

L.N. 167 of 2023

**MALTA ENTERPRISE ACT
(CAP. 463)**

Skills Development Regulations, 2023

IN EXERCISE of the powers conferred by article 5 of the Malta Enterprise Act, the Minister responsible for Malta Enterprise with the concurrence of the Minister of Finance has made the following regulations:-

Citation. **1.** The title of these regulations is the Skills Development Regulations, 2023.

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

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

"Corporation" shall have the same meaning as assigned to it in the Act;

"Guidelines" means the Guidelines as may be published by the Corporation from time to time in accordance with the Act, establishing the parameters of implementing the aid granted by virtue of these regulations;

"large undertaking" means any enterprise that does not qualify as a small undertaking or a medium-sized undertaking;

"medium-sized undertaking" shall have the same meaning as assigned to it in Annex I of the Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty, as amended;

"small undertaking" shall have the same meaning as assigned to it in Annex I of the Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty, as amended;

"undertaking" shall have the same meaning as assigned to it in the Act.

3. (1) When the Corporation is satisfied that an undertaking carrying out or intending to carry out an activity that may contribute to the economic development of Malta, requires assistance to increase the skills and knowledge of its employees in relation to the requirements of their employment through training, the Corporation may provide such an undertaking with a tax credit or a cash grant or a combination of both, in accordance with the terms and conditions set out in the Guidelines;

Assistance for the development of training programs.

(2) No cash grants shall be due in respect to training that commences prior to the formal approval from the Corporation.

4. (1) Any assistance provided in accordance with these regulations shall not exceed:

Maximum aid.

(a) seventy per cent (70%) of the eligible costs in the case of an undertaking which qualifies as a small undertaking;

(b) sixty per cent (60%) of the eligible costs in the case of an undertaking which qualifies as a medium-sized undertaking;

(c) fifty per cent (50%) of the eligible costs in the case of an undertaking which qualifies as a large undertaking.

(2) The maximum aid for each skills development project shall not exceed two million euro (€2,000,000).

5. (1) An undertaking benefitting from tax credits in accordance with these regulations and the respective Guidelines shall be entitled to deduct from the amount of income tax, which is due on its chargeable income derived from its trade or business in the years of assessment immediately following the award of the benefit, an amount equivalent to the tax credit awarded to it.

Utilisation of tax credits.

(2) An undertaking that, in any year of assessment, does not utilise any tax credit awarded to it or deducts a value from the amount of income tax which is due on its chargeable income derived from its trade or business that is less than the tax credit awarded to it, shall carry forward the unutilised tax credit for the subsequent years of assessment.

(3) Tax credits awarded in accordance with the regulations and the respective Guidelines shall not give rise to a right to a refund of tax.

6. (1) The Corporation shall establish a deadline for the submission of applications in the Guidelines.

Deadline for submission of applications for aid.

(2) No aid shall be granted in accordance with these regulations by the Corporation after the 31st of December 2023.
