

## Strategic Funding Alert: New R&D Cash Grants and Incentives for Tech Startups in 2026

Malta's commitment to fostering a high-tech innovation ecosystem has reached a significant milestone in 2026. The government, through Malta Enterprise, has unveiled an enhanced suite of financial instruments designed specifically for technology startups and scale-ups engaging in high-value Research and Development (R&D). At the heart of this initiative is a substantial cash grant offering that provides up to **€200,000 in non-repayable funding**, strategically aimed at projects that push the boundaries of industrial research and experimental development. This funding is not merely a subsidy but a strategic investment in intellectual property creation within the Maltese jurisdiction.

The current funding landscape is particularly advantageous for enterprises operating in software development, biotechnology, and green technology. Beyond the headline grant, the **Business Development Scheme** now offers expanded support for value-added projects, covering up to **75% of eligible costs**. This includes vital operational expenses such as the relocation of key personnel, the leasing of specialized real estate, and the procurement of advanced digital assets. By integrating these grants with Malta's robust tax framework, startups can effectively mitigate the high initial risks associated with deep-tech innovation while maintaining a lean and efficient capital structure.

Furthermore, the 2026 updates introduce a specialized **175% tax deduction** on eligible R&D expenditures. This means that for every Euro invested in innovation, businesses can significantly reduce their taxable income, creating a double-layered benefit when combined with direct cash infusions. This fiscal synergy is designed to attract "Unicorn" potential startups that require both immediate liquidity and long-term tax predictability. The application process has also been further digitized through the Malta Enterprise Client Portal, ensuring that visionary entrepreneurs can transition from proposal to project launch with minimal bureaucratic friction.

As global competition for tech talent and innovation intensifies, Malta's 2026 incentive packages provide a definitive edge. Whether you are a local founder or an international firm looking to establish a Mediterranean R&D hub, these grants represent a unique window of opportunity to scale your technology within a secure, EU-compliant, and highly supportive environment. The message to the global tech community is clear: Malta is ready to bankroll the next generation of industrial breakthroughs.