

## Purchase of New Electric Vehicles

The Ministry for Transport, Infrastructure, and Capital Projects in conjunction with the Transport Malta has recently introduced a financial grant scheme aimed at **persons residing in Malta, voluntary organisations and undertakings established in Malta**, to further promote the **use of new electric vehicles in Category L, M and N and pedelecs**.

Also, there is currently **a zero per cent loan** for the purchase of electric vehicles, yes zero per cent! This means that you can borrow the full purchase price of the vehicle and **never have to pay any interest on that loan**.



### Eligible Expenditure

This incentive allows a mix and match of purchase of new electric vehicles and pedelecs, and replacement of old vehicles. The grant shall support the purchase of:

- **New passenger cars.**
- **Goods carrying vehicles.**
- **Minibuses.**
- **Coaches.**
- **Quadricycle.**
- **Motorcycles; and**
- **Pedelecs.**

## Application

This grant shall remain in force until the **31st of December 2023** or until the budgeted funds are exhausted.

## Maximum Grant and Assistance

This scheme is being offered under two different state aid regulations, explained in further detail below. Applicants who cannot apply under the **De Minimis Regulations** because they are not eligible under the said regulations, or due to the applicable thresholds, may apply for the incentive under the **General Block Exemption Regulation**.

### De Minimis Regulations:

Type of Vehicle	Grant Amount
Pedelecs	€500 per vehicle.
Cargo Pedelecs L1e-A/B - Powered cycles & Two-wheel mopeds L3e-A1/A2 - Low & Medium performance motorcycle L4e-A1/A2 - Low & Medium performance two-wheel motorcycle with side-car L5e - Powered Tricycle with power not exceeding 15kW. L6e - Light quadricycles or quadri-mobile.	€2,000 per vehicle, but not more than 80% of the selling price.
L2e - Three-wheel mopeds; L3e-A3 - High-performance motorcycle; L4e-A3 - High-performance two-wheel motorcycle with side-car. L5e - Powered Tricycle with power exceeding 15kW. L7e - Heavy quadricycles or quadri-mobiles	25% of Cost, Insurance and Freight Value, capped at €6,000 per vehicle
M1 - Car N1 - Vans	€11,000 per vehicle.
M2 - Minibus N2 - Small Truck	40% of selling price, capped at €70,000 per vehicle.

## General Block Exemption Regulation:

Type of Vehicle	Grant Amount		
	Small 60%	Medium 50%	Large 40%
Pedelecs Cargo Pedelecs L1e-A/B - Powered cycles & Two-wheel mopeds L2e - Three-wheel mopeds; L3e-A1/A2/A3 - Low & Medium performance motorcycle L4e-A1/A2/A3 - Low & Medium performance two-wheel motorcycle with side-car L5e - Powered Tricycle. L6e - Light quadricycles or quadri-mobile. L7e - Heavy quadricycles or quadri-mobiles	Capped at €5,000 per vehicle.		
M1 - Car N1 - Vans	Capped at €20,000 per vehicle.		
M2 - Minibus N2 - Small Truck	Capped at €70,000 per vehicle.		
M3 - Coaches N3 - Trucks	Capped at €400,000 per vehicle.		

Under the General Block Exemption Regulation, an additional incentive of **5%** is applicable to applicants **established in and operating from** any of the **specified localities**.

## Eligibility

To qualify for the grants, the Category L, M or N Vehicle or pedelec being registered shall:

- be new;**
- In case of applications submitted by **persons residing in Malta or under the De Minimis Regulations**, be **registered in Malta after the 1st of January 2022;**
- In case of applications submitted under the **General Block Exemption Regulation**, be ordered after the **1st of January 2023** with the intention to be eventually registered in Malta;
- be licensed, or to be licensed, for private use or used in connection with the **provision of voluntary services or the activity of a business.**

## Further Incentive

The grant includes a **scrappage scheme** intended to provide further financial support to applicants who, while purchasing and registering a new electric vehicle or pedelec, deregister a vehicle of any category which is **older than 10 years** from its year of manufacture.

Category of Scrapped Vehicle	Place of Registration of Scrapped Vehicle	
	Malta	Gozo
L (Motorcycles)	€500	€500
M1 (Car) or N1 (Van)	€1,000	€2,000
M2 (Minibus)	€30,000	€31,000
N2 (Small Truck)	€15,000	€16,000
M3 (Coach)	€50,000	€51,000
N3 (Truck)	€25,000	€26,000

## 0% loans to buy an electric or hybrid vehicle

Bank of Valletta and APS Bank **are offering an interest rate of 0%** for those who will take a loan to invest in an electric or hybrid vehicle and initiatives in favour of energy efficiency and renewable energy. One can take out the loan for the **purchase of an electric or hybrid vehicle; an EV charging station; connections to energy supplies for photovoltaic systems; insulation systems; ventilation systems; and other measures relating to the conservation of water.**

This article reflects the guidelines published by Transport Malta as at 29<sup>th</sup> May 2023.

### ***For further information contact:***

#### **Daniel Borg**

Director Accounting & Advisory

E: [daniel.borg@dfkmalta.com](mailto:daniel.borg@dfkmalta.com)

#### **Mark Baldacchino**

Accounts Senior

E: [mark.baldacchino@dfkmalta.com](mailto:mark.baldacchino@dfkmalta.com)

*\*The objective of this summary is to outline the principal elements of the rules being summarized herein. Accordingly, it is not intended to be provided by way of comprehensive and definitive advice. Interested parties should seek professional advice by contacting DFK Malta Tax & Consultancy Limited before acting upon any information included in this document.*