

Seed Investment Scheme FAQs:

What is SIS?

The Seed Investment Scheme offers incentives in the form of tax credits to investors in return for investment in a qualifying Maltese start-up or early stage companies. The scheme offers young entrepreneurs a route to vital funding in the initial stages of their project by effectively minimising the risk to investors.

When was SIS introduced?

It is deemed to have come into effect as of 1st January 2016, while being officially launched as of 22nd July 2016.

How long will the SIS last?

SIS will remain effective until the 31st December 2018 (unless extended by the Minister for Finance) but shall also cease to be active upon the application of the scheme to €5 million.

Is this a loan or a grant?

Neither. We are linking investors with companies. For loans or grants you may wish to look into EU funding (<https://eufunds.gov.mt/en/MeasuresAndSupportDivision/Pages/OPEN-CALLS.aspx>) or contact entities such as Malta Enterprise and BOV (SME Initiative).

As an Entrepreneur

How should my company register for the SIS?

Companies wishing to obtain the status of 'qualifying company' must submit an application for determination of eligibility with MIMCOL. You can contact them for the documentation required and to discuss the application process.

Should my company be incorporated in order to apply for SIS?

Yes, you will need to be incorporated in Malta in order to get the relative compliance certificate.

How much does the compliance certificate cost?

It is free of charge to get the compliance certificate.

What is the maximum I can receive by way of investments?

Investments in a qualifying company shall not, in aggregate, exceed €750,000.

As an Investor

If I invest in a company under SIS, how can I guarantee success?

As with any investment, there are risks involved; however these risks are significantly reduced because of the tax benefits offered.

Can the SIS relief be granted on investment in a company which operates overseas?

No. The Scheme is for individual investors resident in or operating in Malta.

Is there a minimum amount required for investment?

There is no minimum requirement.

What is the maximum tax credit I can receive?

The total tax credit applicable to any investor shall not exceed €250,000 per year. Provided the total threshold for the Scheme is not exhausted.

Do I still get relief if I invest in my family member's business?

No. An investor does not qualify if he or she is connected to the qualifying company through direct lineage, whether it is their spouse, sibling, descendants or ascendants.