

## Tax Alert

### Malta Grants & Incentives - Investment Aid

04 December 2013



#### Call for Enterprises to obtain Pre-Approval on Investment Projects

**Malta Enterprise has issued a call for applications for the pre-approval of Investment Aid Tax Credits. The application form and relative Annexes can be accessed from [here](#).**

Investment Tax Credits are expressed as a percentage of the investment in qualifying expenditure undertaken by entities who are engaged in qualifying activities. Such credits are deducted against the Malta tax payable by the enterprise on income that is directly derived from the qualifying activity. Any tax credit that exceeds the tax payable for a particular year of assessment may be carried forward and increased by an annual percentage rate for Malta as calculated by the EU Commission (1 June 2013: 0.56%).

Qualifying expenditure is calculated by reference to the value of capital expenditure or wage costs incurred in carrying out an investment project. Qualifying activities include manufacturing, research and development, call centres, information technology, biotechnology, pharmaceuticals, filming, health care, tertiary education, logistics operations, and knowledge intensive business services.

Enterprises which carry on a qualifying activity in terms of the Investment Aid Regulations and which plan to carry out an investment project that either has a budgeted tangible assets' cost in excess of €1 million or that results in the creation of at least 20 new jobs, may apply. Eligible enterprises must demonstrate that the investment aid will materially impact the size of the project, its scope or the speed of its completion.

For projects to be considered eligible, they must start before 31 December 2014 and be completed within two years from the commencement date, which shall not be later than 31 December 2015. In any case, work on the project cannot start before formal approval is issued by Malta Enterprise. Once approval is obtained, the eligible enterprise should be entitled to receive investment aid in line with the current rules rather than the new, less beneficial rules that will apply as from 1 July 2014.

Applications and supporting documentation must be submitted to Malta Enterprise by 31 January 2014.

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For more information or if you require assistance in preparing and submitting the application please contact:

**Louise Micallef**

**[lmicallef@deloitte.com.mt](mailto:lmicallef@deloitte.com.mt)**

Manager - Tax Compliance

Deloitte Malta

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Deloitte Place  
Mriehel Bypass, Mriehel  
Malta

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