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MALTA

KAMRA TAD-DEPUTATI

ABBOZZ ta' Liġi mressaq mill-Onorevoli John Attard Montalto, M.P., Ministru ta' l-Affarijiet Ekonomiċi u ta' l-Industrija u moqri għall-Ewwel darba fis-Seduta tat-30 ta' Ġunju, 1997.

ATT biex jinkoraġġixxi t-twaqqif ta' impriži żgħar ġodda u l-espansjoni ta' impriži żgħar eżistenti bl-għoti ta' garanziji ta' self mill-Korporazzjoni għal Żvilupp ta' Malta.

RICHARD J. CAUCHI

Skrivan tal-Kamra tad-Deputati

HOUSE OF REPRESENTATIVES

A BILL introduced by the Honourable John Attard Montalto, M.P., Minister for Economic Affairs and Industry and read the First time at the Sitting of the 30th June, 1997.

AN ACT to encourage the establishment of new small enterprises and the expansion of existing ones through the provision of loan guarantees by the Malta Development Corporation.

RICHARD J. CAUCHI

Clerk of the House of Representatives

ABBOZZ TA' LIĠI msejjah

ATT biex jinkoraġġixxi t-twaqqif ta' impriži żgħar godda u l-espansjoni ta' impriži żgħar eżistenti bl-ghoti ta' garanziji ta' self mill-Korporazzjoni għal Żvilupp ta' Malta.

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. Dan l-Att jista' jissejjah l-Att ta' l-1997 dwar Garanziji ta' Self lil Impriži Żgħar, u għandu jibda jsehh f'dik id-data li l-Ministru responsabbli għall-industrija jista' b'avviż fil-Gazzetta jistabbilixxi.

Titolu fil-qosor
u bidu fis-sehh.

2. F'dan l-Att, kemm-il darba r-rabta tal-kliem jew is-sugġett ma jehtigux xort'ohra —

Tifsir.

“attività li tikkwalifika” tfisser attività li fil-fehma tal-Korporazzjoni tkun tikkonsisti f'negozju, sengħa jew kummerċ li jikkonsistu sew fil-manifattura, titjib, assemblaġġ, proċessar, tiswiġa, preservazzjoni jew manutenzjoni ta' kull għamla ta' oġġett, materjal jew komodità, jew l-ghemil ta' servizz fuq tagħmir, impjant jew makkinarju li jkollu x'jaqsam ma' l-industrija tal-manifattura;

“bank awtorizzat” tfisser bank kummerċjali li jkun awtorizzat mill-Korporazzjoni sabiex jiddeċiedi dwar applikazzjonijiet li jsiru għal kull self assistit li jitqies bhala eligibbli mill-Korporazzjoni skond dan l-Att;

“impriza żghira” tfisser persuna li tkun qed timpjega bejn persuna u għaxar persuni (inkluż il-Principal) li jkollha jew tkun qed thaddem impjant, makkinarju jew tagħmir li l-valur net tagħhom ma jkunx ta’ iżjed mill-ammont ta’ Lm30,000 u li ma jkollhiex qliegħ totali fis-sena li jkun ta’ iżjed mill-ammont ta’ Lm100,000, jew kull għadd iehor ta’ persuni jew kull ammont iehor li l-Ministru jista’ jistabbilixxi permezz ta’ avviż fil-Gazzetta:

Iżda gruppi ta’ kumpanniji, soċjetajiet jew negozji waħdanin li jkollhom l-istess sid jew li jkunu kontrollati flimkien għandhom jitqiesu bħala impriza waħda għall-ghanijiet ta’ dan l-Att;

Kap. 202.

“Korporazzjoni” tfisser il-Korporazzjoni għal Żvilupp ta’ Malta mwaqqfa bl-Att dwar il-Korporazzjoni għal Żvilupp ta’ Malta;

“Ministru” tfisser il-Ministru responsabbli għall-industrija;

Kap. 168.

Att XXV ta’ l-1995.

“persuna” tfisser kummerċjant waħdieni jew soċjetà kummerċjali kostitwita skond l-Ordinanza dwar Soċjetajiet Kummerċjali jew l-Att ta’ l-1995 dwar il-Kumpanniji jew għaqda koperattiva hekk debitament reġistrata taht dik il-liġi li tkun tapplika f’waqt partikolari f’Malta; u

“self assistit” tfisser self mogħti minn bank awtorizzat skond dan l-Att li l-hlas lura tiegħu jkun parzjalment garantit mill-Korporazzjoni.

Impriza żghira li tikkwalifika.

3. (1) Impriza żghira li tkun qiegħda twettaq jew tesegwixxi, jew li tkun beħsiebha twettaq jew tesegwixxi f’Malta attività li tikkwalifika, li ma jirnexxihom tikseb self konvenzjonali minn bank awtorizzat minhabba f’nuqqas ta’ sigurtà adegwata jew fama dwar kif ikun miexi n-negozju, tista’ titqies mill-Korporazzjoni bħala eliġibbli għal self assistit skond dan l-Att.

(2) Applikazzjoni għal self assistit għandha biss titqies mill-Korporazzjoni u tista’ biss tiġi approvata minn bank awtorizzat jekk din tkun esklussivament maħsuba għal għanijiet kummerċjali li jkunu jinkludu l-iżvilupp ta’ xi proġett, il-holqien ta’ xi negozju, kull espansjoni ta’ negozju u titjib fl-effiċjenza inkluż ix-xiri ta’ hażniet u ta’ materja prima u dik l-applikazzjoni m’għandhiex hekk titqies jew tiġi approvata jekk tkun maħsuba għas-sostituzzjoni ta’ faċilitajiet bankarji eżistenti, l-iffinanzjar ta’ hlasijiet ta’ imghax, l-akkwist ta’ l-azzjonijiet ta’ kumpanija jew hlasijiet li jirrigwardaw ix-xiri ta’ ishma tal-membri ta’ soċjetà.

(3) Il-Korporazzjoni m'għandhiex tqis li applikazzjoni tkun wahda eligibbli jekk is-self ikun jista' jinkiseb xort'ohra permezz ta' kull attiv personali jew ta' kull garanzija personali.

4. (1) Bank awtorizzat jista' biss iqis u japprova dawk l-applikazzjonijiet għal self assistit li jkunu tqiesu bhala eligibbli mill-Korporazzjoni. Il-funzjoni ta' bank awtorizzati.

(2) Impriża żghira li tkun qiegħda tapplika għal self assistit għandha flimkien ma' l-applikazzjoni għas-self tissottometti lill-Korporazzjoni u lill-bank awtorizzat kull pjan kummerċjali u previżjonijiet finanzjarji li jistgħu jinhtieġu mill-Korporazzjoni jew mill-bank awtorizzat sabiex tiġi valutata l-vijabbiltà kummerċjali tal-proġett u jiġi identifikat l-ammont li għandu jingħata bhala self assistit.

(3) Il-bank awtorizzat għandu jkun sodisfatt, qabel ma ssir l-approvazzjoni ta' self assistit taht dan l-Att, li kienu xort'ohra nġhataw finazi konvenzjonali li kieku mhux għax ma kienx hemm sigurtà adegwata.

(4) Minkejja d-dispożizzjonijiet ta' dan l-artikolu, impriża żghira li tkun tikkwalifika għal self assistit tista' xorta tinhtieġ mill-bank awtorizzat li tirhan jew tipoteka l-proprjetà mobbli jew immobbli tagħha bhala sigurtà għas-self mogħti fl-iskema, f'liema każ dak ir-raham jew ipoteka għandhom ikunu japplikaw għall-ammont shih tas-self assistit u mhux biss għal dik il-parti mis-self li ma tkunx taqa' taht il-garanzija tal-Korporazzjoni.

5. (1) Kull self assistit taht dan l-Att m'għandux ikun ta' iżjed mill-oghla ammont ta' għaxart elef lira Maltija (Lm10,000) jew minn kull ammont iehor li l-Ministru jista' jordna permezz ta' avviż fil-Gazzetta. Kemm għandu jingħata b'self taht din l-iskema.

(2) Impriża żghira tista' tibbenefika minn għadd ta' self assistit taht dan l-Att sakemm l-ammont shih li jingħata b'dan is-self kollu ma jkunx ta' iżjed mill-oghla ammont ta' għaxart elef lira Maltija (Lm10,000) jew minn kull ammont iehor li l-Ministru jista' jordna permezz ta' avviż fil-Gazzetta bhala li jingħata f'darba.

6. Iż-żmien ta' self assistit għandu jkun għal perjodu minimu ta' sentejn u għal perjodu massimu ta' hames snin mid-data ta' l-għoti tas-self rispettiv. Żmien il-garanzija.

7. (1) Il-garanzija tal-Korporazzjoni dwar self assistit m'għandhiex tkun tkopri f'waqt partikolari iktar minn sittin fil-mija mill-bilanċ dovut lill-bank awtorizzat fuq is-self totali magħmul: Sa fejn tkopri l-garanzija.

Iżda fil-każ ta' self assistit moghti lil impriża żghira li tkun ilha mwaqqfa ghal mill-anqas tliet snin, il-kopertura tal-garanzija tal-Korporazzjoni tista' tizzied ghal sebghin fil-mija mill-bilanċ dovut f'waqt partikolari lill-bank awtorizzat fuq is-self totali magħmul.

(2) Il-garanzija tal-Korporazzjoni dwar il-hlas lura ta' self assistit ghandha tkun sussidjarja ghar-responsabbiltà ewlenija ta' l-impriża ż-żghira li lilha jkun inghata s-self assistit.

Insolvenza
ta' l-impriża.

8. Jekk jiġi li impriża żghira li tkun inghatat self assistit tkun tinsab fi stat ta' insolvenza jew tkun giet dikjarata falluta, u dik l-impriża ma jkollhiex flus biżżejjed biex thallas il-bilanċ tas-self totali ta' self assistit, il-flus kollha li jkun hemm għall-hlas lura tas-self assistit ghandhom jitqassmu fl-istess proporzjon bhalma jkollha l-koperattiva tal-garanzija tal-Korporazzjoni għall-kopertura tal-bank awtorizzat.

Premium
fuq l-imghax.

9. Impriża żghira li jinghatalha self assistit minn bank awtorizzat ghandha thallas lill-Korporazzjoni *premium* ta' 0.5% fis-sena fuq dik il-parti tal-bilanċ tas-self totali garantit mill-Korporazzjoni:

Iżda minkejja l-jedd li bank awtorizzat ghandu li jitlob rata ta' imghax li tkun inqas mir-rata kummerċjali korrenti jew li jikkonċedi *moratorium* għall-hlas lura tal-kapital jew ta' l-imghax, il-hlas tal-*premium* ta' 0.5% fis-sena fuq dik il-parti mill-bilanċ tas-self totali garantit mill-Korporazzjoni ghandu f'kull każ jibqa' dovut lill-Korporazzjoni;

Iżda wkoll, ebda *moratorium* moghti minn bank awtorizzat ma jista' jżid iż-żmien tas-self għal perijodu itwal minn hames snin.

Kif jiġi segwit
self taht din
l-Iskema.

10. Impriża żghira li tikkwalifika għal self assistit ghandha:

(a) taghti lill-Korporazzjoni u lill-bank awtorizzat ta' kull sitt xhur dawk it-tagħrif, kontijiet, dikjarazzjonijiet u dokumenti ohra li l-Korporazzjoni jew il-bank awtorizzat jistgħu jqisu li jkunu mehtieġa għall-ghan ta' dan l-Att;

(b) tipprovdi lill-Korporazzjoni u lill-bank awtorizzat aċċess raġonevoli għal kull fond, post, ktieb u dokument iehor, u tippermetti l-ghemil ta' kull kopja għall-ghanijiet ta' dan l-Att.

11. (1) Minkejja kull haġ'ohra li tinsab fid-dispożizzjonijiet ta' qabel ta' dan l-Att, il-Korporazzjoni jkollha l-jedd li tiddikjara applikazzjoni li ssir taht dan l-Att bhala mhux eliġibbli. ^{Jedd ta' chid.}

(2) Minkejja kull haġ'ohra li tinsab fid-dispożizzjonijiet ta' qabel ta' dan l-Att, il-banek awtorizzati jkollhom il-jedd li jiċhdu applikazzjoni li ssir taht dan l-Att ukoll jekk din tiġi dikjarata eliġibbli mill-Korporazzjoni.

Ghanijiet u Raġunijiet

L-ghan ta' l-Abbozz hu sabiex jinkoraġġixxi t-twaqqif ta' impriżi żgħar godda u l-espansjoni ta' impriżi bhalhom permezz ta' l-ghoti ta' self li jkun f'parti minnu garantit mill-Korporazzjoni għal Żvilupp ta' Malta.

**A BILL
entitled**

AN ACT to encourage the establishment of new small enterprises and the expansion of existing ones through the provision of loan guarantees by the Malta Development Corporation.

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:—

Short title and commencement.

1. This Act may be cited as the Small Enterprises (Loan Guarantee) Act, 1997 and shall come into force on such date as the Minister responsible for industry may by notice in the Gazette establish.

Interpretation.

2. In this Act unless the context or subject otherwise requires:—

“authorised bank” means a commercial bank authorised by the Corporation to determine applications for assisted loans considered to be eligible by the Corporation in terms of this Act;

Cap. 168.
Act XXV of 1995.

“person” means any sole trader or any commercial partnership constituted under the Commercial Partnerships Ordinance or the Companies Act, 1995 or any co-operative society duly registered as such under the appropriate law for the time being in force in Malta;

“Corporation” means the Malta Development Corporation established under the Malta Development Corporation Act; Cap. 202.

“assisted loan” means a loan granted by an authorised bank in terms of this Act and the repayment of which loan is partially guaranteed by the Corporation;

“Minister” means the minister responsible for industry;

“small enterprise” means a person employing between one to ten persons (including the employer) who owns or operates plant and machinery or equipment the net value of which does not exceed the sum of Lm30,000 and whose annual turnover does not exceed the sum of Lm100,000: or such other number of persons or such other sums as the minister may by notice in the Gazette prescribe;

Provided that groups of companies, partnerships or sole businesses with the same ownership or control shall be considered as one enterprise for the purposes of this Act; and

“qualifying activity” means an activity which in the opinion of the Corporation consists of a trade, craft or business which consists either in the manufacture, improvement, assembly, processing, repair, preservation or maintenance of any goods, materials, or commodities, or servicing of equipment, plant or machinery in relation to the manufacturing industry.

3. (1) A small enterprise carrying on or carrying out, or intending to carry on or carry out in Malta a qualifying activity, which fails to obtain a conventional loan from an authorised bank for lack of adequate security or business track record, may be considered by the Corporation to be eligible for an assisted loan in terms of this Act. Qualifying small enterprise.

(2) An application for an assisted loan shall only be considered by the corporation and may only be approved by an authorised bank if it is intended exclusively for business purposes which shall include project development, starting up a business, business expansions and efficiency improvement including purchase of stocks and raw material and shall not be considered or approved if it is intended for the replacement of existing banking facilities, financing of interest payments, the acquisition of a company’s shares or the buying out of the members of a partnership.

(3) The Corporation will not consider an application as eligible if the loan can be otherwise secured by personal assets or personal guarantees.

Function of authorised banks.

4. (1) An authorised bank may only assess and approve applications for assisted loans if they have been considered eligible by the Corporation.

(2) A small enterprise applying for an assisted loan shall together with the loan application submit to the Corporation and the authorised bank a business plan and any financial forecasts that may be required by the Corporation or the authorised bank in order to assess the commercial viability of the project and identify the quantum of the assisted loan.

(3) The authorised bank shall prior to the approval of an assisted loan under this Act be satisfied that conventional finance would have otherwise been offered were it not for the lack of adequate security.

(4) Notwithstanding the provisions of this section a small enterprise qualifying for an assisted loan may still be required by the authorised bank to pledge or hypothecate its movable or immovable property in security of the scheme loan, in which case such pledge or hypothec shall apply for the whole amount of the assisted loan and not only for that part of the loan which is not covered by the Corporation's guarantee.

The quantum of loans under this Scheme.

5. (1) Assisted loans under this Act may not exceed the maximum sum of ten thousand Malta Liri (Lm10,000) or such other sum as the Minister may by notice in the Gazette prescribe.

(2) A small enterprise may benefit from several assisted loans under this Act provided that the total debitness under such loans shall not exceed the maximum of ten thousand Malta Liri (Lm10,000) at any one time or such other sum as the Minister may by notice in the Gazette prescribe.

Term of the guarantee.

6. The term of any assisted loan shall be for a minimum period of two years and for a maximum period of five years from the date of the grant of the respective loan.

Extent of the guarantee.

7. (1) The Corporation's guarantee exposure regarding an assisted loan, shall not exceed at any moment in time sixty per centum of the total outstanding loan balance due to the authorised bank:

Provided that in the case of an assisted loan granted to a small enterprise which has been established for at least three years, the Corporation's guarantee exposure may be increased to seventy per centum of the total outstanding loan balance due at any moment in time to the authorised bank.

(2) The Corporation's guarantee of the repayment of an assisted loan shall be in subsidiary to the principal liability of the small enterprise to whom an assisted loan has been granted.

8. In case a small enterprise to whom an assisted loan has been granted is in a state of insolvency or has been declared bankrupt and such an enterprise lacks sufficient funds to pay the total outstanding balance of an assisted loan, any funds available for the repayment of the assisted loan shall be applied in the same proportion as the Corporation's guarantee exposure bears to the exposure of the authorised bank. Insolvency of the enterprise.

9. A small enterprise to whom an assisted loan is granted by an authorised bank, shall pay to the Corporation a premium of 0.5% per annum on that part of the outstanding loan balance guaranteed by the Corporation: Interest premium.

Provided that notwithstanding the authorised bank's right to charge an interest rate below the market rate or to grant a moratorium period for the repayment of capital or interest, the payment of the premium of 0.5% per annum on that part of the outstanding loan balance guaranteed by the Corporation shall in any case be due to the Corporation;

Provided further that no moratorium granted by an authorised bank may increase the terms of the loan beyond a period of five years.

10. A small enterprise qualifying for an assisted loan shall: Monitoring of a scheme loan.

(a) furnish to the Corporation and the authorised bank on a six monthly basis such information, accounts, statements and other documents which the Corporation or the authorised bank may deem to be necessary for the purpose of this Act;

(b) provide the Corporation and the authorised bank with reasonable access to all premises, places, books and other documents, and allow copies to be made for the purposes of this Act.

Right of
refusal.

11. (1) Notwithstanding anything contained in the foregoing provisions of this Act, the Corporation shall have the right to declare not eligible any application under this Act.

(2) Notwithstanding anything contained in the foregoing provisions of this Act, authorised banks shall have the right to refuse any application under this Act even if declared eligible by the Corporation.

Objects and Reasons

The object of the Bill is to encourage the establishment of new small enterprises and the expansion of existing ones through the provision of loans partially guaranteed by the Malta Development Corporation.