

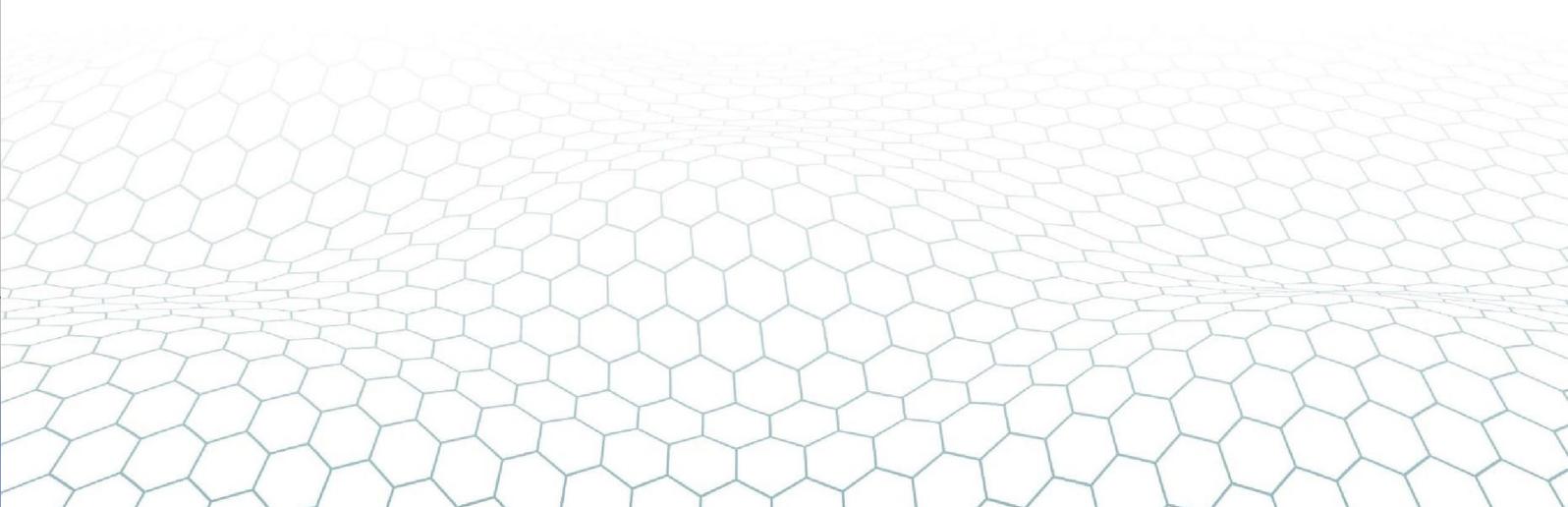


MALTAENTERPRISE

COVID- 19 Support Measure
INCENTIVE GUIDELINES
<https://www.maltaenterprise.com/support>

ReStart

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1. Overview

- 1.1 The COVID-19 pandemic has affected most businesses. The effect of the pandemic on individual businesses was not homogeneous. This scheme has the objective to support those businesses which due to the effect of the pandemic had to terminate operations, by helping them access advisory services and providing a kick-start grant to help them restart operations.
- 1.2 Businesses and entrepreneurs who had to close their business or had a significant downturn in activity, will be supported through the ReStart scheme with full reimbursement of costs capped at five thousand Euro (€5,000) for advisory to restart their business activity or venture into a new business. Furthermore, Malta Enterprise will support businesses that have made use of restart advisory with a further grant of up to five thousand Euro (€5,000) to facilitate the restart of a business activity.

2. Am I eligible?

- 2.1 To be eligible for support you must meet all the criteria established below:
- a. The applicant must be a self-employed person, a micro, small or medium-sized enterprise that had to terminate business operations due to the economic disruptions caused by the COVID-19 pandemic between 1st June 2020 and 30th September 2021.
 - b. Applicants engaged in activities specifically excluded under the *de minimis* Regulation (vide Section 8) may not benefit from this support.

3. What is the maximum support?

- 3.1 The ReStart initiative will support an *Advisory Stage* and a subsequent *Implementation Phase* subject to any recommendations pursuant from the advisory. Eligible undertakings may benefit from a maximum grant of ten thousand Euro (€10,000) to finance eligible costs incurred.
- 3.2 ReStart is a *de minimis* measure. The total amount of *de minimis* aid granted to a single undertaking shall not exceed the amount of €200,000 (or €100,000 in the case of single undertakings performing road freight transport for hire or reward) over any period of three consecutive fiscal years.

4. Advisory Stage

4.1 During the *Advisory Stage*, support is limited to a maximum of five thousand Euro (€5,000) and up to one hundred and twenty euro per hour (€120/hr) including VAT. Only costs related to a *Qualifying Advisory Service* can be financed at this stage of the approved project. Beneficiaries are to complete the *Advisory Stage* within three (3) months of the Corporation's approval.

Qualifying Advisory Services

4.2 The advisory service must be provided by an individual or a team led by an individual who can demonstrate previous experience in advising and supporting businesses start or restructure operations and who meets one of the following criteria:

- a) holds a post graduate university degree in a scientific, technical or behavioural science area (such as engineering, information technology, industrial psychology and economics);
- b) is a warranted accountant;
- c) holds a post graduate degree in business studies, business administration or equivalent (as may be determined by the Corporation);
- d) has served a minimum of five (5) years in a CEO, COO, or top management position in a reputable organisation (as may be determined by the Corporation).

4.3 The advisory service provider must agree to an hourly charge-out rate that does not exceed (€120/hr) including VAT. The advisory service provider will be required to maintain time sheets depicting the work done in favour of the Beneficiary and to compile a report highlighting the main recommendations and eligible costs that the Corporation may consider supporting during the Implementation phase.

4.4 To simplify the on boarding of advisors, The Malta Chamber of Commerce, Enterprise, and Industry, established a directory of eligible advisors, which is available [here](#). However, an applicant is not restricted to choose an advisor from this list.

Applying for Advisory

4.5 Business owners and self-employed persons interested in this support should contact Business First who will review their situation and if deemed eligible will provide the application form and give the necessary support in the process of compiling it.

4.6 In compiling the application, you will need to identify an Advisory Service provider and consult with the provider, as sections of the application form require information related to the capabilities of the service provider. Furthermore, the Advisory Service provider would need to confirm that the documentation required by the Corporation following the *Advisory Stage* and the *Implementation Phase* will be submitted as required. The application should identify the single advisor who will provide the service.

4.7 Before proceeding with the application, ensure that the advisor is available to deliver the service in the eligible timeframe of three (3) months from approval date. In this respect, applicants should be aware that the Corporation has absolute discretion on approving support and may disqualify an application if (in the opinion of the Corporation) the same advisor has taken other commitments under the scheme that would prohibit the delivery of a quality service.

4.8 The selected Advisory Service provider will have to provide you with a quotation on the *ReStart Quotations template* provided by the Corporation. In the quotation, the advisory service provider will need to agree to the terms set by the Corporation to support the business restart process and establish

the hourly rate that shall be applicable which must not exceed one hundred and twenty euro per hour (€120/hr) including VAT.

4.9 The Corporation shall receive applications until Monday 31st October 2022 through the Corporation's client portal. The portal is located at <http://clientportal.maltaenterprise.com>.

4.10 The Corporation will review and evaluate all applications submitted. During this process, the Corporation may seek further clarifications from both the applicant and the advisor. If the request for support is approved a Letter of Approval covering the *Advisory Stage* shall be issued detailing the terms of the Grant.

Requesting support for implementing recommendations

4.11 Following the completion of the Advisory Service, the Beneficiary shall submit all the documentation required to claim the approved costs as specified in the approval letter. The submission shall include fiscal documentation, timesheets, and an Advisory Report on a template provided by the Corporation. The Corporation can process the claims as reimbursements or on request of the Beneficiary issue payment directly to the Advisory Service provider.

4.12 The Summary Advisory Report shall highlight the main findings of the advisory, the recommendations and a list of eligible costs that should support the business to restart operations.

5. Implementation Phase

5.1 The outcome of the advisory and the recommendations for implementing the required changes communicated to the Corporation in the *Advisory Report*, can trigger the request for additional support to kick start the restart of a business activity.

5.2 The *Implementation Phase*, which if undertaken, must follow the advisory stage, shall give access to a further five thousand Euro (€5,000) of support. During this phase, the Beneficiary can receive financing of eligible costs incurred for the implementation of the recommendations highlighted by the advisory service.

Eligible costs

5.3 Malta Enterprise shall consider eligible any costs required to restart the business that are not related to assets or stocks. Eligible costs could include rent, marketing, recruitment services and other similar costs that are identified in collaboration with the advisor as required for restarting the business.

In addition, out of five thousand Euro (€5,000) of support available for the *Implementation Phase*, up to five hundred Euro (€500) of this funding can be utilised to finance additional advisory support required during the Implementation Phase.

5.4 Only costs incurred after the Corporation evaluates the *Advisory Report* and issues a further Letter of Approval specifying the terms and conditions of any additional funding, shall be eligible.

5.5 The Corporation can process the claims as reimbursements or on request of the Beneficiary issue payment directly to the supplier.

- Ineligible costs**
- 5.6 Support may not be provided in respect to:
- a) items or services procured from parties related to the beneficiary;
 - b) items or services (excluding advisory approved under this scheme) procured from the advisory service provider or parties related to the provider;
 - c) costs related to ongoing continuous or periodic activities;
 - d) costs related to export activities;
 - e) costs related to the undertaking's usual operating costs, such as routine tax consultancy services, regular legal services, or advertising.
- Claiming implementation costs**
- 5.7 The beneficiary will have the opportunity to claim any approved implementation costs within a period of six (6) months from the date the implementation costs are approved.

6. State Aid Rules and Obligations

6.1 Applicable State Aid

- 6.1.1 If the submitted application is approved, the beneficiary 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*, as amended by *Commission Regulation (EU) 2020/972 of 2 July 2020 amending Regulation (EU) No 1407/2013 as regards its prolongation and amending Regulation (EU) No 651/2014 as regards its prolongation and relevant adjustments* (the *de minimis* Regulation).
- 6.1.2 *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. 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. For the purpose of this declaration, the term 'single undertaking' as defined in Section 7. 7 below, 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*.
- 6.1.3 The 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.
- 6.1.4 The *de minimis* declaration form¹ must be filled in and submitted together with the application form.

¹ The *de minimis* Aid Declaration may be downloaded from <http://www.maltaenterprise.com/en/support/docs/de-minimis-declaration>

6.2 Applicability of the Aid

6.2.1 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. 104/2000²;
- 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.

6.2.2 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.

6.3 Cumulation

6.3.1 *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.

6.3.2 *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.

² 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).

7. Further Information

- 7.1 Beneficiaries will be monitored by the Corporation and other agencies entrusted by the Corporation. If a beneficiary fails to implement or carry out the agreed actions as specified in the letter of approval, the Corporation may revoke and/or recover all or part of the support granted.

Useful Definitions

- 7.2 **Applicant:** *An Applicant is an Undertaking that has submitted a complete application for support under this scheme to the Corporation.*

- 7.3 **Beneficiary:** *A Beneficiary is an Undertaking that is in possession of a Letter of Approval issued by the Corporation.*

- 7.4 **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).*

- 7.5 **Letter of Approval:** *A Letter of Approval is a document establishing the support granted to an undertaking and stipulating any terms and conditions deemed appropriate by the Corporation.*

- 7.6 **Single Undertaking:** *For the purpose of this scheme, the term Single Undertaking shall be defined 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:

1. *one (1) enterprise has a majority of the shareholders' or members' voting rights in another undertaking;*
2. *one (1) enterprise has the right to appoint or remove a majority of the members of the administrative, management or supervisory body of another undertaking;*
3. *one (1) enterprise has the right to exercise a dominant influence over another enterprise pursuant to a contract entered into with that undertaking or to a provision in its memorandum or articles of association;*
4. *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 undertaking, a majority of shareholders' or members' voting rights in that undertaking.*

Enterprises having any of the relationships referred to in points (a) to (d) above through one or more other undertakings shall also be considered to be a single undertaking.

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 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 account³.

8. Contacts

For guidance on the filling in of the application form kindly contact Business 1st on 144 during office hours.

Duly filled applications must be submitted to Malta Enterprise via the Corporation's Client Portal <https://clientportal.maltaenterprise.com/login>

³ Commission Regulation (EU) No 1407/2013 of 18th December 2013, as amended.