youth Guarantee 2.0) is an EU-funded project, developed for young people aged 15 to 25, and which consists of four education and employment related initiatives: **the NEET Activation Scheme II, SEC Preventive Classes, MCAST Preventive Classes, and the ICT Summer Courses.**

The scheme is targeted towards job seeking and inactive youth, including the long term unemployed and youth detached from the labour market. This scheme targets the sustainable integration into the labour market of young people, in particular those not in employment, education or training (NEETs), including young people at risk of social exclusion and young people from marginalised communities.

The Youth Guarantee project focuses on both the current stock of NEETs as well as those at risk of becoming NEETs or young unemployed through a mix of interventions tailor-made for the specific cohorts. The project provides training and personalised assistance to these youth.

4. Background and authority for the subsidy (including identification of the legislation under which it is granted)

The Youth Guarantee is an EU initiative and is a commitment by all Member States to ensure that all young people under the age of 25 years receive a good quality offer of employment, continued education, apprenticeship or traineeship within a period of four months of becoming unemployed or leaving formal education.

The source of finance comes from the European Social Fund 2014-2020 programming period. The co-financing rate is that of 80% ESF funds while the remaining 20% via national funds.

5. Form of the subsidy (i.e., grant, loan, tax concession, etc.)

NEET Activation Scheme II: provides young people (16 – 25-year-olds) who are not in education, employment or training (NEETs) with *personal/professional training, mentoring and constant support*, thereby facilitating their transition from education to gainful employment, while consequently improving their employment prospects, quality of life and social integration.

ICT Summer Courses: Each participant is offered 60 hours of ICT training at one of the available centres depending on the locality of each participant. Allowance is received on the condition that the participant attends 80% of tuition.

SEC Preventive Classes: Teachers are recruited by the Youth Guarantee Office to provide the tuition during the revision classes. Officers in charge are also engaged to develop and issue timetables and to act as mentors throughout the duration of the summer initiative. Both teachers and coordinators are paid a fixed hourly rate. In addition to this, teachers are also paid for every hour of preparation work. Participants are not given an allowance.

MCAST Preventive classes: Teachers are recruited by MCAST to provide the tuition during the revision classes. One officer in charge is also engaged to develop and issue timetables and to act as a mentor throughout the duration of the summer initiative. Both teachers and coordinators are paid a fixed hourly rate through ESF funds. Participants are not given an allowance.

Financial transfers are distributed via periodic cash payments, lump-sum payments and reimbursements.

6. To whom and how the subsidy is provided

NEET Activation Scheme II: In order to participate in the scheme, youths have to be under 25 years of age at the month prior the issuing of the call for applications, resident in Malta or Gozo and

unemployed or inactive. This initiative attempts to empower youth and re-integrate them into the education system or labour market. This initiative is composed of two phases.

In the first phase, every applicant receives approximately four weeks (80 hours) of basic training on soft skills; such as how to build a CV, how to prepare for an interview, motivational skills, and communication skills. This phase takes between 4-6 weeks based on timetable scheduling. During phase 2, a participant is offered one of two options:

1. A work placement (maximum of 240 hours) with an employer based on the applicant's skills and desires. This placement lasts approximately 12 weeks – 80 hours every 4 weeks.
2. If the applicant desires to further their education level, they can choose a course from an accredited institution such as MCAST/ITS and pursue a course there. In this case, we will also cover a maximum of 240 hours.

Each participant will be paid an allowance of €4.50 per hour, after both the training and the work exposure/further education phases based on their attendance rate.

ICT Summer Courses: The ICT Summer Courses is targeted at individuals who participated in the Alternative Learning Programme during the previous scholastic year or who are inactive, or they are referred by their school's psychosocial team. Provided that each participant attends 80% of tuition, then he/she is paid at a rate of €4.05 per hour. Hence a participant attending 80% or more would be paid the amount of €243 at the end of the course.

SEC Preventive Classes: The SEC Preventive Classes target NEETs who were students previously enrolled at State and non-State schools, who do not sit for the May exam session, or who get the grades 6 or 7 or "U" in at least one of the core subjects (Maltese, English, Maths, Physics and Biology) offered. As from 2017, Biology was introduced as one of the science subjects offered. Teachers are recruited by the Youth Guarantee Office to provide the tuition during the revision classes. Officers in charge are also engaged to develop and issue timetables and to act as mentors throughout the duration of the summer initiative. Both teachers and coordinators are paid a fixed hourly rate of €12.00. In addition to this, teachers are also paid €12.00 for every hour of preparation work. Payments are issued once at the end of the initiative. Participants are not given an allowance.

MCAST Preventive classes: Students who fail one of the exams through Level 1, Level 2 or Level 3 of the respective course at the Malta College for Arts, Science and Technology (MCAST) are given the opportunity to receive remedial classes during the summer period. Teachers are recruited by MCAST to provide the tuition during the revision classes. One officer in charge is also engaged to develop and issue timetables and to act as a mentor throughout the duration of the summer initiative. Teachers and coordinators are paid at an hourly rate of €24.00 and €12.00 respectively, through ESF funds. Payments are issued once at the end of the initiative. Participants are not given an allowance.

7. Subsidy per unit or the total amount

The total disbursed for the Youth Guarantee Scheme for 2016 up to the end of 2018 totalled €1,868,891.45. For the year 2017, the total disbursements reached the amount of €885,740.15 while for 2018 it amounted to €569,938.60. These amounts comprise ESF and National Funds combined.

8. Duration of the subsidy NEET Activation Scheme II:

Typical duration planned for a participant: 16 weeks

Maximum extended duration which applies under special conditions or for particular groups: 30 weeks
 ICT Summer Course participants: 60 hours of training
 SEC Revision Classes: 5 weeks of tuition
 MCAST Remedial Classes: 6 weeks of tuition.

9. Statistical data

There is no effect on trade.

34 TRAINING PAYS SCHEME

1. Title of the subsidy programme

Training Pays Scheme (TPS).

2. Period covered by the notification

Training Pays Scheme (TPS) started being offered in March 2017 under the ESF.01.001 – Training for Employment Project (under the ESF project the scheme is known as the Developing Skills Scheme), which is co-financed by the European Social Fund 2014-2020.

3. Policy objective and/or purpose of the subsidy

The TPS aims to assist individuals to develop and/or improve their skills by participating in further off-the-job education and training.

The scheme offers assistance in the form of a training grant to aid participants with costs relating to training. This grant will be awarded to the individual (trainee) after successful completion of their training.

4. Background and authority for the subsidy (including identification of the legislation under which it is granted)

The source of finance comes from the Operational Programme II – European Structural and Investment Funds 2014-2020. The co-financing rate is that of 80% ESF funds while the remaining 20% via national funds.

5. Form of the subsidy (i.e., grant, loan, tax concession, etc.) Grant shall be equivalent to 75% of the direct training cost excluding VAT but will not exceed the maximum amount of €1,000. The minimum threshold for an application to be accepted will be set at €100. Grant will be reimbursed directly to the participant after successful completion of training and upon presentation of an invoice and an original receipt of payment together with a copy of an accredited certificate or transcript. Training costs shall mean Tuition fees, Training Material, Registration fees and Examination fees paid by the applicant.

6. To whom and how the subsidy is provided

The Scheme is open to individuals of working age population 16 to 64 years as per applicable law. In the case of persons aged between 16 and 24, they must not be participating under the Youth Guarantee NEET Activation Scheme II.

Training

Prospective participants may apply for any Training Programme as long as the course is:

- not offered by Jobsplus;
- offered by a licensed Training Institution (provider must be licensed by NCFHE*);
- pegged between MQF level 1 to 5.

*exceptions may apply in accordance to SL. 327.433 – Further & Higher Education (Licensing, Accreditation & Quality Assurance) Regulations

Other General Rules

- Applications must be received at least 2 weeks prior to the course start date.
- Minimum cost of training (excluding VAT) is €100.

Training courses offered by the company employing the applicant would not be eligible. Only full qualifications and awards can be accepted. Claims for a module which forms part of a qualification or award cannot be accepted.

7. Subsidy per unit or the total amount

For the year 2017 there have been no disbursements as the Training for Employment Project funds started being disbursed in 2018, which then amounted to €13,833.50.

These amounts comprise ESF and national Funds combined.

8. Duration of the subsidy

Training Pays Scheme started being offered in 2017 until 2020 under the ESF.01.001 – Training for Employment Project.

9. Statistical data

There were no effects on international trade.

35 INVESTING IN SKILLS SCHEME

1. Title of the subsidy programme

Investing in Skills Scheme.

2. Period covered by the notification

The scheme is available until 30th June 2020, this scheme falls under Malta's Operational Programme II of the European Social Fund - *"Investing in human capital to create more opportunities and promote the well-being of society"* for the 2014-2020 programming period.

3. Policy objective and/or purpose of the subsidy

The scheme was launched to promote the training of persons actively participating in the Maltese Labour Market, with the aim to increase productivity and enhance adaptability.

4. Background and authority for the subsidy

Jobsplus (Malta's Public Employment Service) acts as the Intermediate Body to the Managing Authority.

The source of finance comes from the Operational Programme II – European Structural and Investment Funds 2014-2020. The co-financing rate is that of 80% ESF funds while the remaining 20% via national funds.

5. Form of the subsidy (i.e., grant, loan, tax concession, etc.)

The scheme is demand driven, therefore the Employer can apply whenever a training need is identified within their entity.

6. To whom and how the subsidy is provided

Grant awards will be provided on a first- come first-served basis and subject to calendar year total ceilings. The total available budget for this scheme is €8million, with an indicative annual calendar year ceiling of circa €2 million to whom and how the subsidy is provided.

A grant is issued should the beneficiary meet the below eligibility criteria at application stage and reimbursement stage:

Eligibility Criteria:

- a. **Complete documentation**
- b. **Project implemented within / for the direct benefit of the eligible territory.**
- c. **Incentive Effect:** Aid shall be considered to have an incentive effect if the beneficiary has submitted a written application for the aid before work on the project or activity starts. Therefore, claim and proof of deliverables should be dated after the submission date of the IIS application.
- d. **Eligible Training Programme:** Aid shall not be granted for training which employers carry out to comply with National Mandatory Standards on training (in other words, it must be voluntary training as opposed to legally enforced training). Furthermore, information sessions and team building events are not eligible under Investing in Skills since these are not considered as training.
- e. **The trainee needs to be formally employed with the beneficiary during the training period.** Apprentices or students engaged in vocational training with an apprenticeship or vocational training contract are not eligible.

Furthermore, in the case of employers having an economic activity irrespective of their legal form:

- f. **Aid cannot be granted to any undertaking found to be in difficulty.** Jobsplus will conduct checks to ensure that every applicant undertaking is financially sound
- g. **Falls within the definition of undertaking.**

Target Groups:

Eligible applicants cover all employers having an economic activity irrespective of their legal form. These include partnerships, companies, family businesses, associations, individual self-employed or other body of persons, NGOs and social partners.

NGOs and social partners not having an economic activity are also eligible to benefit from the scheme.

7. Subsidy per unit or the total amount

For the year 2017 there have been no disbursements as the Investing in Skills funds started being disbursed in 2018. The total amount disbursed in 2018 was of €582,368.44.

List of beneficiaries as at end 2018.

In total, for the years 2017 and 2018 there have been 651 beneficiaries of the scheme.

Subsidy on Training Costs and Wage Costs:

Training Type	Rate per Trainee per hour for Training Costs	Rate per Trainee per hour for Wage Costs**	Capping
Non Accredited Training	€25	€4.90	Up to 25 hours
Accredited* Training	€25	€4.90	All contact hours

* Training must be accredited by the NCFHE (National Commission for Further and Higher Education), ITS (Institute of Tourism Studies), UOM (University of Malta) and MCAST (Malta College of Arts, Science & Technology where MQF/EQF Levels 1- 5 will be accepted under Investing in Skills.

** Refundable if training occurs during the normal working hours of the trainees. In the case of Distance Learning or e-Learning, wage costs cannot be reimbursed.

Reimbursement will be calculated on the hours listed on certified attendance sheets, when using the Standard Scale of Unit Cost of €25 per trainee per hour.

Subsidy on Air Travel Costs:

Travel costs will be based on the Erasmus Plus Grant Support for the mobility of staff:

Applicable Rates According to Distance per Round Trip per Participant	
100 - 499 km	€180
500 - 1,999 km	€275
2,000 - 2,999 km	€360
3,000 - 3,999 km	€530
4,000 - 7,999 km	€820
8,000 km or more	€1,500

Aid Intensity

The following co-financing rate will be applied to the total eligible costs:

Entity Size	Aid Intensity
Large Entities	50%
Medium Entities	60%
Small and Micro Entities	70%

8. Duration of the subsidy

The duration of the subsidy is not fixed. Duration can vary from a month or two to more months, depending on the course offered. The duration is calculated between the start and end date of training.

9. Statistical data

There are no effects on international trade.

36 ACCESS TO EMPLOYMENT (A2E) SCHEME

1. Title of the subsidy programme

Access to Employment (A2E) Scheme.

2. Period covered by the notification

The scheme started in 2015 and will remain active up to 2020.

3. Policy objective and/or purpose of the subsidy

Access to Employment (A2E) Scheme provides employment aid to enterprises in Malta and Gozo to promote the recruitment of the more challenged amongst jobseekers and inactive persons.

This scheme facilitates the integration of job seekers and inactive people in the labour market by:

Enhancing opportunities to access the labour market and providing work experience to those furthest away from gainful occupation; Bridging the gap between labour market supply and demand; Increasing social cohesion.

4. Background and authority for the subsidy

Jobsplus (Malta's Public Employment Service) is acting as the Intermediate Body to the Managing Authority. This scheme is in line with the Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the common market in application of Articles 107

and 108 of the Treaty on the Functioning of the European Union (TFEU) (General Block Exemption Regulation). The co-financing rate for the A2E scheme is 80% ESF funds and 20% national funds.

5. Form of the subsidy (i.e., grant, loan, tax concession, etc.)

The scheme is managed on a demand driven basis meaning that employers can apply whenever they identify a recruitment need within the entity. Grant awards will be provided on a first-come first-served basis and subject to calendar year total ceilings. The total available budget for this scheme is €12 million, with an indicative annual calendar year ceiling of circa €2.4 million *per annum*. The scheme is co-financed by the European Social Fund (80%) and national funds (20%).

6. To whom and how the subsidy is provided

Eligibility Criteria:

Beneficiaries who are eligible for this scheme are all employers having an economic activity irrespective of their legal form. These include partnerships, companies, family businesses, associations, individual self-employed or other body of persons, NGOs and social partners, when recruiting new employees. Such definition implies that there must be at least one person in the employer's organisation who is engaging a different person through the A2E Scheme. NGOs and social partners not having an economic activity are also eligible to benefit from the scheme.

Jobsplus, as the intermediary body will approve the reimbursement if the beneficiary provides a correct claim for reimbursement, employment has actually taken place and employer declares that the expenditure has actually been incurred. All applications for funding will be assessed against the eligibility criteria and will proceed for funding subject to availability of funds as well as subject that the employment is effected within the eligible period. For the recruitment to be eligible, the Undertaking must send a duly completed A2E application form and relevant documentation before the end of August 2019. Recruitment must take place no later than September 2019 to be considered eligible for the subsidy.

Target Groups:

1. Any person of age 24 and over who has been unemployed/inactive for the previous 6 months;
2. Any person of age 24 and over who has been unemployed for the previous 12 months during which he/she participated in a traineeship with the applicant undertaking;
3. Any person who is living as a single adult who has one or more dependants and is not in full-time employment;
4. Any person of age 24 and over who has not attained an upper secondary educational or vocational qualification (ISCED 3) and who does not have a job;
5. Any person older than 50 years who does not have a job;
6. Any person who has been unemployed/inactive for the previous 12 months during which he/she has not benefited from a traineeship with the applicant undertaking and who belongs to either category (3) to (5);
7. Any person of age 24 and over who has been unemployed/inactive for the previous 24 months during which he/she has not benefited from a traineeship with the applicant undertaking;
8. Any person who is a registered disabled person under national law and is not in full-time employment.

7. Subsidy per unit or the total amount

Target Group Description Standard Scale of Unit Cost based on 40 hours per week standard scale of Unit cost based on 20 hours per week.

• Disadvantaged and Severely Disadvantaged Persons	€85	€42.50
• Registered Disabled Persons	€125	€62.50

In 2017, the Access to Employment Scheme disbursed a total of €1,871,021.29, while in 2018 disbursed the amount of €1,822,019.83. These amounts comprise ESF and National Funds combined.

8. Duration of the subsidy

Employers who engage eligible individuals shall receive a subsidy of €85 per week per new recruit for 26 weeks, 52 weeks or 104 weeks, depending on the target group. In the case of registered disabled persons, a subsidy of €125 per week for a maximum of 156 weeks is provided.

9. Statistical data

There are no effects on international trade.

37 PROMOTING ECONOMIC COHESION IN GOZO (AGRICULTURAL SECTOR)1. Title of the subsidy

Promoting Economic Cohesion in Gozo (Agricultural Sector).

2. Period covered by the notification

01/01/2017 to 31/12/2020.

3. Policy objective

To assist Gozo based farmers in their operations; this scheme provides for the re-imbursement of ferry tickets incurred by farmers when transporting their agriculture produce to Malta thus partially mitigating the handicap of double insularity faced by agriculture sector.

4. Background and authority for the subsidy

The scheme is an administrative measure implemented by the Ministry for Gozo.

5. Form of the subsidy

It entails a refund of eligible costs incurred which is paid to beneficiaries in the form of a cash grant.

6. To whom and how the subsidy is provided

Farmers based in Gozo are reimbursed the ferry tickets when crossing over to Malta with their agricultural produce.

7. Amount of the subsidy

€35,467.70 (2017).
€37,770.65 (2018).

8. Duration of the subsidy

01/01/2014 to 31/12/2020.

9. Trade effects of the subsidy

N/A

38 FRUITS AND VEGETABLES GRADING AND PACKAGING FACILITY

1. Title of the subsidy

Fruits and Vegetables Grading and Packaging Facility

2. Period covered by the notification

15/03/2016 to 31/12/2020.

3. Policy objective

The purpose of this scheme is to support the agricultural sector in Gozo by providing assistance for the setting-up, implementation and operation of fruit and vegetables grading and packaging facilities.

4. Background and authority for the subsidy

The scheme is an administrative measure being implemented by the Ministry for Gozo.

5. Form of the subsidy

It entails a refund of eligible costs incurred which is paid to beneficiaries in the form of a cash grant.

6. To whom and how the subsidy is provided

Eligible participants are agricultural cooperatives based in Gozo.

7. Amount of the subsidy

€22,000 (2017).

None (2018)

8. Duration of the subsidy

15/03/2016 to 31/12/2020.

9. Trade effects of the subsidy

International trade was not affected.

39 TRANSPORT OF FODDER

1. Title of the subsidy

Transport of Fodder.

2. Period covered by the notification

01/01/2015 to 31/12/2017.

3. Policy objective

To partially mitigate the additional costs that livestock breeders based in Gozo incur when transporting fodder from Malta to Gozo.

4. Background and authority for the subsidy

The scheme is an administrative measure implemented by the Ministry for Gozo.

5. Form of the subsidy.

The aid is a refund of eligible costs incurred which is paid to beneficiaries in the form of a cash grant. The subsidy covers a percentage of the additional costs incurred in the transportation of fodder between Malta and Gozo. Eligible costs shall not be higher than the official tariff pertaining to the established scheduled inter-island sea transport.

6. To whom and how the subsidy is provided

It is provided to Gozo based breeders on a pro rata basis depending on the amount of fodder transported from Malta to Gozo

7. Amount of the subsidy

€43,999.03 (2017).

€14,340.00 (2018) paid in 2018 iro claims for 2017.

8. Duration of the subsidy

01/01/2015 to 31/12/2017.

9. Trade effects of the subsidy

N/A.

40 PROMOTING ECONOMIC COHESION IN GOZO (FISHERIES SECTOR)

1. Title of the subsidy

Promoting Economic Cohesion in Gozo (Fisheries Sector).

2. Period covered by the notification

01/07/2014 to 31/12/2020.

3. Policy objective

The purpose of this scheme is to promote economic cohesion in Gozo through the provision of assistance earmarked to partially mitigate the handicap of double insularity faced by the fisheries sector.

4. Background and authority for the subsidy

The scheme is an administrative measure implemented by the Ministry for Gozo.

5. Form of the subsidy

It entails a refund of eligible costs incurred which is paid to beneficiaries in the form of a cash grant.

6. To whom and how the subsidy is provided

Eligible participants are economic operators (including individuals) that carry out an economic activity in the Fisheries Sector. Subsidy is granted based on submission of evidence of expenditure incurred.

7. Amount of the subsidy

€40.75 (2017).

€81.50 (2018).

8. Duration of the subsidy

14/07/2014 to 31/12/2020

9. Trade effects of the subsidy

No effects on trade whatsoever.

41 PROMOTING ECONOMIC COHESION IN GOZO (INDUSTRIAL SECTOR)

1. Title of the subsidy

Promoting Economic Cohesion in Gozo (Industrial Sector).

2. Period covered by the notification

1 January 2014 – 31 December 2020.

3. Policy objective

The purpose of this scheme is to promote economic cohesion in Gozo through the provision of assistance earmarked to partially mitigate the handicap of double insularity faced by Gozo-based manufacturing undertakings.

4. Background and authority for the subsidy

The scheme is an administrative measure implemented under Vote IX Item 7096 of the Ministry for Gozo.

5. Form of the subsidy

The form of subsidy entails a refund of the additional costs incurred to transport any machinery, plant, material, goods or products directly connected with the economic activities of the eligible beneficiaries between Malta and Gozo. Eligible costs shall not be higher than the relevant official tariff pertaining to the established scheduled inter-island sea transport plus half of the related on-land haulage costs.

6. To whom and how the subsidy is provided

Eligible beneficiaries are business concerns engaged in manufacturing activities in Gozo. Subsidy is provided as a grant based on actual expenditure incurred.

7. Amount of the subsidy

2017 - €300,898.

2018 - €23,268 (part payment; claims for 2018 have not been calculated and verified as yet).

8. Duration of the subsidy

Activities must be undertaken by 2020.

9. Trade effects of the subsidy

There were no effects on international trade.
