

1. Introduction

The Microinvest scheme supports micro enterprises and the self-employed that invest in their business, innovate, expand, implement EU compliance directives and/or develop their operations. This scheme has been extended for investments made in 2012.



In fact, micro enterprises and self-employed are supported through a tax credit representing a percentage of the eligible expenditure and wages of newly recruited employees and/or apprentices.

The MicroInvest scheme covers investments undertaken between 1st January 2010 and 31st December 2012. The following are eligible expenses for this incentive:

- Furbishing and upgrading of business premises for improved operations;
- Machinery or technologies to improve operations;
- Machinery or technologies which save or generate energy;
- Investments which enable compliance with regulations, including Health & Safety, Environment Directives and Physical Access;
- Cost of one commercial vehicle as long as such vehicle is involved in the transport of goods as specified in the guidelines;
- Wage Costs for new jobs created and/or apprenticeships taken, as long as these constitute a net increase in the total number of employees as of the 10th November 2009.

Applications should be made once a year after the costs have been incurred. **Applications for assistance under this incentive will be received until the 31st March 2013.**

The tax credit must be utilised by year of assessment 2015 and only against income derived from the trade or business activity only.

2. Who is eligible

The incentive is open to all micro enterprises, including micro start-ups, which at point of application satisfy all of the following criteria:

- a. The enterprise must not employ more than 9 persons (full time) as at 10th November 2009 and as the date of the application. Micro start-ups set up after 10th November 2009 are also eligible.
- b. The enterprise must be registered with the VAT department and in possession of regulatory licences and permits where applicable.



- c. Retail outlets should have a valid trading licence issued by the Commerce Division.
- d. Bars, restaurants and hospitality activities should have a valid licence issued by the Malta Tourism Authority.
- e. Applicants must not be defaulting on VAT, Income Tax, Social Security and rent payments to government.
- f. The enterprise must carry on a trade or business.
- g. The enterprise cannot receive more than €200,000 in state aid over a rolling three fiscal year period. This maximum threshold includes all de minimis aid granted to the beneficiary including that received from any entity other than Malta Enterprise.

3. What is the benefit

The Microinvest scheme consists in a tax credit equivalent to 40% of eligible expenditure. Micro enterprises based in Gozo are entitled to a tax credit of 60%. 3.2 Maximum Aid per enterprise ion of this incentive. The maximum tax credit if capped at €25,000 for the duration of the whole scheme and the qualifying costs must be incurred and paid for between 1st January 2010 and 31st December 2012.

4. What are the eligible costs

Eligible expenses include:

- a. Investment in refurbishing, refurbishing and upgrading of business premises including extensions or modifications to premises.
- b. These costs must be subcontracted to third parties as part of a specific job. Items related to refurbishing, refurbishing and upgrading of business premises that are not part of a receipt issued by the subcontractor providing the services will not be accepted.
- c. Investment in acquiring machinery, technology, apparatus or instruments which enhance the operations, including systems which help to save energy or to produce alternative energy.
- d. Investment required to become compliant with regulations including Health & Safety, Environmental directives and Physical access.



- e. Investment in one motor vehicle as long as such vehicle is involved in the carrying of goods (category N1, N2 or N3 motor vehicle), Tractors (category D) and Special Purpose Motor Vehicles (category E) as established in the Motor Vehicle Registration and Licensing Act (Cap. 368).
- f. Wages costs covering a 12 month period pertaining to new jobs and apprenticeships created as from 10th November 2009 as long as this constitutes a net increase in the total number of employees of the applicant.
- g. Part-time employment is also considered eligible when such employment required the employee to work in excess of 20 hours per week
- h. All jobs must be maintained by the beneficiary for a period of at least 36 months. In the case of termination of employment of a person assigned to the job, the vacancy should be filled within a period of not longer than six months. The total number of employees should in no case be lower than the number of employees employed by the applicant as at 10th November 2009.

5. What are the ineligible costs

Cost incurred in relation to the following items does not qualifying for the Microinvest tax credit scheme:

- a. Purchase of land and/or property;
- b. Acquisition of works of art, antiques and any assets that are not directly related to the trade and business of applicant;
- c. Costs that are assisted (even partly) through other incentive measures.
- d. Any items costing less than €50.



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