

Supercharge your Company in Malta – A Guide to the Support Measures Available for Businesses

Eligible businesses might benefit from a suite of financial incentives to further enhance their company in Malta.

By **Andrea Nurchi**, 15th October 2024

While many are aware of the fact that Malta offers a pleasant climate, a charming lifestyle, a business-friendly environment and an attractive tax regime, fewer are aware that eligible businesses might benefit from a suite of financial incentives to further enhance their offering, which positions Malta as an appealing destination for many companies. This article will explore the various support measures available for Maltese businesses in detail.

Organisations offering Support to Companies

Malta Enterprise

Malta Enterprise is the Maltese Government agency tasked with economic development. They offer the following support measures:

- **Startup Finance** targets startups that have not yet distributed profits and provides assistance through repayable advances (interest rate set at 2% plus ECB rate) of up to €1 million for innovative startups. Assistance may be used to cover payroll costs, tangible and intangible assets, procurement of materials and specialised technical services.

- The **R&D Grant** aims to boost Industrial Research and Experimental Development by providing financial assistance in the form of cash grants and/or tax credits. It is available to Limited Liability Companies (LLCs), partnerships, and cooperatives and provides 25% of eligible expenditure for experimental development and 50% of eligible costs for industrial research.
- **Micro Invest** provides tax credits to start-ups, family businesses, and self-employed individuals to innovate and drive economic development.

The assistance is in the form of tax credits ranging from 45% to 65% of eligible expenditure, capped at €50,000 over three years. Eligible expenditures include increase in wage costs that exceed 3%, expenses related to refurbishing, refurbishing, and upgrading of Business Premises, investment costs, acquisition of motor vehicles and certification costs incurred for attaining certifications relevant to their business.

- The **Business Development** incentive supports the setting up of new ventures, businesses expansions, environmental activities and employment of workers with disabilities. Assistance is in the form of grants, cash assistance, and tax credits up to €300,000 per single undertaking over a rolling period of three years, capped at 75% of the costs approved.

Fondi.eu

Fondi.eu is a Maltese Government initiative aimed at managing the EU funds available, while ensuring maximum transparency and information in relation to the funds.

- **Digitalise your Business** is an initiative targeted to enterprises of all sizes and sectors willing to digitalise their activities. Funding is capped at €10,000 for micro businesses and €120,000 for other enterprises per digitalisation investment in digital technologies for each operation in both cases. This measure covers, among others, expenses for e-commerce websites, hardware purchases and software upgrades, digital infrastructure development, training and skill costs, consultancy services.
- **Start-up Enhance** provides grants to micro and small companies to help them overcome initial financial hurdles. It covers 50% of eligible costs,

along with a minimum of €10,000 and a maximum of €400,000 per operation. Expenditures on equipment, plants, and machinery, including ancillary items necessary for start-up operations, as well as expenses related to the rent of a workspace may also be eligible.

- The **Business Report for SMEs** consists of a grant to help medium-sized enterprises to identify opportunities, mitigate risks, and optimise their operations. The support is a €4,000 grant to cover 80% of eligible costs (expenses related to obtaining a comprehensive business plan and conducting process and system reviews).
- The measure **SME Enhance** is available in two frameworks, both of which aim at enhancing productivity and sustainability of micro and small-to-medium enterprises. Eligible expenditures are those related to equipment, plant, machinery and, in some cases, also ancillary costs. Funding can reach up to €500,000 provided that certain criteria are met.

Malta Development Bank (MDB)

The Malta Development Bank (MDB) is a project fully owned, financed and launched by the Government of Malta. It supports the following measures:

- **Guaranteed Co-lending Scheme**, targeted to SMEs seeking financial assistance during economic hardship. It provides businesses with additional financing (loan with reduced interest) during economic challenges, to retain employees and invest in growth. Loans may range from €750,000 up to €10,000,000.
- The **SME Guarantee Scheme** offers an easier way for SMEs to access affordable finance, stimulating economic activity and fostering growth.

This support measure guarantees up to 80% of a loan, provides flexible loan amounts (from €10,000 to €750,000) and extended loan terms (to a maximum of ten years).

Almost all the above-mentioned support measures give particular importance to Gozo, Malta's sister island. In many cases, companies located in Gozo may benefit of higher

capping and/or higher aid intensity.

Dixcart in Malta

The Dixcart office in Malta has professionals that can assist your business applying for appropriate financial assistance. For further information on company incentives and how to obtain them, please contact [Jonathan Vassallo](#), at the Dixcart office in Malta: advice.malta@dixcart.com. Alternatively, please speak to your usual Dixcart contact.

This article is intended to provide general information on company incentives available in Malta as of the publication date. Policies and regulations may evolve, and readers should seek up-to-date advice from industry experts or official resources.