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# CREATIVE INDUSTRIES PLATFORM

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OFFICIAL PROGRAMME GUIDELINES 2017



JUNE 1, 2017

ARTS COUNCIL MALTA

[www.artscouncilmalta.org](http://www.artscouncilmalta.org)

[fundinfo@artscouncilmalta.org](mailto:fundinfo@artscouncilmalta.org)

**DEADLINE FOR APPLICATIONS: 13<sup>TH</sup> SEPTEMBER 2017**



## 1. Introduction

Arts Council Malta's strategy for the Cultural and Creative Industries (CCIs), Create2020, recognizes the need to help create an environment where cultural and creative enterprises can find targeted support to help them grow in a sustainable fashion. The Council's strategic goals primarily addressing creative professionals are to:

1. empower cultural entrepreneurs to act as agents of change and resourceful visionaries organising cultural, financial, social and human capital, and generating revenue from cultural activities;
2. support creative practitioners to turn their artistic ideas and disciplines into sustainable economic activities and reach new markets locally and internationally.

To this end, Arts Council Malta is launching a new three-year programme to facilitate the creation of sub-sector specific support platforms that will provide targeted support to help the sector grow in a sustainable manner.

The scope of these platforms is also to provide support and services to help creative professionals improve their product and take their creative ideas to market. Supported platforms will be required to provide one or more sub-sectors within cultural and creative industries with access to professional mentoring, capacity building initiatives, networking, and export development opportunities.

Starting a creative business is an exciting but often challenging journey and this programme will help to create an infrastructure that provides a growing community of creative entrepreneurs with the necessary support at different development stages to develop their artistic disciplines into sustainable economic activities.

This fund should therefore be seen as an opportunity for stakeholders to come together and team up with members of the Cultural and Creative Industries in order to provide capacity building, mentoring and other necessary services needed to run a business, improve entrepreneurial skills and strengthen export potential through facilitating international participatory and networking opportunities.

There will be one call for participation in the programme in 2017, implemented over a three-year period.

## 2. Objectives of the Programme

- a. to create an environment that generates new opportunities for businesses, organisations, and individuals working in the cultural and creative industries.
- b. to promote entrepreneurship within the Cultural & Creative Industries thus encouraging new ambitious business models of business growth.
- c. to provide capacity building for the Cultural & Creative Industries by giving creative entrepreneurs the skill-set required to launch their business idea and/or reach new markets.
- d. to facilitate access to technical assistance, provision of specialised services and capacity building, including expertise, mentorship, and training programmes.

- e. to increase export competences and add value to existent business models, products and services.
- f. to further the professionalization of the Cultural & Creative Industries with the aim of developing a stronger entrepreneurial culture within an increasingly competitive and dynamic creative ecology.
- g. to support emergence and development of sub-sector clusters within the CCIs with the aim of strengthening internal cooperation between key stakeholders through joint effort by reducing fragmentation of initiatives and scarce resources.

### 3. Definitions

For the scope of this call for proposals, the following term definitions apply:

**Applicant** refers to the entity indicated as the proponent of a project in the application form. In order to be considered eligible, the applicant should be construed of an established legally recognised structure such as a consortium, not-for-profit-organisation, association, partnership or other legal structure; or one that is in the process of establishment by the time of application. In case of a successful proposal, funds will only be disbursed once the legal structure is in place. The main area of activity of the applicant has to be directly relevant to the Cultural & Creative Industries and established in statute and/or objectives of said entity.

The legal structure of the applicant has to be registered in Malta.

Public agencies can be partners of the applicant entity however cannot be the main applicant.

**Beneficiary** refers to the structure legally responsible for the implementation of the selected proposal and the recipient of the grant.

**CCIs - Cultural and Creative Industries** are economic sectors based on individual and collective creativity, skills and talent, that are better able to create wealth and jobs as well as intellectual property. The following sub-sectors are eligible areas under this programme: architecture, audio-visual, design, performing arts (either separately or collectively), publishing, visual arts, crafts, video game development and music.

**Sub-sector** refers to a specific specialisation in in the Creative and Cultural Industries. The following sub-sectors are eligible areas under this programme: architecture, audio-visual, design, performing arts (either separately or collectively), publishing, visual arts, crafts, video game development and music.

**Undertaking** means a registered enterprise or a registered self-employed person which participates in business activities

**Platform** refers to the beneficiary of this programme which can be an association, incubator, shared services centre or a formal collaboration between promoters from the sector providing services to undertakings specifically in the CCIs. Such platforms typically perform activities that support the collective development and growth of undertakings within one or more CCIs subsectors. Such activities include, but are not limited to, business development services, capacity building, export support, networking and participatory opportunities, information gathering and awareness raising, establishing industry standards and promotion of the business interests of a specific sector. The overall aim should be to achieve common objectives that are

expected to support growth, creativity, innovation and development of the members being represented.

**Not-for-profit organisation:** means a foundation, a trust, an association of persons or a temporary organisation which is independent and autonomous, registered with the Commissioner for Voluntary Organisations and compliant with and conforming to the rules and regulations stipulated by the same Commissioner.

**Association:** For the purpose of this programme, an Association is a membership based organization engaged in promoting the capacity building and business interests of a specific sector. Associations aim to achieve common objectives that are expected to support growth, innovation and development of their member undertakings. Business Associations should have:

- i. Specific targets that address the development needs of the relevant sector.
- ii. An open membership policy allowing all entities in the relevant sector to become members

**Incubator:** An organization designed to accelerate the growth and success of entrepreneurial undertakings through an array of business support resources and services that could include physical space, capital, coaching, common services, and networking connections.

#### 4. Programme Description

The three-year programme will provide a grant of up to €50,000 annually per platform for a three-year period. The funding is intended for Platforms to implement their proposed programme.

Arts Council Malta will be receiving applications from new or existing Platforms that have the potential to make a significant contribution to the priorities and ambitions highlighted above, and provide services as outlined in Section 5b below.

The fund allocated to selected Platforms will be covering financial years 2018, 2019 and 2020. Following signing of contract, a pre-financing of not more than 40% of the annual grant for 2018 may be requested in 2017 as initial financing for the implementation of 2018.

The amount to be awarded is at the discretion of Arts Council Malta and disbursement of funds shall be paid in tranches as outlined in the Grant Agreement.

#### 5. Eligibility

##### a. Conditions

- i. This fund will support development of Industry Platforms as defined in Section 3. Definitions, above.
- ii. The support is specifically aimed at the setting up and development of platforms that provide services to one or more subsectors of the CCIs. Services should include, but are

not limited to: capacity building activities (including mentoring, coaching and training services) for the development of technical, entrepreneurial and financial skills; networking opportunities and attendance to international sector events. Additionally, the support can also be used for rental of premises that are to be used solely as shared space for the client base of the platform.

- iii. At application stage, the platform (as defined in Section 3) must:
- a. already service at least ten (10) creative professionals/organisations/companies active in the CCI, **OR**
  - b. have support letters from at least ten (10) creative professionals/organisations /companies active in the CCI interested benefiting from the services offered by the platform; **AND**
  - c. by end of Year 2, increase its client base service at least 50%

In exceptional circumstance, where the sector has less than 10 representations, or the above mentioned figures are not feasible, this has to be justified at application stage.

- iv. The platform should have specific targets that address the capacity building and development needs of the relevant sector.
- v. The platform should have an open participation policy allowing all practitioners in the relevant sector to have access to the services offered by the platform.
- vi. The minimum grant for project support is €30,000 (with the total project value amounting to at least €37,500) and the maximum grant shall not exceed €50,000 regardless of the proposal value.
- vii. Grants awarded may amount to not more than 80% of the eligible project costs intended to run the platform. The application form (Section D - Budget) must clearly identify other sources and amounts of finance that have been allocated, which are being sought or committed to the project.
- viii. An application must contain a three-year proposal and budget forecast for a complete project, for the management of the platform, detailing the initiatives to be implemented and services to be provided as described in the application. The plan for Year 1 needs to be substantiated with detailed budgets and actual deliverables. More specific details such as event dates and identification of mentors will be looked upon favourably. The application will not be considered for funding if it does not show all the necessary details and caters for all the financial and technical requirements leading to the management of the platform.
- ix. Following negotiations on the proposed budgetary plans, Arts Council Malta will establish a three-year financing programme, reviewed annually, for each beneficiary. Arts Council Malta reserves the right to award grants to beneficiaries based on a fixed allocation every year or gradually increase or gradually decrease the awarded amount without exceeding the 80% co-funding threshold or the maximum allocation of EUR 50,000 (whichever is the lower).

- x. Beneficiaries of the selected proposals will be required to set-up/allocate a specific Bank Account through which all transactions related to the proposal should be made.

#### **b. Eligible Activities**

- i. Support shall be given to platforms that provide at least three (3) of the services identified below.
  - a. Raising awareness and providing information about the entrepreneurial potential of given subsectors;
  - b. Capacity Building including, mentoring, coaching services, market studies and research;
  - c. Training courses, workshops and seminars relevant to the development of the practitioners;
  - d. Memberships, up to 1 membership per platform per year to international networks;
  - e. Providing networking opportunities, matchmaking events and study visits;
  - f. Export support through joint marketing initiatives and participation in sector specific international events;
  - g. Provision of operating space;
  - h. Developing new e-services or digital platforms for joint marketing and promotion of creative products or services.
- ii. Support shall be granted to projects whose activities contribute to the potential growth of the Cultural & Creative Industries in terms of:
  - a. Increased capacity building of the sector that leads to increase in revenues
  - b. Increase in the GDP contribution of the CCI in terms of economic growth
  - c. Increase in the number of undertakings operating in the sector
  - d. Increase in employment in the CCI
  - e. Intra-sectoral collaborations
  - f. Collaborations with other economic sectors
  - g. Increase in export activities and export revenues of the serviced clients and therefore also of the sector

#### **c. Ineligible Activities**

Activities not directly related to the Cultural and Creative Industries unless such activities include crossovers and spill-overs with other industry sectors resulting in inter-sectoral collaboration.

#### **d. Eligible Costs**

Costs directly related to the services offered by the platform and to the management of the platform incurred during the project period as per Grant Agreement. All expenditure is to be identifiable and verifiable and should be reasonable, justified and compliant with the requirements of sound financial management. Eligible costs include costs incurred for:

- i. Professional services by external experts or by the platform.
- ii. One annual international Memberships per platform.
- iii. Organisation and logistical costs of seminars, training, events and study visits;
- iv. Participation to international events and networking opportunities, ensuring that equal access to opportunity is given to all members that:
  - a. have potential to reach international markets,
  - b. provide high quality export plans,
  - c. propose a feasible internationalization strategy of their product or service,
  - d. have prospective or existing quality international partners
  - e. justify the relevance and importance of planned destinations and international events.

The following participation costs incurred towards the achievement of the Platform's objectives and development may be supported:

- a. Participation fees paid to the event organisers, provided that events are relevant to the sector
- b. Air travel costs in economy class
- c. Accommodation costs

Provided that a maximum of 80% of said costs shall be covered through this funding; the remaining 20% should be covered by the participants themselves or through funds raised by the platform;

- v. Creation of platform related marketing publications, running information services (including website, newsletter, etc.), research and collecting and sharing good practices from Malta and abroad.
- vi. Development costs of e-services portals and digital platforms
- vii. Rental cost of operating space
- viii. Sub-contracting or personnel costs for management and administration of the platform provided that:
  - a. The tasks and duties to be carried out in relation to the platform are explicitly indicated in the contract of service
  - b. The cost allocated does not exceed 20% of the total project cost
  - c. In cases where the platform is represented by a registered legal body, such costs can be wage costs of an employed person to undertake these duties.
  - d. Such costs are not funded through another existing funding mechanism

#### e. Ineligible Costs

Costs not covered by this grant include:

- i. Operational overheads such as utilities, maintenance, or capital expenditure
- ii. Interest owed
- iii. Provisions for the losses or potential future liabilities
- iv. Costs declared by the beneficiary and covered by other funding instruments.
- v. Expenditure deemed excessive or reckless
- vi. Costs incurred outside the project period as stipulated in the Grant Agreement
- vii. Recoverable VAT, where applicable.
- viii. Any activities not related to the approved proposal, unless justified and approved by Arts Council Malta.

#### f. Maximum Funds

Funds will be approved on an annual basis following submission and approval of a detailed income-expenditure budget and platform development plan for Year 1 accompanied by budget plans and forecasts covering the three years. Approved platforms may receive up to €50,000 per annum for three (3) years.

### 6. Award Criteria

Eligible proposals will be assessed on the basis of the following criteria:

	Criteria	Marks
1	<p><b>Quality and strength of the partnership, reach of the direct and indirect beneficiaries through the services provided</b></p> <p><i>While an individual entity can submit an application to act as a platform for the chosen subsector, we strongly encourage a meeting of various stakeholders working together towards a wider reach of the sector and targeting various aspects that need to be strengthened.</i></p> <p><i>Particular detail should be given in explaining who will the beneficiaries be, and how the services provided will benefit the sector</i></p>	20
2	<p><b>Expertise of team members, including mentors and trainers, their in-depth knowledge of the sector and key trends in Malta and globally</b></p> <p><i>What is the background of the applying team and their knowledge of the strengths and weaknesses of the sector?</i></p> <p><i>Who are the trainers and mentors that will be engaged – how is their expertise relevant to the sector?</i></p>	20
3	<p><b>Feasibility, sustainability and clarity of the financial plan</b></p> <p><i>How clear and explanatory is the financial plan?</i></p> <p><i>Does it look at sustainability post-funding period?</i></p>	20



	<i>Does the budget forecast make financial sense and does it follow sound financial management principles?</i>	
4	<p><b>Quality and level of detail of the communication plan to reach the beneficiaries and raise awareness of one or more of the CCIs</b></p> <p><i>How strong and detailed is the applicant’s communication plan to maximise reach, progressively increase the number of direct and indirect beneficiaries?</i></p> <p><i>How does it aim to raise awareness for and of the creative industries?</i></p>	20
5	<p><b>Projected impact for the stakeholders and the sector in general, including inter and intra sectoral collaborations, potential economic increase in revenues of beneficiaries, potential increase in contribution to GDP and number of jobs created.</b></p> <p><i>What impacts do you envisage the successful management of this programme will have especially in terms of economic return and growth &amp; development of the sector?</i></p>	20
	Total (maximum):	100

## 7. How to apply

Applications can be downloaded from: [www.artscouncilmalta.org](http://www.artscouncilmalta.org)

Submissions may be carried out as follows:

1. By sending an email on [applyforfunds@artscouncilmalta.org](mailto:applyforfunds@artscouncilmalta.org) till 12:00 (noon) of the deadline. It is essential that in the same email you include all additional supporting documents as required by these guidelines and regulations. You should also include the signature (electronic signature or scan) as indicated on the application form.

OR

2. By sending a printed copy and a soft copy (to be sent via Wetransfer or on a USB) by registered post to the following address: Arts Council Malta, 16, Casa Scaglia, Mikiel Anton Vassalli Street, Valletta.  
It is essential that the post mark indicates either the deadline or a date before the deadline.

OR

3. By submitting a printed copy and a soft copy (to be sent via Wetransfer or on a USB) of the application form by hand at: Arts Council Malta, 16, Casa Scaglia, Mikiel Anton Vassalli Street, Valletta.

Application forms may be submitted between Monday and Friday from 09:00 till 16:30. On the deadline, application forms will be accepted till noon (12:00). Late applications will not be accepted.

All application forms are to be signed prior to submission. By doing this, applicants are accepting the conditions of the fund as explained in this expression of interest and in the application form. Application forms which are not signed will not be accepted.

It is the applicant's responsibility to present a complete application form as explained in these guidelines and regulations. Only completed applications will be examined in the next phase and rated according to the specified selection criteria, with a final score calculated.

Application packages are not returned at the end of the selection procedure.

## 8. Time Frames

<b>Information Session</b>	<b>5<sup>th</sup> July 2017 (at Malta Enterprise)</b>
<b>Deadline for Applications</b>	<b>13<sup>th</sup> September 2017 (noon)</b>
<b>Evaluation and Pitching of Projects</b>	<b>2<sup>nd</sup> – 3<sup>rd</sup> October 2017</b>
<b>Results</b>	<b>9<sup>th</sup> October 2017</b>
<b>Award Ceremony</b>	<b>15<sup>th</sup> November 2017</b>
<b>Implementation</b>	<b>1<sup>st</sup> January 2018 – 31<sup>st</sup> December 2020</b>
<b>Submission of Reports</b>	<b>Final Report 31<sup>st</sup> January 2021 Periodic Reports as per Grant Agreement</b>

## 9. Mandatory Documentation

The application package should include the following:

- A copy of the application form signed by the legal/official representative/s of the applying team
- Detailed income-expenditure budget for year 1 accompanied by budget plans and forecasts covering the three years

## 10. Processing of Applications

All applicants will receive an acknowledgement of receipt upon submission of application.

Mandatory material cannot be accepted after the deadlines; however, the Council may ask for additional material during the eligibility check process.

Applications that do not include all the requested material as specified in the guidelines will be considered ineligible and will not be processed further. Only completed applications will be examined in the next phase and rated according to the specified award criteria as per Section 6 of these Guidelines.

## 11. Evaluation Process and Pitching

**The initiative is competitive and will be evaluated according to established criteria.**

Eligible applications will be assessed by an evaluation team made up of at least 3 independent, evaluators. Evaluators will be selected on the basis of their independent and professional experience.

The evaluators will present an assessment of each of the proposed projects indicating the relevant rating awarded, on the basis of which a short-list of the highest-ranked projects will be drawn up. The number of projects recommended for support will depend on the available budget vis-a-vis the requests made and the number of short-listed applicants. Eligibility and compliance with award criteria alone does not guarantee receipt of funding if demand for funding exceeds available resources. The evaluators may recommend that a project is provided with a lesser amount of support than the amount requested.

Applicants will be asked to attend a pitching session with the evaluators during the evaluation stage. The scope of this session will be to briefly present the project to the panel verbally and to clarify any matters relating to the project proposal as well as to ensure that the full information required by the evaluators to make a fair and complete assessment of the application is provided.

The pitch can be presented in a variety of formats but should not be longer than fifteen (15) minutes. Applicants presenting any visuals or presentations requiring projection are to send in the relevant files by email at least 2 days before the pitching sessions. Files not received in time will not be allowed to be used. This five-minute pitch may be followed by a Q&A session with the evaluation panel if deemed necessary.

To be considered for funding, projects must obtain an average of at least 60 marks. Nevertheless, the evaluation session and funding decisions depend on the quality of the submitted proposals and on the availability of the funds. Therefore, obtaining 60 marks or more does not automatically mean that you will be awarded the funds. The evaluation board may decide not to allocate the total funds available for a particular call if the proposed projects do not reach the required level in terms of the fund criteria.

All information received through the Creative Industries Platforms applications shall be kept confidential and will not be disclosed to any third party. Evaluators are obliged to withdraw from the evaluation process if they have personal or professional association with any of the submitted projects or key personnel that might compromise their ability to make objective and reasonable judgements and/or might provide grounds for conflict of interest.

Application packages will not be returned to the applicants.

## 12. Communication of Results

On the day indicated in Section 8, you will receive your result notification from Arts Council Malta. Together with the covering letter, we will also attach a copy of the evaluation form, indicating the reasons and marks leading to the Evaluation Board's decision, according to the fund criteria.

The order of classification of the projects, according to the marks allocated by the evaluators, will be published online. Only the names of the successful projects will be published; in the case of projects which have not been awarded any funds, only their reference number will be published.

If you have any difficulties concerning your results, you should email us on [fundinfo@artscouncilmalta.org](mailto:fundinfo@artscouncilmalta.org) within five (5) days of receiving your funding decision.

No information on the evaluation process will be released before the official result notification. **Any form of soliciting will automatically disqualify an application.**

### 13. Payment Procedures

In the event of approval, a Grant Agreement for Year 1 of the project, detailing the conditions and level of funding, will be entered into between the Arts Council Malta and the beneficiary. Selected projects may receive a pre-financing payment of 40% of the approved grant at the start of the project. The remaining funds will be disbursed as per the Grant Agreement.

Arts Council Malta will establish the amount of the final payment to be made to the beneficiary on the basis of the final reports and supporting documentation. If the eligible costs actually incurred by the beneficiary during the project are lower than anticipated in the provisional budget, the amount given shall reflect this decrease.

At the end of Year 1, Arts Council Malta shall review the deliverables and achievements of the Platform and enter into a new agreement for Year 2. Arts Council Malta reserves the right to discontinue this collaboration should it deem that the funding was misused, proved ineffective or the Platform did not reach its deliverables and objectives.

### 14. Beneficiary Obligations

Beneficiaries must notify Arts Council Malta immediately if changes affecting the nature of the project take place during implementation. Changes cannot be implemented unless approval is received. Arts Council Malta reserves the right to revise or to discontinue payments if the change in the project is not considered to be in line with the initial proposal, or if the Council is not informed of the changes within a reasonable time.

All applicants will be required to set up a separate Maltese Bank Account through which all transactions related to the project are to be managed. Transactions not traceable in this bank account will not be considered eligible as part of the project.

The grant received must be used solely for the purpose for which it was awarded, in line with the submitted proposal and the contract.

All material, print and communication by the beneficiary with regards to the project, including its website, articles, references, publications, catalogues, interviews and credits, are to indicate that funding was received from the Creative Industries Platform. Where applicable, the beneficiary is



to use the Creative Industries Platform and the Arts Council Malta logo as supplied by the Council citing the text ***'[Name of Organisation] is supported by Arts Council Malta through the Creative Industries Platform Programme'***.

The beneficiary is under the obligation to provide the Council with updates and summary reports as requested at different stages throughout the project. Arts Council Malta reserves the right to send representatives for monitoring purposes both during the implementation of the project as well as after its completion.

## **15. Project Duration**

The Agreement covers a three-year period from the date it is signed and funding shall be reviewed annually upon submission and evaluation of an annual plan for the year to be funded.

## **16. Monitoring**

Arts Council Malta is responsible for the review of the Project. The Fund Manager and/or an established third party may carry out checks to establish whether public support has been used in accordance to established conditions.

Arts Council Malta may demand access to the beneficiaries' financial records as part of its beneficiary screening, review or control procedure. Upon the presentation of the final accounts, the Council may perform spot checks. In the case of non-legal setups, the transactions of the specifically created Bank Account may be reviewed.

The beneficiary shall, without regard to prevailing confidentiality restrictions, at any time communicate to the Council any information the Council requests.

Relevant invoices/receipts are to be submitted to the Council, in certified true copy or original, for every eligible item approved for the grant. In all applicable cases, all submitted invoices and receipts are to be presented with the VAT element separated. The Council reserves the right to request the original copies should there be doubts on the authenticity of the documents provided and will not issue payments if these are not provided.

At the end of the project, beneficiaries will be required to submit a detailed report highlighting the work carried out and the project achievements, by not later than six (6) weeks after the project is concluded. Arts Council Malta will provide a template for your report. Together with this report, beneficiaries must submit copies of any relevant marketing, publicity or information material developed for the funded project, including visual documentation. Beneficiaries will also be required to present a final budget together with all supporting documents. Arts Council Malta retains the right to make use of submitted project material. Arts Council Malta retains the right to recover funds in case these are not being used and/or are misused and/or are not used according to the submitted budget.

## **17. Complaints**

Filing a complaint will not affect your chances of receiving support from Arts Council Malta in the future. All complaints will be treated with confidentiality.

### **Grounds for complaints**

Applicants can make a complaint regarding procedural anomalies and irregularities during the submission and evaluation process in terms of the procedures stipulated in these guidelines and regulations. Complaints cannot be made concerning:

- The Arts Council's or Government's policies and procedures;
- The merits of the application in terms of the criteria stipulated in these guidelines and regulations. Only applicants may file complaints concerning their project.

### **Filing a complaint**

Complaints must be made in writing and must be as clear as possible. The complaint must state the grounds and the reasons for the complaint, providing a detailed explanation and justification supported by relevant documentation or testimonials as to why the complainant deems that irregularities were committed in the procedure/s stipulated in these guidelines and regulations or in standard good governance rules and regulations governing the public sector. The decision at the end of the complaint process shall be final. Complaints need to be made to the Head Funding of Arts Council Malta within five (5) working days of receipt of your funding decision. You will normally receive a reply to your complaint within ten (10) working days from the Head Funding of Arts Council Malta.

In case you are not satisfied with the reply, Arts Council Malta will convene a Board that will discuss your complaint further. If you approach our complaints procedure, then you are accepting that we can use information about your project to address the complaint. The decision of the Board is final.

## **18. Legal Basis**

Arts Council Malta will issue and publish the official Programme Guidelines covering this funding programme in terms of Article 4 of the Arts Council Malta Act, Chapter 542 of the Laws of Malta.

This incentive is administered by Arts Council Malta.

## **19. State Aid Regulations**

This scheme is being implemented in line with the Commission Regulation (EU) No. 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid (the *de minimis* Regulation).

Assistance may not be awarded to the following:

- a) Undertakings active in the fishery and aquaculture sector, as covered by Council Regulation (EC) No. 104/2000;
- b) Undertakings active in the primary production of agricultural products;
- c) Undertakings active in the sector of processing and marketing of agricultural products, in the following cases:

- i. Where the amount of the aid is fixed on the basis of the price or quantity of such products purchased from primary producers or put on the market by the businesses concerned;
  - ii. Where the aid is conditional on being partly or entirely passed on to primary producers;
- d) Aid to export-related activities towards third countries or Member States, namely aid directly linked to the quantities exported, to the establishment and operation of a distribution network or to other current expenditure linked to the export activity;
  - e) Aid contingent upon the use of domestic over imported goods;

The total amount of *de minimis* aid granted to a single undertaking shall not exceed the amount of €200,000 over any period of three consecutive fiscal years. This period covers the fiscal year concerned as well as the previous two fiscal years. 'Fiscal year' means the fiscal year as used for tax purposes by the undertaking concerned.

This maximum threshold would include all State aid granted under this aid scheme and any other State aid measure granted under the *de minimis* rule including that received from any entity other than Arts Council Malta. Any *de minimis* aid received in excess of the established threshold will have to be recovered, with interest, from the undertaking receiving the aid.

The term 'single undertaking' is defined as follows:

Single Undertaking includes, for the purposes of this Regulation, all undertakings having at least one (1) of the following relationships with each other:

- a) one (1) undertaking has a majority of the shareholders' or members' voting rights in another undertaking;
- b) one (1) undertaking has the right to appoint or remove a majority of the members of the administrative, management or supervisory body of another undertaking;
- c) one (1) undertaking has the right to exercise a dominant influence over another undertaking pursuant to a contract entered into with that undertaking or to a provision in its memorandum or articles of association;
- d) one (1) undertaking, which is a shareholder in or member of another undertaking, controls alone, pursuant to an agreement with other shareholders in or members of that undertaking, a majority of shareholders' or members' voting rights in that undertaking.



Undertakings having any of the relationships referred to in points (a) to (d) of the first subparagraph through one or more other undertakings shall also be considered to be a single undertaking.

The same Regulation states that a group of linked undertakings is considered as one single undertaking for the application of the *de minimis* rule, but that undertaking which has no relationship with each other except for the fact that each of them has a direct link to the same public body or bodies are not treated as being linked to each other. The specific situation of undertakings controlled by the same public body or bodies, which may have an independent power of decision, is therefore taken into account.

In terms of Article 5 of the *de minimis* Regulation, *de minimis* aid granted under this scheme may be cumulated with *de minimis* aid granted in accordance with Commission Regulation (EU) No 360/2012 up to the ceiling laid down in that Regulation. It may be cumulated with *de minimis* aid granted in accordance with other *de minimis* regulations up to the relevant ceiling fixed in terms of these Guidelines.

*De minimis* aid awarded under this scheme shall not be cumulated with State aid in relation to the same eligible costs or with State aid for the same risk finance measure, if such cumulation would exceed the highest relevant aid intensity or aid amount fixed in the specific circumstances of each case by a block exemption regulation or a decision adopted by the European Commission. *De minimis aid* which is not granted for or attributable to specific eligible costs may be cumulated with other State aid granted under a block exemption regulation or a decision adopted by the Commission.

The *de minimis* declaration form must be filled in and submitted together with the application form.

In line with the *de minimis* State Aid regulation, records regarding *de minimis* aid shall be maintained for 10 years from the date on which the last individual aid is granted under the Scheme.

## **20. Contact for further information:**

Tel: +356 2339 7020

E-mail: [fundinfo@artscouncilmalta.org](mailto:fundinfo@artscouncilmalta.org)

Website: [www.artscouncilmalta.org](http://www.artscouncilmalta.org)