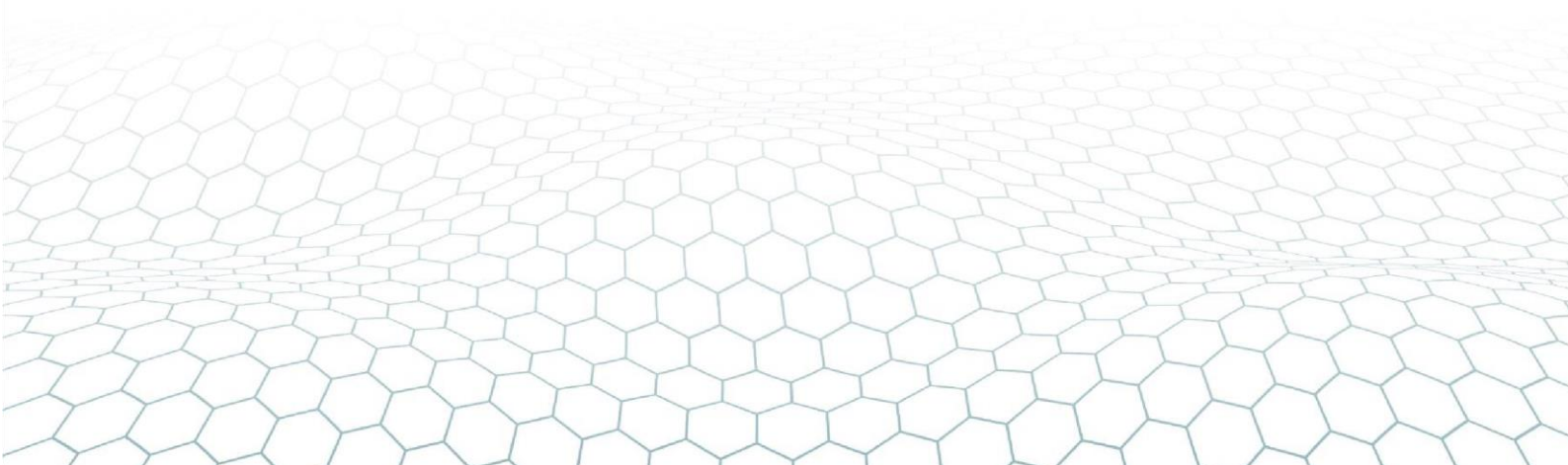




MALTA ENTERPRISE

INCENTIVE GUIDELINES

GOZO TRANSPORT GRANT



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1. Introduction

This measure supports manufacturing undertakings operating from Gozo by reducing the additional inter-island transport cost 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, rendering these businesses in a better position to compete effectively within the single market.

1.1 Duration of the incentive.

This aid scheme is applicable to transportation costs between Malta and Gozo between 1st January 2016 and 31st December 2020¹.

Malta Enterprise may periodically update and amend these Incentive Guidelines.

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.

Regulation 12 of the Enterprise Support Incentives Regulations as subsidiary legislation 463.04 to the Malta Enterprise Act, provides the national legal basis for this incentive.

1.4 Designated Authority

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

1.5 Budget

The Corporation will allocate an annual budget to this scheme which shall be allocated on a first come first served basis.

1.6 Transitional Period

This Incentive Guidelines is valid as from 1st January 2018, for costs incurred in 2017. Any complete application received for support under this measure prior to the date when this version of these Incentive Guidelines become effective, shall be processed under the previous version of these Incentive Guidelines.

¹ This aid scheme is in line with the *de minimis* Regulation. Further information may be found in Section 5 of this Incentive Guideline. If any changes are made to the *de minimis* Regulation, the aid scheme will be brought in line with any amendments made to such Regulation.

2. Definitions

2.1 Single Undertakings

For the purpose of these Incentive Guidelines, the terminology ‘single undertaking’ shall be defined as follows:

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 undertaking has a majority of the shareholders’ or members’ voting rights in another undertaking;
- (b) one 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 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 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 or more other undertakings shall also be considered to be a single undertaking.²

The same Regulation states that a group of linked undertakings is considered as one single undertaking for the application of the *de minimis* rule, but those 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

² [Commission Regulation \(EU\) No 1407/2013 of 18th December 2013](#)

3. Eligibility Undertakings

Gozo based undertakings engaged in manufacturing (NACE rev. 2.0 Section C)³ and 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.

To be eligible for aid through this incentive, undertakings shall be:

- a. duly incorporated under the Companies Act, Chapter 386 of the Laws of Malta being a partnership en nom collectif, en commandite or a limited liability company;

or

- b. any body of persons constituted, incorporated or registered outside Malta, and of a nature similar to the above;

or

- c. be duly registered as a Cooperative under the Co-operatives Societies Act, Chapter 442 of the Laws of Malta.

Undertakings shall be considered as ineligible if they are:

- a) Defaulting on VAT, Income Tax, or Social Security payments.
- b) Engaged in activities specifically excluded under the *de minimis* State Aid Regulations as outlined in Section 6.

³ [NACE Rev 2: Statistical classification of economic activities in the European Community:](#)

4. Incentive Description

4.1 Applicability

The Corporation may support an eligible undertaking, in respect of expenses related to the transportation of machinery, plant, materials, goods and products, required for the undertaking’s manufacturing activities in Gozo.

4.2 Support

The Corporation shall award eligible beneficiaries a grant in relation to:

4.2.1 Transport Expenses incurred using owned or leased commercial vehicles

The Corporation will calculate the grant on the basis of the number of trips which shall be established by taking into account the number of ferry tickets submitted. 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 ⁴	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

The Corporation shall establish a capping of one (1) trip per day for each commercial vehicle owned by or leased to the beneficiary.

4.2.2 Subcontracted Haulage Expenses

Subcontracted haulage expenses (including ferry costs) are eligible for a refund of 100% of the invoiced value excluding VAT.

Invoices shall be deemed as eligible by the Corporation if the service provided is related to haulage and must be accompanied by a bill of lading or a clear description of the items transported.

4.2.3 Courier Services

Subcontracted Courier services are eligible for a refund of 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.

4.3 Ineligible Expenses

Only the costs mentioned in Section 4.2 (above) are eligible.

⁴ The Corporation may request further information to confirm that the driver is an employee of the undertaking.

5. Application and Assignment of Aid

5.1 Application Process

Undertakings shall submit an annual application to Malta Enterprise (Gozo office) not later than the 3rd June of the year following that in which the transport between Malta and Gozo was required.

Applicants would be required to submit:

5.1.1 Transport Expenses

- a) Original ferry tickets for each time the transportation was carried out using commercial vehicles owned by the applicant or leased to the applicant , provided that :
 - As from 2018 the applicant will be required to provide a VAT receipt for all non Gozo subsidized Ferry tickets presented.
 - As from 2019 the applicant will be required to provide a VAT receipt for all Ferry tickets presented.
- b) A copy of the log book of any owned or leased commercial vehicle used to transport goods between Malta and Gozo.
- c) A copy of the lease agreement covering leased commercial vehicles used to transport goods between Malta and Gozo.

5.1.2 Subcontracted Haulage Expenses

The original fiscal invoices and receipts (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 subcontracted haulage service provider for the transport of goods between Malta and Gozo. The Corporation shall consider as eligible only invoices/receipts which include:

- i. The name and details of the supplier.
- ii. Date of supply.
- iii. A clear description of the item/s delivered / bill of lading.
- iv. The VAT numbers of both the suppliers and applicant.

5.1.3 Courier Services

The original fiscal invoices and receipts (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 subcontracted courier service provider.

The Corporation shall consider as eligible only invoices/receipts which include:

- i. The name and details of the supplier.
- ii. Date of supply of each service.
- iii. The point for where the item/package was collected.
- iv. The point where the item/package was delivered.
- v. A clear description of the item/package delivered.
- vi. The VAT numbers of both the suppliers and applicant.

If an invoice covers multiple services (ii), (iii), (iv) and (v) above should be listed for each transaction.

6. State Aid Rules and Obligations

6.1 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 form⁵ must be filled in and submitted together with the application form.

6.2 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. 104/2000⁶;
- 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;
- 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 (a), (b) and (c) 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.

⁵ The *de minimis* Aid Declaration may be downloaded from <http://www.maltaenterprise.com/en/support/docs/de-minimis-declaration>

⁶ 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).

6.3 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 (1) 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.

7. 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 or Business First during office hours.

Postal Address: Malta Enterprise
Industrial Estate
Xewkija XWK 3000
Gozo, Malta.

Tel: (+356) 2156 4700

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Websites: www.maltaenterprise.com

www.businessfirst.com.mt

Email: info.businessfirst@maltaenterprise.com
gozo.office@maltaenterprise.com