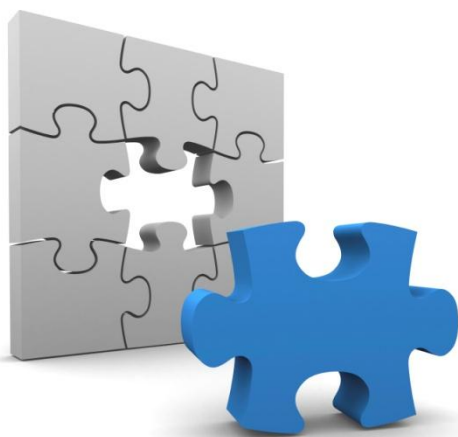


Incentive Guidelines

Get Qualified 2014



MALTAENTERPRISE

Contents

1	Introduction	3
1.1	Scope	3
1.2	Duration of the incentive	3
1.3	Legal Basis	3
1.4	Designated Authority	3
1.5	Definitions	3
2	Eligibility	4
2.1	Eligible Qualification	4
2.2	Eligible Applicants	5
2.3	Exclusions	5
3	Incentive Description	6
3.1	Details of Incentive	6
3.2	Eligible costs	6
5	Tax Credits Application	6
6	Claiming the tax credit	7
7	Monitoring and control	7
8	Contact Details	8

1. Introduction

1.1 Scope

The scope of this incentive is to support the personal development of individuals who aim to achieve qualifications and certifications required by industry. The incentive is applicable to students following a course of studies leading to a certification, diploma, degree or post-graduate degree courses. On successful completion the student will benefit from a tax credit hence recovering part of the costs incurred.

This incentive is mainly intended to support persons who have completed formal education and who are seeking to further their education in areas that are relevant to Maltese Industries.

1.2 Duration of the incentive

This incentive guideline will remain effective until 31st December 2018. Malta Enterprise may review, update and amend this Incentive Guideline.

1.3 Legal Basis

Legal Notice entitled Deductions and Tax Credits (Relevant Qualifications for Industry) Rules, 2009 (LN243 of 2009 under the Income Tax Act) enables Malta Enterprise to approve Tax Credits for students aiming to attain qualifications required by industry.

1.4 Designated Authority

This incentive is administered by Malta Enterprise.

1.5 Definitions

For the purpose of these incentive guidelines, an awarding body is a body issuing qualifications (certificates, diplomas or titles) and that formally recognises the learning outcome (knowledge, skills and/or competences) of an individual, following an assessment and validation procedure.

2. Eligibility

2.1 Eligible Qualifications

- a. A qualification shall be considered eligible if approved as level 5 or higher by the Malta Qualification Framework (MQF) grading structure¹ and directly relevant to careers in one of the following areas (based on the International Standard Classification of Education (ISCED) 2011)

Only the subject categories listed below shall be considered as eligible.

The qualification or certification is to be granted on merit that is verified through a form of assessment which is specific to that qualification or certification.

1. **Arts:** Performing arts; Graphic and audio-visual arts;
2. **Graphic Design**
3. **Economics**
4. **Life Sciences**
5. **Physical:** Physics, and other allied subjects; chemistry and other allied subjects, marine science.
6. **Mathematics and statistics:** Mathematics, operations research, numerical analysis, actuarial science, statistics and other allied fields.
7. **Computing - including Digital Gaming:** Computer sciences, system design, computer programming, data processing networks, operating systems – software development.
8. **Engineering and engineering trades:** Engineering drawing, mechanics, metal work, electricity, electronics, telecommunications, energy and chemical engineering, vehicle maintenance.
9. **Manufacturing and processing:** Food and drink processing, textiles, clothes, footwear, leather, materials (wood, paper, plastic, glass, etc.)
10. **Veterinary:** Veterinary Medicine; Veterinary Assistant
11. **Law:** only eligible with courses that specialise in one of the following areas: life sciences, finance and financial services; banking; intellectual property; insurance; information and communication technology; maritime; medicine; aviation or economic regulation.
12. **Finance, banking, insurance, investment analysis**
13. **Accounting, auditing, book keeping**
14. **Project Management**
15. **Logistics Management**
16. **Health**

Medicine: anatomy, epidemiology, cytology, physiology, immunology and immunohaematology, pathology, anaesthesiology, paediatrics, obstetrics and gynaecology, internal medicine, surgery, neurology, psychiatry, radiology, ophthalmology;

Medical services: public health services, hygiene, pharmacy, pharmacology, therapeutics, rehabilitation, prosthetics, optometry, nutrition;

Dental Services: dental assisting; dental hygienist; dental laboratory technician, odontology;

¹ The grading structure could be obtained from the NCFHE website - www.ncfhe.org.mt

Nursing: basic nursing, midwifery

17. **Personal Services:** Travel and tourism, sports and leisure; cosmetic services related to a specialisation in cosmetic procedures provided to patients.
18. Business related studies focusing on one of the following areas:
 - i. Restoration
 - ii. Entrepreneurship
- b. In case of specialised training which is specific to a technology or industry, a qualification may also be considered eligible for assistance. This shall be limited to:
 - i. Courses in Information and Communication Technologies and Digital Media
 - ii. Courses in Aviation and Maritime technologies and services
 - iii. Courses in Finance
 - iv. **Language Studies focused on Business** in the following languages: Mandarin, Spanish, Hindi, Arabic, Portuguese, Russian, German, French, or Italian.
- c. Courses classified as level 5 or higher under the MQF grading structure but not directly relevant to any of the subject areas outlined in section 2.1 (a), shall still be considered as eligible if as part of his studies the student submits a dissertation or thesis addressing one of the areas outlined in section 2.1 (a).

2.2 Eligible Applicants

This fiscal benefit is available to individuals who finance their own studies.

2.3 Exclusions

- a. Qualifications issued by national and international bodies, that are required by individuals to achieve certification of compliance to national and international standards are not considered eligible.
- b. Individuals already benefiting under other state administered incentives² in relation to the same course of studies are not eligible.

² All state administered incentives include scholarship schemes such as the Strategic Educational Pathways Scholarships [STEPS], the Malta Government Scholarship Scheme [MGSS] post-graduate scheme and the Malta Arts Scholarships which are administered by the Education Division <http://www.education.gov.mt/edu/scholarships.htm>

3. Incentive Description

3.1 Details of Incentive

The tax credit granted to successful students will be of 70% of the eligible costs yet the maximum value of tax credits will be capped in relation to the MQF level of the qualification as specified below:

MQF Level	Tax Credit Capping
5 (Undergraduate Diploma)	€3,500
6 (Bachelor Degree)	€12,500
7 (Post-graduate Degree, Diploma or Certificate)	€15,000
8 (Doctorate)	€25,000
Other Courses	€2,000

3.2 Eligible costs

The following costs are eligible for tax credits:

- a. Registration fees paid to the awarding body awarding the qualification.
- b. Fees paid to the university, institution or other entity recognised by Malta Enterprise for the training and educational services leading to the approved qualification
- c. Fees payable in connection with examinations, including the cost of one (1) resit per examination/assignment required to achieve the approved qualification.
- d. Bench fees paid to the University awarding the qualification.

The maximum value of tax credits will be of 70% of the eligible costs and capped as per section 3.1. Moreover, the eligible costs will be calculated as follows:

- Eligible costs incurred directly from the **Awarding Body** awarding the qualification as indicated in the official documentation published by the Awarding Body.
- Eligible costs paid to a **third party organisations** recognised by the Awarding Body, the eligible value shall be the actual costs paid by the student.

5. Tax Credits Application

- a. Students are required to apply for the tax credit within one year of commencement of their course.
- b. On applying the student will also be required to submit a declaration stating that the beneficiaries' studies have not and shall not be reimbursed nor compensated for the whole or any part of the costs on which the tax credit is being claimed from any source whatsoever;

- c. Malta Enterprise shall not consider applications in respect of a course of qualifications that commenced before 1st January 2014 or after 31st December 2018.

Once an application is determined eligible, Malta Enterprise may still request any documentation which is deemed necessary to establish the actual eligible cost.

Malta Enterprise will issue an Incentive Entitlement Certificate stipulating the value tax credit applicable. The applicant will be able to utilise the tax credit after being awarded the named certification.

6. Claiming the tax credit

The holder of the Incentive Entitlement Certificate may start claiming the tax credit as a deduction from the tax payable for the year of assessment for the relevant qualification obtained. Any amount of tax credit not utilized by the beneficiary in that year of assessment may be carried forward and be set against his/her respective tax liability within the subsequent ten (10) years of assessment.

On presenting his/her first claim for tax credit, the beneficiary must submit to the Commissioner of Inland Revenue the following documentation:

- a) The Incentive Entitlement Certificate issued by Malta Enterprise;
- b) a copy of a certificate or an equivalent document issued by the awarding body (university or institution) confirming the beneficiary has successfully attained the qualification or certification approved in the Incentive Entitlement Certificate issued by Malta Enterprise; and
- c) a declaration that the beneficiary is not and has not been entitled from any source whatsoever to any reimbursement of or compensation for the costs claimed as a tax credit or any part of those costs.

7. Monitoring and control

Malta Enterprise and the Commissioner of Inland Revenue:

- i. may require evidence confirming that costs claimed have been incurred and the authenticity of the documentation substantiating the claim for the tax credit.
- ii. will revoke any approved and/or granted aid if any evidence is found showing that the beneficiary has abused of the right to this incentive.
- iii. may request the original certificates.

8. Contact Details

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

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

Tel: 144

Websites: <http://www.maltaenterprise.com>

www.businessfirst.com.mt

Email: info.businessfirst@maltaenterprise.com

9. Annex 1- Amendments to the Incentive Guidelines

The following amendments have been made to the Incentive Guidelines version 4 published on 1st April 2014:

2.1 Eligible Qualifications

- c. Courses classified as level 5 or higher under the MQF grading structure but not directly relevant to any of the subject areas outlined in section 2.1 (a), shall still be considered as eligible if as part of his studies the student submits a dissertation or thesis addressing one of the areas outlined in section 2.1 (a).

3.2 Eligible Costs

- d. Bench fees paid to the University awarding the qualification.