VERŻJONI ELETTRONIKA



**L.N. 390 of 2021**

# MALTA ENTERPRISE ACT
# (CAP. 463)

## Investment Aid 2021 (Amendment) Regulations, 2021

IN EXERCISE of the powers conferred by article 5 of the Malta Enterprise Act, the Minister for Energy, Enterprise and Sustainable Development, after consultation with the Malta Enterprise Corporation and with the concurrence of the Minister for Finance and Employment, has made the following regulations:-

Citation.

**1.** The title of these regulations is the Investment Aid 2021 (Amendment) Regulations 2021 and these regulations shall be read and construed as one with the Investment Aid 2021, Regulations, S.L. 463.40 hereinafter referred to as the "principal regulations".

Adds new regulation to the principal regulations.

**2.** Immediately after regulation 7 of the principal regulations there shall be added the following new regulation:

"Distribution and dividends.

8. (1) Where an undertaking has benefited from the provisions of regulations 5 and 6, the investment tax credit shall be deemed to have relieved from tax so much of that undertaking's chargeable income which, when multiplied by the rates of tax at which it was chargeable in that year, is equal to the investment tax credit and where the undertaking or any subsequent undertaking distributes the income which is so deemed to have been relieved from tax, such undertaking or undertakings shall state in the dividend warrant pertaining to any such distribution that such income has been relieved from tax by an investment tax credit in accordance with regulations 5 and 6 and that tax which has so been relieved shall not be available for refund for any purpose of the Income Tax Act. Cap. 123.

(2) The chargeable income which is deemed to have been relieved from tax in accordance with sub-regulation (1) shall, for the purposes of the Income Tax Act, be allocated to the Final Taxed Account of the company in question and any dividends (or part thereof) distributed from such income shall be exempted from income tax in the hands of the members of the company on receipt of such distribution. Cap. 123.

(3) Where a dividend referred to in sub-regulation (1) is distributed to a member which is also a company (in this sub-regulation referred to as "the second company"), the said dividend shall likewise be distributed by the second company to its members in the form of dividends exempt from income tax in the hands of recipients, and where a member of the second company is again a company, the preceding provisions shall apply *mutatis mutandis* as though references to the first company were references to the second company, and as though references therein to the second company were references to that member, and the principle set out in this sub-regulation shall continue to be applied for as long as such income or part thereof to which this regulation applies are distributed by way of dividends.".

Renumbers regulations 8 and 9 of the principal regulations.

**3.** Regulations 8 and 9 of the principal regulations shall be renumbered as regulations 9 and 10 respectively.

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