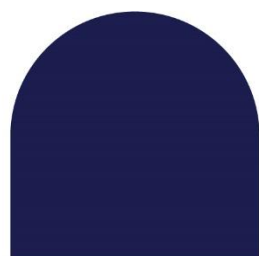


Scheme for the Partial Subsidisation of Bank- Approved Loans for Local Band Clubs

Guidelines and Regulations 2025



**ARTS
COUNCIL
MALTA**

ISSUED: NOVEMBER 2025

ALLOCATIONS

SESSION BUDGET	MAXIMUM ELIGIBLE AMOUNT PER PROJECT
EUR 280,000	50% of the interest paid for a bank loan which is due annually for a maximum period of ten consecutive years

CO-FUNDING	DISBURSEMENT
The scheme may cover up to 50% of total interests due within the maximum period of 10 consecutive years	Yearly payment made to the beneficiary covering up to 50% of the interest due that year

TIMEFRAMES

DEADLINE	RESULTS	ELIGIBLE TIMEFRAME
Rolling call until the 17th November 2026 or when funds are fully disbursed	Issued within 20 working days from the receipt of a complete application	01st January 2026 – 31st December 2035

1. Introduction

The Scheme for the Partial Subsidisation of Bank-Approved Loans for Local Band Clubs forms part of Arts Council Malta's funding schemes which aim to invest in Local Band Clubs. The latter play a pivotal role in Malta in preserving cultural traditions, fostering community identity and nurturing young talent in music and the performing arts. Voluntary organisations, however, often face significant financial challenges in sustaining their operations, investing in infrastructure and modernising their facilities.

Access to financing through the banking sector is possible but is often limited by the cost of borrowing. Despite the need for upgrades, renovations and cultural initiatives, voluntary organisations are discouraged by the high interest rates that are attached to bank loans. The scheme aims to strengthen the sector by reducing the financial strain on band clubs undertaking bank-approved loans.

This scheme will partially subsidise the interest burden on such loans, thereby facilitating investment, ensuring financial sustainability, and enhancing the cultural contributions of band clubs.

The aid is targeted exclusively at Local Band Clubs, which are community-based, cultural, voluntary organisations that generate public value. Support will strengthen their long-term financial sustainability and safeguard their ability to provide cultural services to the community.

The primary objective of this scheme is to facilitate access to affordable financing for local band clubs by subsidising part of the interest costs on bank-approved loans. The subsidy will be based on a capping of a bank loan amounting to a maximum of €500,000 (five hundred thousand euros). For example, a loan for the amount of €600,000 will be eligible for the scope of this scheme, however, support will be calculated on the capping of the first €500,000.

The scheme is designed as a proportionate and transparent intervention, ensuring that public support directly reduces financing burdens without distorting market competition. By lowering the effective cost of borrowing, the measure will encourage investment in infrastructure, modernisation and cultural activities that would otherwise be financially unattainable.

Band Clubs will first be responsible for negotiating loan agreements directly with approved banking institutions, ensuring that each club is able to secure financing tailored to its needs while adhering to standard banking due diligence procedures.

Once a loan has been issued, Arts Council Malta, acting on behalf of the Government, will intervene **solely for the purpose of subsidising 50% of the interest charges associated with the loan.**

2. Definitions

Applicant

- An applicant may be a voluntary organisation enrolled with the Commissioner for Voluntary Organisations, that is compliant with the Voluntary Organisations Act requirements, and which is a **Musical Society or a Band Club** active in the cultural and creative sectors.
- An applicant may be a Musical Society or a Band Club that is applying for a bank loan with an approved banking institution.
- An applicant may be a Musical Society or a Band Club which already has a bank loan with an approved banking institution.
- An applicant can NOT be a Musical Society or a Band Club which in the last 5 years, has benefitted from Arts Council Malta's scheme '*Safeguarding Band Clubs under threat of eviction*'.

Application

- An application is a submission, inclusive of all mandatory documents, and any annexes to the application form made by an eligible applicant.

Beneficiary

- The beneficiary is the recipient of the grant. The beneficiary is responsible for the implementation of the proposal supported by the scheme.

Disbursement of Funds

- The grant will be disbursed as indicated on page 2 of these guidelines and regulations. A cheque payment will be issued on behalf of the applicant. The applicant must have an active bank account when submitting the application.

Eligibility

- Applications that have secured a bank loan, or are in the process of securing a bank loan, from approved banking institutions are eligible. Applications will first be screened in terms of technical eligibility by the scheme administrators and managers. Proposals which are not considered eligible in terms of the set criteria shall not be processed further and shall not undergo evaluation.

Evaluation

- Applications deemed compliant and eligible are evaluated against the criteria established in these guidelines by the appointed evaluators.

Evaluation board

- Arts Council Malta appoints an Evaluation Board for each call under the scheme. The appointed board may be composed of local or foreign professionals in the sector of culture and the arts.

Management and administration

- Arts Council Malta is responsible for the management of this scheme. All official correspondence, including the online submission of applications or updates to awarded proposals, must be sent to the address indicated in these guidelines.

Mandatory documentation

- Any document(s) needed to support your proposal and aiding in the evaluation of your project (eg. track records, contracts, portfolios, promise of sale agreement, sanction letter, permits or other).

Maximum Funding

- There is a ceiling amount of 50% of the interest due that year for the duration of the loan or a maximum period of ten consecutive years (whichever comes first) applied on a loan for a maximum of €500,000 per proposal to be allocated. Amounts awarded will be decided on a case-by-case basis, depending on the proposal.

Single undertaking

- This includes all enterprises having at least one of the following relationships with each other:
 - a. One enterprise has a majority of the shareholders' or members' voting rights in another enterprise;
 - b. One enterprise has the right to appoint or remove a majority of the members of the administrative, management or supervisory body of another enterprise;
 - c. One enterprise has the right to exercise a dominant influence over another enterprise pursuant to a contract entered into with that enterprise or pursuant to a provision in its memorandum or articles of association;
 - d. One enterprise, which is a shareholder in or member of another enterprise, controls alone, pursuant to an agreement with other shareholders in or members of that enterprise, a majority of shareholders' or members' voting rights in that enterprise.

Enterprises having any of the relationships referred to in points (a) to (d) above through one or more other enterprises shall be considered to be a single undertaking.

Undertaking

- An undertaking is defined as an entity engaged in an economic activity within the meaning of Article 107 TFEU (i.e. any activity consisting in offering goods and services on a market), regardless of its legal status and the way in which it is financed. The classification of a particular entity as an undertaking depends entirely on the nature of its activities. The application of the State Aid rules does not depend on whether the entity is set up to generate profits. Non-profit entities can also offer goods and services on a market. Where this is not the case, non-profit entities remain outside the scope of State Aid. Furthermore, the classification of an entity as an undertaking is always relative to a specific activity. An entity that carries out both economic and non-economic activities is to be regarded as an undertaking only with regard to the former.

Voluntary organisation

- An organisation which is legally established and/or publicly registered in Malta, having a statute. Voluntary organisations must be enrolled with the Commissioner for Voluntary Organisations in accordance with the Voluntary Organisations Act requirements (<http://www.maltacvs.org>). The applicant must be a legally authorised representative of the organisation.

3. Eligibility

Projects that have secured, or are in the process of securing, a bank loan from approved banking institutions are eligible for funding under this scheme. The support will be in favour of interest rates paid for bank loans for the maximum amount of €500,000.

Maximum eligible timeframe to implement the proposed activity: 10 consecutive years.

Maximum eligible bank loan amount to be considered for the purposes of the scheme: €500,000

3.1 Who can apply?

This scheme supports proposals for a subsidy of the interest rate that will be applied for the duration of the loan, up to a maximum of 10 consecutive years (whichever comes first).

The mechanism of this scheme is structured to ensure both efficiency and accountability while maintaining a direct link between band clubs and Arts Council Malta.

The scheme has two options: a State aid option and a non-State aid option. The State aid option is applicable in the case of undertakings that carry out an economic activity within the meaning of Article 107 TFEU, as well as in the case of projects involving an economic activity, for which assistance will be granted in line with the *de minimis* Regulation. The non-State aid option is available to those applicants that do not carry out an economic activity within the meaning of Article 107 TFEU, as well as to proposed projects that would not involve such an economic activity. Kindly refer to Section 9 of these guidelines for additional information.

Furthermore, applicants must qualify as a Voluntary Organisation enrolled with the Commissioner for Voluntary Organisations and must be compliant with the Voluntary Organisations Act requirements.

3.2 Who cannot apply?

The following are not eligible to apply for this scheme:

- Applicants who do not qualify under the definition of applicant for this specific scheme.
- Applicants whose profile is not verified due to it being an incomplete profile for not having the below mandatory documents:
 - a copy of their Maltese ID card (including the front and back side), or their Maltese residence permit, or their Maltese citizenship certificate, or their Maltese passport
 - a signed statute in the case of a voluntary organisation.
- Beneficiaries of the scheme entitled '*Safeguarding Band Clubs under threat of eviction*' who signed the acquisition agreement during the past five years from the date of the application.
- Beneficiaries who have not honoured previous funding commitments.
- Beneficiaries who did not submit or complete at least one final report related to a previous grant funded by Arts Council Malta within the established timeframes.
- Voluntary Organisations which are not compliant with the Voluntary Organisations Act requirements since they:
 - are not enrolled with the Commissioner for Voluntary Organisations;
 - have not presented their updated accounts to the Commissioner for Voluntary Organisations;
 - do not have a registered address in the Maltese islands.
- Organisations/activities receiving local public funds through established Government line votes.

3.3 What costs can be covered?

This grant may cover up to 50% of the interest rate charged by the banking institution on approved loans on an annual basis based on a capping of a bank loan amounting to a maximum of €500,000 (five hundred thousand euros).

The remaining 50% of the interest rate cannot be covered through other funding programmes managed by Arts Council Malta.

3.4 What costs cannot be covered?

The scheme will not support any costs other than those mentioned in section 3.3 of these guidelines and regulations (interest rates charged by banking institutions).

3.5 What applications are not eligible?

The following applications are **not** eligible under this scheme:

- Applications to support any cost that is not mentioned in section 3.3 of these guidelines and regulations
- Applications submitted by beneficiaries of the scheme entitled '*Safeguarding Band Clubs under threat of eviction*' who signed the acquisition agreement during the past five years
- Applications submitted after noon (12:00) of the respective day of deadline
- Applications submitted by public entities with or without a line vote
- Incomplete applications. Refer to the application checklist in Section 5.1
- Initiatives eligible under Festivals Malta, Annual Cultural Activities Scheme, VOPS, National Book Council, Valletta Cultural Agency, Malta Arts Scholarships or any other State-funded programme dedicated to Maltese arts/culture

Any other activity which may be developed outside the scope of the *Scheme for the Partial Subsidisation of Bank-Approved Loans for Local Band Clubs* is not eligible for support.

Applicants can submit only one application under this call for the duration of the scheme. Applicants may benefit only once throughout the duration of the scheme. Beneficiaries of the scheme will be excluded from future calls until further notice.

4. Evaluation

The Evaluation Board will base its decision upon the following criteria:

- The eligibility of the applicant in terms of Section 3 of these guidelines and regulations
- The submission of all the necessary documents (Refer to Section 5.1)
- The clarity of the submitted documents.

5. Submitting the application

Follow these steps to apply:

1. Read these guidelines and regulations carefully.
2. Check whether your proposed idea can be addressed by this scheme.
3. Click this link that will take you to the online application system.
4. Use your existing profile to apply. If you do not have a profile, create your profile with Arts Council Malta by clicking on 'Register now' and filling in the details.
5. From the open calls section, select the online application for the scheme you intend to apply for.
6. Follow the instructions step by step. Fill in all the required information from the online application, including the budget, and attach the supporting documentation.
7. Submit the application. You should receive an automatic acknowledgement by the system. If you do not receive such a notification, contact us on applyforfunds@artscouncil.mt.

Applicants are required to register a profile on the ACM's CRM at least two weeks prior to the deadline of the call.

In case of difficulty, or if you would like to consult us regarding this scheme, you can call us on 2334 7230 from Monday to Friday between 09:00 and 16:00, or email us on fundinfo@artscouncil.mt.

It is your responsibility to present a complete application form as explained in these guidelines and regulations. If you do not present all the necessary information and documentation, your application will not be processed and evaluated.

Prior to the application deadline, Arts Council Malta representatives will not be checking your application forms. It is solely at the Council's discretion to request that applicants provide any missing mandatory documentation following the call deadline.

Upon the submission of the application, applicants are to accept that, should the application be awarded funding, the name, the project title, short project description and the amount awarded can be published by the Council.

A decision on funding will be made on the strength of the information submitted, including documentation in support of the proposal.

Applications submitted after 12.00 (noon) of the respective deadline cannot be accepted.

5.1 Checklist

In order to be complete, applications must be accompanied by:

- Proof of the approved bank loan, such as a contract in the case of an approved bank loan; or the promise of sale signed between the voluntary organisation and the vendor together with the sanction letter issued by the Bank that will grant the loan, or the acquisition agreement signed with the bank granting the loan, whichever is currently available in the case of a bank loan application
- Proof of monthly standing orders
- The schedule of loan repayments
- A copy of the VAT certificate of registration, as applicable
- A *de minimis* declaration form, as applicable
- Biography (of the applicant voluntary organisation and of the members of the project team) to be included in the Applicant Profile section of the application
- A Statute that is signed by at least two committee members being the President and the Secretary.

Incomplete applications will not be evaluated and the applicant will be asked to submit the missing documents. The application will be evaluated only when it is complete. The date when an application is complete will be taken into consideration when establishing the order for the applications that will be served first.

6. Evaluation process

This scheme is not competitive and will be evaluated on a first-come-first-served basis by a panel of relevant experts, according to established criteria.

Applications that will be deemed as complete and that include all the required mandatory documentation will be allocated grants.

Nevertheless, the evaluation session and funding decisions depend on the submitted proposals as well as the availability of the funds. Furthermore, the Evaluation Board may decide not to allocate the total funds available for a particular call if the proposals do not reach the required level in terms of the scheme criteria.

Eligible applications will be assessed by an evaluation team selected by the Arts Council Malta on the basis of their independent and professional experience.

6.1 Communication of results

You will receive your result notification from Arts Council Malta on the day indicated on page 2 ('Results').

The list of beneficiaries 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, please email us on fundinfo@artscouncil.mt within five (5) working 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.

All information received by the scheme administrators, managers and evaluators will be considered confidential, both during and after the evaluation process. Provisions on data protection and confidentiality for successful projects will be included in the Grant agreement.

7. Project implementation and monitoring

Under no circumstances will the Council be in a position to increase the grant awarded.

Applicants who are in the process of securing a bank loan will be required to submit proof of the approved bank loan, such as a contract and any other supporting documentation, prior to the signing of the agreement with ACM.

A contract specifying the conditions of the scheme will be signed. The grant may only be awarded upon completion of the above process within the established timeframe.

50% of the yearly interest rate will be disbursed directly to the beneficiary by Arts Council Malta on an annual basis during a maximum period of 10 consecutive years.

The beneficiaries must use the Council's official logo on all related material and specify that the project was supported by the grant as follows: **Supported by Arts Council Malta**, in all marketing, PR, and printed material. The grant received must be used solely for the purpose for which it was awarded, in line with the submitted proposal and the contract.

Beneficiaries must notify the Council immediately if changes affecting the nature of the project take place during implementation. Changes cannot be implemented unless approval is received. The Council reserves the right to revise or withhold the final payment 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.

Beneficiaries must make themselves available for visits and communication with the Council's representatives for monitoring purposes both during the implementation of the project as well as after its completion.

The Council also reserves the right to revise the final payment if the total expenditure is less than that estimated in the application form.

7.1 Report

Beneficiaries will be required to submit an annual bank loan repayment statement throughout the duration of the grant to serve as proof of payment.

The Council 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 grant.

The Council retains the right to make use of submitted project material.

8. Complaints procedure

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.

8.1 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.

8.2 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 Director of Funding and Strategy, Arts Council Malta, via e-mail on fundinfo@artscouncil.mt 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.

If you are not satisfied with the reply, the Council 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.

9. Applicability of State Aid rules

9.1 State Aid rules applicable for undertakings that carry out an economic activity within the meaning of Article 107 TFEU and for projects involving an economic activity

The State Aid scheme will be implemented in line with the provisions of Commission Regulation (EU) 2023/2831 of 13 December 2023 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid.

This Regulation applies to aid granted to undertakings in all sectors, with the exception of:

1. aid granted to undertakings active in the primary production of fishery and aquaculture products;
2. aid granted to undertakings active in the processing and marketing of fishery and aquaculture products, where the amount of the aid is fixed on the basis of price or quantity of products purchased or put on the market;
3. aid granted to undertakings active in the primary production of agricultural products;
4. aid granted to undertakings active in the processing and marketing of agricultural products, in one of 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 undertakings concerned;
 - ii. where the aid is conditional on being partly or entirely passed on to primary producers;
5. aid granted to export-related activities towards third countries or Member States, namely aid directly linked to the quantities exported, the establishment and operation of a distribution network or other current expenditure linked to the export activity;
6. aid contingent upon the use of domestic goods and services over imported goods and services.

The total amount of *de minimis* aid granted to a single undertaking shall not exceed the amount of €300,000 over any period of three years. This period is assessed on a rolling basis.

This maximum threshold would include all State aid granted under this aid scheme and any other State aid measure implemented in line with 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 rules on cumulation of aid as outlined in Article 5 of the *de minimis* Regulation will be respected.

Applicants are to submit a *de minimis* declaration indicating any other *de minimis* aid received or applied for during the previous three years. This will ensure that the total amount of *de minimis* aid granted to a single undertaking under the *de minimis* rule will not exceed the *de minimis* threshold over the applicable three-year period.

Should a successful applicant not be eligible to receive *de minimis* aid, the said applicant will be deemed ineligible, and the next ranked applicant will be awarded.

In line with the *de minimis* State Aid Regulation, records regarding *de minimis* aid shall be maintained for ten (10) years from the date on which the aid under the scheme is granted.

9.1.1 Publication in a Central Register

In line with Article 6(1) of the *de minimis* Regulation, as of 1 January 2026, information on *de minimis* aid granted under this scheme shall be made publicly available in a central register.

The following information shall be made public:

- the identification of the beneficiary,
- the aid amount,
- the granting date,
- the aid instrument, and
- the sector involved on the basis of the statistical classification of economic activities in the Union ('NACE classification').

9.2 Non-State aid option

Applicants that do not carry out an economic activity within the meaning of Article 107 TFEU may apply for the scheme. Applications for proposed projects that do not give rise to an economic activity within the meaning of Article 107 TFEU may also be submitted for funding.

In both cases, the rules outlined in Section 9.1 will not be applicable.

Need advice?

Arts Council Malta offers pre-submission consultation services to help secure support for your project. We are there every step of the way. We can help you determine whether the core concept and profile of your project are in line with the targeted support mechanism, and provide feedback on the way you plan to present your project. Plan ahead and get in touch with us at least four weeks before the submission deadline to make the best of our services.

You are welcome to call us on 2334 7230 on weekdays between 09:00 and 16:00 or to send us an email on fundinfo@artscouncil.mt.

Guidelines updated on 24th October 2025