

Government grant on the purchase of environment-friendly vehicles

The Ministry for Transport, Infrastructure and Capital Projects in conjunction with the Authority for Transport in Malta, will be launching a grant scheme to incentivise the purchase of new M1 motor vehicles whilst at the same time reducing the number of old motor vehicles from the road.

Subject to various conditions, the amount of the grant shall be up to a maximum of €1,500, which shall be given upon the purchase of a new Category M1 motor vehicles and a grant of €2,000 upon registering a new Category M1 hybrid vehicles whilst at the same time de-registering a vehicle in the same category.

The scheme commences on the 1st January 2019, on a first come first serve basis.

THE SCHEME

1. Interpretation

For the purpose of the scheme, unless the context otherwise requires:

‘applicant’ means the person applying for the grant under this scheme and who, apart from being a person residing in Malta, is the purchaser of a new M1 vehicle as defined hereunder;

‘application’ means the application made for a grant under this scheme;

‘authorised treatment facility’ has the same meaning as assigned to it in the Registration and Licensing of Motor Vehicles Regulations (SL368.02);

‘Authority’ means the Authority for Transport in Malta set up under the provisions of the Authority for Transport in Malta Act (Cap. 499);

‘certificate of conformity’ means the document set out in Annex IX of Directive 2007/46/EC, issued by the manufacturer and certifying that a vehicle belonging to the series of the type approved in accordance with that Directive complied with all regulatory acts at the time of its production;

‘CO₂ emissions’ means the level of carbon dioxide emissions for a vehicle measured in accordance with Directive 80/1268/EEC as amended and contained in the relevant EC type-approval certificate or certificate of conformity, and where the vehicle is not type-approved, for that particular vehicle the emissions level contained in a document acceptable to the Authority;

‘de-registered’ means, for the purpose of this scheme, the permanent removal of a motor vehicle from its registration with Transport Malta and thereafter, that motor vehicle shall never be registered again to be used on the road in Malta;

‘de-registered vehicle’ means a motor vehicle which has been de-registered;

‘European Union’ has the same meaning as is assigned to it by article 2 of the European Union Act (Cap. 460), and includes Norway, Iceland and Liechtenstein;

‘grant’ means the grant being given under this scheme to the purchaser of a motor vehicle which satisfies the requirements of paragraph 4 (ii);

‘hybrid vehicle’ means for the purpose of this scheme, a new motor vehicle having at least two different energy converters and two different energy storage systems for the purpose of vehicle propulsion, used for the carriage of persons and which may carry no more than eight passengers in addition to the driver with emission between 40 and 65 g/km and its length does not exceed 4460mm as certified on the certificate of conformity, and is licensed only for private use;

‘Malta’ means the Maltese Islands;

‘Member State’ means a Member State of the European Union;

‘Minister’ means the Minister responsible for Transport, Infrastructure and Capital Projects;

‘M1 vehicle’ means, for the purpose of this scheme, a new motor vehicle used for the carriage of persons and which may carry no more than eight passengers in addition to the driver. The CO₂ emissions of which do not exceed 130g/km and its length does not exceed 4460mm as certified on the certificate of conformity, and is licensed only for private use;

‘new motor vehicle’ means an M1 vehicle which has never been registered in any country;

‘person’ means a natural person;

‘person residing in Malta’ means a natural person who either holds a legally valid identification document issued in terms of the Identity Card and other Identity Documents Act (Cap. 258) or who has a residence permit or a letter issued from the expatriate office at the Ministry of Foreign Affairs;

‘private use’ means any use other than for hire or reward or financial gain;

‘purchaser’ means the person buying the new vehicle from another country or from the local agent or dealer, having that vehicle registered in his name and being the applicant for the grant under this scheme;

‘registered owner’ means the person in whose name a motor vehicle is registered by the Authority;

‘registration tax’ means the registration tax charged and levied in terms of the Motor Vehicles Registration and Licensing Act (Cap. 368);

‘used motor vehicle’ means a motor vehicle that has been registered;

‘vehicle registration certificate’ means the vehicle registration certificate issued by the Authority providing proof of registration of the motor vehicle.

2. Area of applicability

2.1 The scheme applies to a person residing in Malta who:

- (i) owns an M1 vehicle which is at least 10 years old from year of manufacture, provided that such vehicle:

- a) shall have been registered, garaged or licensed with the Authority in the applicant's name prior to the 22nd October 2018,
- b) shall continue to be so registered, garaged or licensed until the date of application for the grant, and
- c) is de-registered at an authorised treatment facility;

or

- (ii) did not have any motor vehicle (M1 category) registered, garaged or licensed in his name with the Authority on the 22nd October 2018, but who has acquired and has registered, garaged or licensed in his name with the Authority an M1 vehicle which is at least 10 years old from year of manufacture after that date, provided that it is de-registered at an authorised treatment facility.

2.2. A grant of:

- a) €900 or the equivalent to the amount of registration tax paid on that particular vehicle up to a maximum of €1,500 will be given to persons registering a new Category M1 vehicle with CO₂ emission levels up to 100g/km,
- b) €800 will be given to persons registering a new Category M1 vehicle with CO₂ emission levels between 101 and 130g/km,
- c) €2,000 will be given to persons registering a new category M1 hybrid vehicle with CO₂ emissions between 40 and 65 g/km.

Every eligible person shall be entitled to only one grant under this scheme.

3.Manner of application and supporting documents

- (i) An application for a grant under this scheme shall be made by the purchaser in the form set out in the schedule to this scheme and shall contain all the information, details and documents as required in the said form and in terms of this scheme,
- (ii) The application shall be accompanied by a destruction certificate issued by the approved destruction facility certifying that the vehicle has been scrapped,
- (iii) Applications under this scheme, together with all the relevant documents, shall be submitted or sent by post by the applicant to the Vehicle Licensing Unit, A3, Towers, Arcade Street, Paola, between 7.30 a.m. and 12.00pm and between 1.00pm and 2.30pm during working days.

4.Eligibility

- (i) To be eligible, an applicant shall conform to sub-section 2.1 and 2.2 of Section 2.
- (ii) To qualify, the new (M1) motor vehicle shall:
 - a) be Euro Standard 6b or 6c in accordance with Commission Regulation (EC) 459/2012 as certified on the Certificate of Conformity;
 - b) have CO₂ emissions between 0-130 g/km as certified on the Certificate of Conformity;

- c) have a length that does not exceed 4460mm as certified on the Certificate of Conformity;
 - d) not have been registered before the 1st January 2018;
 - e) be licensed for private use.
- (iii) To qualify, the motor vehicle to be de-registered shall:
- a) be at least ten (10) years old on the date of application, the age of the vehicle being determined as the calendar year as on the date of application less the year of manufacture as certified on the vehicle registration certificate;
 - b) have been registered, garaged or licensed with the Authority in the name of the applicant on the date of application, as shown on the vehicle's registration certificate or as confirmed by the Authority;
 - c) once de-registered, the motor vehicle shall be destroyed in accordance with the provisions of Part VIII of the Registration and Licensing of Motor Vehicles Regulations (SL368.02).
- (iv) To qualify, an applicant shall not have benefitted from the grant schemes on the purchase of more environment-friendly cars which were in force between the years 2010 and 2018 and including the Government Grant on the purchase of electric vehicles.

5.Payment of Grant

Where an applicant qualifies for the grant, the grant shall be paid directly to that applicant.

The grant would also be payable when the customer enjoys an exemption from registration tax and, in such a case, separate financial arrangements are made.

The grant given to the purchaser shall not be assessed as income for income tax purposes.

6.Validity of application

An application shall not be deemed to have been submitted by the applicant unless it is completed in full and is accompanied by all the relevant documents. If the application is not completed correctly and the relevant documents are not included, the claim for the grant shall not be processed unless the missing information is provided. The Authority shall write to the applicant advising him of the information required.

7.Refund of grant if the vehicle is transferred

The new motor vehicle purchased by the applicant shall remain registered in his name for a period of at least thirty-six (36) months from the date of first registration. If the registered owner of a new motor vehicle on which a grant has been provided under this scheme, transfers the said vehicle, for any reason other than a transfer *causa mortis* to a heir, to a third party before the expiry of the thirty-six month period, then that person shall refund the grant received to the Authority.

8.Duration of scheme

This scheme shall remain into force for a maximum period of twelve months beginning on the 1st January, 2019 unless modified or terminated beforehand by a Notice in the Government Gazette. The scheme shall be automatically terminated when the total amount of the grants reach the amount of €1,500,000. Notwithstanding, Government may terminate the scheme at any time by giving prior notice.

The scheme may be renewed as deemed necessary by the Minister by a Notice in the Government Gazette.

9.Amendments to the scheme

The Minister responsible for Transport, Infrastructure and Capital Projects shall have the right to make any amendments to this scheme by a Notice in the Government Gazette.

10.Fraudulent claims

Where a fraudulent claim arises, the Minister responsible for Transport, Infrastructure and Capital Projects may institute criminal proceedings against those responsible. In the event of an incorrect payment of a claim, the Ministry responsible for Transport, Infrastructure and Capital Projects reserves the right to recover funds paid in error.

11.VAT refunds

Persons who receive a grant under this scheme shall not be eligible for any VAT refunds on the purchase of the new vehicle on which such a grant has been paid.