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European Commission

Directorate-General for Competition

State Aid Directorate

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20 March, 2026

Subject: Formal Complaint under Article 108 TFEU – Request for Investigation into Potential Unlawful State Aid and Distortion of Competition in the property development of the Maltese Affordable Housing Sector

Dear Director-General,

We write on behalf of the **Malta Developers Association (“MDA”)** to submit a formal complaint pursuant to Article 108 of the Treaty on the Functioning of the European Union (TFEU), concerning measures adopted and/or implemented in Malta that may constitute unlawful State aid and distort competition within the internal market.

The MDA is a principal stakeholder representing the construction and real estate sector, playing a central role in shaping Malta’s built environment, economic growth, and infrastructure development. MDA is indeed committed to ensuring that the affordable

housing sector operates under conditions of fair competition, transparency, and compliance with European Union law, including the rules governing State aid.

In recent months, the Association and its members have identified a number of measures and practices in relation to the development of affordable housing, which appear to confer selective advantages upon specific undertakings within the Maltese development and property sector. These measures raise concerns that they may fall within the scope of Article 107(1) TFEU, insofar as they appear to involve:

- Selective economic advantages granted to particular undertakings or projects;
- State resources or regulatory measures attributable to the State;
- Distortion or potential distortion of competition within the relevant market; and
- An effect on trade between Member States, particularly in a sector that attracts cross-border investment and international operators.

More specifically, the concerns relate to regulatory, administrative, and potentially financial measures that appear to grant preferential treatment to certain operators or developments, thereby placing other market participants at a competitive disadvantage. Such measures, if confirmed, may constitute State aid that has not been notified to or approved by the European Commission, contrary to the obligations imposed on Member States under Article 108(3) TFEU.

Given the importance of safeguarding the integrity of the internal market and ensuring equal competitive conditions, MDA respectfully requests that the European Commission:

- (i) Examine the measures described (i) and assess their compatibility with EU State aid rules;

- (ii) Determine whether these measures constitute unlawful and incompatible State aid;
- (iii) Open a preliminary investigation under Article 108 TFEU where appropriate; and
- (iv) Take any measures deemed necessary to restore fair competition within the relevant market.

MDA is prepared to provide detailed supporting documentation, factual information, and market data to assist the Commission in its assessment of the issues raised in this complaint.

The purpose of this submission is to ensure that all market participants in Malta operate within a regulatory environment that fully respects EU competition and State aid rules, thereby safeguarding fair market conditions and maintaining investor confidence in the Maltese and European internal markets.

We remain at the Commission's disposal for any further information or clarification it may require.

Sincerely



Dr Joseph Camilleri

With a copy to:

Hon Minister Dr Ian Borg
Deputy Prime Minister
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