



MALTAENTERPRISE

Support for the Rental and Acquisition of Industrial Space INCENTIVE GUIDELINES

Issue Date: 3rd July 2025

Version: 1.0

<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

- 1.1 This measure is designed to support undertakings engaged in industrial activities, that require industrial space for starting a new business, to expand operations, optimise supply chains or diversify processes. The support facilitates the rental or purchase of private industrial premises required for long term development strategies.
- 1.2 Undertakings may be supported through cash grants and/or tax credits, and the total support that may be approved per single undertaking shall be limited to three hundred-thousand-euro (€300,000) over any rolling period of three (3) years. The approved support will be disbursed over a period of up to six years and the total annual disbursement shall be capped at fifty-thousand-euro (€50,000).

2. Am I eligible?

[Form of Business]

- 2.1 You are eligible for the Support for the Rental and acquisition of Industrial Space scheme if you are a limited liability company, a partnership (en nom collectif or en commandite), cooperative or a self-employed¹.

[Eligibility Criteria]

- 2.2 To be considered for support the applicant must meet all the criteria established below:
 - a) The Applicant must not have dues in relation to VAT, Income Tax, and Social Security. 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 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.
 - b) The applicant must not be engaged in activities specifically excluded under the de minimis Regulation (vide Section 8);
 - c) The applicant must at the point of application be employing less than 250 persons on a full-time basis.
 - d) The applicant must not be subject to collective insolvency proceedings or must not fulfil any criteria under Maltese law for being placed in collective insolvency proceedings at the request of its creditors.

¹ Applicants should be liable to pay Income Tax in Malta and partnerships are required to register under Article 27(6) of the ITMA to be treated as a company.

2.3 Support shall only be considered when the applicant meets one of the below conditions:

- a) Applicant is in the first three (3) years of operation. For the purposes of this measure a start-up is:
 - I. an undertaking registered in the thirty-six (36) months prior to the submission of the application² that is not related to other entities already carrying out a business activity; or
 - II. an undertaking that can demonstrate that no trade income has been generated in the last two (2) fiscal years and that is not related to any undertaking carrying out the same qualifying activity.
- b) requires additional space to expand or diversify operations. Where the additional space required exceeds 200sqm, this shall be supported through a space audit.
- c) requires new industrial premises due to termination of a prior lease and consequent forced eviction as verified by a termination notice issued by the landlord. In such instance, the support shall be limited to the difference in rental costs to be incurred by the applicant.
- d) Is procuring industrial space from which the applicant shall carry out a sustainable qualifying activity which is currently carried out from rented premises of an equivalent area.

[Qualifying Activities]

2.4 An eligible undertaking may be supported for renting or acquiring business premises required for the carrying out or expanding of one or more of the following Qualifying Activities:

- a) Manufacturing activities;
- b) Artisanal activities;
- c) Industrial Packaging activities;
- d) Maintenance and Repairs of Motor Vehicles;
- e) Repair of Machinery & Electrical Equipment.
- f) Industrial Laundry Services

3. Supported Industrial Premises

[Permits]

- 3.1 The premises shall have the correct classification for the activity identified by the applicant to be carried out. Premises should be classified appropriately under CATEGORY E – INDUSTRIAL USES or CATEGORY F – STORAGE and DISTRIBUTION (CLASS 6A) (as defined in Subsidiary Legislation 552.15 Development Planning (Use Classes) Order 2 of the Development Planning Act).
- 3.2 Should the application refer to a premises in respect of which a change of classification has been submitted to the planning authority, the Corporation may still process the application but shall

² In case of self-employment the registration date shall be the date registered with Jobsplus.

establish a deadline by when the appropriate categorisation is to be confirmed through the Planning Authority. If the appropriate categorisation is not received within the stipulated timeframe, the Corporation shall revoke any aid awarded.

- 3.3 The Corporation shall not support premises located in residential areas.

[Supported Costs]

- 3.4 The support shall be awarded as a cash grant for the first three (3) years, and as a tax credit for the subsequent years.
- 3.5 The Corporation may consider awarding aid not exceeding 50% to part-finance costs incurred for:

[Rental Costs]

- a) up to 6 years of new rental agreements - when such rental agreement of commercial premises commences not earlier than one (1) year³ from the date on which the application for support is submitted to the Corporation.
- b) Applicants that received aid under previous version of the scheme would be able to allow for a further 3 years as a tax credit

[Acquisition Costs]

- c) the acquisition of industrial premises as long as the purchase agreement is not finalised prior to the submission of the application. For premises acquired between 1st January 2025 and 15th August 2025, applicants may submit an application following the finalisation of the sale as long as such application is submitted prior to 1st September 2025.
 - d) Support shall be considered irrespective whether the purchase is facilitated through a loan or funded directly by the applicant. The Corporation reserves the right to request a hypothec in favour of the Corporation on the premises acquired.
 - e) The procurement of premises currently being used by the applicant on the basis of a rental agreement shall also be considered, provided that any support awarded shall not exceed a total of €300,000 from which any funding provided to subsidize rental costs under this measure (or previous versions of the Rent Subsidy Scheme) shall be deducted.
- 3.6 Commissions, agency fees and other similar costs shall not be part-financed through this measure.

[Unsupported Activities]

- 3.7 The premises on which support is awarded shall be used for the identified activity (including incidental activities to those carried out in the property as may be approved by the Corporation). When premises are even partially used to carry-out other activities, the Corporation shall carry out a review of the case and may reduce the aid awarded, terminate any future disbursement and/or seek the recovery of any aid disbursed.

³ Extensions and renewals of existing rental agreements do not constitute a new agreement.

4. Exclusions

- 4.1. Eligible costs shall only include the rental or acquisition of the premises and shall not include taxes, finishing works, refurbishing or other services (such as cleaning, reception and security services) unless these are fixed non-variable costs established in the purchase document or rental agreement.
- 4.2. The support shall not be awarded in respect to the rental or the procurement of:
- a) Any property owned by an undertaking, legal person or group of legal persons, that are related to the applicant;⁴
 - b) Public land and government-owned property; ;
 - c) Showrooms, display areas, customer handling areas and similar areas.

5. Application process

- 5.1. Applications must provide details and comprehensive information to enable the Corporation to determine eligibility and evaluate the request for support. A list of the required documentation shall be provided in the application form.
- 5.2. When submitting an application for support on rental costs the applicant will be required to provide a draft copy of the rental agreement (if the agreement is still to be signed) or a copy of the original rental agreement for the premises on which the support is requested.
- 5.3. When submitting an application for support in relation to the acquisition of new premises the applicant will be required to provide a copy of the promise of sale agreement and any bank documentation explaining how the transaction will be funded.
- 5.4. The application form and any other templates provided by the Corporation may be accessed from the Corporation's Client Portal <http://clientportal.maltaenterprise.com/>. All required documents must be submitted through the portal. First time applicants will be required to register on the client portal before they can submit their application.
- 5.5. Any approval is dependent on a review carried out by the Corporation and is awarded at the sole discretion of the Corporation.
- 5.6. Applications shall be submitted to the Corporation by 31st October, 2030.

⁴ Sub-leasing through a related party is also excluded even if the owner of the premises is a third party.

6. What happens after I apply?

[Evaluation]

- 6.1. Once you have submitted the application through the portal, the submission will be evaluated in line with the terms and conditions of these Incentive Guidelines. Each submission will be reviewed on its own merits and any support will be awarded at the sole discretion of the Corporation. In assigning aid under this incentive, the Corporation will examine the project's potential to contribute to the Maltese economy by examining various criteria which will include the:
- a. applicant's business performance and projections in relation to the cost of the rent agreement / Acquisition ;
 - b. strength of the justification provided in the applicant submission;
 - c. space requirements of the applicant; and
 - d. environmental consideration and alignment of business to sustainable development goals.⁵
- 6.2. In its evaluation, the Corporation may conduct onsite visits and request further information and clarifications, beyond the information requested in the application so as to determine whether the support should be awarded.
- 6.3. The Corporation shall only support businesses that demonstrate a sustainable business model. For establishing the form of aid the Corporation shall review the projections of the applicant and take into consideration how grants would affect the applicants cash flow and business sustainability. The Corporation may establish that the aid is awarded partially in the form of cash grants and partially as tax credits.

[Approval / Rejection]

- 6.4. The outcome shall be communicated through an official letter.
- 6.5. Approved projects will be issued a Letter of Approval (in line with Part VI Section 28 et seq. of the Malta Enterprise Act) specifying the terms and conditions of the award. The approval of the Corporation shall establish the maximum support to be awarded in support of the Project. The Letter of Approval will specify the maximum value which may be claimed as a cash grant and/or tax credits, as applicable, and details on how these should be claimed.

[Implementation / Monitoring]

- 6.6. Beneficiaries may be monitored by the Corporation and other agencies entrusted by the Corporation. If a beneficiary fails to 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. For monitoring purposes, the Corporation may request any documentation it deems relevant and may also conduct site visits.
- 6.7. When claiming approved funds, the Beneficiary will be required to submit a CPA Declaration confirming the activity being carried out in the premises is the that approved by the Corporation.

[Revocation and Suspension of Aid]

⁵ <https://sdgs.un.org/goals>

- 6.8. The Corporation may revoke or suspend an approval and may seek to recover funds with interest from the undertaking which was awarded the aid if any breach of the applicable regulations, of these guidelines or of the approval parameters is identified.
- 6.9. In terms of Part VII and Part VIII of the Malta Enterprise Act (CAP 463 of the laws of Malta), the Corporation may revoke, amend or modify the Letter of Approval and apply penalties or request recovery of aid in the case of breach of these Guidelines or the conditions set down in the Letter of Approval issued by the Corporation and any relevant regulations.
- 6.10. The Corporation may withhold all, or part, of the assistance if the undertaking (at group level) is subject to an outstanding recovery in respect of any other incentive awarded by the Corporation.

7. Tax Credits

- 7.1. Tax Credits shall be awarded as Tax Credit Certificates that may be utilised against income tax due. The Tax Credit Certificates shall have a validity of five (5) years commencing from the year of assessment relevant to the period when the Certificate is issued. Any Tax Credit amount not utilised may be carried forward until the year of assessment when the certificate expires.
- 7.2. Tax Credit Certificates shall not give right to a tax refund and any tax credits awarded under this incentive may not be utilised to settle any tax arrears or to rectify any errors identified by the relevant authorities in the tax return submitted to the Inland Revenue Department. The Commissioner for Revenue shall have the right to refuse any tax credit awarded to undertakings defaulting on VAT, Income Tax, and Social Security payments.
- 7.3. The Tax Credit Certificate is non-transferable and must be utilised by the undertaking to which it is issued.

8. State Aid Rules and Obligations

8.1 [Applicable State Aid](#)

- 8.1.1 These Incentive Guidelines are in line with 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).
- 8.1.2 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.
- 8.1.3 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.

- 8.1.4 The de minimis declaration form indicating any other de minimis aid received over any period of 3 years to which the de minimis Regulation applies, must be filled in and submitted together with the application form

8.2 Applicability of the Aid

- 8.2.1 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.

- 8.2.2 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. Malta Enterprise 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.

8.3 Cumulation

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

- (a) with de minimis aid granted in accordance with Commission Regulation (EU) 2023/2832;
- (b) De minimis aid granted in accordance with this Regulation may be cumulated with 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.

- 8.3.2 State 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. De minimis aid that 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.

8.4 Publication in Central Register

In line with Article 6(1) of the *de minimis* Regulation, as of 1 January 2026, information on *de minimis* aid granted under this scheme shall be made publicly available in the central register at national or Union Level.

The following information shall be made public:

- the identification of the beneficiary,
- the aid amount,
- the granting date,
- the aid instrument, and
- the sector involved on the basis of the statistical classification of economic activities in the Union ('NACE classification').

9. 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, (CAP 463 of the Laws of Malta.)

The *Rent Subsidy (Amendment) Regulations, 2025 as Subsidiary Legislation 463.33 (Malta Enterprise Act, CAP 463 of the Laws of Malta)* provide the legal basis of this incentive. These incentive guidelines should be construed in accordance with this legal notice.

10. Further Information

10.1 This measure shall be applicable until 31st December 2030. While the Corporation may periodically update and amend these Incentive Guidelines, the applicable Incentive Guidelines shall be those published when the request for assistance is received.

10.2 Rent Subsidy (Amendment) Regulations, 2025 (subsidiary legislation 463.33 to the Malta Enterprise Act), as amended, forms the national legal basis of this aid scheme.

10.3 Useful Definitions

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

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

Corporation / Malta Enterprise: The terms Corporation and Malta Enterprise shall mean Malta Enterprise Corporation as established by the Malta Enterprise Act (CAP 463 of the Laws of Malta).

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.

Single Undertaking:

Single Undertaking includes all enterprises 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 enterprise;*
- 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 enterprise;*
- 3. 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;*
- 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 enterprise, a majority of shareholders' or members' voting rights in that enterprise.*

Enterprises having any of the relationships referred to in points (1) to (4) above through one or more other enterprises shall also be considered to be a single undertaking.

The same Regulation states that a group of linked enterprises is considered as one single undertaking for the application of the de minimis rule, but that enterprises 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 enterprises controlled by the same public body or bodies, which may have an independent power of decision, is therefore taken into account⁶.

11. Contacts

Further information on the scheme, as well as information and guidance on the filling in of the application form may be obtained by contacting Business First during office hours.

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⁶ Commission Regulation (EU). 2023/2831 of 13 December 2023.