



MALTA ENTERPRISE ACT

INCENTIVE GUIDELINES

Thematic: SME Development

Regulation: Assistance to Small and Medium-Sized Undertakings

Title of SME Development Grant Scheme

Incentive:

- Assistance to participate in fairs and exhibitions
- Assistance of experts

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1. Introduction

1.1 Scope

This incentive aims to support Micro, Small and Medium sized enterprises in:

- I. acquiring expert advice on issues that are not of a routine nature;
- II. participating as an exhibitor, for the first time or to exhibit a new product in a particular international trade event .

1.2 Duration of the incentive

This scheme is available till 31st December 2013 .

1.3 Legal Basis

These Guidelines are issued pursuant to the vires granted to Malta Enterprise under Article 8(3)(a) of the Malta Enterprise Act.

The Legal Notice entitled 'Assistance to Small and Medium-Sized Undertakings Regulations' provides the parameters of the aid awarded under this scheme.

1.4 Designated Authority

This incentive is administered by Malta Enterprise.

2. Eligibility

All Micro, Small and Medium sized Enterprises (SMEs) engaged in one or more of the activities identified below in section 2.1 are eligible to apply for aid under this incentive.

2.1 Eligible Activities

Enterprises engaged in the following activities as defined in the Legal Notice on Assistance to Small and Medium-Sized Undertakings will be eligible for this incentive.

- i. Manufacturing;
- ii. Maintenance, Repair and Overhaul (M.R.O.) of: equipment, engines, plant and machinery, pleasure crafts and yachts, heavy equipment, aircraft;
- iii. Rendering of industrial services directly related to (i) and (ii) above;
- iv. ICT development activities, software development, and ICT enabled services but excluding enterprises engaged in gaming and telecommunications;
- v. R&D and Innovation;
- vi. Waste Treatment, Environmental solutions and eco-innovations.
- vii. Biotechnology
- viii. Other start-up enterprises proposing innovative products, services and process development, which are typically more advanced than those prevailing in their respective industry, in terms of technology, know-how and skills, shall be considered for aid under this incentive.

NB:

- Interpretation of eligible activities is in line with the criteria set in the Investment Aid Guidelines
- Enterprises controlled or owned by government are not eligible for this incentive.

3. Incentive Description

Under this incentive undertakings can benefit from a maximum of € 10,000 in one calendar year

3.1 ***Actions and eligible costs under this incentive and the applicable aid intensity.***

A) Expert support

Part-financing of up to 50% of cost covering the services provided by external experts.

Provided that such services are not acquired by the beneficiary to cover services which are of a continuous nature or are provided periodically and relate to the undertaking's usual operating expenditure, such as routine consultancy services, advertising, regular legal services and business plans.

B) First Time Participation in international Fairs as an exhibitor¹.

i) Part-financing of up to 50% of costs directly related to renting, setting up and running a stand in respect to

- a) an enterprise's first time participation as an exhibitor in a particular fair or exhibition.
- b) the first time an enterprise is exhibiting a new product at a particular fair or exhibition.

ii) Up to 50% of travel expenses incurred by one person representing the undertaking during a fair or exhibition.

Note:

- a) Malta Enterprise will part finance air, rail and ferry travel (other means of travel including taxi services are not be eligible);
- b) All travel must be economy class or equivalent;

iii) For any travel approved under (ii) above, beneficiaries may also be granted a per diem of up to 50% of the official per diem rates listed in *Annex 4* of these Guidelines. The per diem may:

- a) only be claimed for the person whose travel has been approved.
- b) not exceed the duration of the event in which the undertaking is exhibiting its products or services or 10days, whichever is the minimum.

¹ Participation in International Trade Fairs may only be supported when the applicant is present at the trade fair as an exhibitor with a managed promotional stand. Participation in seminars, forums, conferences, workshops, networking events, meetings of associations or other similar gatherings is not supported.

4. Evaluation and Assignment of Aid

Aid under this incentive is subject to pre-approval by Malta Enterprise.

All complete applications that meet the terms and conditions set in these guidelines will be assessed by Malta Enterprise. Applicants will be considered for funding if the requested funding should lead to:

- a) increase in employment or increase in the number of knowledge workers employed;
- b) innovative processes, products or services;
- c) increased investment
- d) improved market positioning or the development of new markets.

4.1 Notification of results

Successful applicants will be notified in writing of the outcome of their application. Once a project is approved, a Letter of Approval will be issued in line with Part VI of the Malta Enterprise Act.

5. Further Information

For the full **definition of SME**, refer to Annex I of Commission Regulation (EC) No 800/2008 of 6 August 2008 declaring certain categories of aid compatible with the common market in application of Articles 87 and 88 of the Treaty (General Block Exemption Regulation).

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:214:0003:0047:EN:PDF>

6 State Aid Rules and Obligations

6.1 *Applicable State Aid*

This Incentive Guideline is in line with Commission Regulation (EC) No. 800/2008 of 6 August 2008 declaring certain categories of aid compatible with the common market in application of Articles 87 and 88 of the Treaty (General Block Exemption Regulation).

[<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:214:0003:0047:EN:PDF>]

6.2 *Cumulation*

Aid granted under this incentive may only be cumulated with other aid under any other incentive(s), or with other Community funding, in relation to the same item of expenditure as long as such cumulation does not exceed the gross aid intensity fixed by this Guideline.

7. Contact Details

Further information on the scheme, as well as information and guidance on the filling in of the application forms may be obtained by contacting Malta Enterprise during office hours.

Postal Address:

Malta Enterprise
Enterprise Centre
Industrial Estate
San Gwann
SGN 3000
Malta

Tel: +356 2542 0000

Fax: +356 2542 3401

Websites: www.maltaenterprise.com
incentives.maltaenterprise.com

Email: customer.relations@maltaenterprise.com

Annex 1 – Application Process

1. Enterprises should download the relevant 'Instructions to Applicants' and/or Application forms from the Malta Enterprise website: incentives.maltaenterprise.com.
2. Scheme administered through competitive calls
 - a. Incentives managed through a competitive call are based on a fixed budget and timeframe. Requests for assistance through these incentives will be evaluated and ranked. Once ranked, the top ranking applicants will be offered support through these incentives.
 - b. When an incentive is managed through a competitive call, Malta Enterprise will publish the call text in the local press. The call will be closed after circa 6 weeks from the first date of publication of the call text. Enterprises will be required to submit the relevant application form(s) and any other required documentation within this period. The call will also provide details on:
 - i. how to obtain application forms;
 - ii. how questions and queries related to the call can be addressed;
 - iii. any support available to sustain enterprises in compiling the required data.
 - c. Application forms for competitive calls must be deposited in the tender box bearing the name of the incentive.

3. Other Schemes

The complete application as describe in the 'Instructions to Applicants' document must be submitted to Malta Enterprise either by hand in a sealed envelope or through registered post. The application should be addressed to:

Relationship Management
Malta Enterprise
Enterprise Centre,
Industrial Estate,
San Gwann SGN 3000

4. It is recommended that potential applicants contact Malta Enterprise prior to submitting their application. Malta enterprise staff will support prospective applicants:
 - to understand the objectives of the incentive;
 - by explaining details relevant to this guideline document;
 - to address any problems they might encounter when completing their application.

Annex 2 – Claims

1. Any claims for co-funding must be based on the reimbursement of eligible costs.
2. All undertaking shall be expected to submit claims in line with the terms of the Incentive Entitlement Certificate.
3. Once the incentive is approved, claims for reimbursement shall be submitted at intervals as stipulated in the Incentive Entitlement Certificate.
4. All claims must be made on the claim form which will be made available by Malta Enterprise
5. A claim made for reimbursement must be accompanied by the following information:
 - a. An original VAT invoice and a receipt (an original fiscal receipt unless a VAT invoice is presented together with a copy of the invoice);
 - b. Proof of payment of the invoice. (In the case of foreign payments the original proof of payment is required);
 - c. Copies of the encashed cheques or original bank advice documents showing all payments effected in relation to the claimed costs.
 - d. Where applicable written justification covering claims related to services / products where supplier / provider is different to that indicated in the application form;
 - e. Supporting documentation such as studies (where applicable);
 - f. In the case of Personnel costs (where applicable) the enterprises must back these claims through the official Final Settlement System FSS forms and time sheets where applicable.
6. Any reports (technical or otherwise) submitted to substantiate the claim should be cleared for confidentiality with any third parties before submission to Malta Enterprise.
7. Claims should be presented as net of VAT since VAT is not eligible for co-financing.
8. Payments will only be issued after invoices, reports and any other requested documentation is submitted to and approved by Malta Enterprise.
9. If the final eligible expenditure accounted for is less than the eligible costs budgeted for, the amount to be co-financed will be reduced pro rata and will be in line with the approved percentage(s) of co-financing.
10. In the event that the project does not reach the targets set in the Incentive Entitlement Certificate relevant to the aid granted, Malta Enterprise may recall any funds already distributed to the beneficiary.

Annex 3 – General Rules and Conditions

1) Amendments to Approved Assistance

Any amendments to an approved project must be timely notified to Malta Enterprise. A written request describing the proposed changes and including comprehensive arguments justifying the changes must be presented. Malta Enterprise will evaluate the proposed amendments and will within 6 weeks inform the applicant in writing of the outcome pursuant to the evaluation. The outcome of such evaluation may lead to any of the following:

- i. A change in the amount of aid and/or activities supported.
- ii. A request for further information on the proposed changes.
- iii. A recommendation to reconsider the proposed amendments.
- iv. An approval of the proposed changes.
- v. A revocation or modification of the Incentive Entitlement Certificate if the proposed amendments are not in line with the scope, terms and conditions of the scheme.

Failure to notify Malta Enterprise of any changes to the project as approved may result in Malta Enterprise revoking the Incentive Entitlement Certificate and claiming back any support received by the beneficiary.

2) Monitoring

Successful applicants will be subject to monitoring to ensure that the project is moving according to:

- i. the milestone schedule (if applicable);
- ii. the Incentive Entitlement Certificate;
- iii. this Guideline and the Regulation relevant to the incentive;
- iv. any applicable state aid obligations and regulations;
- v. any publicity obligations.

Monitoring visits will also ensure that all documentation is kept at the enterprise end.

3) On-Site Visits

Malta Enterprise and other relative authorities may undertake a number of random on site checks to verify documentation submitted and the implementation. Site visit may entail assessing:

- i. any required publicity obligations;
- ii. originals / copies of the relevant administrative and financial documentation, are in line with the requirements set in the Incentive Entitlement Certificate and any relevant regulation cited in or annexed to the Incentive Entitlement Certificate.

4) Sanctions and recovery of aid

In terms of Part VII and Part VIII of the Malta Enterprise Act, Chapter 463 for the Laws of Malta, Malta Enterprise may revoke, amend or modify the Incentive Entitlement Certificate

and apply penalties or request recovery of aid in the case of breach of these Guidelines or the conditions set down in the Incentive Entitlement Certificate and any relevant regulations.

5) General Ineligible expenditure

Any item of expenditure not aligned to the rationale of this measure will be deemed as ineligible. The following is an inexhaustive list of such ineligible costs:

- i. cost incurred for the purchase of second hand equipment;
- ii. costs incurred prior to signature date of Incentive Entitlement Certificate;
- iii. overheads allocated or apportioned at rates materially in excess of those used for any similar work carried out by the applicant or above market prices;
- iv. contingencies and/or losses made by the applicant;
- v. the payment of dividends, royalty and interest charges;
- vi. service charges arising on finance leases, hire purchase and credit arrangements;
- vii. cost resulting from the deferral of payments to creditors;
- viii. costs involved in winding up a company;
- ix. cost related to litigation including any resulting claims for damages or fines;
- x. insurance and indemnity costs;
- xi. bad debts;
- xii. payments for gifts and donations;
- xiii. entertainment (including catering, receptions etc.);
- xiv. tax (VAT, Income tax);
- xv. statutory fines and penalties.

Annex 4 – Per Diem Rates per Country effective till 14th April 2011

Country	Official Per diem rate €	50% financing €	Country	Official Per diem rate €	50% financing €
Albania	217.00	108.50	Latvia	211.00	105.50
Algeria	270.00	135.00	Lebanon	218.00	109.00
Argentina	212.00	106.00	Libya	141.00	70.50
Australia	212.00	106.00	Lithuania	183.00	91.50
Austria	225.00	112.50	Luxembourg	237.00	118.50
Bahamas	194.00	97.00	Malaysia	131.00	65.50
Bahrain	215.00	107.50	Mexico	207.00	103.50
Bangladesh	181.00	90.50	Monaco	288.00	144.00
Belgium	242.00	121.00	Morocco	147.00	73.50
Bosnia-Herzegovina	143.00	71.50	Netherlands	263.00	131.50
Brazil	160.00	80.00	New Zealand	184.00	92.00
Bulgaria	227.00	113.50	Nigeria	261.00	130.50
Canada	217.00	108.50	Norway	219.00	109.50
Chile	154.00	77.00	Oman	200.00	100.00
China	162.00	81.00	Pakistan	205.00	102.50
Colombia	174.00	87.00	Philippines	144.00	72.00
Croatia	222.00	111.00	Poland	217.00	108.50
Cuba	131.00	65.50	Portugal	204.00	102.00
Cyprus	238.00	119.00	Qatar	252.00	126.00
Czech Republic	230.00	115.00	Romania	222.00	111.00
Denmark	270.00	135.00	Russian Federation	303.00	151.50
Egypt	171.00	85.50	Saudi Arabia	227.00	113.50
Estonia	181.00	90.50	Singapore	272.00	136.00
Ethiopia	227.00	113.50	Slovakia	205.00	102.50
Finland	244.00	122.00	Slovenia	180.00	90.00
France	245.00	122.50	Somalia	54.00	27.00
Georgia	249.00	124.50	South Africa	172.00	86.00
Germany	208.00	104.00	Spain	212.00	106.00
Ghana	170.00	85.00	Sri Lanka	95.00	47.50
Greece	222.00	111.00	Sweden	257.00	128.50
Hungary	222.00	111.00	Switzerland	254.00	127.00
Iceland	122.00	61.00	Syria	242.00	121.00
India	224.00	112.00	Tanzania	180.00	90.00
Indonesia	97.00	48.50	Thailand	146.00	73.00
Ireland	254.00	127.00	Tunisia	145.00	72.50
Israel	272.00	136.00	Turkey	121.00	60.50
Korea	196.00	98.00	Ukraine	318.00	159.00
Kuwait	213.00	106.50	United Arab Emirates	302.00	151.00
			United Kingdom	276.00	138.00
			Uruguay	154.00	77.00
			USA	243.00	121.50
			Venezuela	313.00	156.50

Per Diem Rates per Country effective as from 15th April 2011

Country	Official Per diem rate €	50% financing €	Country	Official Per diem rate €	50% financing €
Albania	238.00	119.00	Latvia	211.00	105.50
Algeria	297.00	148.50	Lebanon	214.00	107.00
Argentina	281.00	140.50	Libyan Arab Jamaharija	160.00	80.00
Australia	248.00	124.00	Lithuania	183.00	91.50
Austria	225.00	112.50	Luxembourg	237.00	118.50
Bahamas	271.00	135.50	Malaysia	167.00	83.50
Bahrain	243.00	121.50	Mexico	235.00	117.50
Bangladesh	173.00	86.50	Monaco	284.00	142.00
Belgium	242.00	121.00	Morocco	199.00	99.50
Bosnia - Herzegovina	163.00	81.50	Netherlands	263.00	131.50
Brazil	180.00	90.00	New Zealand	187.00	93.50
Bulgaria	227.00	113.50	Nigeria	224.00	112.00
Canada	252.00	126.00	Norway	258.00	129.00
Chile	180.00	90.00	Oman	227.00	113.50
China	184.00	92.00	Pakistan	243.00	121.50
Colombia	205.00	102.50	Philippines	164.00	82.00
Croatia	234.00	117.00	Poland	217.00	108.50
Cuba	144.00	72.00	Portugal	204.00	102.00
Cyprus	238.00	119.00	Qatar	286.00	143.00
Czech Republic	230.00	115.00	Romania	222.00	111.00
Denmark	270.00	135.00	Russian Federation	361.00	180.50
Egypt	194.00	97.00	Saudi Arabia	258.00	129.00
Estonia	181.00	90.50	Singapore	322.00	161.00
Ethiopia	238.00	119.00	Slovak Republic	205.00	102.50
Finland	244.00	122.00	Slovenia	180.00	90.00
France	245.00	122.50	Somalia	61.00	30.50
Georgia	229.00	114.50	South Africa	207.00	103.50
Germany	208.00	104.00	Spain	212.00	106.00
Ghana	240.00	120.00	Sri Lanka	104.00	52.00
Greece	222.00	111.00	Sweden	257.00	128.50
Hungary	222.00	111.00	Switzerland	291.00	145.50
Iceland	154.00	77.00	Syrian Arab Republic	255.00	127.50
India	278.00	139.00	Tanzania, United Rep. Of	205.00	102.50
Indonesia	110.00	55.00	Thailand	183.00	91.50
Ireland	254.00	127.00	Tunisia	148.00	74.00
Israel	309.00	154.50	Turkey	137.00	68.50
Italy	230.00	115.00	Ukraine	307.00	153.50
Jamaica	149.00	74.50	United Arab Emirates	342.00	171.00
Japan	281.00	140.50	United Kingdom	276.00	138.00
Jordan	180.00	90.00	Uruguay	174.00	87.00
Kenya	214.00	107.00	USA	276.00	138.00
Korea, Republic Of	288.00	144.00	Venezuela	269.00	134.50
Kuwait	274.00	137.00	Latvia	211.00	105.50
			Lebanon	214.00	107.00