

SME Internationalisation Grant Scheme Frequently Asked Questions

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The Scheme

What is the scope of this scheme?

This Grant Scheme is intended to facilitate the process towards the internationalisation of SMEs through active participation at International Business Promotion Fairs.

How is this scheme administered?

The scheme shall be managed on a demand driven basis through an open rolling call with periodical cut-off dates.

What is a rolling call?

The IB shall issue a public open call (rolling-call) for interested eligible Undertakings to submit their applications. Applications will be assessed and evaluated and eligible applications scoring at least 50% of the selection criteria shall be awarded the grant.

How will grants be allocated?

Grants shall be awarded on a first-come-first served basis subject to budget availability.

What is the maximum grant value of this scheme?

The maximum grant value for the participation by a single Undertaking at an International Business Promotion Fair under this scheme is set at €10,000 part-financing eligible costs up to 50%.

How long before the start of a project should the Application be submitted?

In determining the earliest start date for activities Applicants are to give due consideration to the fact that 'start of works' may not initiate prior to the award of the grant i.e. signing of the Grant Agreement. Therefore applicants are to keep in mind that the signing of the Grant Agreement may only take place after the conclusion of the evaluation process of the applications received by the cut-off date.

What State Aid regulation does this scheme fall under?

The aid under this Scheme is granted in terms of Commission Regulation (EU) 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application to Article 107 and 108 of the Treaty and Commission Regulation (EU) 2017/1084 of 14 June 2017. If an Undertaking receiving aid is found to be in breach of the relevant provisions of this Regulation, action shall be taken to claw back funds (recovery of funds) from the Undertaking in line with the provisions of the pertinent State Aid rules, (General Block Exemption Regulation).

Eligibility

Who is eligible to apply under this scheme?

Micro, Small and Medium-sized Enterprises engaged in an economic activity, irrespective of their legal form, referred to as the 'Undertaking'.

Undertakings which are not vested with a legal personality acquired through the law applicable to their establishment, need to be registered under the Second Schedule of the Civil Code (Chap. 16 Laws of Malta).

Which sectors are excluded from this scheme?

Exclusions under this scheme are listed in section 3.2 of the Guidance Notes.

What defines the exclusion 'Energy generation, distribution and infrastructure'?

'Energy generation, distribution and infrastructure' refers to the NACE division 35 which is excluded from the regional aid provisions of GBER.

What is a NACE code?

The NACE code is used to classify economic activities. The NACE code is a 4 digit code, with the first two digits identifying the division, the third digit identifying the group, and the fourth digit identifying the class. When filling in the application form, the applicant must insert the NACE code to the 4th digit, effectively identifying the class of economic activity that is undertaken by the applicant enterprise. In those cases where applicants have more than one activity, the applicant should check with the Business Register at NSO to be assigned a NACE Code which determines its core business activity. The principal activity of a statistical unit is the activity which contributes most to the total value added of that unit.

What are the eligible costs under this scheme?

The eligible costs under this scheme are:

- Participation Fee
- Rental of the exhibition space/stand
- Services related to the construction and setting-up of the stand
- Travel costs
- Per Diem Costs
- Costs related to the design and printing of promotional material for the fair
- Cost for shipment of exhibits

Details on how these costs are to be calculated and specifications on eligibility can be found in Section 2.2 of the respective Guidance Notes.

How many events can be attended under the grant?

The Undertaking will need to apply for each unique event that it is interested in attending, i.e. one fair one application.

Will trips to international trade fairs or conferences for networking purposes be covered by the grant?

Assistance through the scheme may only be granted to enterprises actively participating in an International Business Promotion Fair by exhibiting their product/service on a stand. Attendance to fairs, conferences, seminars, etc. are not eligible.

How are Travel Costs calculated?

Travel Costs for a maximum of 2 employees/directors of the enterprise who will be representing the Enterprise and managing the Stand/Exhibition Space at the fair are based on the travel distance, per participant. The travel distance is to be determined by using the distance calculator supported by the European Commission (refer to Section 2.2 (d) of the Guidance Notes) and is based on the direct distance from Malta to the final destination, being the place where the Business Promotion Fair is being held. The one-way travel distance must be used to calculate the amount of the grant that will support the round trip.

What can be considered for match financing?

Match financing has to be from private sources and can be formed either through the Applicant's own financial resources, bank loan, crowd funding, or others.

Do I need to provide evidence for match financing?

Yes. The applicant needs to submit evidence that he/she has already successfully secured the project match financing.

What is considered to be evidence of Private Match Financing?

Evidence of Private Match Financing would depend on how the Project is being financed. Examples of evidence would be bank statements, certified by a CPA, with an amount that is reflective of the project cost in the case of self financing or a letter of intent/sanction letter from the bank if a commercial bank loan will be used to finance the project. Such a source may not come from Public Funds be it National or EU Funds.

Will the scheme reimburse me for expenditure that I have already undertaken?

No. Actions may only be initiated further to the signing of the Grant Agreement.

Where can I get the Income Tax Compliance/ Final Settlement of Social Security Contributions Compliance Certificate/VAT Compliance Certificate from?

Requests for these Compliance Certificates (Income tax, FSS and VAT) are to be addressed to the Office of the Commissioner for Revenue generic email - certificates.cfr@gov.mt

To note that in case of a self-employed taxpayer (with no employees), the Social Security Contributions Compliance Certificate is to be requested for the self-employed accordingly.

How to Apply

In order to apply, one must first register to the online SFD 14-20 application portal, accessible through: www.sfd.gov.mt/application. Steps on how to register and activate your account are provided on screen throughout the process. For more detailed instructions on how to register and fill in the application, one can view the Notes to Applicants document.

Can the Project Manager be a third party?

The Applicant may seek to contract out services in relation to the function of the Project Manager. For the scope of the assisted project the Project Manager is considered to form part of the

enterprise. In this regard, the enterprise may not seek services or supplies from the Project Manager in relation to the procurement of assisted activities under the project.

What is the Grant Agreement?

The Grant Agreement (GA) is the formal agreement between the Intermediate Body and the Applicant. The GA is the legally binding document and sets out the terms of the Grant. The IB will work through the terms and any conditions which must be discharged prior to entering into the GA with the Applicant. When the IB is satisfied that any conditions have been discharged, it will issue the GA and it will submit two unsigned copies to the Applicant. The Applicant will, by the indicated timeframe, sign and return both copies for counter-signature by the IB and one copy will be sent back to the Applicant. Work on projects can only start following the signing of the Grant Agreement.

BUSINESS ENHANCE



Operational Programme I - European Structural and Investment Funds 2014-2020
"Fostering a competitive and sustainable economy to meet our challenges"
Aid Scheme part-financed by the European Regional Development Fund
Co-financing rate: 80% European Union; 20% National Funds

