



MALTAENTERPRISE

INCENTIVE GUIDELINES

Support for Reducing the Environmental Impact of Construction Activities.

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Version: 1.0

<https://www.maltaenterprise.com/support>

1. Overview

- 1.1 The impacts of construction activities on environment are multiple. This measure aims to support investments that reduce the impact of this activity by facilitating the reduction in volume of construction waste, control dust emission and facilitate the replacement of equipment.

2. Am I eligible?

- 2.1 You are eligible to apply if you are registered as a limited liability company with the Malta Business Registry, partnership or self-employed and are engaged in construction activities, including the processing and disposal of construction waste. To be considered for support you must meet all the criteria established below:

- a) The applicant must not have any dues related to VAT, Income Tax, and Social Security.
- b) The applicant must not be engaged in activities specifically excluded under the *de minimis* Regulation (vide Section 8).
- c) The applicant must have at least one full time employee registered with Jobsplus (a full time self-employed person is considered to meet this criterion).

3. What is the maximum support?

- 3.1 The maximum support that can be awarded shall cover 50% of the eligible expenditure up to a maximum €100,000 per project. The Support shall be in the form of a tax credit which must be utilised over a period of five (5) years.

- 3.3 This measure is based on the *de minimis* Regulation. The total amount of *de minimis* aid granted to a single undertaking shall not exceed the amount of €200,000 (or €100,000 in the case of single undertakings performing road freight transport for hire or reward) over any period of three consecutive fiscal years.

4. What costs are eligible?

- 4.1 The below table provides details of eligible expenditure and related conditions.

- a) **Crushing equipment for waste (Crushers)** - Procurement of crushing equipment used to recycle construction and demolition waste or reduce the volume of waste intended to be backfilled, in sites having an environmental permit by the Environment Resources Authority and development consent/clearance by the Planning Authority (as may be required) for crushing of construction and demolition waste;
- b) **Dust suppression equipment** - Procurement of equipment (such as mist cannons) required to reduce dust emissions during construction and demolition activities;
- c) **Replacement of old construction equipment** - Replacement of construction machinery and/or equipment powered by internal combustion engines manufactured prior to 2015, with new equivalent or better machinery and/or equipment that performs the same function. At claim

stage the beneficiary would be required to submit a destruction certificate issued by a licensed destruction facility for scrapping of the machinery / equipment that was replaced. The certificate must clearly indicate that the equipment identified in the application was destroyed. The machinery / equipment must be taken to a destruction facility duly authorised by a competent authority).

- 4.2 Any costs incurred before the approval of the Corporation will not be considered as eligible. Supported investments must be implemented within twelve (12) months from the date when funding is approved, unless the supply of the approved equipment is scheduled to a later date as per agreement with the manufacturer.

5. How do I apply?

- 5.1 When submitting an application, the applicant will be required to provide full details and costs to be incurred including a quotation from the supplier from whom the new equipment will be purchased.
- 5.2 The application form, which may be downloaded from the Corporation's website, and any other additional documentation should be submitted through the Corporation's client portal. First time applicants will be required to register on the client portal before they can submit their application.

6. By when can I submit an application?

- 6.1 The applications may be submitted until 30th November 2023. Applications will be processed in the order received.
- 6.1 The scheme may be closed prior to 30th November 2023 if the budget is fully allocated.

7. What happens after I apply?

- 7.1 Once Malta Enterprise receives an application, it will be processed in terms of these Incentive Guidelines. Approval is not automatic and is subject to the approval of the Corporation. The Corporation retains full discretion on the approval of projects.
- 7.2 Malta Enterprise shall do the utmost to process applications in the shortest time possible and may in the process request further clarifications from the applicant.
- 7.3 If a project is approved, the Corporation will issue a letter of approval specifying the terms and conditions of the Tax Credit. The letter will include details on implementation and monitoring.

8. State Aid Rules and Obligations

8.1 Applicable State Aid Rules

- 8.1.1 If the submitted application is approved, the beneficiary will benefit from *de minimis* State Aid in line with *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* [OJ L 352/1, 24.12.2013] (the *de minimis* Regulation), as amended by *Commission Regulation (EU) 2020/972 of 2 July 2020 amending Regulation (EU) No 1407/2013 as regards its prolongation and amending Regulation (EU) No 651/2014 as regards its prolongation and relevant adjustments* [OJ L 215/3, 7.7.2020].
- 8.1.2 The *de minimis* Regulation allows a ‘single undertaking’ to receive an aggregate maximum amount of *de minimis* aid of €200,000 (or €100,000 in the case of single undertakings performing road freight transport for hire or reward) under all *de minimis* aid measures, over a period of three consecutive fiscal years. This three-year 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. The agriculture and fisheries sectors are subject to different thresholds and criteria. For the purposes of this scheme, the term ‘single undertaking’ shall be defined as per the *de minimis* Regulation (see below).
- 8.1.3 This maximum threshold would include all State aid granted under this scheme and any other State aid measure granted under the *de minimis* rule including that received from any entity other than Malta Enterprise Corporation. Any *de minimis* aid received in excess of the established threshold will have to be recovered, with interest from the undertaking receiving the aid.
- 8.1.4 The *de minimis* declaration form must be filled in and submitted together with the application form.

8.2 Applicability of the Aid

- 8.2.1 Assistance approved under this aid scheme is NOT:
- a) Aid granted to undertakings active in the fishery and aquaculture sector, as covered by Council Regulation (EC) No. 104/2000¹;
 - b) Aid granted to undertakings active in the primary production of agricultural products;
 - c) Aid granted to undertakings 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 undertakings concerned;
 - ii. Where the aid is conditional on being partly or entirely passed on to primary producers;
 - 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 undertakings performing road freight transport for hire or reward.

¹ 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).

8.2.2 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.

8.3 Cumulation

8.3.1 *De minimis* aid granted in accordance with this scheme 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 laid down in Article 3(2) of the *de minimis* Regulation.

8.3.2 *De minimis* aid awarded under this 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 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.

9. Further Information

9.1 This incentive has a budget of five million euro (€5,000,000).

9.2 Malta Enterprise Corporation may issue and publish Incentive Guidelines in terms of Article 8 (3)(a) of the Malta Enterprise Act, Chapter 463 of the Laws of Malta. Support for reducing the environmental impact of Construction Activities Regulation's as subsidiary legislation 463.47 to the Malta Enterprise Act form the specific legal basis for these Incentive Guidelines.

9.3 Beneficiaries will be monitored by the Corporation and other agencies entrusted by the Corporation. If a beneficiary fails to implement and maintain the supported investment and carry out the agreed actions as specified in the letter of approval, the Corporation may revoke and/or recover all or part of the support granted.

Useful Definitions

9.4 **Applicant:** *An Applicant is an Undertaking that has submitted a complete application for support under this scheme to the Corporation.*

9.5 **Beneficiary:** *A Beneficiary is an Undertaking that is in possession of a Letter of Approval issued by the Corporation.*

9.6 **Corporation / Malta Enterprise:** *The terms The Corporation and Malta Enterprise shall mean Malta Enterprise Corporation as established by the Malta Enterprise Act, (CAP 463 of the Laws of Malta).*

9.7 **Letter of Approval:** *A Letter of Approval is a document establishing the support granted to an undertaking and stipulating any terms and conditions deemed appropriate by the Corporation.*

9.8 **Single Undertaking** shall be defined 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 the de minimis Regulation, all enterprises having at least one (1) of the following relationships with each other:

1. *one (1) enterprise has a majority of the shareholders' or members' voting rights in another enterprise;*
2. *one (1) enterprise has the right to appoint or remove a majority of the members of the administrative, management or supervisory body of another enterprise;*
3. *one (1) 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;*
4. *one (1) 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 (1) to (4) above through one or more other enterprises shall also be considered to be a single undertaking.

The same Regulation states that a group of linked enterprises is considered as one single undertaking for the application of the de minimis rule, but that enterprises 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 enterprises controlled by the same public body or bodies, which may have an independent power of decision, is therefore taken into account².

² Commission Regulation (EU) No 1407/2013 of 18th December 2013

10. Contacts

Further information on the scheme, as well as information and guidance on the filling in of the application form may be obtained by contacting Malta Enterprise during office hours.

Postal Address: Malta Enterprise
Gwardamangia Hill,
Pieta`, MEC 0001
Malta.

Tel: 144

Websites: www.maltaenterprise.com

The official Incentive Guidelines are published at:
<https://www.maltaenterprise.com/support>

Email: info@businessfirst.com.mt