

SUMMARY OF INCENTIVES FOR REGISTERED FAMILY BUSINESSES

Fiscal incentives

- 1) Duty on **immoveable** property shall be chargeable on the first five hundred thousand euro (**€500,000**) of the value of the property transferred at the advantageous rate of **three euro and fifty cents** per one hundred euro or part thereof;
- 2) Duty on **shares, interests in a partnership, trust or foundation** no account shall be taken of the first one hundred and fifty thousand euro (**€150,000**) or such other greater amount as may be prescribed of the value of the shares, or interests in a partnership, trust or foundation transferred in assessing the duty chargeable.
- 3) Budget 2017 valid up till April 2018 - Parents transferring their family business to their children during this one year period will benefit from a reduced stamp duty of **5% to 1.5% with no capping on the amount to be transferred.**

Governance incentives

- 1) Micro Loan Guarantee of up to **€500,000** per business for the purpose of acquiring the business or parts thereof;
- 2) Micro Investment of a maximum tax credit of **€70,000** over a three year period;
- 3) Legal, Notarial and Accountancy advisory services up to **€2,500** over a five year period for the purposes of assistance in the succession or business transfer of a family business;
- 4) Education and training for owners and their employees of up to **€1,000** annually per family business;
- 5) Arbitration of up to five sittings with a value of € **2,500** with the objective to establish the fair value of the business;
- 6) Lease Renewal - The positive consideration of lease renewals occupying government premises; When a registered family business is occupying industrial government premises or land on lease or emphyteusis respectively as prescribed under Chapter 325 the Business Promotion Act and subject to the business satisfying all the conditions of the tenancy agreement, the Regulator shall recommend to the Malta Enterprise Corporation and, or Malta Industrial Parks to renew the tenancy, which renewal shall not be unreasonably withheld when the objectives of the renewal are to ensure the continuity of the family business between family members.

7) Investment Aid - The Incentive Guidelines for Investment Aid 2014 – 2020 launched by Malta Enterprise in 2014 specify that in the case of acquisition of the assets of an establishment only the costs of buying the assets from third parties unrelated to the buyer shall be taken into consideration. The transaction shall take place under market conditions. If aid has already been granted for the acquisition of assets prior to their purchase, the costs of those assets shall be deducted from the eligible costs related to the acquisition of an establishment. The Incentive Guidelines shall allow that where a member of the family of the original owner, or an employee, takes over an enterprise, the condition that the assets be bought from third parties unrelated to the buyer shall be waived. The acquisition of shares does not constitute initial investment. Following the launch of the Family Business Act, the eligibility for the latter provision will be linked to actual registration of the family business under the Act.