

Incentive Guidelines

Business Associations Grant



MALTAENTERPRISE

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<http://support.maltaenterprise.com>

Business First supports interested applicants to understand the objectives of the incentive; explain details relevant to the scheme and address any problems they might encounter when completing their application.

Applicants may contact the Corporation by calling 144 or by email on info@businessfirst.com.mt

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1. Introduction

1.1 Purpose of Incentive

Business Associations typically perform activities that support collective development and growth of undertakings within a specific sector. Such activities include networking, information gathering, research, and establishing industry standards. These associations play a critical role in establishing best practices, and technical standards. Through this incentive Malta Enterprise intends to promote the development and continuity of small Business Associations that aim to facilitate collaboration and develop their relevant business sector.

1.2 Duration of the incentive.

This incentive will be available until 31st December 2020.

1.3 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.

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

1.4 Designated Authority

This incentive is administered by Malta Enterprise (hereinafter referred to as 'the Corporation').

1.5 Budget

This scheme will be available till 31st December 2020 and an annual budget of €100,000 will be allocated.

1.6 Form of Aid

Aid shall be provided in the form of cash grant as specified in Section 4.

2. Definitions

2.1 Business Association

For the purpose of these Incentive Guidelines, a *Business Association* is a membership based organization engaged in promoting the business interests of a specific sector. Business Associations aim to achieve common objectives that are expected to support growth, innovation and development of their member undertakings.

Business Associations should have:

- i. Specific targets that address the development needs of the relevant business sector.
- ii. An open membership policy allowing all entities in the relevant sector to become members.

2.2 Single Undertaking

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 (1) undertaking has a majority of the shareholders' or members' voting rights in another undertaking.
- (b) One (1) 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 (1) 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 or articles of association.
- (d) One (1) 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 (1) or more other undertakings shall also be considered to be a single undertaking.¹

The same regulation states that a group of linked enterprises is considered as one (1) single undertaking for the application of the *de minimis* rule, but that 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.²

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

2.4 Incentive Entitlement Certificate

Incentive Entitlement Certificate means a certificate issued in terms of Part VI of the Malta Enterprise Act and outlining the support granted and its terms and conditions.

3. Eligibility

3.1 Eligible Sectors

The Corporation shall support Business Associations that enhance collaboration between undertakings in the following industries:

- a. Manufacturing
- b. Industrial Services
- c. Information and Communication Technologies
- d. Aviation and Maritime
- e. Creative Enterprises
- f. Digital Media
- g. Life Sciences
- h. Crafts

3.2 Eligible Business Associations

In order to be eligible for this incentive the Business Associations (as defined in Section 2) must:

- i. Represent at least ten (10) single undertaking active in the same relevant sector²
- ii. Have no more than 100 registered members.

3.3 Exclusions

- a. Business Associations engaged in activities specifically excluded under the de minimis regulations (vide Section 8) are not eligible for this incentive.
- b. A Business Association shall be disqualified if it engages in any economic activity unless such activity is related to the sector being represented.

3.4 Disqualifying Criteria

Aid approved by the Corporation will be suspended until that association and/or beneficiary has reimbursed old, unlawful and incompatible aid that is subject to a recovery decision.

² This will include undertakings active within the relevant value chain.

4. Incentive Description

4.1 Eligible Costs

a. **Wage costs of Coordinator/Administrator**

The wage costs of a Coordinator or Administrator employed by the Association and having the role to animate and support the association's activities may be supported.

Provided that:

- i. It is explicitly indicated in the employment contract the tasks and duties that are due to be carried out in relation to the Business Association.
- ii. Wages shall be calculated on the net pay as indicated in the employee's payslip.
- iii. On a monthly basis, support will be capped at €600 per month which shall be increased to €800 if the employee holds a tertiary education level (minimum MQRC 6). In cases where the Coordinator/Administrator is employed on a part-time basis the maximum support shall be reduced proportionally to the hours worked.

b. **Annual Memberships**

A supported Business Association may claim up to €2000 in relation to costs related to memberships/affiliation with international associations.

c. **Attendance to international sectoral events held outside Malta**

The following costs incurred for attendance and/or participation in pre-approved international events relevant to the Business Association's scope may be supported:

- i. Participation fees paid to the event organisers.
- ii. Air travel costs covering two (2) representative of the Business Association attending an event. The reimbursement for any travel to Europe and the Mediterranean region shall be capped at €250 per person while the reimbursement for any travel outside Europe and the Mediterranean region shall be capped at €500 per person.
- iii. A per diem as per rates listed down in Annex I of these Incentive Guidelines may be granted for a maximum of two (2) persons:
 - a. If the event is held in Europe or the Mediterranean region the per diem shall be limited to five (5) days or the days of the event (whichever is the shortest).
 - b. If the event is held outside Europe or the Mediterranean region the per diem shall be limited to seven (7) days or the days of the event plus two additional days (whichever is the shortest).
 - c. Irrespective of the above, the per diem may not exceed the number of days separating the arrival date and departure date as established through the submission of aircraft boarding documentation.

4.2 Ineligible Costs

Only the costs mentioned in Section 4.1 (above) are eligible. Any tax (such as VAT) will be deducted from claims presented.

4.3 Maximum Aid

Aid will be approved on an annual basis, in a form of a grant and each Business Association may receive up to € 10,000 per annum.

5. Evaluation and Assignment of Aid

Aid approved under this incentive is subject to approval in writing and is awarded at the sole discretion of the Corporation.

5.1 Application

Applications should be made to the Corporation and should include:

- a. The official application which can be downloaded from the Malta Enterprise website.
- b. The minutes of the last Annual General Meeting (AGM) with a list of all attendees together with a copy of the Annual Report (if the Business Association has been established for more than one (1) year).
- c. The agreement/status establishing the Business Association.
- d. Income and expenditure statement signed by a Certified Public Accountant (CPA) (if the Business Association has been established for more than one (1) year).
- e. List of members and their membership status signed by a CPA.

All applications must be received by the Corporation by not later than 31st December 2020 (10:00 a.m.)

All applications must be completed electronically and may be posted, or delivered by hand.

5.2 Assessment

Approval is subject to an analysis of the achievements, proposed activities and targets of the association. The applications will be expected to demonstrate that the association:

- a. Will provide added value to the members of the association.
- b. Will support the development of internal capacities of the members of the association.
- c. Ensures synergy amongst members of the association.

5.3 Notification of results

Once aid is approved, the Corporation will inform the beneficiary accordingly. A Certificate will be issued to specify the period covered by the approval and the maximum annual funding that shall be awarded.

6. Claims

The beneficiary may submit a claim covering a minimum of six (6) months using the official claim form which shall be provided by the Corporation. In addition, the beneficiary will be required to present the following documentation:

a. For Wage costs for Project Co-ordinator/Administrator:

- i. A copy of the contract of Employment.
- ii. Payslips covering the relevant period for the Project Co-ordinator/Administrator engaged in the project, countersigned by the employee.
- iii. Employment history.

b. For costs related to Annual Memberships:

- i. The original fiscal documents (either a fiscal invoice or a fiscal receipt with a copy of the invoice).
- ii. Proof of payment of the invoice. Copies of the encashed cheques or original bank advice documents showing all payments effected in relation to the claimed costs.

c. For costs related to attendance to international sectoral events held outside Malta:

- i. Boarding Passes.
- ii. Official documentation related to the event.
- iii. Proof of participation.

All claims should be submitted to Business First and according to the terms and conditions set out in the Incentive Guideline unless stated otherwise in the Incentive Entitlement Certificate issued by the Corporation.

Any required documentation not submitted may render the whole project or one or more cost items as ineligible. In this case, any cash grants already awarded will be recovered.

7. General Provisions

7.1 Changes to Approved Assistance

Any modification to an approved project should be notified to and be approved by the Corporation. The Corporation shall reserve the right to re-evaluate the project on the basis of the proposed amendments and may, pursuant to the outcome of the evaluation, terminate further assistance.

7.2 Monitoring

Beneficiaries will be subject to monitoring to ensure that the project is being or was implemented according to:

- a) These Incentive Guidelines.
- b) The terms and conditions set in the Incentive Entitlement Certificate issued by the Corporation.
- c) *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).*

7.3 Annual General Meetings

The Corporation has the right to attend the Annual General Meetings organized by the Association during or after the implementation of the approved project.

7.4 Revocation of Aid

If an applicant is found to have breached the terms and conditions set in these Incentive Guidelines, the Regulation or the Incentive Entitlement Certificate, the Corporation reserves the right to revoke, suspend or recover any aid awarded.

7.5 Additional Provisions

A beneficiary to this incentive shall consent that:

- i. Data and information may be acquired from or forwarded to Government Departments, entities and/or Agencies for the scope of assessing and implementing this incentive and ensuring adherence to any applicable regulation including State Aid.
- ii. Aid awarded by the Corporation will be revoked or reduced to the applicable value if the undertaking fails to reimburse old, unlawful and incompatible aid that is subject to a recovery decision.
- iii. Aid awarded by the Corporation will be revoked or reduced to the applicable value if the undertaking has been assisted for the same cost items via other national or European funds .

8. State Aid Rules and Obligations

8.1 Applicable State Aid

If the submitted application is approved, the project 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* (the *de minimis* Regulation).

Commission Regulation (EU) No 1407/2013 allows a 'single undertaking' to receive an aggregate maximum amount of *de minimis* aid of €200,000 under all *de minimis* aid measures, over a period of three consecutive fiscal years. This aggregate maximum amount threshold applies in principle to all economic sectors with the exception of a 'single undertaking' performing road freight transport for hire and reward for which a lower *de minimis* threshold of €100,000 over any period of three fiscal years applies. The agriculture and fisheries sectors are subject to different thresholds and criteria. For the purpose of this declaration, the term 'single undertaking' includes 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 1 of *Commission Regulation (EU) No 651/2014*. 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 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.

The *de minimis* declaration form³ must be filled in and submitted together with the application form.

8.2 Applicability of the Aid

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. 104/2000⁴;
- 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;

³ The *de minimis* Aid Declaration may be downloaded from <http://www.maltaenterprise.com/en/support/docs/de-minimis-declaration>

⁴ 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).

- f. Aid for the acquisition of road freight transport vehicles granted to undertakings performing road freight transport for hire or reward.

Where an undertaking is active in the sectors referred to in points (1), (2) and (3) 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

De minimis aid granted in accordance with this Regulation 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 this Regulation.

De minimis aid 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. 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: Malta Enterprise
Gwardamangia Hill,
Pieta`, MEC 0001
Malta.

Tel: 144

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

Email: info.businessfirst@maltaenterprise.com

10. Annex I: Per Diem Rates

The latest version of the Per Diem List may be accessed by [clicking here](#).