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Malta: Company incentives to deploy electric vehicles

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Malta

Phase:

Anticipation

Type:

Company incentives to deploy electric vehicles

Last modified: 10 December, 2021

Native name:

Għotjiet tal-gvern inklużi skemi ta' skroppjar għax-xiri ta' vetturi elettriċi, għan-negozji u kumpaniji privati.

English name:

Government grants including scrappage schemes for the purchase of electric vehicles for businesses and private companies.

Article

Government grants including scrappage schemes for the purchase of electric vehicles for private individuals, local councils, non-government organisations, businesses and private companies. Government notice 517 of 2021. Motor vehicles registration and licensing act and other laws, Act no. XI of 2010

Description

This scheme is intended to incentivise registered businesses and companies to purchase battery electric vehicles (BEV), plug-in hybrid electric vehicles (PHEV) and range extender electric vehicles (REEV) with the aim of decreasing polluting internal combustion engine (ICE) vehicles from Maltese roads. This incentive encompasses a wide range of vehicle types, from vehicles designed to carry under eight persons to those meant to carry more than nine passengers and exceeding five tonnes in weight. This scheme is also intended for vehicles used for the transportation of goods but whose weight does not exceed more than 12 tonnes.

The [current scheme](#) came into effect on the 1 January 2021 and operates on a first-come-first-served basis. The scheme shall be automatically terminated at the end of the year or when the €2.5 million allocated is exhausted. Electric vehicles registered during 2020 which did not avail themselves of any related grants in 2020 can also apply under this scheme. There are plans to renew this scheme on a yearly basis as it is considered a key strategy for the Maltese government to reach carbon neutrality by 2050. Applicants that are registered businesses and companies are allowed a mix and match, meaning that they are allowed to complement their existing fleet of internal combustion engine vehicles with electric vehicles or to scrap their existing internal combustion engine vehicles and replace with electric vehicles. The total maximum grant allocated to registered businesses and companies for this purpose is of €200,000. Undertakings performing road freight transport for hire are eligible for the maximum sum of €100,000.

The amount of grant allocated per electric vehicle ranges from a minimum of €1,000 to a maximum of €12,000. Criteria determining eligibility and the amount of grant rewarded are: the vehicle's age, whether the electric vehicle to be purchased is new or used, mileage, date of registration, category (if it is designed for passengers or freight), and whether the purchaser will be de-registering and scrapping a vehicle with an internal combustion engine. For the comprehensive list which specifies the amount allocated according to the set criteria, one could visit [Transport Malta's online portal](#).

The following summarises the main aspects of this incentive:

- Up to €9,000 when registering new electric vehicles that are designed to transport less than eight passengers, while de-registering and scrapping a vehicle with an internal combustion engine that is at least ten years old from its year of manufacture.
- Up to €12,000 when registering new electric vehicles that are designed to carry more than eight passengers or designed to transport goods whose weight does not exceed 12 tonnes, while de-registering and scrapping another vehicle within the same category of vehicles which is at least ten years old from its year of manufacture.

Apart from this grant scheme, companies that opt for electric vehicles benefit from [cheaper registration tax](#) on their vehicles. The registration tax of non-electric vehicles is calculated on the euro standard, CO₂, particulate matter (diesel engines only) and length. The following formula is used: (registration value x CO₂ x %) + (registration value x length (mm) x %).

Since electric vehicles have no emissions, the first part of the formula is not applicable and therefore the registration tax of an electric vehicle is calculated solely upon the length, the percentage according to the length, and the registration value.

Another initiative aimed at smoothing the transition to electric vehicles is the availability of a number of free electric charging stations. According to [Malta's Low Carbon Development Strategy](#), the government is planning to install a total of 6,500 charging stations across the

islands by 2030.

Comments

While the government has not given a definite cut-off date banning the purchase of vehicles with internal combustion engines, [Malta's Low Carbon Development Strategy](#) points out that these vehicles will be banned by 2032-34.

The government has pledged that it will be leading by example. To demonstrate its commitment, it will be changing its entire fleet – including public buses – to electric vehicles by 2030. Government estimates project that Malta will have more than 65,000 electric vehicles (including PHEV) by 2030.

Cost covered by

National government






Involved actors other than national government

Regional/local government

Thresholds

No, applicable in all circumstances

Sources

-  [Motor vehicles registration tax \(amendment\) act 2009](#)
-  [Motor vehicles registration and licensing act and other laws \(amendment\) act 2010 \(in English\)](#)
-  [Government Grants including Scrappage Schemes for the Purchase of Electric Vehicles for Private Individuals, Local Councils, Non-Government Organisations, Businesses and Private Companies. Government Notice 517 of 2021. Published April 2021.](#)
-  [Scheme on the Purchase of Electric Vehicles and Plugin-Hybrids \(Transport Malta's website\)](#)
-  [Malta Low Carbon Development Strategy, Public Consultation Document. Government of Malta, Ministry for the Environment, Climate Change and Planning. Published June, 2021.](#)

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