

## COVID-19 Economic Measures introduced by Government of Malta

On 24th March 2020, the Maltese Government announced additional measures to support local businesses and to protect jobs. The additional measures are estimated to amount to Euro 70 million per month.

A summary of the previously announced measures that are estimated to be worth approximately Euro 1.8 billion are also set out below.

The additional measures that have been announced will apply retrospectively as from 9 March 2020 and will target mainly those businesses that have been most affected during these turbulent times.


### Aid to critically affected businesses

These businesses include:

- Certain wholesale activities;
- Certain retail activities;
- Accommodation;
- Food and Beverage service activities;
- Renting and leasing of motor vehicles;
- Employment activities;
- Travel agencies, tour operators and related activities;
- Security and investigation activities;
- Services to buildings;
- Transport activities;
- Creative, art and entertainment activities;
- Personal service activities.

The full list of businesses that are deemed to be critically affected can be found here:

<https://covid19.maltaenterprise.com/wp-content/uploads/2020/03/Annex-A-Sectors.pdf>

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Malta Enterprise are expected to be launching an online portal to help businesses to identify, according to their NACE Code and VAT registration number, the measures for which they qualify. Therefore, certain businesses other than those mentioned above may also be eligible for certain relief measures.

For the critically affected businesses mentioned above, the Government will finance up to Euro 800 per month of each employee's monthly salary (this also applies to self-employed persons). However, if an employee's monthly salary exceeds Euro 800 per month, the employer is expected to pay the remaining part up to a monthly salary of at least Euro 1,200 per month. In the event that the employer does not have the financial resources to sustain such payments, then an agreement has to be reached with the involvement of the unions, the employees and the Department for Industrial And Employment Relations.

### [Aid to less critically affected businesses](#)


The Government has also identified the following sectors to have been less critically affected:

- Manufacturing;
- Part of the wholesale sector;
- Part of the retail sector;
- Warehousing, and;
- Information

The full list of businesses that are deemed to be less critically affected can be found here:

<https://covid19.maltaenterprise.com/wp-content/uploads/2020/03/Annex-B-Sectors.pdf>

In the case of the above companies, the Government has committed to finance one day's salary per week (based on an Euro 800 monthly salary) per employee. which may be increased to two days.

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### Additional measures and details

**Self Employed persons** - as already mentioned above. the measures also apply to self-employed persons.


**Part Timers** - All the above measures will apply to part timers on a pro rata basis (in such cases the Euro 800/ month reference salary is reduced to Eur 500/month.

**Gozo** - the Government has recognised the terrible impact on businesses in Gozo and therefore has committed to finance an additional one day's salary per employee (based on an Eur 800/month salary) working in less critically affected businesses.

In all cases, the Government has confirmed that any payments/grants relating to employment will be paid to the employers (to be passed on to the employees) and not to the employees directly.

### Summary of previously announced economic measures relating to businesses and employment


1. The Government will be offering tax deferrals (relating to provisional tax, employee taxes, maternity fund payments, social security contributions and VAT) for taxes that fall due during March and April 2020. An application for such tax deferrals is to be submitted by 15 April 2020. Repayment of eligible taxes (excluding VAT) would need to be settled in four equal monthly installments in the four month period between May and August 2020. VAT dues would need to be settled in two equal installments with the two quarterly returns immediately following the quarter which dues have been deferred. This measure is estimated to be worth Euro 700 million.
2. The Government has also committed to provide guarantees for businesses up to Eur 900 million, which are expected to release up to Euro 4.5 billion in additional liquidity in the market.
3. Banks are expected to be offering 3 month moratoriums for both personal and business loans.

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4. The Government is also offering a grant of Euro 350 for employers for each employee on mandatory quarantine.
5. The Government is also offering assistance to businesses and self-employed persons who suffer a decrease in business of at least 25% of 1 day per week based on Eur 800/month salary. Such businesses may claim up to 20% of each employee's salary, based on an Eur 800/month salary which means that the maximum that can be claimed per employee cannot exceed €160 per employee/month. At this point, we are not sure as to how a business will be able to prove the 25% drop in business revenues, but this should be clarified shortly.

Additional measures were also announced but are not directly linked to business or employment.

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