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Eurofound's EU PolicyWatch collates information on the responses of government and social partners to the COVID-19 crisis, the war in Ukraine, rising inflation, as well as gathering examples of company practices aimed at mitigating the social and economic impacts.

#### Overview

Factsheet for measure MT-2020-24/991 – **Updated** – measures in Malta

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# Rent refund for companies

## *Rifuzjoni tal-kera*

Country	<a href="#">Malta</a> , applies nationwide
Time period	Temporary, 08 June 2020 – 31 December 2021
Context	COVID-19
Type	<a href="#">Other initiatives or policies</a>
Category	<a href="#">Supporting businesses to stay afloat</a> – Direct subsidies (full or partial)
Author	Luke Anthony Fiorini (University of Malta) and Eurofound
Measure added	13 July 2020 (updated 20 June 2022)

## Background information

COVID-19 had a marked negative financial impact on several sectors in Malta. By means of a tripartite agreement, a package of measures to save jobs and organisations was agreed and announced by the Government on 24 March 2020. Amongst the measures in this package, wage subsidies were offered to sectors which

were worst hit. During a 'mini budget' announced on the 8 June 2020, which aimed to regenerate Malta's economy, Government announced that organisations which were eligible for the wage subsidy were now also eligible to apply for a rent refund.

## Content of measure

On the 24 March 2020, a package of measures to save jobs and organisations was announced by the Government. The most meaningful of the measures announced was the [COVID-19 Wage Supplement](#) by which employers in specific sectors were to receive a sum of money per employee, which was in turn to be passed on to the said employees. The amount of money received from the government depended on the sector with the Government dividing organisations into 'Annex A' and 'Annex B'. Those in Annex A received a larger wage supplement than those in Annex B.

On 1 June 2020, Government announced that organisations listed in Annex A and Annex B, that have been granted the Wage Supplement will now also be able to apply for a rent refund grant of up to €2,500 by submitting their lease agreements.

Full details of this measure were published on 27 August 2020, this highlighted that the maximum grant of €2,500 was for those with a single premises. Those with more rental agreements (up to five) could receive a grant of up to €7,500. To be considered eligible, rent agreements must have initially been signed prior to 9 March 2020.

## Updates

The following updates to this measure have been made after it came into effect.

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01 July 2021      New applicants for the scheme that were closed between March and April 2021 were provided with the following caps: Organisations with 1 - 9 employees on the Wage Supplement could submit up to 1 rental agreement and receive up to €1,250 in support; those with 10 - 19 employees on the wage supplement were eligible for up to 2 rental agreements and could receive up to €2,000 in support; those with 20 - 29 employees could submit up to 3 rental agreements and receive support up to €2,750; those with 30 to 39 such employees could submit up to 4 agreements and receive support of up to €3,500; and those with 40 or more such employees could submit up to 5 rental agreements and receive up to €3,750 in support.

The deadline to apply for support was the 13 August 2021.

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27 April 2021 As part of a €20 million package to support industry, the Prime Minister announced that the Rent Support Scheme will be extended by a further 50% over and above the rent support provided in 2020. The scheme will be open to organisations forced to close as detailed in Legal Notice 90 of 2021. These primarily included retail shops and businesses providing non-essential services, such as hairdressers and spas. It was also announced that new applications for those approved under the Wage Supplement Scheme in 2021 will also be accepted.

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## Use of measure

A budget of up to €50 million has been allocated for this scheme - no further information is available.

At the end of October 2020, Government announced that Malta Enterprise had received 4,405 applications from businesses and the self-employed while there are 4,954 individual lease contracts.

In March 2021, following a verification process it was announced that support was being provided to 850 organisations and 874 self-employed individuals; the first total cash injection provided was of €5.5 million, whilst the total of aid provided by this scheme is expected to amount to €12 million.

During a June 2021 press conference on the updating of this scheme, it was announced that the cost of the updated scheme would be €7 million.

During an April 2022 press conference by the Minister for the Environment, Energy and Sustainable Development, Miriam Dalli, it was stated that a total of €13 million was spent on this support measure.

## Target groups

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Workers	Businesses	Citizens
Does not apply to workers	<a href="#">Sector specific set of companies</a>	Does not apply to citizens

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## Actors and funding

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Actors	Funding
National government	National funds

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# Social partners

Social partners' role in **designing the measure** and form of involvement:

	Trade unions	Employers' organisations
<b>Role</b>	Consulted	Consulted
<b>Form</b>	Direct consultation outside a formal body	Direct consultation outside a formal body

Social partners' role in the **implementation, monitoring and assessment phase**:

- Unknown
- Main level of involvement: Unknown

## Involvement

By means of a tripartite agreement, a package of measures to save jobs and organisations was agreed on 24 March 2020. This was the third but most significant package of measures announced by the Government. Following this agreement, social partners remained in direct contact with the government highlighting their proposals of what was felt was still necessary to save the Maltese economy and jobs. In view of this, on the 8 June 2020, the government announced a 'mini budget' to help the Maltese economy to recover from the effects of the COVID-19 pandemic. Essentially, this was the fourth package of measures announced by the government. The current measure formed part of this package. Further information on the measure are yet to be published.

The re-issuing of a package of measures that included this scheme in April 2021 was said to be due to consultation between Employer Associations and the Ministry for Energy, Enterprise and Sustainable Development. The degree of consultation on each specific measure is unknown.

## Views and reactions

The fourth package of measures, of which the current measure formed part of, received public support from an array of social partners. Those positive and vocal about it were primarily business associations, including the Chamber of Commerce, the Chamber of SMEs, the Malta Employers' Association, the Malta Hotels and Restaurants Association (MHRA), and the Association of Catering Establishments. The measure specifically about the rent refund however received some criticism from some employers as it was considered to be insufficient.

A September 2020 Malta Employers Association survey did not highlight high support for the rent refund by members; 8% considered it effective (in comparison, the Wage Supplement received a 62% rating).

Within their September 2021 pre-budget document, the Malta Chamber of SMEs called for the rent refund scheme to be extended.

In April 2021, it was announced that the rent refund scheme as well as several other schemes were to be re-issued. Reacting to this package of measures, the Chamber for SMEs (an employers association) welcomed the new financial assistance and highlighted that the package was the result of intense consultation between their members as well as with the Ministry for Energy, Enterprise and Sustainable

Development. The Malta Chamber of Commerce, Enterprise and Industry also spoke favourably of the package of measures, noting that several were measures proposed by this Employers' Association. The measures were also praised by the Malta Hotels and Restaurants Association and the Gozo Business Chamber.

## Sectors and occupations

**This case is sector-specific (only private sector)**



This case is not occupation-specific.

## Sources

- 27 March 2020: Malta Enterprise - Annex B
- 27 May 2020: Malta Enterprise - Annex A
- 22 October 2020: Government of Malta - Use of support measures ([www.gov.mt](http://www.gov.mt)).
- 09 March 2021: Times of Malta - Wage supplement extended to June, with worst hit helped until end of year ([timesofmalta.com](http://timesofmalta.com)).
- 27 April 2021: Times of Malta - €20m in new COVID-19 assistance to businesses ([timesofmalta.com](http://timesofmalta.com)).
- 01 July 2021: Malta Enterprise - Rent and Electricity Refund Scheme 2021 ([covid19.maltaenterprise.com](http://covid19.maltaenterprise.com)).
- 27 August 2021: Rent and Electricity Refund Incentive Guidelines ([www.maltaenterprise.com](http://www.maltaenterprise.com)).
- 29 April 2022: Malta Business Weekly - Wage supplement scheme extended to May ([maltabusinessweekly.com](http://maltabusinessweekly.com)).

### Citation

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