



Business Advancement Opportunities of Co-operatives

Do you have a co-operative and want to take it to the next level? Maybe you need to buy new equipment, want to digitalise some processes, or need a business plan? If so, there are several grants and schemes available that could support your cooperative in achieving these goals:

1. SME Enhance Scheme

This incentive seeks to support SMEs through non-repayable Grants to part-finance **investment towards expansion, diversification, innovation of the operations and initial investment, aimed at potentially improving the productivity of the enterprise.**

This Grant Scheme will support eligible enterprises to procure:

- a. **Equipment, Plant and Machinery** - Costs for the purchasing of the main component of the operation in terms of equipment, plant and machinery required by the Undertaking for the operation.
- b. **Equipment, Plant and Machinery (ancillary items)** - Costs for the purchasing of ancillary items to the main activity of the project.
- c. **Lease of private operational premises** - Costs for leasing of privately owned operational premises required for the operations of the Undertaking for the duration of 2 years.

This scheme is being offered under two different state aid regulations, with grants ranging from a **minimum of €10,000** to a **maximum of €500,000**.

The scheme operates through an open rolling call with the following cut-off dates: Monday, 30 September 2024, Thursday, 31 October 2024, Friday, 29 November 2024 and Tuesday, 31 December 2024.



2. Digitalise Your Business Grant Scheme

This incentive seeks to assist enterprises through **non-repayable Grants** to part-finance investment to **digitalise their operations**, and hence improve their resilience, efficiency, productivity and customer experience by addressing **new digital capabilities and digitalised processes** such as product and process design and engineering, end-to-end procurement, supply chain/distribution and after sales.

The maximum funding amount is **€120,000** per digitalisation investment in digital technologies, part-financing eligible costs **up to 50%** for investments in **Malta** and **60%** for investments in **Gozo** with an additional 7% flat rate to finance any indirect costs related to the investment.

This Grant Scheme will support eligible enterprises to undertake costs in tangible and intangible assets in the following actions:

- i. **e-Commerce Website**
- ii. **Digital Solutions**
 - a. Commercial Off-The-Shelf (COTS) and Custom Software
 - b. Hardware (such as Laptops, Docking Station, Port Replicator, Monitors, Tablets)
 - c. Analytical Tools (including necessary hardware and software)
 - d. Cyber Security systems
 - e. Cloud computing
 - f. Routers, switches and WIFI related equipment
 - g. Other hardware and software (identified in the application and not already identified above, which the division may consider eligible under this scheme)

- h. Training costs on the use of the specific item acquired under points a to g above and included in the purchase price of the item in question, and thus from the same provider.

The scheme operates through an open rolling call with the following cut-off dates: Monday, 30 September 2024, Friday, 18 October 2024, Thursday, 31 October 2024, Friday, 15 November 2024, Friday, 29 November 2024 and Tuesday, 31 December 2024.

3. Business Reports for SMEs

The Business Reports for SMEs offers non-repayable grants to support SMEs in obtaining essential business reports that can enhance their decision-making and operational efficiency. By part-financing the costs of external consultancy services, this scheme helps enterprises develop comprehensive business plans or conduct process and systems reviews.

Grant Value is set at a lump sum of €4,000 (representing an aid intensity of 80% of the eligible costs).

The scheme supports the creation of:

- **Business Plans:** Detailed plans to guide investment initiatives and overall growth.
- **Process and Systems Reviews:** Evaluations aimed at improving operational efficiency and competitiveness.

The scheme operates through an open rolling call with the following cut-off dates: Monday, 30 September 2024, Friday, 18 October 2024, Thursday, 31 October 2024, Friday, 15 November 2024, Friday, 29 November 2024, Monday, 16 December 2024 and Tuesday, 31 December 2024.

Grants must be utilised, and the relevant actions must be completed within **6 months** from the date of the Grant Agreement.



Application Process

The application process starts with the submission of an online application. As these are public funds, applicants are expected to comply with regulatory obligations. The following documents must be provided:

- Tax Compliance Certificate issued by the Commissioner for Revenue (CfR)
- Audited Financial Statements and/or Management Accounts dated within the two financial years prior to the application submission year
- Evidence of Private Match Financing for the project

Once submitted, the application is assessed against eligibility and selection criteria. If successful, the applicant receives an acceptance letter, followed by the signing of a grant agreement. The beneficiary then implements the project, ensuring compliance with the grant conditions. After project completion, the beneficiary submits a claim for reimbursement, which is verified. Upon successful verification, the grant funds are reimbursed.

Exclusions

Cooperatives whose principal activities fall under Section A 'Agriculture, Forestry and Fishing' of the NACE Rev. 2. are not eligible for these grants. Additionally, cooperatives active in the sector of processing and marketing agricultural products may also be excluded under certain conditions.

Koperattivi Malta

The process of setting up a co-operative is relatively straightforward. Koperattivi Malta was established specifically to assist those interested in the co-operative model and to guide them through every step.

If you are interested in learning more about the co-operative model and how you can benefit from it, please contact Koperattivi Malta at info@cooperatives-malta.coop.

DFK Malta

Contact experts at DFK Malta for technical and financial advisory services once you decide to form a co-operative or for your existing co-operative:

Daniel Borg

Director Accounting & Advisory

E: daniel.borg@dfkmalta.com

Mark Baldacchino

Senior Accounting & Advisory

E: 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. Readers should seek professional advice by contacting DFK Malta Tax & Consultancy Limited before acting upon any information included in this document.*