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MALTA

KAMRA TAD-DEPUTATI

ABBOZZ ta' Ligi mressaq mill-Onorevoli Josef Bonnici, M.P., Ministru ghas-Servizzi Ekonomiċi u moqri għall-Ewwel darba fis-Seduta tat-22 ta' Lulju, 1996.

ATT biex jemenda l-Att dwar l-Iżvilupp Industrijali, Kap. 325.

RICHARD J. CAUCHI

Skrivan tal-Kamra tad-Deputati

HOUSE OF REPRESENTATIVES

A BILL introduced by the Honourable Josef Bonnici, M.P., Minister for Economic Services and read the First time at the Sitting of the 22nd July, 1996.

AN ACT to amend the Industrial Development Act, Cap. 325.

RICHARD J. CAUCHI

Clerk of the House of Representatives

ABBOZZ TA' LIĠI msejjah

ATT biex jemenda l-Att dwar l-Iżvilupp Industrijali, Kap. 325.

IL-PRESIDENT, bil-parir u l-kunsens tal-Kamra tad-Deputati, imlaqqgħa f' dan il-Parlament, u bl-awtorità ta' l-istess, hareġ b'liġi dan li ġej:—

1. (1) Dan l-Att jista' jissejjah l-Att ta' l-1996 li jemenda l-Att dwar l-Iżvilupp Industrijali, u għandu jinqara u jinftiehem haġa waħda ma' l-Att dwar l-Iżvilupp Industrijali, hawnhekk iżjed 'il quddiem imsejjah "l-Att prinċipali".

Titolu fis-qosor u bidu fis-sehh.

Kap. 325.

(2) Dan l-Att jidhol fis-sehh f'dik id-data li l-Ministru responsabbli għall-iżvilupp industrijali jista' jistabbilixxi permezz ta' avviż fil-Gazzetta.

2. Artikolu 2 ta' l-Att prinċipali għandu jiġi emendat kif ġej:

Emenda ta' l-artikolu 2 ta' l-Att prinċipali.

(a) fil-proviso għall-paragrafu (b) tat-tifsira ta' "bejgħ esportat", minflok il-kliem "flimkien ma kopja awtentikata minnu tad-dokumenti relattivi ta' l-esportazzjoni" għandhom jidhlu l-kliem "flimkien ma' garanzija li l-Korporazzjoni tista' teżamina d-dokumenti relattivi ta' l-esportazzjoni", u minflok il-kliem "din id-dikjarazzjoni u dokumenti" għandhom jidhlu l-kliem "din id-dikjarazzjoni u garanzija"; u

(b) minflok it-tifsira ta' "kumpanija", għandha tidhol it-tifsira ġdida li ġejja:

“kumpanija” tfisser:

Kap. 168.

(a) soċjetà anonima kostitwita skond id-dispożizzjonijiet ta' l-Ordinanza dwar Soċjetajiet Kummerċjali, jew

(b) kumpanija b'responsabbiltà limitata, kostitwita u registrata f'Malta skond id-dispożizzjonijiet ta' l-Att ta' l-1995 dwar il-Kumpanniji, jew

Kap. 278.

(ċ) ghaqda koperattiva kostitwita skond id-dispożizzjonijiet ta' l-Att dwar l-Ghaqdiet Koperattivi;”;

(ċ) minnufih wara t-tifsira ta' “kumpanija Maltija”, għandha tidhol it-tifsira ġdida li ġejja:

Kap. 197.

““lukanda” tfisser lukanda liċenzjata bhala tali taht l-Att dwar il-Lukandi u l-Istabbilimenti li jipprovdu Ikel, jew bini fil-kors ta' kostruzzjoni li hu mahsub li jiġi liċenzjat bhala hekk meta jitlesta;”.

Emenda ta' l-artikolu 3 ta' l-Att prinċipali.

3. Fis-subartikolu (1) ta' l-artikolu 3 ta' l-Att prinċipali, minflok il-kliem “ta' l-artikolu 24” għandhom jidhlu l-kliem “ta' l-artikolu 24, l-artikolu 24A u l-artikolu 24B”.

Emenda ta' l-artikolu 6 ta' l-Att prinċipali.

4. Minflok paragrafu (a) tas-subartikolu (2) ta' l-artikolu 6 ta' l-Att prinċipali għandu jidhol dan li ġej:

“(a) jekk il-Korporazzjoni tirċievi t-talba għall-approvazzjoni għall-finijiet ta' dan l-artikolu aktar tard minn erbgha u ghoxrin xahar wara t-tmiem tas-sena li tiġi immedjatament qabel is-sena ta' stima li fiha għandu jiġi intaxxat l-*income* li dwaru tista' tinghata l-approvazzjoni; jew”.

Emenda ta' l-artikolu 16 ta' l-Att prinċipali.

5. L-artikolu 16 ta' l-Att prinċipali għandu jiġi emendat kif ġej:

(a) fil-proviso għas-subartikolu (2) tiegħu, flok il-kliem “għandha tkun ir-rata massima li tista' tintalab fuq self bhal dan skond id-direttivi mahruġa minn żmien għal żmien mill-Ministru responsabbli għall-finanzi taht l-Att dwar il-Kummerċ Bankarju.”, għandhom jidhlu l-kliem “ma għandhiex taqbeż ir-rata massima ta' l-imghax li tista' tintalab skond id-direttivi mahruġa minn żmien għal żmien mill-Bank Ċentrali ta' Malta taht l-Att dwar il-Bank Ċentrali ta' Malta.”;

Kap. 204.

(b) fil-paragrafu (a) tas-subartikolu (3) tieghu, minflok il-kliem “Lm500,000” ghandhom jidhlu l-kliem “Lm1,000,000”; u

(ċ) minflok is-subartikolu (4) tieghu, ghandu jidhol dan li ġej:

“(4) Ir-rata ta’ imghax mitluba mill-Korporazzjoni fuq self moghti taht dan l-artikolu ghandha tkun jew:

(a) ir-rata minima ta’ skont skond id-direttivi mahruġa minn żmien ghal żmien mill-Bank Ċentrali ta’ Malta taht l-Att dwar il-Bank Ċentrali ta’ Malta, Kap. 204. nieqes —

(i) żewġ punti u nofs perċentwali dwar self moghti taht il-paragrafu (a) tas-subartikolu (3) ta’ dan l-artikolu, u

(ii) nofs punt perċentwali dwar kull self iehor:

Izda d-dispożizzjonijiet ta’ l-inċiż (i) tal-paragrafu (a) ta’ dan is-subartikolu jiġu applikati biss mill-Korporazzjoni meta r-rata minima ta’ skont tkun ekwivalenti ghal jew oghla minn żewġ punti u nofs perċentwali, u d-dispożizzjonijiet ta’ l-inċiż (ii) tal-paragrafu (a) ta’ dan is-subartikolu jiġu applikati biss mill-Korporazzjoni meta r-rata minima ta’ skont tkun ekwivalenti ghal jew oghla minn nofs punt perċentwali;

jew

(b) dik ir-rata li tista’ tiġi stabbilita mill-Ministru.”.

6. Fis-subartikolu (4) ta’ l-artikolu 18 ta’ l-Att prinċipali wara l-kliem “ivarja r-rati” ghandhom jidhlu l-kliem “u l-metodi ta’ aġġustament ta’ dawk ir-rati”. Emenda ta’ l-artikolu 18 ta’ l-Att prinċipali.

7. L-artikolu 24 ta’ l-Att prinċipali ghandu jiġi emendat kif ġej: Emenda ta’ l-artikolu 24 ta’ l-Att prinċipali.

(a) minnufih wara l-paragrafu (b) tas-subartikolu (1) tieghu ghandu jidhol dan il-paragrafu ġdid li ġej:

“(ċ) kull inċentiv jew benefiċċju iehor li jkun konsistenti ma’ l-ghanijiet u l-iskopijiet tal-pjan industrijali tal-Gvern, hekk kif jista’ jiġi stabbilit mill-Ministru;”; u

(b) minflok is-subartikolu (2) tiegħu għandu jidhol dan li ġej:

“(2) Għall-ghanijiet tas-subartikolu (1) ta’ dan l-artikolu:

“negozju żgħir” tfisser persuna jew kumpanija li jkollhom *turnover* jew għadd ta’ impjegati li ma jkunx iżjed mil-livell stabbilit mill-Ministru.”.

8. Minnufih wara l-artikolu 24 ta’ l-Att prinċipali, għandhom jidhlu dawn iż-żewġ artikoli ġodda li ġejjin:

Zieda ta’ artikoli ġodda 24A u 24B ma’ l-Att prinċipali.

“Soft loans rigward konservazzjoni ta’ enerġija u ilma.

24A (1) Meta l-Korporazzjoni tkun sodisfatta li f’każ ta’ kumpanija li tmexxi jew teżerċita, f’Malta, xi kummerċ jew negozju li jkun jikkonsisti primarjament fil-ġestjoni jew tmexxija ta’ lukanda jew grupp ta’ lukandi, ikun konsistenti ma’ l-iskop u oġġettivi tal-pjan tal-Gvern rigward konservazzjoni ta’ enerġija u ilma, il-Korporazzjoni tista’ tagħti self lil dik il-kumpanija għall-akkwist ta’ impjant, makkinarju u attivi fissi relatati, iżda eskluża art, u biex jiġu finanzjati x-xoghlijiet ta’ inġinerija ċivili u infrastrutturali mehtieġa, skond it-termini u l-kundizzjonijiet hawn speċifikati.

(2) Il-Korporazzjoni tista’ tagħti self kif provdut fis-subartikolu (1) ta’ dan l-artikolu, meta l-impjant, makkinarju jew attiv fiss iehor jiġu akkwistati bhala parti minn programm ta’ investiment għall-konservazzjoni ta’ enerġija jew ilma kif jista’ jiġi approvat mill-Korporazzjoni.

(3) Self mogħti taht id-dispożizzjonijiet ta’ dan l-artikolu ma jista’ fl-ebda każ ikun aktar minn tlieta u tletin fil-mija tal-programm ta’ investiment ipproġettat għall-konservazzjoni ta’ enerġija jew ilma kif approvat mill-Korporazzjoni, iżda l-ebda self ma għandu jkun aktar minn Lm200,000.

(4) Ir-rata ta’ imghax mitlub mill-Korporazzjoni fuq self mogħti taht dan l-artikolu għandha tkun ir-rata minima ta’ skont skond id-direttivi mahruġa minn żmien għal żmien mill-Bank Ċentrali ta’ Malta taht l-Att dwar il-Bank Ċentrali ta’ Malta, nieqes żewġ punti u nofs percentwali:

Iżda d-dispożizzjonijiet ta' paragrafu (a) ta' dan is-subartikolu jiġu applikati biss mill-Korporazzjoni meta r-rata minima ta' skont tkun ekwivalenti għal jew oghla minn żewġ punti u nofs percentwali.

(5) Id-dispożizzjonijiet ta' subartikoli (4), (5), (6), (7), (8), (9) u (10) ta' artikolu 16 ta' dan l-Att għandhom japplikaw *mutatis mutandis* għal self mogħti mill-Korporazzjoni taht id-dispożizzjonijiet ta' dan l-artikolu.

Rata mnaqqsa ta' taxxa għal rinnovament, titjib fil-grad u fl-arredament ta' lukanda.

24B. (1) Meta l-Korporazzjoni jidhrilha li f'każ ta' kumpanija li tmexxi jew teżercita, f'Malta, xi kummerċ jew negozju li jkun jikkonsisti primarjament fil-ġestjoni jew tmexxija ta' lukanda jew grupp ta' lukandi, illi l-qliegħ jew profitti jew parti minnhom miksuba minn din il-kumpanija mill-kummerċ jew negozju tagħha jew parti minnhom fis-sena ta' stima li tibda fl-1 ta' Jannar, 1996, jew fi snin ta' stima sussegwenti, ikunu twarrbu bil-ghan ewlieni li jiġi finanzjat xi proġett għal rinnovament jew titjib fil-grad u fl-arredament ta' lukanda jew lukandi, li jkunu proprjetà ta' jew ġestiti jew immexxija minn kumpanija bħal din u li jkun ġie approvat mill-Korporazzjoni, u li fil-fatt il-qliegħ jew profitti jew parti minnhom ikunu ntużaw għall-ghan illi għalih ikunu twarrbu, il-Korporazzjoni għandha tohroġ ċertifikat lill-kumpanija li jkun jiċċertifika dan kollu u b'dan, ir-rata tat-taxxa fuq l-*income* taxxabli fuq il-qliegħ jew profitti jew parti minnhom li jkunu hekk intużaw, għandha titnaqqas bi sbatax-u-nofs-il punt percentwali, u fi kwalunkwe każ bħal dan it-taxxa li hi taxxabli għandha tiġi stmata, jew stmata mill-ġdid u fejn ikun meħtieġ rifuża, skond il-każ.

(2) Id-dispożizzjonijiet ta' subartikolu (2) ta' artikolu 6 ta' dan l-Att għandhom japplikaw *mutatis mutandis* għal kumpaniji li jikkwalifikaw għall-assistenza taht id-dispożizzjonijiet tas-subartikolu (1) ta' dan l-artikolu.”.

9. L-artikolu 34 ta' l-Att prinċipali għandu jiġi emendat kif ġej:

Emenda għall-artikolu 34 ta' l-Att prinċipali.

(a) fis-subartikolu (2) tiegħu, minflok il-kliem “dwar dawk il-hwejjeġ li minhabba fihom ikun sar.” għandhom jidhru l-kliem “dwar dawk il-hwejjeġ li minhabba fihom ikun sar.”; u

(b) minnufih wara subartikolu (2) għandu jidhol il-proviso li ġej:

“Iżda minkejja kull haġa li tinsab fis-subartikollu (1) ta’ l-artikolu 45 ta’ dan l-Att, kumpanija kwalifikanti li tagħzel li ma tinghatax jew li ma teħux inċentivi jew benefiċċji li altrimenti huma dovuti lilha taht id-dispożizzjonijiet ta’ dan l-Att ma tinżammx milli tinghata xi inċentiv jew benefiċċju ta’ xorta simili li jiġi mogħti bid-dispożizzjonijiet ta’ l-Ordinanza dwar Ghajnuna lil Industriji.”.

Kap. 159.

Emenda għal
artikolu 36 ta’
l-Att prinċipali.

10. L-artikolu 36 ta’ l-Att prinċipali għandu jiġi emendat kif ġej:

(a) fl-ewwel proviso għas-subartikolu (2) tiegħu, minnufih wara l-kliem “l-artikolu 6” kull fejn jinsabu, għandhom jiżdiedu l-kliem “u l-artikolu 24B”; u

(b) fil-paragrafu (a) tas-subartikolu (4) tiegħu, minnufih wara l-kliem “ta’ l-artikolu 6” għandhom jiżdiedu l-kliem “u ta’ l-artikolu 24B”.

Għanijiet u Raġunijiet

L-għan prinċipali ta’ l-Abbozz hu sabiex jitwaqqfu skemi ta’ inċentivi għal negozji żgħar u għal lukandi u biex isir titjib fl-amministrazzjoni ta’ l-Att dwar l-Iżvilupp Industrijali, Kap. 325.

**A BILL
entitled**

AN ACT to amend the Industrial Development Act, Cap. 325.

BE IT ENACTED by the President, by and with the advice and consent of the House of Representatives, in this present Parliament assembled, and by the authority of the same, as follows:-

1. (1) This Act may be cited as the Industrial Development (Amendment) Act, 1996, and shall be read and construed as one with the Industrial Development Act, Cap. 325, hereinafter referred to as "the principal Act".

Short title
and
commencement.

(2) This Act shall come into force on such date as the Minister responsible for industrial development may by notice in the Gazette establish.

2. Section 2 of the principal Act shall be amended as follows:

Amendment of
section 2
of the
principal Act.

(a) for the definition of "company", there shall be substituted the following new definition:

"company" means:

(a) a limited liability company constituted in accordance with the provisions of the Commercial Partnerships Ordinance, Cap. 168, or

(b) a limited liability company formed and registered in Malta in accordance with the provisions of the Companies Act, 1995, or

Cap. 278.

(c) a co-operative society constituted in accordance with the provisions of the Co-operative Societies Act;”;

(b) in the proviso to paragraph (b) of the definition of “export sales”, for the words “together with a copy authenticated by him of the relative export documents” there shall be substituted the words “together with an undertaking that the Corporation may examine the relative export documents”, and for the words “such declaration and documents” there shall be substituted the words “such declaration and undertaking”; and

(c) immediately after the definition of “export sales” there shall be inserted the following new definition:

Cap. 197.

“ “hotel” means a hotel licensed as such under the Hotels and Catering Establishments Act, or a building in the course of construction which is intended to be so licensed upon completion;”.

Amendment of section 3 of the principal Act.

3. In subsection (1) of section 3 of the principal Act, the words “of section 24” shall be substituted by the words “of section 24, section 24A and section 24B”.

Amendment of section 6 of the principal Act.

4. Paragraph (a) of subsection (2) of section 6 of the principal Act shall be substituted by the following:

“(a) in respect of any application for the purpose of this section filed with the Corporation later than twenty four months after the end of the year immediately preceding the year of assessment in which the income in respect of which approval may be given falls to be charged to tax; or”.

Amendment of section 16 of the principal Act.

5. Section 16 of the principal Act shall be amended as follows:

Cap. 204.

(a) in the proviso to subsection (2) thereof, for the words “be the maximum chargeable on such loans in terms of directives issued from time to time by the Minister responsible for finance under the Banking Act.”, there shall be substituted the words “not exceed the maximum rate of interest allowed in terms of directives issued from time to time by the Central Bank of Malta under the Central Bank of Malta Act.”;

(b) in paragraph (a) of subsection (3) thereof, for the words “Lm500,000” there shall be substituted the words “Lm1,000,000”; and

(c) for subsection (4) thereof there shall be substituted the following:

“(4) The rate of interest charged by the Corporation on loans granted under this section shall be either:

(a) the minimum discount rate in terms of directives issued from time to time by the Central Bank of Malta under the Central Bank of Malta Act, less: Cap. 204.

(i) two and a half percentage points in respect of loans made under paragraph (a) of subsection (3) hereof, and

(ii) half a percentage point in respect of other loans:

Provided that the provisions of item (i) of paragraph (a) of this subsection shall only be applied by the Corporation when the said minimum discount rate is at an equivalent or higher level than two and half percentage points, and the provisions of item (ii) of paragraph (a) of this subsection shall only be applied by the Corporation when the said minimum discount rate is at an equivalent or higher level than half a percentage point;

or:

(b) such rate as may be prescribed by the Minister.”.

6. In subsection (4) of section 18 of the principal Act, after the words “vary the rates” there shall be inserted the words “and the method of revision of such rates”. Amendment of section 18 of the principal Act.

7. Section 24 of the principal Act shall be amended as follows: Amendment of section 24 of the principal Act.

(a) immediately after paragraph (b) of subsection (1) thereof there shall be inserted the following new paragraph:

“(c) any other incentive or benefit as would be consistent with the aims and objectives of the industrial policy of the Government, as may be prescribed by the Minister;” and

(b) for subsection (2) thereof there shall be substituted the following:

“(2) For the purposes of subsection (1) of this section :

“small business” means a person or company having a turnover or employment level not exceeding that as may be prescribed by the Minister.”.

Addition of new sections 24A and 24B to the principal Act.

8. Immediately after section 24 of the principal Act, there shall be added the following new sections:

“Soft Loans in connection with energy and water conservation.

24A. (1) Where the Corporation is satisfied that in the case of a company which carries on or carries out, in Malta, a trade or business consisting mainly of the operation or management of a hotel or group of hotels, it would be consistent with the aims and objectives of the policy of the Government regarding energy and water conservation, the Corporation may grant loans to the said company for the acquisition of related plant, equipment, machinery and other fixed assets, but excluding land, and for the financing of the necessary civil engineering and infrastructural works, in accordance with the terms and conditions herein specified.

(2) The Corporation may grant loans as provided under subsection (1) of this section when the plant, equipment, machinery or fixed assets are acquired as part of an investment programme for the conservation of energy or water as may be approved by the Corporation.

(3) Loans under the provisions of this section shall in no case exceed thirty-three per cent of the projected investment programme for the conservation of energy or water as approved by the Corporation, but no loan shall exceed Lm200,000.

(4) The rate of interest charged by the Corporation on loans granted under this section shall be the minimum discount rate in terms of directives issued from time to time by the Central Bank of Malta under the Central Bank of Malta Act, less two and a half percentage points:

Cap. 204.

Provided that the provisions of this subsection may only be applied by the Corporation when the said minimum discount rate is at an equivalent or higher level than two and half percentage points.

(5) The provisions of subsections (4), (5), (6), (7), (8), (9) and (10) of section 16 of this Act shall apply *mutatis mutandis* to loans granted by the Corporation under the provisions of this section.

Reduced rates of tax for upgrading, refurbishing or renovation of a hotel.

24B. (1) Where it appears to the Corporation in the case of a company which carries on or carries out, in Malta, a trade or business consisting mainly of the operation or management of a hotel or group of hotels, that the gains or profits or part thereof derived by that company from its trade or business or part thereof in the year of assessment commencing on 1st January, 1996, or in subsequent years of assessment, have been set aside for the exclusive purpose of financing a project for the upgrading, refurbishing or renovation of a hotel or hotels owned, operated or managed by such a company and as shall have been approved by the Corporation, and that the gains or profits or part thereof have in fact been used for the purposes for which they were set aside, the Corporation shall issue to such company a certificate showing compliance and thereupon the rate of income tax chargeable on the gains or profits or part thereof so used shall be reduced by seventeen and a half percentage points, and in any such case the tax chargeable shall be assessed, or reassessed and where necessary refunded, as the case may require.

(2) The provisions of subsection (2) of section 6 shall apply *mutatis mutandis* to companies qualifying for assistance under the provisions of subsection (1) of this section.”.

9. Section 34 of the principal Act shall be amended as follows:

Amendment of section 34 of the principal Act.

(a) in subsection (2) thereof, for the words “on account of which it has been made.” there shall be substituted the words “on account of which it has been made:”; and

(b) immediately at the end of subsection (2), there shall be inserted the following proviso:

“Provided that notwithstanding anything contained in subsection (1) of section 45 of this Act, a qualifying company which so elects not to be granted or to take any incentive or benefit otherwise due to it under the provisions of this Act shall not be precluded from being granted any incentive or benefit of a similar nature granted under the provisions of the Aids to Industries Ordinance.”.

10. Section 36 of the principal Act shall be amended as follows:

(a) in the first proviso to subsection (2) thereof, immediately after the words "section 6" whenever these occur, there shall be added the words "and section 24B"; and

(b) in paragraph (a) of subsection (4) thereof, immediately after the words "of section 6" there shall be added the words "and section 24B".

Objects and Reasons

The main purpose of the Bill is to enable the creation of incentive schemes for small businesses and hotels and to improve the administration of the Industrial Development Act, Cap. 325.