**L.N. 276 of 2011**

# MALTA ENTERPRISE ACT
# (CAP. 463)

## Assistance to Guest Houses, Hostels, Hotels, Farmhouses, Snack Bars and Restaurants (Energy Efficiency Measures) Regulations, 2011

IN exercise of the powers conferred upon him by article 5 of the Malta Enterprise Act, the Minister of Finance, Investment and the Economy has made the following regulations:-

Title and commencement.

**1.** (1) The title of these regulations is the Assistance to Guest Houses, Hostels, Hotels, Farmhouses, Snack Bars and Restaurants (Energy Efficiency Measures) Regulations, 2011.

(2) These regulations shall be deemed to have come into force on the 1st January, 2011.

Interpretation.

**2.** In these regulations, unless the context otherwise requires:

"the Act" means the Malta Enterprise Act; Cap. 463.

"the Corporation" means the Malta Enterprise Corporation established under the Act;

"eligible costs" means expenditure of a capital nature as may be prescribed in the guidelines;

"eligible project" means a project leading to a decrease in the utilisation of energy generated from fossil fuels through a more efficient use of energy resources or through alternative energy solutions in the operation of a guest house, hostel, hotel, farmhouse, snack bar or restaurant, as approved by the Corporation under these regulations and as may be prescribed in the guidelines, in respect of which eligible costs have been incurred and which is retained within the business for at least five years from the completion of the project or such other shorter period as the Corporation may deem appropriate in view of the nature of the project:

Provided that a project shall not be treated as an eligible project if it is linked to:

(a) purchase of land or property;

(b) wages;

(c) operating expenses;

(d) the acquisition of second hand equipment;

"farmhouse" means a holiday premises which is constructed and finished to represent a typical Maltese farmhouse, located in an area compatible with a farmhouse environment;

"guidelines" means such guidelines as may be published by the Corporation from time to time in terms of the Act;

"guest house" means a guest house as defined and licensed to operate as such in terms of the Malta Travel and Tourism Services Act; Cap. 409.

"hostel" means a hostel as defined and licensed to operate as such in terms of the Malta Travel and Tourism Services Act; Cap. 409.

"hotel" means a hotel as defined and licensed to operate as such in terms of the Malta Travel and Tourism Services Act; Cap. 409.

"restaurant" means a catering establishment as defined under the Catering Establishments Regulations, and licensed to operate as such in terms of the Malta Travel and Tourism Services Act; S.L. 409.15 Cap. 409.

"snack bar" means a catering establishment as defined under the Catering Establishments Regulations, and licensed to operate as such in tersm of the Matla Travel and Tourism Services Act; S.L. 409.15 Cap. 409.

"undertaking" means on undertaking as defined in the Act.

Soft loans.

**3.** Where the Corporation is satisfied that an undertaking which carries out, in Malta, a trade or business consisting mainly of the operation or management of a guest house, hostel, hotel, farmhouse, snack-bar or a restaurant, carries out an eligible project, as shall have been approved by the Corporation, the Corporation may grant to the said undertaking a soft loan, to finance eligible costs to be incurred as part of such an eligible project, as may be prescribed in the guidelines.

Maximum limit.

**4.** (1) The soft loan referred to in regulation 3 shall not exceed four hundred thousand euro (€400,000) and may cover up to 80% of the total eligible costs, as may be prescribed in the guidelines.

(2) The rate of interest charged by the Corporation on loans granted in terms of this regulation shall not be less than 1.5% over the discount rate charged by local commercial banks as established in the

guidelines.

(3) The Corporation may, in its absolute discretion, require that the repayment of principal and interest in the case of a soft loan be secured by a general hypothec over the property, present and future, of the undertaking receiving the soft loan in addition to any other security which the Corporation may require.

(4) The repayment of any soft loan granted under the provisions of this regulation and the payment of interest thereon shall be made within a period of time and at instalments to be agreed upon with the Corporation as may be prescribed in the guidelines:

Provided that such period shall in no case exceed five years from the date on which the first loan amount was received by the undertaking.

(5) The repayment of any soft loan granted under the provisions of this regulation may only be withdrawn if an actual expenditure, equivalent to the percentage of the total value of cost items that is not covered by the loan, has been paid to or simultaneously with the utilisation of the loan.

(6) Where the Corporation has approved that a soft loan be granted by instalments, and any part of such a soft loan has not yet been advanced, the Corporation may, without prejudice to any other remedy, withhold any portion of the soft loan still outstanding if -

(a) any sum of money, whether principal or interest, due in respect of any loan provided under this regulation, remains unpaid; or

(b) any prior loan made under this regulation has not been applied for the purpose for which it was made or has not been expended in a careful, timely and economical manner; or

(c) the undertaking has gone into liquidation or has become insolvent or has assigned property for the benefit of creditors; or

(d) there has been a breach or non-observance of any condition attached to the loan; or

(e) the eligible project has been implemented without having obtained the necessary permits as prescribed in the guidelines; or

(f) the eligible project has not been implemented within

twelve months from the date of issue of the relevant approval by the Corporation.

The *de minimis* regulation.

**5.** (1) Any assistance that may be provided under these regulations shall be in conformity with the *de minimis* Regulation as defined in Commission Regulation (EC) No. 1998/2006 of 15 December 2006 on the application of Articles 87 and 88 of the Treaty to *de minimis* aid.

(2) The *de minimis* Regulation establishes that an undertaking may receive a total amount of up to two hundred thousand euro (€200,000) of *de minimis* aid over a period of three consecutive fiscal years. This maximum threshold includes all aid granted as *de minimis* aid from the Corporation as well as from any other entity.

Last day for submission of applications for assistance.

**6.** Applications for assistance under these regulations shall reach the Corporation by not later than the 31st December, 2012.

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**Ippubblikat mid-Dipartiment tal-Informazzjoni (doi.gov.mt) — Valletta —** ***Published by the Department of Information (doi.gov.mt) — Valletta***
**Mitbugħ fl-Istamperija tal-Gvern fuq karta riċiklata —** ***Printed at the Government Printing Press on recycled paper***

**Prezz/*Price***
**€0.36**