

SEGRETARJAT PARLAMENTARI
GHALL-PRESIDENZA UE 2017 U
GHALL-FONDI EWROPEJ



MALTA

PARLIAMENTARY SECRETARIAT
FOR THE EU PRESIDENCY 2017 AND
EU FUNDS

Id-Divizjoni għall-Fondi u Programmi

Funds and Programmes Division

RA Circular 3/13

To: Project Leaders

From: Head of Responsible Authority

Date: 15th May 2013

Subject: Rules regarding Depreciation of Equipment

The RA would like to inform all Beneficiaries upon the Eligibility Rules with regards to the renting, leasing and purchasing of Equipment under the ERF, IF, RF and EBF funded projects. The contents of this Circular reflect what may be found within the Manual of Procedures Version 1.1, Section 6.1.8 – *Depreciation* and Annex 23 – *EC Eligibility Rules*. This Circular serves to provide the necessary guidance and ensure the correct procedure is followed with respect to depreciation of equipment.

Beneficiaries are informed that with regards to projects funded by the ERF, IF, RF and EBF, the choice between renting, leasing or purchasing should be based upon the choice of the least expensive option. However in the case of rapid depreciation in value (ERF, IF and RF) or short project duration (ERF, IF, RF and EBF), which circumstances preclude the choice of renting or leasing, the option to purchase the equipment is permitted. Note that the depreciation period should be based upon the national rules, namely the years listed in Subsidiary Legislation 123.01 (Deduction for Wear and Tear of Plant and Machinery Rules) – vide Annex 1. Note also that in cases of purchasing of individual equipment costing below EUR 20,000, the full purchase price is eligible in so far as the purchasing took place prior to the last 3 months of the project (ERF, IF and RF).

Raphael Scerri
Head of the Responsible Authority
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ANNEX 1

DEDUCTION FOR WEAR AND TEAR
OF PLANT AND MACHINERY

[S.L.123.01

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SCHEDULE

Amended by:
L.N. 323 of 2001;
L.N. 291 of 2010.Minimum number of years over which items of plant and machinery
are to be depreciated

Category	Years
1. Computers and Electronic Equipment	4
2. Computer software	4
3. Motor Vehicles	5
4. Furniture, Fixtures, Fittings and Soft Furnishings	10
5. Equipment used for construction of buildings and excavation	6
6. Catering Equipment	6
7. Aircraft	
(a) Aircraft airframe	6
(b) Aircraft engines	6
(c) Aircraft engine or airframe overhaul	6
(d) Aircraft interiors and other parts	4
8. Ships and vessels	10
9. Electrical and Plumbing Installations and Sanitary Fittings	15
10. Cable Infrastructure	20
11. Pipeline Infrastructure	20
12. Communication and Broadcasting Equipment	6
13. Medical Equipment	6
14. Lifts and Escalators	10
15. Air-conditioners	6
16. Equipment mainly designed or used for the production of water or electricity	6
17. Other machinery	5
18. Other plant	10