



MALTA  
INSTITUTE  
OF TAXATION

## INVESTMENT TAX CREDITS

Presented by  
Louise Micallef  
B.A. (Hons)  
Accountancy, Master  
of Laws in European  
Union Law, C.P.A.,  
M.I.A., F.M.I.T., Dip. Tax

1

## DISCLAIMER

This material is the intellectual property of Malta Institute of Taxation. It is for the sole use of the registered webinar participant to whom it was made available, exclusively for their educational purposes. The publication, whether in whole or in part, reproduction, distribution and/or editing of the content is prohibited. Likewise, the recording of a webinar in audio or video, including by means of screenshots, is strictly prohibited.

Any views and opinions expressed during this presentation are those of the speaker and do not necessarily reflect or represent the views and opinions of the Malta Institute of Taxation. The Malta Institute of Taxation does not endorse nor approve, and assumes no responsibility for the accuracy of, the information provided herein.

Furthermore, as this material is intended for educational purposes only, it does not in any way constitute advice and should not be relied upon as such. Any reference to practices, whether past or present, should not be construed as an endorsement thereof. The Malta Institute of Taxation and the speaker assume no duty of care toward any person who may place reliance on the contents hereof.

The content of this presentation is intended to reflect the speaker's understanding of the legislation and/or practices applicable as at the date of first delivery, that is, the date specified below.

Date: 30 March 2023



MALTA  
INSTITUTE  
OF TAXATION

© Malta Institute of Taxation 2023

2

## AGENDA

- State Aid
- General Block Exemption Regulation
- *De minimis* Aid Regulation
- Invest – Support for Initial Investment Projects
- Micro Invest Tax Credits 2021



© Malta Institute of Taxation 2023

3

## STATE AID

© Malta Institute of Taxation 2021

4

## WHAT IS STATE AID

### Article 107 TFEU

- **Article 107(1)** establishes the general principle that state aids are incompatible within the internal market.
- **Article 107(2)** provides exceptions for situations where aid **will** be deemed to be compatible with the internal market
  - Article 107(2)(b) - *'aid to make good damage caused by natural disasters or exceptional occurrences'*
- **Article 107(3)** lists exceptions which **may** be compatible with the internal market:
  - Article 107(3)(a) - *'aid to promote the economic development of areas where the standard of living is abnormally low or where there is serious under-employment, and of the regions referred to in Article 349, in view of their structural, economic and social situation'*
  - Article 107(3)(b) - *'aid to promote the execution of an important project of common European interest or to remedy a serious disturbance in the economy of a Member State'*
  - Article 107(3)(c) - *'aid to facilitate the development of certain economic activities or of certain economic areas, where such aid does not adversely affect trading conditions to an extent contrary to the common interest'*



© Malta Institute of Taxation 2023

5

## WHAT IS STATE AID

### ARTICLE 108 TFEU

- **Article 108 TFEU** provides for the review of existing state aids and for the notification procedure for new state aids.
- **Article 108(1)** provides that *'the Commission shall, in cooperation with Member States, keep under constant review all systems of aid existing in those States. It shall propose to the latter any appropriate measures required by the progressive development or by the functioning of the internal market'*.
- **Article 108(3)** provides for prior notification of any proposal to grant aid and the preliminary investigation by the Commission: *'The Commission shall be informed, in sufficient time, to enable it to submit its comments, of any plans to grant or alter aid. If it considers that any such plan is not compatible with the internal market having regard to Article 107, it shall without delay initiate the procedure provided for in paragraph 2. The Member State concerned shall not put its proposed measures into effect until this procedure has resulted in a final decision.'*



© Malta Institute of Taxation 2023

6

## WHAT IS STATE AID

### ARTICLE 108 TFEU

- **Article 108(2)** applies to existing aids in relation to which the Commission has raised a query pursuant to a review process in terms of Article 108(1) or to new aids that have not been accepted pursuant to the preliminary investigation under Article 108(3).
- Hence, *'If, after giving notice to the parties concerned to submit their comments, the Commission finds that aid granted by a State or through State resources is not compatible with the internal market having regard to Article 107, or that such aid is being misused, it shall decide that the State concerned shall abolish or alter such aid within a period of time to be determined by the Commission.'*



© Malta Institute of Taxation 2023

7

## STATE AID

### THE QUESTIONS TO ASK

- Does the assistance fall under the definition of aid in terms of Article 107(1) TFEU?
- If it is, is it a compatible type of aid in terms of Article 107(3) TFEU?
- If it is compatible aid, does it have to be notified in terms of Article 108(3) TFEU?
- Alternatively, is the aid exempted from the procedure of notification, by virtue of Article 108(4) TFEU?



© Malta Institute of Taxation 2023

8

## STATE AID

### EXEMPTION FROM NOTIFICATION

The notification requirement does not apply to:

1. Aid covered by a block exemption  
In the interests of transparency, Member States are required by the **General Block Exemption Regulation (GBER)** to forward a summary of an aid scheme or ad hoc aid exempted by the GBER to the Commission within 20 working days of its coming into force. The Member State concerned has to publish the measure on the internet – current Regulation extended to 31.12.2023
2. Aid covered by the *de minimis* Regulation – extended to 31.12.2023
3. Individual aid grants within an approved scheme, so long as they are below any stipulated ceiling



© Malta Institute of Taxation 2023

## GENERAL BLOCK EXEMPTION REGULATION

© Malta Institute of Taxation 2023

## GENERAL BLOCK EXEMPTION REGULATION

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

GBER applies to specific categories of aid, including:

- Regional aid – **includes investment aid**
- Aid to SMEs in the form of investment aid and operating aid
- Aid for access to finance for SMEs
- Aid for research, development and innovation
- Aid for environmental protection
- Aid to make good the damage caused by certain natural disasters
- Training aid
- Aid for culture and heritage conservation
- Aid for sport and multifunctional recreational infrastructures



MALTA  
INSTITUTE  
OF TAXATION

© Malta Institute of Taxation 2023

11

## GENERAL BLOCK EXEMPTION REGULATION

### ANNEX 1 – SME DEFINITION

Enterprise	Employees		Turnover Eur		Balance Sheet Total (Total Assets) Eur
Micro	<10	A N D	<2,000,000	OR	<2,000,000
Small	<50	A N D	<10,000,000	OR	<10,000,000
Medium	<250	A N D	<50,000,000	OR	<43,000,000



MALTA  
INSTITUTE  
OF TAXATION

© Malta Institute of Taxation 2023

12

## GENERAL BLOCK EXEMPTION REGULATION

### ANNEX 1 – SME DEFINITION

An enterprise must first establish whether it is:

- A) An autonomous enterprise;
- B) A partner enterprise; or
- C) A linked enterprise.

Depending on the situation, an enterprise may have to take into account its own data, a **proportion** of the data in case of a **partner** enterprise, or **all** the data of any enterprise considered **linked** to it.



© Malta Institute of Taxation 2023

13

## GENERAL BLOCK EXEMPTION REGULATION

### ANNEX 1 – SME DEFINITION

Where company A holds 25% + 1 of capital or 25% + 1 of voting rights in company B, the companies are deemed to be **partners**

Where company A holds 50% + 1 of capital/voting rights or right to appoint majority of directors or has dominant influence in company B, the companies are deemed to be **linked**.

- To determine the relevant criteria, reference is to be made to the last approved financial statements of the enterprise or to other financial information if these are not available
- Refer to the User Guide to the SME Definition issued by the European Commission for detailed guidance/workings as to size determination,



© Malta Institute of Taxation 2023

14

## GENERAL BLOCK EXEMPTION REGULATION

### ANNEX 1 – TWO-YEAR RULE

- Status of large/medium/small/micro is maintained/not maintained for two consecutive years

Case No.	N (Ref Yr)	N+1	N+2	Status
1	SME	Not SME	Not SME	Not SME
2	SME	SME	Not SME	SME
3	SME	SME	SME	SME
4	SME	Not SME	SME	SME
5	Not SME	SME	SME	SME
6	Not SME	Not SME	SME	Not SME
7	Not SME	SME	Not SME	Not SME
8	Not SME	Not SME	Not SME	Not SME



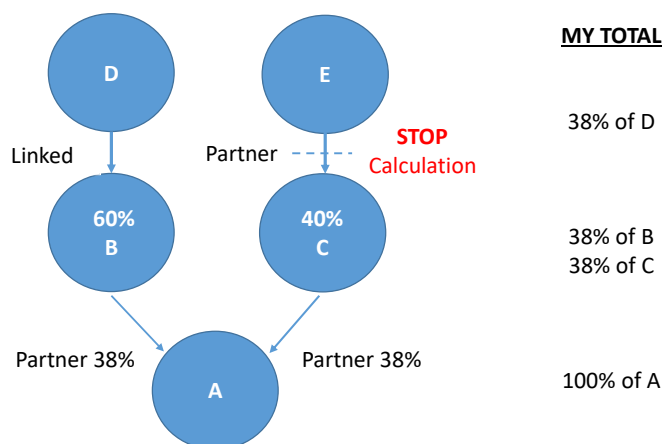
MALTA  
INSTITUTE  
OF TAXATION

© Malta Institute of Taxation 2023

15

## GENERAL BLOCK EXEMPTION REGULATION

### EXAMPLES OF SIZE WORKINGS



MALTA  
INSTITUTE  
OF TAXATION

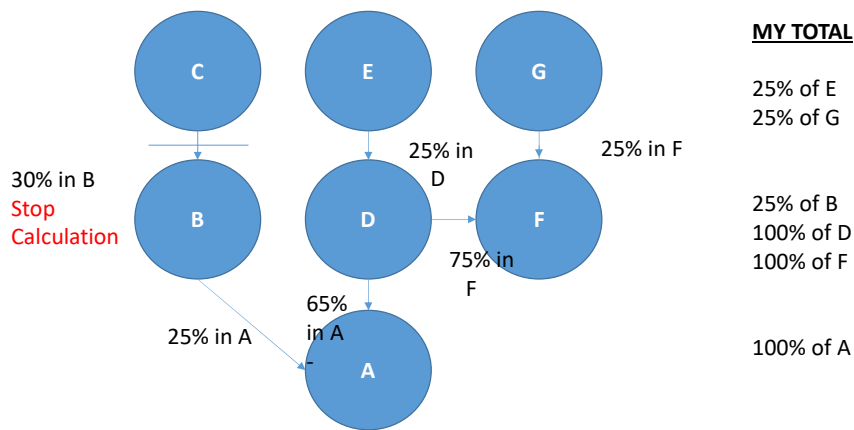
© Malta Institute of Taxation 2023

16



## GENERAL BLOCK EXEMPTION REGULATION

### EXAMPLES OF SIZE WORKINGS



© Malta Institute of Taxation 2023

17

## DE MINIMIS REGULATION

© Malta Institute of Taxation 2023

18

## DE MINIMIS REGULATION

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 is adopted pursuant to Article 108(4) TFEU, after the Council determined, in accordance with Article 109 TFEU, that *de minimis* aid should be exempt from the notification requirement.
- Thus, *de minimis* aid, being aid granted to a 'single undertaking' over a given period of time that does not exceed a certain fixed amount, is deemed not to meet all the criteria laid down in Article 107(1) of the Treaty and is therefore not subject to the notification procedure



© Malta Institute of Taxation 2023

19

## DE MINIMIS REGULATION

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 ceiling for *de minimis* aid is of Eur200,000 over any period of three years, assessed on a rolling basis; so that for each new grant of *de minimis* aid the total amount of *de minimis* aid granted in the fiscal year concerned and during the previous two fiscal years needs to be taken into account.
- Member States must inform undertakings that the aid they receive is *de minimis* aid and must check before providing it that a new grant will not breach the limit of Eur200,000 per undertaking. Where the limit will be exceeded by the grant of new aid, none of that aid may be given.
- *De minimis* aid may be granted to an undertaking that has received other State aid as long as the *de minimis* aid is not used to top up that other aid beyond the allowable ceiling for the same attributable costs.



© Malta Institute of Taxation 2023

20

## DE MINIMIS REGULATION

### Single Undertaking definition

- Single Undertaking includes, for the purposes of this Regulation, all enterprises having at least one of the following relationships with each other:
- a) one enterprise has a majority of the shareholders' or members' voting rights in another enterprise;
  - b) one enterprise has the right to appoint or remove a majority of the members of the administrative, management or supervisory body of another enterprise;
  - c) one enterprise has the right to exercise a dominant influence over another enterprise pursuant to a contract entered into with that enterprise or to a provision in its memorandum or articles of association;
  - d) one enterprise, which is a shareholder in or member of another enterprise, controls alone, pursuant to an agreement with other shareholders in or members of that enterprise, a majority of shareholders' or members' voting rights in that enterprise.
  - Enterprises having any of the relationships referred to in points (a) to (d) through one or more other enterprises shall also be considered to be a single undertaking.



MALTA  
INSTITUTE  
OF TAXATION

© Malta Institute of Taxation 2023

21

## INVEST – SUPPORT FOR INITIAL INVESTMENT PROJECTS

© Malta Institute of Taxation 2023

22

## INVEST – SUPPORT FOR INITIAL INVESTMENT PROJECTS

- Invest succeeds the Investment Aid 2021 Scheme, which was applicable from 1<sup>st</sup> January 2021 until 31<sup>st</sup> December 2021, and is valid until 31<sup>st</sup> December 2023.
- **Legal basis** – GBER.
- **Start of Works** for eligible initial investment projects must be on or after **1<sup>st</sup> May 2022**.
- Eligible initial investment projects may benefit from **tax credits, cash grants, loan interest rate subsidies and loan guarantees**.
- Eligible initial investment projects undertaken by **eligible undertakings** must result in one or more **qualifying economic activities**.
- Eligible initial investment projects must be in **qualifying expenditure** consisting of **eligible tangible and intangible assets**.
- The qualifying investment is expected to remain in Malta for at least **five years in the case of large enterprises** or **three years in the case of small and medium-sized enterprises**.



© Malta Institute of Taxation 2023

23

## INVEST – QUALIFYING ACTIVITIES

- **Qualifying Activities** - A project may only be assisted if it results in a qualifying activity as outlined in Section 3.1 of the Incentive Guidelines and is also described under one of the following NACE categories:

Sector	NACE Code
Manufacturing	C
Water supply, sewerage, waste management and remediation	E
Removal services	H49.42
Warehousing and support activities for transformation	H52
Postal and courier activities	H53
Accommodation and food services activities	I
Information and communication	J
Financial and insurance activities	K
Professional, scientific and technical activities	M
Administrative and support services activities	N
Education	P
Human health and social work activities	Q
Creative, arts and entertainment activities	R90
Libraries, archives, museums and other cultural activities	R91
Sports activities and amusement and recreation activities	R93
Other services	S



© Malta Institute of Taxation 2023

24

## INVEST – QUALIFYING ECONOMIC ACTIVITIES

- Manufacturing
- Maintenance, repair and overhaul of certain machinery
- Industrial services
- Computer programming
- Data processing and hosting facilities
- Data processing services
- Electronic and mobile platforms
- Call centre activities
- R & D, Design and/or Innovation
- Waste treatment
- Environmental solutions
- Life sciences
- Pharmaceuticals
- Audiovisual productions
- Audio recording
- Digital video games
- Education and tuition
- Human inpatient and/or day care services
- Logistics
- Industrial Packaging
- Hotels and Guest Houses
- Knowledge intensive services
- Restoration
- Entertainment and recreational facilities

© Malta Institute of Taxation 2023



25

## INVEST – QUALIFYING EXPENDITURE

Acquisition of **Qualifying Tangible and Intangible Assets** required for the implementation of an eligible **Initial Investment Project**, or the estimated **Wage Costs** arising from job creation as a result of an initial investment.

Qualifying **Tangible Assets** - land, buildings (including fittings and furnishings), plant, machinery and equipment;

Qualifying **Intangible Assets**, such as patents, licences or other intellectual property, shall only be considered if they are:

- a) used exclusively in the undertaking receiving the aid;
- b) regarded as amortisable assets;
- c) purchased under market conditions from third parties unrelated to the buyer;
- d) Included in assets register of undertaking and remain associated with project for at least **3 years (5 years for large enterprises)**

© Malta Institute of Taxation 2023



26

## INVEST – QUALIFYING TANGIBLE ASSETS – OPTION 1

- Assets must be **new** (except for SMEs which may acquire assets first used in Malta OR for the acquisition of an establishment)
- Only special purpose **vehicles** forming integral part of project and economic activity (projects that only constitute purchase of vehicles cannot be supported)
- **Lease of tangible assets (excluding land and buildings)** eligible where lease agreement obliges beneficiary to purchase asset at end of lease
- Only **licensed buildings and structures** where a qualifying activity is carried out
- **Land acquisition** is eligible where industrial buildings and structures forming part of investment are constructed thereon
- Cost of purchase of land and eligible preparatory works only considered if incurred **less than 24 months before Start of Works and only if incurred after 1<sup>st</sup> May 2022.**



MALTA  
INSTITUTE  
OF TAXATION

© Malta Institute of Taxation 2023

27

## INVEST – QUALIFYING TANGIBLE ASSETS – OPTION 1

- Value of land and buildings shall be adjusted to eliminate areas **in excess of requirements of supported investment project**
- Costs related to construction of showrooms, retail outlets, restaurants, cafeterias shall not be supported **unless an integrated amenity** of a hotel investment project, or facilities used for cultural events etc..- such costs shall be capped at 10% of value of approved investment project
- Costs incurred in relation to **finishing of eligible** buildings and structures are eligible
- Costs related to **lease of land and buildings** are eligible if lease extends for at least 3 years (5 years for large enterprises) beyond expected completion date of investment project; irrespective of lease period, aid is limited to first 10 years of the lease, and lease value is capped at rate in original lease agreement



MALTA  
INSTITUTE  
OF TAXATION

© Malta Institute of Taxation 2023

28

## INVEST – QUALIFYING TANGIBLE ASSETS – OPTION 1

### ACQUIRING ASSETS OF AN ESTABLISHMENT

- Only costs of assets purchased from third parties unrelated to the buyer, under market conditions
- If **aid has already been granted** for the acquisition of assets prior to purchase of establishment, costs of such assets is to deducted from eligible costs
- 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 shall be waived



© Malta Institute of Taxation 2023

29

## INVEST – QUALIFYING EXPENDITURE – OPTION 2

- When opting to calculate the qualifying expenditure by considering wage costs, the beneficiary would still be required to implement **an investment project through the acquisition of tangible and/or intangible assets**.
- However the value of the qualifying wage costs covering **new employment created within three (3) years** of the completion of the investment project shall be considered to calculate the aid.
- New employment shall consist of **Full Time** jobs.
- The new jobs shall lead to a net increase in number of employees, when compared with the average FTE over the previous 12 months.
- Such aid shall be calculated on the basis of the wage costs arising from jobs created as a result of an initial investment, **calculated over a period of two (2) years**.
- Each job is to be maintained for 3 years/5 years in the case of SMEs/large enterprises respectively.



© Malta Institute of Taxation 2023

30

## INVEST – START OF WORKS

'Start of Works' is defined as:

*The earlier of either the start of construction works relating to the investment, or the first legally binding commitment to order equipment or any other commitment that makes the investment irreversible.*

*Buying land and preparatory works such as obtaining permits and conducting feasibility studies are not considered 'start of works'. For take-overs, 'start of works' means the moment of acquiring the assets directly linked to the acquired establishment.*

- **Cash grants** may only be awarded to eligible projects for which an application is submitted and approved **before Start of Works** and during the validity of the scheme.
- Support may only be awarded in respect of eligible investment projects commencing on or after 1st May 2022 and by 31st December 2026 (or later if the Start of Works was delayed due to factors outside the control of the beneficiary as shall be determined by the Corporation), as long as the beneficiary submits an application for assistance, which is approved during the validity period of the scheme which in no case shall be later than 31 December 2023.



© Malta Institute of Taxation 2023

31

## INVEST – START OF WORKS

- Applications for tax credits for which the aid shall be calculated on assets procured may be submitted **within six months from Start of Works**, provided that this is done during the validity of the scheme.
- All other requests should be submitted prior to the commencement of the investment project so that there will be reasonable time to evaluate prior to the intended Start of Works.
- Deadline for applications is 30<sup>th</sup> September 2023.



© Malta Institute of Taxation 2023

32



## INVEST – ELIGIBLE INVESTMENT FOR SMEs

Such initial investment projects shall result 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 – this excludes the sole acquisition of the shares of the undertaking in question



© Malta Institute of Taxation 2023

33

## INVEST – ELIGIBLE INVESTMENT FOR SMEs

- For aid granted for a **fundamental change** in the production process, the eligible costs must exceed the depreciation of the assets linked to the activity to be modernised in the course of the preceding three fiscal years.
- For aid granted for a **diversification of an existing establishment**, the eligible costs must exceed by at least 200 % the book value of the assets that are reused, as registered in the fiscal year preceding the start of works.
- In the case of SMEs, diversification refers to a diversification of the output of an establishment into products not previously produced in the establishment.



© Malta Institute of Taxation 2023

34

## INVEST – ELIGIBLE INVESTMENT PROJECTS FOR LARGE ENTERPRISES

- Investment Aid shall be awarded to large enterprises in relation to **'initial investments in favour of a new economic activity or activities'** which must consist of an investment in tangible and intangible assets related to:
  - the setting up of **a new establishment** or **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
  - 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.



© Malta Institute of Taxation 2023

35

## INVEST – DEFINITION OF 'SAME OR SIMILAR ACTIVITY'

- "The same or a similar activity" means 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)
- NACE** (Nomenclature of Economic Activities) is the European statistical classification of economic activities. **NACE** groups organizations according to their business activities, eg:

31		Manufacture of furniture
	31.0	Manufacture of furniture
	31.01	Manufacture of office and shop furniture
	31.02	Manufacture of kitchen furniture
	31.03	Manufacture of mattresses
	31.09	Manufacture of other furniture



© Malta Institute of Taxation 2023

36

## INVEST-CONSIDERATIONS RELATING TO ELIGIBILITY

- **Eligible undertaking** must carry out a qualifying activity from Malta as a partnership en nom collectif, en commandite or a limited liability company or co-operative.
- The beneficiary shall provide a **financial contribution of at least 25%** either through its own resources or by external financing, in a form which is free of any public support.
- The beneficiary must **not be defaulting** on VAT, Income Tax or Social Security payments.
- The undertaking **must not have 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 preceding the application for aid and must commit that it will not carry out a relocation up to a period of two (2) years after completion of the supported initial investment.
- Undertaking that is engaged or plans to be engaged in an activity related to **gambling** is **ineligible**.
- Undertaking that is engaged or plans to be engaged in an activity related to the provision of **financial services** is **ineligible**.
- Aid to **'undertakings in difficulty'**, unless the undertaking was not in difficulty on 31 December 2019 but became an undertaking in difficulty in the period from 1 January 2020 to 31 December 2021, is **ineligible**.
- Aid for **research infrastructures** is **ineligible**.
- Aid for **energy generation** (including energy generated from renewable sources), distribution and infrastructure is **ineligible**.



MALTA  
INSTITUTE  
OF TAXATION

© Malta Institute of Taxation 2023

37

## INVEST – UNDERTAKING IN DIFFICULTY

An 'Undertaking in difficulty' is an undertaking in respect at least one of the following circumstances occurs:

- In the case of a limited liability company (other than an SME that has been in existence for less than 3 years), where more than half of its subscribed share capital (includes share premium) has disappeared as a result of accumulated losses;
- Where the undertaking is subject to collective insolvency proceedings or fulfills the criteria under its domestic law for being placed in collective insolvency proceedings at the request of its creditors;
- Where the undertaking has received rescue aid and has not yet reimbursed the loan or terminated the guarantee, or has received restructuring aid and is still subject to a restructuring plan;
- In the case of a large undertaking, where for the past two years:
  - The undertaking's book debt to equity ratio has been greater than 7.5 and
  - The undertaking's EBIDTA interest coverage ratio has been below 1.0.



MALTA  
INSTITUTE  
OF TAXATION

© Malta Institute of Taxation 2023

38

## INVEST – UNDERTAKING IN DIFFICULTY-EXAMPLE

### 4.2 Debt to Equity Ratio Workings

The Financial Data requested below has to be compiled from audited Financial Statements.

	Applicant		Consolidated Data in case of applicant forming part of a single economic entity	
	Basis 2015	Basis 2016	Basis 2015	Basis 2016
	€	€	€	€
Total Liabilities (Short Term)	1,000	-	-	-
Total Liabilities (Long Term)	2,000	-	-	-
Total Debt	3,000	-	-	-
Total Equity (as per Statement of Financial Position)	300	-	-	-
	10.0000	0.0000	0.0000	0.0000
Result	Undertaking in difficulty	-	-	-

Note : In the case of an undertaking that is not an SME, that for the past two years had a book debt to equity ratio greater than 7.5, means that it is in difficulty and therefore the applicant is not eligible to receive assistance under this Scheme. This has to be seen jointly with EBITDA coverage ratio.



MALTA  
INSTITUTE  
OF TAXATION

© Malta Institute of Taxation 2023

39

## INVEST – AID INTENSITIES

The amount of investment aid that may be awarded shall not exceed the following applicable aid intensities:

Size of applicant	Investment project in an assisted area identified in Annex B of Guidelines	Investment project in Gozo and Comino	Investment project in other areas
Small undertaking excluding hospitality sector	30%	35%	20%
Medium-sized undertaking excluding hospitality sector	20%	25%	10%
Large undertaking	10%	15%	N/a
SMEs in hospitality sector	15%	15%	10%



MALTA  
INSTITUTE  
OF TAXATION

© Malta Institute of Taxation 2023

40

## INVEST – AID INTENSITIES LARGE PROJECTS

For large investment projects, with a value exceeding Eur50,000,000, the applicable maximum permissible aid shall be adjusted according to the following formula:

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

Where

R = maximum aid intensity in force on date of granting of aid (excluding aid intensity for SMEs);

A = the initial Eur50,000,000 of eligible costs;

B= the part of eligible costs between Eur50 million and Eur100 million; and

C= the part of eligible costs above Eur100 million.



© Malta Institute of Taxation 2023

41

## INVEST – APPLICATION AND REVIEW PROCESS

- Application is to be submitted for **each** initial investment project.
- Applications for support are to be submitted by **30<sup>th</sup> September 2023**
- Malta Enterprise shall review Memorandum & Articles of Association; may conduct onsite visits; may request further additional information and clarifications
- Once a project is approved, a **Letter of approval** is issued setting out the conditions of approval
- Approval shall set out the **maximum** support to be awarded in respect of the project
- In some cases, following approved project changes, a revised letter of approval will be issued



© Malta Institute of Taxation 2023

42

## INVEST – APPLICATION REQUIREMENTS

- Brief about company and its proposed business activity
- Description of proposed initial investment project
- Type of initial investment
- Estimated total eligible project costs
- Start of works date
- Targets to be achieved as a result of the project
- Experience in relevant industry and similar projects
- Personal data protection information and consent to process
- List of competencies and skills available to applicant
- Details of expected new employment to be generated by project, if any
- Estimated turnover
- Details of environmental, regulatory and legal obligations of project
- Project financing (at least 25% is to be free of any public support)
- Declaration that undertaking is not in difficulty



MALTA  
INSTITUTE  
OF TAXATION

© Malta Institute of Taxation 2023

43

## INVEST – CLAIM FORM REQUIREMENTS AFTER ISSUANCE OF LETTER OF APPROVAL

- Signed and completed claim form
- Latest audited financial statements including detailed fixed asset schedule
- Documents to be submitted as required:
  - Property acquisition contracts
  - MTA licences and project approvals
  - PA permits
  - GMP certificates
  - Architect's certificate of works
  - Contract of works
  - VAT direction issued in terms of Part V of the 14<sup>th</sup> Schedule VAT Act
  - Tax compliance certificate
- For assistance on wage costs:
  - Signed copy of FS3
  - Payroll extract of last financial quarter
  - Employment history issued by Jobsplus
  - List/ledger of tangible investment made to implement project
- For assistance on capital investments:
  - Copy of invoices (100%)
  - Proof of payment (100%) in terms of either:
    - Cheque image
    - Bank transfer
  - Reconciliation between invoices and payments where disparity
  - Document (such as receipt/statement/email confirmation) from recipient confirming receipt of funds
  - CPA declaration that the costs incurred for the procurement of assets have been registered in Fixed Asset Register as costs incurred for the project
  - Referenced photo report of investment claimed in this return



MALTA  
INSTITUTE  
OF TAXATION

© Malta Institute of Taxation 2023

44

## INVEST – UTILISATION OF TAX CREDITS

- Following submission and vetting of claim forms, Malta Enterprise will issue **Incentive Entitlement Certificates** specifying the amount of Investment Tax Credits awarded to beneficiary
- Any awarded tax credits may only be utilized as long as the supported activity is still being carried out.
- Tax credits are to be claimed in the appropriate section of **tax return** of the beneficiary
- Unutilised tax credits are to be carried forward to be offset against future tax liabilities
- Beneficiary is to submit annual compliance documentation to Malta Enterprise re continued eligibility



© Malta Institute of Taxation 2023

45

## INVEST- RELEVANT SCHEDULES IN TAX RETURN

- **TRA 29** Business Promotion Act and Regulations (Cap 325 of the Laws of Malta and Subsidiary Legislation 325.6)
- **TRA 54** Investment Aid Regulations **2008 up to June 2014** (Subsidiary Legislation 463.02 to the Malta Enterprise Act, Cap 463 of the Laws of Malta)
- **TRA 86** Investment Aid (July 2014) Regulations **from 1<sup>st</sup> July 2014** for SOW before 31<sup>st</sup> December 2020 (Subsidiary Legislation 463.10 to the Malta Enterprise Act, Cap 463 of the Laws of Malta)
- **TRA 123** Investment Aid 2021 Regulations **from 1<sup>st</sup> January 2021 to 31<sup>st</sup> December 2021** (Subsidiary Legislation to the Malta Enterprise Act, Cap 463 of the Laws of Malta)
- **New TRA to be issued in relation to INVEST, applicable from 1<sup>st</sup> May 2022 to 31<sup>st</sup> December 2023**, Invest Regulations 2022 (Subsidiary Legislation to the Malta Enterprise Act, Cap 463 of the Laws of Malta).



© Malta Institute of Taxation 2023

46

## MAIN LEGISLATIVE CHANGES – MALTA'S ACCESSION TO EU

- Transition from Industrial Development Act 1988 to Business Promotion Act and Regulations 2001
- List of activities that qualify a company for incentives was widened
- The nature of Malta's tax holiday and its direct link to export sales was felt to be inappropriate by the international community, the World Trade Organisation, the OECD and the EU.
- Export-linked incentives under Articles 4, 5 and 5A of the IDA/BPA replaced by compensating benefits under BPR in the form of **new tax credits**, differentiating between large enterprises on the one hand and SMEs



© Malta Institute of Taxation 2023

47

## MAIN LEGISLATIVE CHANGES – MALTA'S ACCESSION TO EU

- Malta Enterprise Act, Cap. 463 of the Laws of Malta, enables Malta Enterprise to issue Regulations and Guidelines containing incentives
- Changes in Investment Tax Credits
 

Investment Tax Credits under Regulation 5 BPR were tied to eligibility under Regulation 4 (Reduced Rates of Tax) BPR (Target Sector Activities)

Under ME Act, as from y/a 2009, Investment Tax Credits are autonomous incentive with no reference to the previously designated target sectors

Investment tax credits are aimed at **stimulating investment and job creation** and are calculated as a % of qualifying expenditure or % of qualifying wage costs in respect of new jobs created as a result of an investment project



© Malta Institute of Taxation 2023

48



## INVEST – EXTRACT OF TAX RETURN SCHEDULES

**Incentive Entitlement Certificate - Project**

Incentive Entitlement Certificate reference

Date of Incentive Entitlement Certificate

Value of the Investment Tax Credit for the current year

**TOTAL INCENTIVE**

Investment Tax Credit Entitlement for the current year

Unutilised Tax Credit b/wd as per previous return

Adjustment to unutilised balances b/wd

Adjusted unutilised Tax Credit b/wd from previous year

Total available Investment Tax Credit

Utilisation of tax credits for the year TRA 35

Unutilised tax credit

Unutilised Tax Credit inflated or deflated by the Reference Rate c/wd

Income the tax on which is deemed relieved by the tax credit [Current] YIA2020 TRA 35

Has the company complied with all conditions under these Rules?

IS ATTACHMENT COMPLETE [Y or N] ?

CIR - Malta TA2 e-CO 2020 Ver 1.6 TRA86



MALTA  
INSTITUTE  
OF TAXATION

© Malta Institute of Taxation 2023

49

## INVEST – EXTRACT OF TAX RETURN SCHEDULES

TAX CREDITS UTILISED DURING THE YEAR - Summary Statement		Tax credit	Taxed Income Relieved	Taxed Account
BPA - Regulation 5 - [Investment Tax Credit]	TRA 29	0	0	Maltese Taxed Account
BPA - Regulation 14 - [Training Tax Credit]	TRA 34	0	0	Maltese Taxed Account
BPA - Regulations 31 to 37 [Conversion Scheme - Large Companies]	TRA 36	0	0	Maltese Taxed Account
ITA - Dividends the tax on which is relieved by Tax Credits (ONLY from the IPA of another company)	TRA 08	0	0	Immovable Property Account
ITA - Dividends the tax on which is relieved by Tax Credits (ONLY from the MTA of another company)	TRA 08	0	0	Maltese Taxed Account
ITA - LN 283 of 2016 - Deductions and Tax Credits (POYC) Rules	TRA 66	0	0	Maltese Taxed Account
ME Act - LN 38 of 2015 - Assistance for Research and Development and Innovation (Amendment) Regulations, 2015	TRA 91	0	0	Maltese Taxed Account
ME Act - LN 118 of 2015 (Rule 17) - Tax Credit for Qualifying Certifications	TRA 90	0	0	Maltese Taxed Account
ME Act - Investment Aid Regulations 2014 - 2020	TRA 86	0	0	Maltese Taxed Account
ME Act - LN 187 of 2014 - Micro Invest 2014	TRA 88	0	0	Maltese Taxed Account
ME Act - LN 68 of 2008 - Investment Aid Regulations	TRA 54	0	0	Maltese Taxed Account



MALTA  
INSTITUTE  
OF TAXATION

© Malta Institute of Taxation 2023

50

## INVEST – EXTRACT OF TAX RETURN SCHEDULES

Chargeable Income subject to reduced rates of tax	TRA 33	72a	0	72b	0	72c	0
Chargeable Income subject to normal rate of tax [ @ 35c]		73a	0	73b	0	73c	0
Totals		74a	0	74b	0	74c	0
			0		0		0
Tax Liability for the year							
Tax on Income taxed at reduced rates	TRA 33	75a	0	75b	0	75c	0
Tax on Income taxed at normal rates		76a	0	76b	0	76c	0
Total Tax Liability on chargeable income for the year		77a	0	77b	0	77c	0
Deduct							
Tax Credits	TRA 35	78a	0	78b	0		
Tax due after deducting tax credits		79a	0	79b	0	79c	0



MALTA  
INSTITUTE  
OF TAXATION

© Malta Institute of Taxation 2023

51

## INVEST – EXTRACT OF TAX RETURN SCHEDULES

### Part 1 - Profits allocated to the Immovable Property Account

[First allocation of Chargeable Income AFTER TAX in terms of Rule 5]

	Tax Rate %	Brought Forward	Allocated Current year	Dividends Paid	Carried Forward
Income the tax on which is relieved by tax credits (TRA 35)	0.00%		0		0
Income suffering tax at					0
Income suffering tax at					0
Income suffering tax at					0
Sub Totals		0	0	0	0

MALTESE TAXED ACCOUNT				BROUGHT FORWARD	Allocated	Dividends Paid	CARRIED FORWARD
Income from participating holdings							0
Income having suffered tax @	5.00	%					0
Income having suffered tax @	10.00	%					0
Income having suffered tax @	15.00	%					0
Income having suffered tax @	25.00	%					0
Income having suffered tax @	32.50	%					0
Income having suffered tax @	35.00	%		0	0	0	0
Income having suffered tax @	37.50	%					0
Taxed Income relieved by Tax Credits	0	%	TRA 35		0		0



MALTA  
INSTITUTE  
OF TAXATION

© Malta Institute of Taxation 2023

52

## INVEST – TAX ACCOUNTING

- Article 3(1) of the Tax Accounts (Income Tax) Rules SL123.101 to the Income Tax Act, Cap.123 of the Laws of Malta, provides as follows:
  - With effect from **year of assessment 2008** and subsequent years of assessment an amount of distributable profits resulting from the following shall be allocated to the final tax account:
    - (c) the amount of chargeable income the tax chargeable on which has been relieved from payment by any tax credits where the distribution of such profits is exempt from tax in the hands of the shareholders;
    - (l) the amount of the chargeable income the tax chargeable on which has been relieved from payment by any tax credits under any of the following rules or regulations.... (lists various regulations)
- In the proviso to Article 3(1), we read as follows:
  - Provided that with effect from **year of assessment 2015** the provisions of paragraphs (c) and (l) shall no longer be applicable and the amount of chargeable income the tax on which has been relieved from payment by any tax credits shall after deducting the tax chargeable thereon and adding the amount of tax credits utilised to relieve the payment of such tax be allocated to the Maltese Taxed Account.



MALTA  
INSTITUTE  
OF TAXATION

© Malta Institute of Taxation 2023

53

## INVEST – WORKING AND UNABSORBED TAX CREDITS

- |  |                   |  |
|--|-------------------|--|
| Revenue  | Eur10,000         | <ul style="list-style-type: none"> <li>Hierarchy of absorption of investment tax credits – oldest first, hence TRA 29, TRA 54, TRA 86, TRA 123</li> </ul>  |
| Costs  | <u>(Eur7,000)</u> |  |
| Profit   | <u>Eur3,000</u>   |  |
|  |                   |  |
| Tax at 35%   | Eur1,050          | <ul style="list-style-type: none"> <li>Unutilised tax credits are to be carried forward to be offset against future tax liabilities</li> </ul>   |
| ITCs   | <u>(Eur1,050)</u> |  |
| Tax payable  | <u>Eur0</u>       | <ul style="list-style-type: none"> <li>Unutilised tax credits are to be adjusted by the rate established as the applicable reference rate for Malta, as calculated by the EU Commission<br/><a href="https://ec.europa.eu/competition/s_tate_aid/legislation/reference_rates.html">https://ec.europa.eu/competition/s_tate_aid/legislation/reference_rates.html</a></li> </ul> |
| Allocation to Maltese Taxed Account or Immovable Property Account: <b>Eur3,000</b> (being Profit less Tax) |                   |  |



MALTA  
INSTITUTE  
OF TAXATION

© Malta Institute of Taxation 2023

54

# MICRO INVEST TAX CREDITS 2021

Malta Institute of Taxation 2023

55

## MICRO INVEST TAX CREDITS OBJECTIVES AND APPLICATION PROCESS

- Micro Invest encourages undertakings (including **start-ups, family businesses and self-employed**) to invest in their business, so as to innovate, expand and develop their operations.
- Undertakings benefiting from this measure will be supported through a tax credit calculated as a percentage of **eligible expenditure** and **wages costs**.
- One application per year may be submitted in relation to costs incurred in the **previous year**, including all requested supporting documentation
- There are two deadlines for submission, the primary deadline (22nd March 2023 for self-employed, 24<sup>th</sup> May 2023 for companies) and the secondary deadline (13<sup>th</sup> December 2023)



MALTA  
INSTITUTE  
OF TAXATION

© Malta Institute of Taxation 2023

56

## MICRO INVEST TAX CREDITS

### IMPORTANT DEFINITIONS

- 'Single Undertaking' definition in terms of *de minimis* Regulation
- A **start-up** is an undertaking that has been established **for less than four (4) years** as determined from date of registration with Malta Business Registry or the date the person registered with Jobsplus as self-employed.
  - Undertakings controlled by owners of previously closed down businesses cannot be considered as a start-up under this incentive if the new undertaking is operative in the same or related sectors as that of the closed down firm. This restriction applies for a period of twelve (12) months following such closure.
  - If the undertaking is part of a single undertaking that includes other undertakings, the establishment date of the earliest set-up undertaking within the single undertaking shall be considered.



© Malta Institute of Taxation 2023

57

## MICRO INVEST TAX CREDITS

### ELIGIBILITY CRITERIA

- At point of application **all** of the following criteria have to be satisfied:
  - During the year in which the costs were incurred, the undertaking did not employ more than **fifty (50)** full time employees in its trade or business (the data used to verify this condition is provided by Jobsplus).
  - The turnover or annual balance sheet total of the undertaking did not exceed **€10 Million** in the fiscal year preceding the year in which the application is submitted.
  - At the date of application, the undertaking must employ at least one (1) person (on full or part time basis).
  - Unless exempted, the undertaking should be duly registered with the VAT department.



© Malta Institute of Taxation 2023

58

## MICRO INVEST TAX CREDITS

### INCENTIVE DESCRIPTION

- Aid Intensity
  - Tax credit of **45%** of eligible expenditure in favour of each undertaking
  - Tax credit of **65%** for undertakings operating from Gozo
- Maximum Aid
  - Capping of **Eur50,000** over any period of three consecutive fiscal years
  - Capping of **Eur70,000** over any period of three consecutive fiscal years for:
    - Entities operating from Gozo
    - Entities registered as a Family Business, as defined in Article 3 of the Family Business Act, Cap 565 of the Laws of Malta
    - Entities having more than 50% of the ownership attributed to female persons



© Malta Institute of Taxation 2023

59

## MICRO INVEST TAX CREDITS

### CAPPING AND DE MINIMIS AID

- The Micro Invest Tax Credits Scheme falls under *de minimis aid*.
- Hence, the amount of aid under the scheme may need to be adjusted to adhere to the limits imposed by the *de minimis* Regulation, so that the Eur200,000 in assistance over a rolling period of three years per single undertaking is not exceeded.
- Eg. A company is awarded Micro Invest Tax Credits as follows:  
 2018 - Eur18,000; 2019 – Eur20,000; 2020 – Eur0  
 In 2021 a company operating in Malta can apply to benefit from a maximum Eur30,000 in Micro Invest Tax Credits  
 In 2022, the company can apply to benefit from a maximum Eur20,000 in Micro Invest Tax Credits
- The ***de minimis* declaration form** must be filled in and submitted together with the application form.



© Malta Institute of Taxation 2023

60

## MICRO INVEST TAX CREDITS

### QUALIFYING COSTS

- Costs claimed must have been invoiced **between 1st January and 31st December (both days included) of the year preceding the year in which the claim is submitted.**
- Under current scheme eligible costs must have been incurred by **31st December 2022.**
- Costs claimed must not be assisted (even partly) through other incentive measures.
- Costs claimed must be covered by the appropriate fiscal documentation. The undertaking is expected to be in a position to provide evidence that the costs claimed have been settled or are tied to a binding commitment to be settled in a specific timeframe.
- For example, for costs incurred in Malta the undertaking should be in possession of:
  - a) a Tax Invoice (as specified in the 12th Schedule of the VAT Act Chapter 406 of the Laws of Malta); or
  - b) a Fiscal Receipt (as specified in the 13th Schedule of Chapter 406 of the VAT Act).



© Malta Institute of Taxation 2023

61

## MICRO INVEST TAX CREDITS

### ELIGIBLE COSTS

- **Furbishing and refurbishing of Business Premises**
  - Costs incurred for services rendered for the furbishing, refurbishing and upgrading of business premises by third parties.
  - When furbishing and refurbishing works are carried out by the undertaking or the undertakings' 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.
  - With regards to applications received from 2022 (costs incurred in 2021), the Corporation shall only support costs for the **refurbishment** of short-term accommodation facilities. These may only be claimed if a valid Malta Tourism Authority permit covering the premises is submitted with the request for support.



© Malta Institute of Taxation 2023

62



## MICRO INVEST TAX CREDITS

### ELIGIBLE COSTS

- **Furbishing and refurbishing of Business Premises (continued)**

With regards to applications received from 2022 (costs incurred in 2021), only costs incurred for the **furbishing, refurbishing and upgrading** of business premises covered by one of the following Planning Authority licences will be supported:

- CLASS 2A – Residential Institution - Residence for people in need of care on a temporary or permanent basis, such as a hospital or nursing home.
- CLASS 2B – Non-residential institution, such as a museum, library or public hall.
- CLASS 2C – Educational institution - school, nursery, day centre, etc.
- CLASS 3A – Guest Houses, Palazzini, Boutique Tourism
- CLASS 3B – Hotels
- CLASS 3C – Assembly and Leisure
- CLASS 4A – Financial, Professional and Other Offices
- CLASS 4B – Retail
- CLASS 4C – Food and Drink Establishments where no cooking is allowed
- CLASS 4D – Food and Drink Establishments where cooking is allowed
- CLASS 5A – Light Industry
- CLASS 5B – General Industry
- CLASS 5C – Specialised Industry



© Malta Institute of Taxation 2023

63

## MICRO INVEST TAX CREDITS

### ELIGIBLE COSTS

- **Investment costs**

- Acquiring new (or first time used in Malta) machinery, technology, apparatus and instruments.
- Systems intended to produce alternative energy or improve energy efficiency.
- Tangible and intangible assets required for digitisation of the business operation eg:
  - ✓ Computer hardware.
  - ✓ Packaged software solutions.
  - ✓ Development costs for new software systems, websites and digital applications (submit agreement with the supplier specifying the parameters and functionality of the systems/website/application being developed; maintenance costs not eligible).
  - ✓ Costs incurred in relation to the undertaking's websites developments, updates and enhancement (submit documentation specifying the additional functionality being acquired).



© Malta Institute of Taxation 2023

64



## MICRO INVEST TAX CREDITS

### ELIGIBLE COSTS

- **Motor vehicle costs**

As from 2022 (for costs incurred in 2021), operators licensed to provide passenger transport services holding a licence from Transport Malta may claim in any rolling three year period the costs incurred for the purchase of a (one) plug-in hybrid or electric passenger vehicle purchased for the provision of passenger transport services.

With regards to applications received in 2023 (for costs incurred in 2022) the maximum support for the procurement of motor vehicles powered by a fossil fuel engine shall be capped **at 30%**. This limitation shall not apply to plug-in hybrid and electric vehicles.

As from 2021 (for costs incurred in 2020) eligible undertakings may claim the cost incurred for the purchase of **any Commercial Vehicle\*** procured as new or first time registered in Malta, having a European Emission Standard rating of at least Euro 5.

\***Commercial vehicle** is defined in the Incentive Guidelines as:

- involved in the carrying of goods (category N1, N2 or N3 motor vehicle); or
- Special Purpose Motor Vehicles designed specifically to support or enable an economic activity; or
- any vehicle that is designed specifically for the carriage of seven (7) or more persons



© Malta Institute of Taxation 2023

65

## MICRO INVEST TAX CREDITS

### ELIGIBLE COSTS

- **Wages costs**

Increase in wage costs 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.

The data used to calculate the eligible wage costs shall be the gross emoluments (excluding fringe benefits and share options) as declared in the annual returns submitted to the Inland Revenue Department by the undertaking. Directors' fees are excluded.

Example: Wage Costs 2020 Eur20,000; 2019 Eur15,000; 2018 Eur10,000  
Eligible increase is difference between 2020 and 2019, which constitutes a 33.33% increase;  
Tax credit computed on Eur5,000 qualifying cost



© Malta Institute of Taxation 2023

66

## MICRO INVEST TAX CREDITS

### ELIGIBLE COSTS

- **Certifications**

With regards to applications received in 2022 (for costs incurred in 2021), eligible undertakings may claim the cost incurred for attaining certifications relevant to their business.

Eligible costs shall consist of business advisory provided by unrelated parties and the actual certification costs. The certifications shall result in the attainment or the extension (if applicable) of any of the following certifications :

- i. CE Markings
- ii. ISO 9001 Quality Management Systems
- iii. ISO 14001 Environmental Management System
- iv. ISO 50001 Energy Management
- v. ISO 22000 Food Safety Management
- vi. HACCP



© Malta Institute of Taxation 2023

67

## MICRO INVEST TAX CREDITS

### UTILISATION OF TAX CREDITS

- In view of the economic conditions caused by the COVID 19 pandemic, the tax credits awarded in 2021 and 2022 may be utilised up to the year of assessment 2026. In all other cases, unless extended through other provisions, the tax credits may be utilised by the **third year of assessment** commencing from that specified on the Incentive Entitlement Certificate (for example for applications submitted in May 2023, the certificate will be issued in 2023, and the tax credit may be utilised from year of assessment 2023 until year of assessment 2025).
- With regards to start-ups, unless extended through other provisions, the tax credit must be utilised by the **fifth year of assessment** commencing from that specified on the Incentive Entitlement Certificate (for example for applications submitted in December 2023, the certificate will be issued in 2024, and the tax credit may be utilised from year of assessment 2024 until year of assessment 2028).
- Any utilised tax credits after the 3<sup>rd</sup>/5<sup>th</sup> year of assessment, as applicable, will be lost



© Malta Institute of Taxation 2023

68

## MICRO INVEST TAX CREDITS

### EXTRACT FROM COMPANY TAX RETURN – TRA 88

IME Act - Enterprise Support Incentives Regulations, 2008  
LN 187 of 2014 as amended by LN 160 of 2016, LN 140 of 2017 and LN 121 of 2018 - Micro Invest 2014

Maximum Tax credit entitlement is €50,000 (or equivalent) and €70,000 (or equivalent) for start ups in Gozo

Is the company a start up business?

Does the company operate from Gozo?

Is the company a family business?

Is the company a female-owned undertaking?

Number of certificates:

Certificate No	Date issued	Approved Tax Credit	Year of Assessment when tax credit was first available	Utilised tax credit in previous years of assessment	Excess Tax Credit brought forward / Available tax credit	Tax credit utilised for the current year of assessment	Excess tax credit carried forward

Total Approved tax credit(s)

Utilised tax credit in previous years of assessment

Excess tax credit brought forward / Available tax credit

Tax credit utilised for the current year of assessment

Excess tax credit carried forward

Income the tax on which is deemed relieved by the tax credit:

Have all the conditions set by the Regulations, Guidelines and Certificate(s) been satisfied?

IS ATTACHMENT COMPLETE [Y or N]?

CR - Malta TA2\_e-CO\_2020\_Ver 1.6 TRA 88



MALTA  
INSTITUTE  
OF TAXATION

© Malta Institute of Taxation 2023



MALTA  
INSTITUTE  
OF TAXATION

© Malta Institute of Taxation 2023