SUBSIDIARY LEGISLATION 463.32
START-UP FINANCE REGULATIONS

1st January, 2020

LEGAL NOTICE 335 of 2019, as amended by Legal Notices 296 of 2020 and 19 of 2023.

Citation.

1. The title of these regulations is Start-up Finance Regulations.

Interpretation.
Amended by: L.N. 19 of 2023.

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;

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

"Innovative enterprise" means an undertaking:

(a) that can demonstrate, by means of an evaluation carried out by an external expert that it will in the foreseeable future develop products, services or processes which are new or substantially improved compared to the state of the art in its industry, and which carry a risk of technological or industrial failure; or

(b) which has costs for research and development which represent at least ten per cent (10%) of its total operating costs in at least one of the three (3) years preceding the granting of the aid or, in the case of a start-up enterprise without any financial history, in the audit of its current fiscal period, as certified by an external auditor;

"Start-up undertaking" means an unlisted small enterprise up to five (5) years following its registration, which fulfils the conditions listed in the Guidelines.

Assistance to small start-up finance scheme.

3. Where the Corporation is satisfied that the business is classified as a small-start-up undertaking as prescribed within the Guidelines, the Corporation may provide assistance to such undertakings in accordance with the terms and conditions set out in the Guidelines.

Assistance to eligible undertakings.

4. A start-up undertaking shall be considered as eligible for assistance if it is, or shall be engaged in one (1) of the activities defined in the Guidelines.

Eligibility criteria.

5. A project may be considered as eligible for assistance if it meets two (2) of the following criteria:

(a) propose products and/or services that have the potential to generate income from various geographical markets;

(b) produce products and/or service which are new or substantially improved compared to complementary products on the market;

(c) utilise processes which are new or substantially improved compared to those adopted in current complementary activities.

Form of aid.
Amended by: L.N. 296 of 2020.
Substituted by: L.N. 19 of 2023.

6. The Corporation may support eligible undertakings by providing the following funding as further prescribed in the guidelines:

(a) wage costs;

(b) working capital;

(c) costs of machinery, equipment and intangible assets; and, or

(d) increase in equity or funds raised through private equity and, or crowdfunding campaigns.

7. The support provided shall not exceed four hundred thousand euro (€400,000) which may be increased up to eight hundred thousand euro (€800,000) if the Start-up is an Innovative Enterprise.

Deadline for submission of applications for assistance.
Amended by: L.N. 19 of 2023.

8. No assistance under these regulations shall be awarded by the Corporation after 31st December 2023.