L.N. 69 of 2019

MALTA ENTERPRISE ACT
(CAP. 463)

Support for the Development of Video Games with a Cultural Dimension Regulations, 2019

IN EXERCISE of the powers conferred by article 5 of the Malta Enterprise Act, the Minister responsible for the Economy, Investment and Small Businesses, in consultation with the Malta Enterprise Corporation and with the concurrence of the Minister for Finance has made the following regulations:-

Citation and Commencement.

1. (1) The title of these regulations is Support for the Development of Video Games with a Cultural Dimension Regulations, 2019.

(2) These regulations shall be deemed to have came into force on 1st December 2018.

Interpretation.

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

Cap 463.

"the Act" means the Malta Enterprise Act;

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

"cultural test" means a points-based test created to assess the cultural content of a video game;

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

"single undertaking" shall have the meaning attributed to it by the Guidelines;

"undertaking" shall have the meaning established under the Act;

"video game" means a game played on an electronic device in which the player or players control/s action on video display;

Eligible Undertakings.

3. Any undertaking registered as a limited liability company engaging in the development of video games as an economic activity for the purpose of generating profit which is liable to income tax in

Malta, and meeting any additional criteria which may be established by the Corporation in the Guidelines may be supported through this incentive.

Eligible Video Games.

4. A video game is deemed to be eligible if:

(a) it meets the criteria established in the Guidelines; and

(b) in the administration of the Cultural test, the video game achieves a score equal or higher to the minimum score established in the guidelines for the video game to be supported, which in any case shall not be less than fifty per cent (50%) of the total attainable score.

Financial Support.

5. (1) The maximum support per single undertaking may not exceed two hundred thousand euro (€200,000) over a period of three (3) running years.

(2) The support granted by the Corporation shall be calculated as a percentage, not exceeding thirty per cent (30%) of the qualifying costs incurred for the development of the video game as established in the Guidelines.

(3) The Corporation may award assistance under these regulations in the form of a tax credit or cash grant.

(4) A cash grant awarded shall not exceed twenty per cent (20%) of the total assistance awarded in terms of any single approval under these regulations.

(5) The tax credit referred to in these regulations shall be due as a deduction from tax payable by an undertaking on its chargeable income derived from the profits generated from the supported video game for that year of assessment established in accordance with the terms and conditions set out in the Guidelines, and, where the tax credit, for that year of assessment, exceeds the income tax payable on chargeable income derived from the profits generated from the supported video game by such an undertaking for that year, the excess in the tax credit shall be allowed to be carried forward to the subsequent year of assessment and deemed to be a tax credit for that year.

Provided that any tax credit not utilised by the third consecutive year of assessment from the year of assessment when the tax credit is first due shall not be carried forward to any subsequent year and shall hence be forfeited.

Provided further that the tax credit shall not give rise to a

right to a refund of tax.

Conformity.

6. Assistance provided under these regulations shall be in conformity with the *de minimis* Regulation as defined in 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.

Deadline.

7. (1) Applications for assistance under these regulations shall reach the Corporation by not later than 1st October 2020.

(2) The Corporation shall not award any aid under these regulations after 31st December 2020.

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