



MALTAENTERPRISE

Gozo Transport Grant 2024

INCENTIVE GUIDELINES

Issue Date: 26th August 2024

Version: 1.1

<http://support.maltaenterprise.com>

Support and clarifications in relation to these guidelines may be obtained through Business First which may be contacted by calling 144 or by email on info@businessfirst.com.mt

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1. Overview

This measure supports manufacturing undertakings operating from Gozo by reducing the additional inter-island transport costs incurred for transporting materials, goods and finished products between Malta and Gozo. This assistance serves to reduce the cost-disadvantages for manufacturers based in Gozo by addressing the additional costs incurred when competing with Malta-based undertakings and thus also rendering these businesses in a better position to compete effectively within the single market.

- 1.1 The maximum support per single undertaking shall be capped at three hundred thousand euro (€300,000).
- 1.2 This incentive has a budget of two million euro (€2,000,000).

2. Am I eligible?

- 2.1 Gozo based undertakings engaged in manufacturing (NACE Section C) ¹ as shall be determined in accordance with the NACE code registered with their VAT number which may also be followed up by further checks including a site visit by the Corporation, and carrying out their manufacturing activity in Gozo are eligible for this support measure.

For applications related to transport costs incurred prior to 2024 an applicant in possession of an entitlement certificate confirming that the Corporation is satisfied that all or a significant part of the manufacturing activity is being carried out in Gozo, shall be considered eligible irrespective of the NACE code registered with their VAT number².

- 2.2 To be eligible for aid through this incentive, an undertaking must operate from Gozo and be incorporated in the European Union as a partnership en nom collectif, en commandite or a limited liability company, co-operative or similar set-up.
- 2.3 The measure does not apply to enterprises excluded by the applicable State Aid regulations (see section 6).
- 2.4 Public entities defined as: “Ministries, Departments, Entities, Authorities, Public Commissions, Public Sector Foundations and similar organisations that carry out a public or regulatory function which does not involve the carrying out of an economic activity, whether or not such organisations are established by law”, are not eligible. This exclusion does not include enterprises carrying out an economic activity in a competitive market in which Government holds 50% or less of the control or shareholding.
- 2.5 The Corporation shall refuse applications from undertakings that have dues in relation to VAT, Income Tax, and Social Security payments that in total exceed €1,000, unless the applicant has a

¹ [NACE Rev 2: Statistical classification of economic activities in the European Community:](#)

² The main activity carried out by such undertakings must be analogous to manufacturing.

repayment agreement to settle any dues that is being honoured. The Corporation may, at its discretion, accept applications from undertakings that have dues in relation to VAT, Income Tax, and Social Security payments, of up to €1,000, after considering the reasons for these dues as provided by the applicant and on the condition that the applicant commits to regularise these dues within an established timeframe.

3. How is the support calculated?

3.1 The Corporation shall facilitate eligible undertakings through grants that are intended to make up for the additional costs incurred for the transportation of machinery, plant, materials, goods, and products, related to the undertaking's manufacturing activities in Gozo. The Corporation shall establish the eligible support on the basis of the below parameters.

3.2 **Transport Expenses incurred using owned or leased commercial vehicles.**

The Corporation will calculate a grant on the basis of the number of trips which shall be established by taking into account the number of ferry tickets submitted and shall include additional operating costs incurred by the eligible undertakings due to being based and operating from Gozo. The grant per trip shall be based on the vehicle utilised which shall be determined from the ticket presented as per details in the table below.

Ticket Presented	Grant Per Trip (€)
Car and Driver Gozo Resident Subsidised` Fare ³	50
Gozo Subsidised Commercial Vehicle Category 2	60
Gozo Subsidised Commercial Vehicle Category 3	70
Gozo Subsidised Commercial Vehicle Category 4	90
Gozo Subsidised Commercial Vehicle Category 5	100
Gozo Subsidised Commercial Vehicle Category 6	110
Gozo Subsidised Commercial Vehicle Category 7	120

For transport costs incurred prior to 2024, the Corporation shall establish a capping of one (1) trip per day for each commercial vehicle owned by or leased to the applicant.

For transport costs incurred in 2024 the Corporation shall establish a capping of one (1) trip per employee per day for each commercial vehicle owned by or leased to the applicant. Thus, if an applicant has two (2) commercial vehicles and one (1) employee registered with Jobsplus, only one (1) trip per day shall be considered eligible.

³ The Corporation may request further information to confirm that the driver is an employee of the undertaking.

3.3 **Subcontracted Haulage Expenses**

Subcontracted haulage expenses (including ferry costs) for shipment of goods between Malta and Gozo are eligible for a refund of 100% of the invoiced value excluding VAT. Invoices shall be deemed as eligible if accompanied by a bill of lading or a clear description of the items transported.

3.4 **Courier Services**

Subcontracted Courier Services are eligible for a refund of seventy percent (70%) of the invoiced value excluding VAT. Courier services shall be deemed as eligible if the invoice provided clearly indicates the points of collection and drop off and as long as one of these locations is in Malta and the other in Gozo.

4. How do I apply?

4.1 The application form may be downloaded from and be submitted together with any other additional documentation through the Corporation's client portal (<https://clientportal.maltaenterprise.com/>). First time applicants will be required to register on the client portal before they can submit their application.

4.2 For transport costs incurred in 2023, undertakings may submit one application form to Malta Enterprise (Gozo office) not later than 27th September 2024. For costs incurred in 2024 one application must be submitted by 31st July 2025. Later application submissions shall not be accepted. When submitting an application, the following documentation should be provided:

a) Transport Expenses incurred using owned or leased commercial vehicles.

For expenditure related to ferry crossing using owned or leased commercial vehicles, the application should include:

- i. The original ferry tickets for each eligible transit between Gozo and Malta.
- ii. VAT receipts covering the ferry tickets submitted.
- iii. A copy of the logbook of any owned or leased commercial vehicle used to transport goods between Gozo and Malta.
- iv. A copy of the lease agreement covering leased commercial vehicles used to transport goods between Gozo and Malta.

b) Subcontracted Haulage Expenses and Courier Services.

For subcontracted Haulage Expenses and Courier Service, the application should include the original fiscal invoices (or a copy of the same documents certified as "True Copies of Original" by the warranted accountant or auditor or a Malta Enterprise representative), as issued by the service provider. The Corporation shall consider as eligible only invoices/receipts which

include:

- i. The name and details of the supplier.
- ii. The date of supply.
- iii. A clear description of the item/s transport / bill of lading and pick-up/drop-off location.
- iv. The VAT numbers of both the suppliers and applicant.

5. Transitional Provision

Applicants that submitted an application for costs incurred in 2021, 2022 and 2023, who are in possession of an Incentive Entitlement Certificate under the Gozo Transport Grant as established by the Incentive Guidelines first published by Malta Enterprise on 1st January 2016, shall have their application processed under this measure, yet will be required to consent to this process in writing and submit an updated de minimis declaration.

6. State Aid Rules and Obligations

These Incentive Guidelines are in line with the Commission Regulation (EU) 2023/2831 of 13 December 2023 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).

The total amount of de minimis aid granted to a single undertaking shall not exceed the amount of €300,000 over any period of three consecutive years.

This maximum threshold would include all State Aid granted under this aid scheme and any other State Aid measures implemented in line with the *de minimis* Regulation including that received from any entity other than Malta Enterprise. 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 form indicating any other de minimis aid received and/or applied for over any period of 3 years to which the de minimis Regulation applies, must be filled in and submitted together with the application form.

Applicability of the Aid

Assistance approved under this aid scheme shall NOT result in:

- (a) aid granted to undertakings active in the primary production of fishery and aquaculture products;

- (b) aid granted to undertakings active in the processing and marketing of fishery and aquaculture products, where the amount of the aid is fixed on the basis of price or quantity of products purchased or put on the market;
- (c) aid granted to undertakings active in the primary production of agricultural products;
- (d) aid granted to undertakings active in the processing and marketing of agricultural products, in one of 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;
- (e) aid granted to export-related activities towards third countries or Member States, namely aid directly linked to the quantities exported, the establishment and operation of a distribution network or other current expenditure linked to the export activity;
- (f) aid contingent upon the use of domestic goods and services over imported goods and services.

Where an undertaking is active in the sectors referred to in points (a), (b), (c) or (d) above and is also active in one or more of the other sectors falling within the scope of the *de minimis* Regulation or has other activities falling within the scope of this Regulation, aid may be granted in respect of the latter sectors or activities. The Corporation will ensure, by relying on appropriate means such as separation of activities or separation of accounts, that the activities in the sectors excluded from the scope of the *de minimis* Regulation do not benefit from the *de minimis* aid granted in accordance with this scheme. 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.

Cumulation

In terms of Article 5 of the *de minimis* Regulation, *de minimis* aid granted under this incentive may be cumulated with:

- (a) *de minimis* aid granted in accordance with Commission Regulation (EU) 2023/2832;
- (b) *de minimis* aid granted in accordance with Commission Regulations (EU) No 1408/2013 and (EU) No 717/2014 up to the relevant ceiling laid down in Article 3(2) of the *de minimis* Regulation.
- (c) Aid granted in accordance with this scheme shall not be cumulated with State aid in relation to the same eligible costs 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.

7. Legal Basis

This is an administrative scheme. Malta Enterprise is enabled to issue and publish official Incentive Guidelines in terms of Article 8(3)(a) of the Malta Enterprise Act (CAP 463 of the Laws of Malta).

8. Definitions

8.1 Applicant

An **Applicant** is a legal person or group of legal persons that has/have submitted a complete application for support under this scheme to the Corporation

8.2 Beneficiary

A **Beneficiary** is a legal person or group of legal persons that is/are in possession of a Letter of Approval issued by the Corporation.

8.3 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).

8.4 Single Undertaking

For the purpose of these Incentive Guidelines, the term **Single Undertaking** shall be as defined in the de minimis Regulation.

Single Undertaking includes, for the purposes of this Regulation, all enterprises having at least one (1) of the following relationships with each other:

- a) one (1) enterprise has a majority of the shareholders' or members' voting rights in another enterprise;
- b) 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;
- c) one (1) enterprise has the right to exercise a dominant influence over another enterprise pursuant to a contract entered into with that enterprise or pursuant to a provision in its memorandum or articles of association;
- d) 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 (a) to (d) above through one or more other enterprises shall also be considered to be a single undertaking.

The criteria should be applicable, given the scope of this Regulation, to both SMEs and large

undertakings and should ensure that a group of linked enterprises is considered as one single undertaking for the application of the de minimis rule. However, enterprises that 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, should not be treated as being linked to each other. The specific situation of enterprises controlled by the same public body or bodies, in which the enterprises may have independent power of decision, should therefore be taken into account.

8.5

Incentive Entitlement Certificate

An **Incentive Entitlement Certificate** is a certificate issued by the Corporation, establishing the entitlement of an undertaking to receive support in terms of the Gozo Transport Grant as established by the Incentive Guidelines first published by Malta Enterprise on 1st January 2016.

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 Malta Enterprise during office hours.

Address:	Malta Enterprise Gwardamangia Hill, Pieta`, MEC 0001 Malta	Business 1st Centru Joseph Grech 2nd Floor, Cobalt House Mdina Road Mriehel, B'Kara, BKR 3000	Malta Enterprise (Gozo Office) Industrial Estate Xewkija XWK 3000 Gozo, Malta.
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Websites: www.maltaenterprise.com
The official Incentive Guidelines are published at:
<https://www.maltaenterprise.com/support>

Email: info@businessfirst.com.mt