

Incentive Guidelines

Cooperate for Growth





Cooperate for Growth
Version 1

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1. Introduction

1.1 Duration of the Incentive

This aid scheme terminates on 31st December 2020.

These Incentive Guidelines may be changed and updated periodically.

1.2 Legal Basis

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.

Cooperate for Growth Regulations, 2018 (L.N. 100 of 2018) forms the national legal basis of this aid scheme.

1.3 Designated Authority

This incentive is administered by Malta Enterprise as legally constituted in terms of the Malta Enterprise Act (hereinafter referred to as 'the Corporation').

1.4 Budget

The total budget for this scheme is fifty thousand euro (€ 50,000) for the duration of the scheme with an average annual expenditure of fifteen thousand euro (€ 15,000).

2. Definitions

2.1 Single Undertaking

For the purpose of these Incentive Guidelines, the terminology *single undertaking* shall be defined as follows:

As per Commission Regulation EU No 1407/2013 of 18 December 2013 on the application of the Treaty on the Functioning of the European Union to *de minimis aid*, 'Single undertaking' includes, for the purposes of this Regulation, all undertakings having at least one (1) of the following relationships with each other:

- a) one undertaking has a majority of the shareholders' or members' voting rights in another undertaking;
- b) one undertaking has the right to appoint or remove a majority of the members of the administrative, management or supervisory body of another undertaking;
- c) one undertaking has the right to exercise a dominant influence over another undertaking pursuant to a contract entered into with that undertaking, or to a provision in its memorandum of articles of association;
- d) one undertaking which is a shareholder in, or member of another undertaking, controls alone, pursuant to an agreement with other shareholders in, or members of that undertaking, a majority of shareholders' or members' voting rights in that undertaking.

Undertakings having any of the relationships referred to in points (a) to (d) of the first subparagraph, through one or more other undertakings, shall also be considered to be a single undertaking.¹

The same regulation states that a group of linked undertakings is considered as one single undertaking for the application of the *de minimis* rule, but those undertakings which have no relationship with each other, except for the fact that each of them has a direct link to the same public body or bodies, are not treated as being linked to each other. The specific situation of undertakings controlled by the same public body or bodies, which may have an independent power of decision, is therefore taken into account.¹

2.2 Small and Medium Sized Enterprise

A Small and Medium Sized Enterprise (hereinafter 'SME') is an undertaking which fulfils the criteria laid down in Annex I of 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 (hereinafter referred to as the General Block Exemption Regulation).

¹ [Commission Regulation \(EU\) No 1407/2013 of 18th December 2013](#)

2.3 Incentive Entitlement Certificate

An **Incentive Entitlement Certificate** is a certificate issued in terms of Article 29I of the Malta Enterprise Act, establishing the support granted to an undertaking and stipulating any terms and conditions deemed appropriate by the Corporation.

3. Eligibility

3.1 Eligible Undertakings

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

- a. An undertaking incorporated under the Companies Act Chapter 386 of the Laws of Malta being 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.

3.2 Exclusions

No support may be provided to:

- a. Undertakings defaulting, *inter alia*, on Value Added Tax (VAT), Income Tax, and National Insurance.
- b. Public entities defined as: “Ministries, Departments, Entities, Authorities, Public Commissions Public Sector Foundations and similar organisations that carry out a public or regulatory function which does not involve the carrying out of an economic activity, whether or not such organisations are established by law”. Nevertheless, commercial undertakings carrying out exclusively an economic activity in direct competition with third parties and in which Government has a controlling interest are eligible under this scheme.
- c. Undertakings engaged in activities specifically excluded under the applicable State Aid regulations (vide Section 9).

4. Supported Actions

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.

5. Applicable Aid Intensity²

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 days 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.

² The Aid Intensity indicates the maximum aid that may be awarded. The Corporation may award aid at lower intensities after considering the available budgets, the value aid to be achieved from the support provided and the sector in which the applicant is active.

6. Application and Assignment of Aid

Aid under this incentive is subject to approval by the Corporation.

6.1 Application Process

Applicants should use the official application which is available on the Corporation's website. Applications must be received by the Corporation via email on c4g@maltaenterprise.com prior to meeting. The Corporation shall reject applications for events scheduled for more than two (2) months from the date of application and any applications received after 31st December 2020.

6.2 Approval

An Incentive Entitlement Certificate stating the approved amount and any additional terms and conditions that the Corporation may deem appropriate shall be issued in favour of eligible undertakings whose application is accepted.

7. Claim Process

7.1 Claims

Claims must be submitted on the appropriate claim forms provided by the Corporation within three (3) months from the date of the action.

- a. The claim form shall require the beneficiary to provide the meetings itinerary which will include the following details:
- b. The names of the companies / organisations met.
- c. The names of their representatives
- d. The date and time of the meeting/s.
- e. The venue where the meeting/s was/were held.
- f. The scope and objectives of the meeting/s.
- g. The results obtained.

All incomplete claims will be rejected.

8. Additional Provisions

- a. Aid approved by the Corporation will be revoked or suspended should the undertaking has to still reimburse pending, unlawful and incompatible aid subject to a recovery decision.
- b. The Corporation reserves the right to request any other additional document to process the application.
- c. The Corporation shall reserve the right to revoke and recover any aid granted in terms of these Guidelines if:
- d. During the Application process, the Applicant submits documentation or furnishes the Corporation with false information
 - i. The applicant breaches the rules set in these Guidelines, De Minimis Aid Regulations, or any conditions set in the Incentive Entitlement Certificate issued by the Corporation.
 - ii. The expenditure claimed is found not to be directly related to the trade or business activity.
 - iii. The Corporation identified double funding of the same eligible costs from other measures implemented by the Corporation or any other National, European or international entity.
- e. Approval of assistance is subject to budgetary limitations.

9. State Aid Rules and Obligations

9.1 Applicable State Aid

These Incentive Guidelines 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.

The *de minimis* declaration form must be filled in and submitted together with the application form.

9.2 Applicability of the Aid

Assistance approved under this aid scheme is NOT:

- a. Aid granted to businesses active in the fishery and aquaculture sector, as covered by Council Regulation (EC) No. 104/2000³;
- b. Aid granted to businesses active in the primary production of agricultural products;
- c. Aid granted to businesses active in the sector of processing and marketing of agricultural products, in the following cases:
 - i. Where the amount of the aid is fixed on the basis of the price or quantity of such products purchased from primary producers or put on the market by the businesses concerned;
 - ii. Where the aid is conditional on being partly or entirely passed on to primary producers;

³ Council Regulation (EC) No 104/2000 of 17 December 1999 on the common organisation of the markets in fishery and aquaculture products (OJ L 17, 21.1.2000, p. 22).

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- d. Aid to export-related activities towards third countries or Member States, namely aid directly linked to the quantities exported, to the establishment and operation of a distribution network or to other current expenditure linked to the export activity;
- e. Aid contingent upon the use of domestic over imported goods;
- f. Aid for the acquisition of road freight transport vehicles granted to businesses performing road freight transport for hire or reward.

Where an undertaking is active in the sectors referred to in points (a), (b) and (c) above as well as in other sectors falling within the scope of the *de minimis* Regulation, the Corporation will ensure a separation of the activities or distinction of costs. Only those sectors eligible for assistance under the *de minimis* Regulation will be assisted. Activities in the sectors excluded from the scope of the *de minimis* Regulation will not benefit from assistance under this aid scheme.

9.3 Cumulation

In terms of Article 5 of the *de minimis* Regulation, *de minimis* aid granted under this incentive may be cumulated with *de minimis* aid granted in accordance with Commission Regulation (EU) No 360/2012 up to the ceiling laid down in that Regulation. It may be cumulated with *de minimis* aid granted in accordance with other *de minimis* regulations up to the relevant ceiling fixed in terms of these Incentive Guidelines.

De minimis aid approved under the **Cooperate for Growth Scheme** shall not be cumulated with State Aid in relation to the same eligible costs or with State Aid for the same risk finance measure, if such cumulation would exceed the highest relevant aid intensity or aid amount fixed in the specific circumstances of each case by a block exemption regulation or a decision adopted by the European Commission. *De minimis* aid which is not granted for, or attributable to, specific eligible costs may be cumulated with other State Aid granted under a block exemption regulation or a decision adopted by the Commission.

10. Further Information

Further information on this scheme, as well as information and guidance on the filling in of the application form may be obtained by contacting Business First or Enterprise Europe Network (Malta) during office hours.

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