

Issue 2 of 2025

THE ACCOUNTANT



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- 4 President's Address
- 6 Message from MIA CEO
- 8 MIA Diary
- 12 Local Appointments
- 13 Bringing the Profession to Life:
A Hands-On Approach to Student Engagement
- 19 Malta's competitiveness takes centre stage
at MIA Biennial Conference 2025
- 20 Beneath the Surface:
Building Foundations to Remain Relevant
- 25 Driving transformative AI in financial services
- 29 The Transformation Challenge
- 31 Malta's Role in the Evolving EU Landscape
- 35 Malta's Family Office opportunity:
Positioning for growth in global wealth markets
- 39 Sponsorship announcement
- 40 Meet the Member
- 42 Meet the Team

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President's Address

Mark Bugeja

Welcome to the second edition of The Accountant for 2025. With half the year already gone, it feels like a natural point for some introspective yet forward-looking considerations.

The Malta Institute of Accountants Biennial Conference reconfirmed something we have long known: that when Malta's most engaged thinkers from business, regulation, and policymaking come together, the result is exceptional insight. This year was no different. One core theme emerged with clarity: for Malta to remain competitive, we must align more closely - across sectors, across institutions, and across priorities.

Competitiveness today is not just about cost or tax - it is about speed, coordination, resilience, and strategic thinking. In a European regulatory environment that is shifting quickly, that alignment becomes not only helpful, but essential.

Beyond the profession, however, we cannot ignore the wider economic realities. Malta finds itself in a moment of opportunity and strain. Our key fundamental sectors are strong, and international interest in doing business with Malta remains high. Yet, we have our fair list of challenges, including limited physical and digital infrastructure, reputational concerns, and in particular, severe labour shortage.

The demand for skills has outpaced supply, creating productivity challenges and high turnover rates. We must address this strategically. A vision for the future - like the Government's recently announced national Vision 2050 - must factor in the need for a robust skills pipeline, forward-looking education, and seamless support for enterprise. As several speakers highlighted at the Biennial, resilience and competitiveness require more than policy - they require execution.

Looking ahead, our focus must be twofold: ensuring that the profession remains attractive to the next generation and making sure that it plays a leading role in shaping Malta's economic direction. The education reform is central to this - we need to inspire thinkers, not just technicians. A key message that emerged during the Biennial Conference was that if we do this right, the accountancy profession will not simply adapt to change; it will shape it. By embracing our role as trusted experts, stewards of information, and champions of sustainable business, we can help secure a resilient, competitive and ethically grounded future for Malta.

In this context, our priorities are clear: to build a profession that is strong, attractive, and ready to lead; to support Malta's competitiveness by fostering trust, skills, and alignment; and to ensure that our core purpose - building public trust through reliable information - remains intact, even as the tools we use continue to change.

As we embrace innovation, particularly in the realms of Artificial Intelligence (AI) and data analytics, our role becomes even more critical in safeguarding integrity and supporting sound decision-making. Technology will not replace judgement. It will enhance it. In fact, it is through informed judgement, supported by AI and digital tools, that accountants will continue to add value in an increasingly complex environment.

Digital transformation, in this regard, is not optional. Businesses, including many small and medium enterprises, must evolve their systems and embrace and use automation. The profession, too, must integrate technology not only into its own workflows, but also as part of the advice it gives. At the same time, we must remain vigilant about the regulatory environment. While rules are essential, excessive or poorly implemented regulation risks stifling innovation. We need a framework that

encourages initiative, facilitates compliance, and enables growth. This means streamlining bureaucracy, improving policy coordination, and ensuring that standards are practical and future-proof.

Another key issue raised during the Biennial was access to finance. The reality is that as Malta shifts towards a service-based, tech-driven economy, traditional financing models - especially bank-driven - often fail to keep pace. Intangible assets such as intellectual property remain difficult to collateralise, creating a funding gap for digitally native firms. A broader cultural shift toward risk-based financing, deeper collaboration with equity markets, and a smarter, more flexible regulatory environment are urgently needed if we want to build a future-proof, innovation-led financial ecosystem. Here again accountancy finance professionals have an important role to play.

As Mr Eelco van der Enden, CEO of Accountancy Europe, rightly put it, “stopping innovation is like stopping the wind.” Rather than resist change, we

must lead it, adapting our professional judgement to a new era defined by digital transformation and heightened expectations.

Yet, to deliver on that potential, we need to build capacity. Our profession must become more vocal about the value it provides - particularly in areas like sustainability reporting, where quality data, assurance, and trust are more essential than ever.

Accountants are uniquely placed to lead in this space. We are trained to measure, verify, and explain - and that is exactly what transitions, whether digital or environmental, require. Our profession should not be modest about the value it brings. We must communicate our expertise clearly and confidently, and help businesses translate data into action.

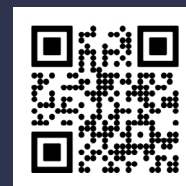
Change is inevitable. But with the right mindset, the right tools, and the right leadership, we can ensure that the accountancy profession is not only part of Malta’s future but it will help to shape it.



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Message from MIA CEO

Maria Cauchi Delia

Just a few weeks ago, the Malta Institute of Accountants (MIA) once again convened its Biennial Conference - our flagship event, and arguably one of Malta's most influential cross-sector platforms for dialogue. True to form, the Conference succeeded in bringing together voices from across the spectrum: politicians, regulators, thought leaders, economists, experts and business professionals, all coming together to engage in one critical conversation - that on Malta's future.

The choice of such a wide range of stakeholders was made with a purpose. The Institute sought to host a Conference which reflected the way it believes things should be done in our country to be able to move forward - the identification of what needs to be done to ensure progress, the establishment of milestones and objectives, and the commitment to achieve them.

The Biennial Conference successfully provided the background for an exploration of a range of issues shaping the future of our country, with a particular focus on digital transformation, regulatory alignment, and systemic coherence. Moderators posed thought-provoking questions to our panellists, prompting in-depth reflections on Malta's digital maturity, the role of data infrastructure and whether current efforts are truly transformative or simply digitising outdated processes. Discussions spanned from regulatory scalability and interoperability to national digital governance and the practical steps needed to bridge ambition with execution.

Importantly, these discussions were framed within the wider international context which has a huge impact on what we do. Therefore, I am very grateful that we were joined by the President of the European Parliament, Dr Roberta

Metsola, and the Chief Executive Officers of Accountancy Europe and the International Federation of Accountants (IFAC), Eelco van der Enden and Lee White respectively, who shared their views on the matters at hand.

As the discussions flowed, one message stood out more than any other: that Malta must act in a more aligned, consolidated manner if we are to remain competitive in a rapidly shifting international context. Forward-looking competitiveness, we agreed, is no longer a luxury. It is a strategic imperative. Different stakeholders called for effective regulation, a robust digital and physical infrastructure, and a stronger alignment between the parties concerned.

That message could not have come at a more pressing moment. The international political and regulatory climate is anything but stable, with increased political unpredictability and policy shifts threatening years of hard-won progress. The implementation of the Sustainable Finance framework has already felt the reverberations of such instability. True, some standards were unnecessarily complex, but what until very recently was a steady march towards regulatory convergence, now looks increasingly fragmented. We are now in a situation where member states and institutions are advocating for slower, and in some cases, approaching voluntary adoption.

But while the direction of global policy may be uncertain, our role as accountancy professionals is not. If anything, these shifting sands underscore the need for our profession to lead and to prepare.

And this is what the Institute is doing, at every level. With the international scenario changing constantly, I cannot emphasise enough the

importance of our relationships with our external partners, giving us better access to these developing realities. Our Institute continues to represent Malta in European and international fora, voicing our perspectives and influencing broader agendas, from tax and transparency to digitalisation and professional mobility.

We have reinforced our commitment to global alignment by actively participating in fora such as IFAC and Accountancy Europe. These platforms are crucial for taking stock of current regulatory developments, especially as we assess the chaos emerging from diverging regulatory interpretations. Our expanded collaboration also includes renewed connections across the Mediterranean, leading to our reintegration with the Federation des Experts Comptables Méditerranéens. Through these connections, we are engaging in structured dialogue about regulatory preparedness, digital adaptation, and the skills that accountants must have.

This network expansion is not symbolic. By widening our outreach, we position Malta as part of the global professional conversation.

Domestically, our efforts are equally strategic. The Biennial Conference served as a springboard for wider internal consultation. We recently completed an extensive members' survey to better understand what our professionals are experiencing, what they need, and where the profession should go next. Internally, we are analysing them in detail to better understand the messages that come across. Among the key issues raised, access to talent remains a recurring challenge. Labour shortages remain prevalent and are creating a dynamic in which attracting and retaining talent is no longer just a priority - it is an existential requirement.

In this context, retention is as crucial as recruitment. That is why our next steps will be focused on long-term attractiveness - improving work-life balance, increasing visibility and prestige of the profession, and creating more opportunities for professional growth. We recognise that the younger generation values purpose, flexibility, and development. The MIA is therefore evolving its strategy to ensure the profession responds to these modern expectations.

Through our #AccountsForYou campaign, we have not only sought to attract young people to the profession but also presented concrete recommendations to national authorities on how to make the profession more appealing and sustainable. These recommendations touch on key factors such as early career engagement, educational outreach, flexible working models, and clearer pathways for international professionals to integrate into the local profession.

Since launching the campaign, the MIA has engaged with over 4,800 students, underscoring its commitment to nurturing future talent in the financial profession. By connecting academic pathways with real-world opportunities, the Institute is not only championing the profession but also empowering students to make well informed and inspired career choices.

We are also working within the Malta Financial Services Advisory Council, in collaboration with Identità, to gather more robust data to substantiate our policy positions and strengthen our advocacy with respect to foreign talent. The MIA is also contributing to the national skills agenda. We are involved in a consultation on skills needs, by focusing on the reality across financial services sector and taking into consideration the future skills agenda.

Beyond the workforce challenge, we are also preparing for incoming waves of regulatory and fiscal change. As the EU pushes forward with harmonisation efforts, Malta must not lag behind. We must position ourselves as ready and agile - not reactive.

Malta's future competitiveness depends on our ability to think globally, act locally, and move forward collectively. The MIA will remain at the heart of this journey, guiding the profession with foresight, collaboration, and resolve.

MIA diary

Sicily day trip

As part of its teambuilding activities, The Malta Institute of Accountants (MIA) team took a day trip to Sicily, visiting the villages of Noto, Marzamemi, and Ortigia. The group spent time walking through the towns and enjoyed, among others, a wine tasting session and traditional Italian food. It was a simple but effective way to step away from the daily routine and strengthen team connections.



Collaborative event between MIA and Malta Enterprise

The MIA, in collaboration with Malta Enterprise, organised a session on the proposed updates to the MicroInvest Scheme. Attendees had the opportunity to gain insights into the suggested changes and provide feedback on the new application process. Following the session, MIA members had the opportunity to provide further input that will help Malta Enterprise refine the scheme's procedures for the benefit of all stakeholders.



IFAC PAIB Group meeting

In April, Charles Xuereb, Chairperson of the MIA Professional Accountants in Business (PAIB) Group, attended the International Federation of Accountants (IFAC) Professional Accountants in Business Advisory Group (PAIBAG) meeting in Tokyo. The meeting brought together global finance and business leaders to discuss key trends, challenges, and innovations shaping the profession.

The discussions focused on the evolving role of finance professionals in a digital world, sustainability and Environmental, Social and Governance (ESG) reporting developments, and best practices in corporate governance and risk management.



Office chairs donation

At MIA, corporate responsibility extends beyond the workplace. Following an office upgrade, the Institute donated a number of chairs to Puttinu Cares, Caritas, and The Malta Trust Foundation - three organisations committed to supporting vulnerable individuals in Malta. This initiative reflects the MIA's ongoing commitment to community support and sustainability. We are proud to contribute to the valuable work these non-governmental organisations undertake every day.



MIA Awards Day: Honouring our inspiring team members

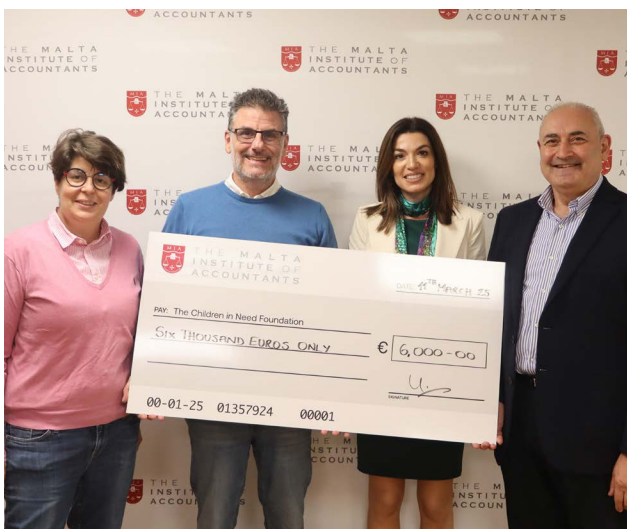
This year, MIA launched its first-ever *MIA Awards Day*, an internal initiative to celebrate employees who positively impact the workplace. Colleagues were invited to vote, recognising peers who go above and beyond.

The Silver Lining Award was given to Jurgen Mifsud for his consistent positivity and supportive outlook which helps maintain a constructive atmosphere.

The Confetti Award went to Dorianne Formosa, whose enthusiasm and ability to celebrate even small wins bring daily energy to the team.

In addition, MIA also celebrated the employees who have reached key milestones with the Institute. Among them, Jacqueline Mamo, Dorianne Formosa, Maria Mifsud Farrugia, and Paula Scerri.

The MIA CEO, Maria Cauchi Delia, presented the awards, congratulating the winners for embodying the spirit of MIA and thanking the employees who have shown long-term and unwavering commitment to the Institute.



MIA donation to The Children in Need Foundation

MIA President Mark Bugeja and Chief Executive Officer (CEO) Maria Cauchi Delia presented a €6,000 donation to Daniel Abela, President of The Children in Need Foundation. The funds were raised through the June 2024 Networking Event and the November 2024 Fundraising Football Event, with MIA further topping up the final amount. The donation supports the Foundation's mission to provide vulnerable children with essential resources and educational opportunities. MIA thanks all members who contributed, reaffirming the Institute's commitment to social responsibility and community support.

IFAC Chief Executives Forum 2025

CEO Maria Cauchi Delia represented MIA at the International Federation of Accountants (IFAC) Chief Executives Forum 2025 held in Amsterdam on 3rd and 4th April, where delegates discussed the evolving role of professional accountants, the need for greater collaboration and innovation, strategies to enhance the profession's appeal, and the integration of emerging technologies in accountancy.



Invitation from the Serbian Association of Accountants and Auditors

CEO Maria Cauchi Delia was invited by the Serbian Association of Accountants and Auditors to mark their 70th anniversary. In her address, Ms Cauchi Delia emphasised the vital role of collaboration among Professional Accountancy Organisations, particularly during this time of transformation for the profession. She stressed the importance of working closely with various stakeholders to address key challenges and opportunities such as talent attraction, sustainability, and digitalisation. In recognition of this shared commitment, the Serbian Association presented the MIA CEO with a commemorative award.



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Local Appointments



BDO Malta has announced the appointment of Edward Bugeja as Audit Associate Director with effect from January 2025.



Deloitte Malta has announced the appointments of Jonathan Calascione and Pierre Mallia as Directors with effect from 1st January 2025 and 7th April 2025 respectively.



Deloitte Malta has announced the appointments of Timothy Borg Olivier, Karen Cuschieri, Sandro Psaila, and Mark Dalli as Directors with effect from 1st June 2025.



RSM Malta has announced the appointment of Dr Roberta Buhagiar as Director with effect from 26th May 2025.



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Bringing the Profession to Life

A Hands-On Approach to Student Engagement

As part of its ongoing #AccountsForYou campaign, now in its fourth year, the Malta Institute of Accountants (MIA) has placed real-world experience at the heart of its outreach strategy.

Among the standout elements of this year's campaign, the Institute hosted various firm visits for Year 9 students, designed to give students first-hand insight into the industry. Through guided tours and engaging discussions with professionals, students discovered the diverse roles available in accountancy - from auditing and tax to consultancy and financial management.

The initiative also encompassed Year 10 students, with visits involving over 300 students from state, church, and independent schools participating in a range of activities, including a life-sized version of Monopoly, which



challenged them to make realistic financial decisions like taking out mortgages and investing in property. Students also enjoyed an image association game that helped them connect accounting terms with everyday contexts, and a budgeting challenge tasking them with planning and financing a movie production.

These visits, supported by our partner firms Deloitte, Grant Thornton, KPMG, PricewaterhouseCoopers (PwC), and RSM, helped students connect their studies with real-world possibilities, making the subjects more tangible and relevant. Through these activities, these aspiring accountants gained valuable insight into how accountants play a key role in guiding financial choices and supporting business success.



Since the inception of the #AccountsForYou campaign, the MIA has now reached a total of over 4,800 students, reinforcing the Institute's commitment to shaping the next generation of financial professionals. By bridging the gap between education and practice, MIA is not only promoting the profession but also helping students make more informed, inspired decisions about their future.



MFSA enhances framework regulating company directors and secretaries

The Malta Financial Services Authority (MFSA) has updated its regulatory framework for Company Service Providers (CSPs), specifically focusing on directorship and company secretary services. The latest updates now require individuals serving as directors or company secretaries in up to two entities - previously unregistered - to notify the MFSA by 16th July 2025. This allows the MFSA to assess potential risks and apply the necessary measures. Additionally, a simplified application process has been introduced for CSPs with up to 10 directorships or secretary roles, easing compliance requirements while maintaining oversight. A consolidated annual return will also streamline data submission for both the MFSA and the Financial Intelligence Analysis Unit (FIAU). More information is available on the **MFSA website**.

Unemployment rate declines further

Malta's unemployment rate has declined further in recent weeks, reaching 2.7% in April 2025, down 0.1 percentage points from March and 0.6 points lower than April 2024, according to the National Statistics Office. The total number of unemployed stood at 9,223 in April, a 2.5% decrease from the previous month and a significant 13.7% drop year-on-year. The majority of unemployed individuals - 77.2% - are aged over 25, while youth unemployment (ages 15-24) accounts for 22.8%. Youth unemployment also improved, falling 0.5 points to 7.2%, while the rate for those aged 25 to 74 remained stable at 2.3%. Further information is available **here**.

FIAU issues guidance to help identify red flags in financial statements and non-financial information

This resource is designed to help subject persons identify common money laundering red flags found in a company's financial and non-financial data. It highlights key indicators that, when assessed together and within context, may suggest suspicious activity linked to money laundering or terrorist financing. This initiative aims to strengthen vigilance and promote compliance across Malta's financial sector. Download the document **here**.

New AEOI subscription service launched

The Office of the Commissioner for Tax and Customs has launched a new subscription service to keep stakeholders informed on matters related to the Automatic Exchange of Information (AEOI). Through this service, subscribers will receive regular newsletters covering the latest updates, practical guidance, best practices, and details on upcoming events aimed at strengthening international tax transparency and cooperation. The initiative is intended to support professionals and organisations working within the field by providing timely and relevant information in a user-friendly format. The newsletters will serve as a resource for staying up to date with evolving standards and regulatory developments in tax information exchange. Further details are available **here**.



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European Commission releases Omnibus IV

The European Commission has proposed an additional cut of €400 million in annual administrative costs for companies, adding to its previous simplification efforts. With a new category of small-mid caps, the Commission aims to reduce compliance obligations and boost growth and investment across the single market. This proposal is the **fourth Simplification Omnibus package** presented by the European Commission under this mandate.

Omnibus I and II provided rules on sustainability reporting, due diligence, and European Union (EU) investments. **Omnibus III** aimed at simplifying the Common Agricultural Policy.

The Commission released questions and answers on the **simplification Omnibus IV**, as well as a factsheet on **small mid-caps**, including the changes being proposed to reduce administrative burdens for them.

Read here for more information.

European Council approves the 'Stop-the-clock' directive

Member states' representatives approved the European Council's position on the 'Stop-the-clock' directive, aiming to simplify EU rules to boost competitiveness. This proposal postpones the dates of application of certain corporate sustainability reporting and due diligence requirements, as well as the transposition deadline of the due diligence provisions.

The final green light was given by the European Council on 14th April 2025.

Read here for more information.

EFRAG's work plan with respect to ESRS simplification mandate

The European Commission mandated the simplification of the first set of European Sustainability Reporting Standards (ESRS) to the European Financial Reporting Advisory Group (EFRAG). This mandate falls within EFRAG's role as technical advisor to the European Commission under the Corporate Sustainability Reporting Directive.

Following this, EFRAG submitted its work plan to the European Commission.

Read here for more information.

IAASB announces withdrawal of ISAE 3410

The International Auditing and Assurance Standards Board (IAASB) has approved the withdrawal of International Standard on Assurance Engagements (ISAE) 3410, *Assurance Engagements on Greenhouse Gas Statements*.

The withdrawal will take effect from the applicable date of the International Standard on Sustainability Assurance 5000.

Read here for more information.

ECB's paper on EU corporate disclosure rules in limiting greenwashing

The European Central Bank (ECB) released a paper that analyses entities' disclosure requirements – including due diligence requirements – in the EU. The purpose of this paper is to assess whether the existing EU sustainable disclosure framework is effective in limiting the possibilities of greenwashing.

Read here for more information.

Advancing sustainable finance

The **Platform on Sustainable Finance** (PSF), an advisory body to the European Commission, published an independent report on advancing sustainable finance: technical criteria for new activities & first review of the Climate Delegated Act. The objective of this report is to review and recommend changes to the technical screening criteria applied to the economic activities included in the Climate Delegated Act; develop technical screening criteria for a selection of new economic activities; and develop “do no significant harm” criteria for those activities which will be included in Annex II of the Climate Delegated Act.

Read here for more information.

Streamlining sustainable finance for SMEs

The PSF published a report on streamlining sustainable finance for small and medium enterprises (SMEs). The report suggests developing a voluntary, streamlined approach to help SMEs and their lenders or financiers voluntarily demonstrate SMEs’ environmental sustainability performance.

Read here for more information.

CDP and EFRAG’s correspondence mapping between CDP questionnaire and ESRS E1

The Carbon Disclosure Project (CDP) and EFRAG published a correspondence mapping between the ESRS and the CDP questionnaire. The mapping shows the high level of interoperability between the EU’s climate standard, ESRS E1, and the CDP questionnaire, which is reflected, amongst others, in areas including transition plans for climate change mitigation, targets related to climate change mitigation, gross Scopes 1, 2, 3 emissions, and internal carbon pricing. The publication presents the structure of the mapping resource, correspondence qualifiers and other key points.

Read here for more information.

IFAC, AICPA & CIMA study on assurance on sustainability reporting

The International Federation of Accountants (IFAC), the American Institute of Certified Public Accountants (AICPA) and the Chartered Institute of Management Accountants (CIMA) published a study which shows that more global companies sought assurance on some aspects of their sustainability disclosures in 2023 compared to the previous year. More specifically, it was appreciated that the percentage of companies involved in sustainability reporting remained constant at 98% whilst assurance was obtained by 73% of companies on at least some of their sustainability disclosures, with greenhouse gas emissions being the most broadly assured category of sustainability information.

Read here for more information.

OECD Secretary-General Report on the work of the IFCMA

The Organisation for Economic Cooperation and Development (OECD) released a report on the latest developments with the Inclusive Forum on Carbon Mitigation Approaches (IFCMA). The report aims to ease the coordination of mitigation policies across countries, while enhancing opportunities for innovation, cost savings and shared benefits from the climate transition.

Read here for more information.

Malta's competitiveness takes centre stage at MIA Biennial Conference 2025

The Malta Institute of Accountants (MIA) Biennial Conference 2025 addressed Malta's long-term competitiveness by focusing on key elements which could make or break the jurisdiction's success in the years ahead, from access to finance and digital infrastructure to new opportunities in the financial industry, such as family offices. The event featured the participation of policymakers, regulators, industry professionals and experts, who engaged in a forward-looking discussion which highlighted the need for a stronger alignment of national policies alongside simpler and more effective regulation, reflecting developments taking place beyond our shores.

To provide extensive context to these discussions, the Conference featured high-profile contributions from European Parliament President Roberta Metsola, the International Federation of Accountants Chief Executive Officer (CEO) Lee White, and Accountancy Europe CEO Eelco van der Enden. Government and Opposition representatives also shared their views on the subjects at hand.

MIA President Mark Bugeja emphasised the pressing importance for Malta to adapt quickly and decisively,

describing the situation as a race to implement, adapt, and deliver. He urged stakeholders to view competitiveness not as a distant policy objective but as the essential foundation for sustainable growth. MIA CEO Maria Cauchi Delia warned that fragmented policymaking and slow implementation are hindering Malta's potential. She provided details of how the MIA is actively engaging with regulators on critical issues such as Anti Money Laundering, taxation, and the national risk assessment, highlighting the need for coordinated efforts rather than isolated initiatives.

At the Conference, Lawrence Zammit, Founding Partner and Director at MISCO, unveiled the initial findings of a comprehensive profession-wide survey carried out by the MIA earlier this year, spotlighting the main challenges faced by accountancy professionals in carrying out their duties.

The Conference, which took place at the Hilton Hotel on 30th May 2025, was supported by Scope, BNF, Finance Malta, Family Business Office, Map It, Finance Incorporated Limited, Shireburn, and ISL. The Times of Malta was the MIA's media partner for the event.



Beneath the Surface

Building Foundations to Remain Relevant

There is something comforting about visible progress: a sleek new portal, a policy roadmap, or a press release with confident verbs. However, the truth is that the most decisive elements of transformation are often the ones that no one sees.

It is not the slogans that make systems work; it is the wiring, the logic that governs data, the institutional rhythms that either align or misfire. In Malta, we speak of innovation, launch digital strategies, and update frameworks. Yet, the question remains: are we truly building the systems we need, or simply layering new language over old habits?

This is not a story of failure. It is a story of dissonance and possible friction. Systems function, but the gaps between them are growing more consequential. Too much of our “digitalisation” still depends on paper proxies, duplicated processes, or workaround fixes. The institutional choreography is not wrong, but it is often missing or out of sync.

We are not short on effort. Ministries, regulators, and private stakeholders have all leaned into digital transformation. However, digital maturity is not about effort; it is about orchestration. When systems do not talk to each other, when data is scattered across silos, when innovation is measured by visibility instead of utility, then transformation becomes cosmetic. A kind of digital performance art.

Meanwhile, across Europe, the scaffolding for true digital integrity is tightening. The European Union (EU) Data Act mandates data portability, access rights, and structured interoperability across sectors. The Artificial Intelligence (AI) Act is shifting accountability frameworks for algorithmic systems, while the Digital Operational Resilience

Act (DORA) and the Network and Information Security Directive 2 (NIS2) redefine operational resilience and board-level oversight. These are not optional upgrades; they are systemic expectations.

With DORA, financial entities are required to embed Information and Communications Technology risk frameworks, operational resilience testing, and board-level oversight. NIS2 introduces direct legal accountability for the cybersecurity posture of essential entities. The AI Act compels organisations to document and govern how algorithmic decisions are made, particularly when those systems affect access to credit, services, or legal rights.

And now, the EU Data Act brings it all together with a new paradigm: data must not only be protected,



but also portable, structured, and usable across sectors and borders. It shifts the conversation from ownership to access, from hoarding to governance. What is emerging is a digital single market in the truest sense - one where trust, transparency, and interoperability are not mere aspirations, but integral to the EU's digital and social identity. This is the world Malta is not only navigating into, but one which it intrinsically must help to shape.

Malta's issue is not a lack of vision; it is a lack of anchoring. Ideas flow freely. We talk of sandboxes, fintech hubs, and AI readiness. But if you ask where the national data infrastructure lives, where semantic standards are enforced, where public-private governance sits, how regulatory pipelines are integrated, the answers become speculative. This is not unique to Malta, but in a small jurisdiction, the margin for error is thinner. Digital fragmentation makes us vulnerable in quiet, cumulative ways. Investors do not flee *en masse*; instead, confidence frays, compliance risks mount, and the country that once positioned itself as agile and attractive becomes a jurisdiction without a value



proposition or defined by operational ambiguity rather than strategic coherence.

We do not need more master plans. We need follow-through and disciplined execution. We need strategic focus on the levers that move the system and stem from beneath the surface. That begins with delivering a national data strategy aligned with EU law. The Data Act does not just demand openness; it demands architecture - interoperable models, governed Application Programming Interfaces (APIs), and clear rules around who can access what, when, and how. Malta must treat public registries, sectoral platforms, and compliance layers as shared infrastructure, not as legacy silos.

We also need to treat digital technology as a horizontal enabler and not in a fragmented fashion according to different vertical sectors. Cloud services, AI models, and distributed ledgers underpin how governments function, how financial institutions operate, and how services reach citizens and end-users. Their governance must reflect this cross-sectoral nature.

Crucially, we must integrate business process planning into the transformation narrative. Data interoperability means little if back-office workflows remain fractured. Strategic alignment requires that business processes across ministries and regulators be redesigned with data lifecycles, auditability, and service continuity in mind. Process optimisation is not just a technical issue; it is a governance issue. It requires process owners, business architects, and digital stewards working from a familiar playbook. Estonia's approach to digital workflow standardisation could offer inspiration here.

All of this must be backed by strategic capital. Transformation does not happen through short-term projects. It happens through long-term investment in public infrastructure - digital identity, registries, payment rails, and shared compliance layers. These are not optional extras. They are the plumbing of modern economies.

We also need institutional coherence. Malta requires a clear steward for this strategy, which can be referred to as an executive data governance office or a national digital coordination council. This entity should not only conduct the orchestra but also hold the baton

when others hesitate. This steward must ensure active coordination among existing institutions such as the Malta Financial Services Authority, the Malta Digital Innovation Authority, the Malta Information Technology Agency, the Malta Business Registry, and others. This includes shared semantic and synthetic frameworks, common audit and testing tools, and interlinked governance boards. Technical and policy criteria are being established under the concept of EU public sector interoperability under Interoperable Europe.

No model is perfect. But several member states have taken decisive steps worth noting:

- Estonia offers more than e-government branding. Its X-Road backbone reflects a design principle where decentralisation can work, backed by systems that share a common language and trust framework.
- The Netherlands does not treat AI as just a digital novelty. Through its AI Coalition, it has developed sectoral roadmaps that integrate finance, health, and energy into a national AI governance model aligned with EU expectations.
- Finland has embedded technological foresight into public procurement, service design, and talent strategy. It is not flashy, but it is scalable. It also avoids the trap of regulating tools before defining outcomes.

These states are not winning by scale, but by structure. Malta can still be a major player, but it should not just rush ahead. We have different strengths, exigencies, and weaknesses as well as unique, atypical factors. Hence, we need to cater for our shortcomings, for our atypicality, and harness our strengths by building differently. We need to stop confusing tools with transformation. Real progress begins in the foundations. Let us start by crafting and committing to frameworks that outlast political cycles and to measures that support, not stifle innovation.

The vision is clear: by 2050, Malta should be a digitally credible, resilient, and sovereign jurisdiction, where financial services operate with speed and trust, where data flows securely across institutions, and where AI is used not only efficiently but also ethically.

However, this vision will not self-assemble; it must be built up from beneath the surface, and execution will be the key. We still have unique advantages: size, agility, and a strong legal foundation, but they only matter if we translate them into capability. Getting the data structures right, building alignment between institutions, treating technology as infrastructure, not decoration, and stopping the wait for an EU deadline to start building a national spine worthy of Europe's digital core are essential. This means developing regulatory frameworks that are not just responsive but anticipatory, institutions that do not wait to be disrupted but shape the disruption, and a public sector that understands that digital transformation is not a department but a way of working.

We still have time, but not forever. The window for becoming a serious digital jurisdiction aligned with the EU is still open, but it is narrowing. This is not a call to panic. It is a call to focus. Let us start with structure by building systems that talk to each other, making data make sense, coordinating our governance, and committing to long-term value rather than political cycles, press releases, or optics. Transformation does not begin with funding rounds or frameworks; it starts in the basement: how a state structures its registers, drafts its Application Programming Interfaces, and signs its digital certificates, and how it leads the innovation cycle by partnering with the industry.

Malta does not need louder messaging. It needs quieter discipline. Build beneath the surface. The future will stand or fall on what we do there.

Disclaimer: This article is not intended to impart legal advice, and readers are asked to seek verification of statements made before acting on them.



Dr Ian Gauci is the Managing Partner of GTG. With over twenty years of legal experience, he is recognised for his pioneering work in Fintech, digital assets, and emerging technologies, having co-authored key legislative frameworks, including the Maltese Electronic Communications Framework and the Digital Innovation Laws. He also lectured on Legal Futures and Technology at the University of Malta, as well as to master's students in the DLT master's course. Currently, he is also the Chairperson of the AI in Fintech working group under the remit of the MFSAC.

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Driving Transformative AI in Financial Services

Artificial intelligence (AI) is simply no longer an ‘experimental technology’: it is a business imperative. While applications, such as autonomous vehicles and fraud detection, have existed for years across industries, recent advances in generative AI have fundamentally shifted expectations about what is possible.

The financial services sector stands at a critical juncture: organisations must move beyond the excitement surrounding AI capabilities and focus on practical implementations that deliver measurable value. Success requires balancing innovation with responsibility, ensuring that technology serves genuine business needs rather than following trends.

Establishing strong governance frameworks

Before deploying any AI solution, robust governance must be the foundation. Both in Malta and globally, data protection and regulatory compliance must be integral to strategy development from day one. This requires a synergistic approach between technology teams, business leaders, compliance officers, and human resources professionals.

The governance framework should include formal intake processes for AI applications and clear evaluation criteria for prioritising opportunities. Furthermore, risk assessment must address potential data breaches, regulatory violations, and operational disruptions. Only with these safeguards in place can organisations confidently explore AI’s transformative potential.

Building technological infrastructure through strategic partnerships

Rather than heavily investing in the underlying infrastructure, forward-thinking organisations are partnering with established cloud providers which offer mature AI platforms. This approach enables rapid experimentation, validation, and deployment while leveraging proven technologies and expertise.

The most effective AI strategies typically follow a three-tiered approach:

- **Ready-made solutions:** Integration of existing tools that can immediately enhance productivity and workflows.
- **Enhanced service delivery:** Development of custom AI capabilities that empower teams and improve operational efficiency.
- **Embedded intelligence:** Direct incorporation of AI into products and services to provide clients with sophisticated analytics and actionable insights.

Transforming private credit through intelligent automation

The private credit industry presents compelling opportunities for AI transformation. Organisations in this space handle enormous volumes of unstructured data within contracts, financial statements, and compliance documents, often in varied formats ranging from PDFs to legacy spreadsheets.



Modern AI solutions can process these documents at scale, extracting key information, classifying content, and integrating data into comprehensive analytical platforms. Advanced document processing systems now handle tens of millions of documents, demonstrating the technology's capacity for substantial workloads.

This automation delivers significant benefits: AI-driven analysis uncovers insights that traditional review methods might miss, automated processing dramatically reduces turnaround times, and improved efficiency directly translates to cost savings and better decision-making capabilities.

Preserving the human element

Despite AI's remarkable capabilities, human oversight remains essential. Technology augments human expertise but does not replace it entirely, and professionals continue to play a crucial role in overseeing AI processes, ensuring accuracy, and providing strategic insights that algorithms cannot replicate.

This evolution creates opportunities for workforce development: as AI handles routine tasks, teams can focus on higher-value strategic work. The transition requires thoughtful change management and skills development but will ultimately lead to more rewarding and impactful roles for professionals.

Looking forward: Comprehensive data platforms

The future of AI in financial services lies in developing comprehensive data platforms that break down information silos while maintaining security and compliance standards. When organisations centre this evolution, they are well-positioned to create meaningful AI applications, provided they prioritise use cases that deliver deep value to stakeholders.

The path forward requires balancing innovation with practical implementation, ensuring that AI initiatives serve real business needs while maintaining the highest standards of security and compliance. By combining technological capability with human expertise, financial services organisations can harness AI's transformative potential while preserving the trust and relationships that remain fundamental to their success.



Przemyslaw Koger is Country Executive/CEO of Alter Domus Malta. He joined Alter Domus in November 2013 after a solid career at PwC London. He has nearly 20 years of experience in financial services and sits on board of Alter Domus regulated entities both in Malta and Luxembourg. Mr Koger qualified as a chartered accountant with PwC and has a Master's Degree from the London School of Economics.



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The Transformation Challenge



Without a doubt, technology and AI tools will fundamentally change business operations. By way of an example, an Artificial Intelligence (AI) agent could be easily built to interrogate an organisational data set, generate financial reports, provide stock forecasts, find performance anomalies, and offer cross-functional business analysis that could positively impact revenue. This could be done within a few moments by AI, but it may take hours or days for some finance teams to produce. Even off-the-shelf tools, when intelligently deployed, can optimise processes, drive cost efficiency, and free up vital human resources for higher-value tasks.

The problem is the tools only work accurately when deployed on top of a good data environment and only work to their full, cross-functional potential within digitally and data mature enterprises.

Clearly, the tools exist, and consultants are constantly telling businesses that the promise of investment is significant. So why have we not witnessed an economy-wide snowball of digital transformation and maturity? Why are robotic automation, real-time reporting, and conversational AI tools not already dominating our financial operations?

A Shanghai story: economy-wide snowball effect

In 2016, I landed in Shanghai to start a job supporting companies entering the Chinese market, finding business partners, and accessing Chinese consumers. When I left in 2022, my views on technology, digitisation, and particularly on the speed of transformation were irrevocably disrupted.

When I arrived, cash was still king, the High-Speed Rail company issued paper tickets, and WeChat was largely a messenger application. By the time I left, digital payments were so ingrained that even street vendors displayed QR payment codes, the government had launched the digital renminbi, WeChat was entrenched as a do-everything 'super-

app', and I was checking into rail journeys by walking through facial-recognition no-touch gateways. The speed of change was astonishing. In the words of one of my c-suite clients: "It is the only way we are able to catch up with our global competitors." Accelerated digitisation was the way to stay competitive, both on efficiency and with customers, and when a critical mass of companies began to transform in this way, a competitive snowball effect was generated.

The impact on the market and society was profound. Customers, clients, and partners started expecting every company, service, and person to be digital-first. The transformation had a significant impact on the population, altering how they lived, consumed, and interacted in the world, largely through their smart phones and China's super-apps (for example, WeChat, Alipay), their widely used mini-apps, and via Chinese immense social media and commerce platforms (for example, Xiaohongshu, Douyin, and Taobao). It was not just about *what* was happening, but also about the breakneck speed at which it occurred and the fact that digital expectations were being irrevocably dialed up. By 2022, society was unquestionably digital-first. Local businesses that could not keep up were left behind, and a continuous cycle increasing digital expectations and improvements became the norm. The effect was so significant that almost every company was pulled along the journey to some extent.

Now, there are remarkable differences between China and Malta - one being of the world's largest economies and the other one of the smallest.

However, I am interested in asking an underlying question: What might be getting in the way of our own transformation snowball?

Scale

Malta is by most metrics small. In practice, Maltese sectors consist of a small number of large players surrounded by small and medium enterprises.

Scale matters in digital transformation - transformation technology requires investment to begin, and those fixed transformation costs are relatively higher for smaller companies. The financial barriers to getting started, particularly if an existing company is shifting from legacy or even offline systems, can appear daunting. This downward investment pressure reduces the chances of sectors creating collective and competitive momentum. By extension, there is less bottom-up pressure on market leaders to innovate to maintain their leads, especially in sectors where revenue is predominantly domestic. These factors dampen the competitive pressure needed to overcome the cost and trust risks.

Cost of Failure and Trust

According to Deloitte's Insight 2023 *Digital Transformation Executive Survey*, companies that align transformation strategy with workforce capabilities are 1.6 times more likely to achieve sustained value. Conversely, failure is costly. The same study found that 70% of digital transformations fail to meet their objectives - usually due to lack of employee buy-in, leadership alignment, or underestimation of the complexity of change.

While transformation promises significant returns, failures are both common and costly. Leaders who have experienced project failure, may hesitate to invest in new projects. Without this strong leadership support, initiatives for digital transformation, including AI adoption, are less likely to get off the ground, let alone succeed. As a result, many leaders are turning to smaller, more manageable projects where risk is lower and organisational trust can be strengthened through demonstrating real, albeit more limited returns.

Talent and Change Management

Malta faces a persistent shortage of local digital and technology talent. The University of Malta estimates a skills gap of approximately 1:6, meaning there are six open Information and Communications Technology positions for every skilled local individual available. This shortage is exacerbated by brain drain, as many talented individuals are attracted to larger markets, making hiring or retaining essential skills challenging.

The talent shortage results in three related problems: over-reliance on consultancies, a lack of capable internal staff to lead or collaborate on projects, and the delivery of critical functions, like project management and change management, being overlooked. Deloitte Insights research found failing to properly resource transformation projects with talent on non-technology activities, like change management, leads to erosion in not just the likelihood of project success but also total enterprise value.

Without the right talent working on your transformation project, you could actually be doing harm to your business.

Conclusion

There are more than these three barriers to transformation, but they represent systemic or widespread barriers facing Malta's companies. The global speed of transformation is likely to continue to accelerate and, to keep up with the competition, these barriers must be acknowledged and systematically managed, certainly at enterprise and perhaps at a market level.

Malta's large companies can and will transform. The challenge lays in creating enough of a transformation snowball effect so that Maltese businesses of all scales are pulled along the transformation journey.



Bede Payne is a Deloitte Technology and Transformation advisor, supporting business with technology strategy and optimisation by leveraging data, adopting technology, and driving operational change. He has over 20 years of experience across Asia, Oceania, and Europe, has led c-suite and director roles, and has experience in sectors as diverse as trade, transport, education, and infrastructure.

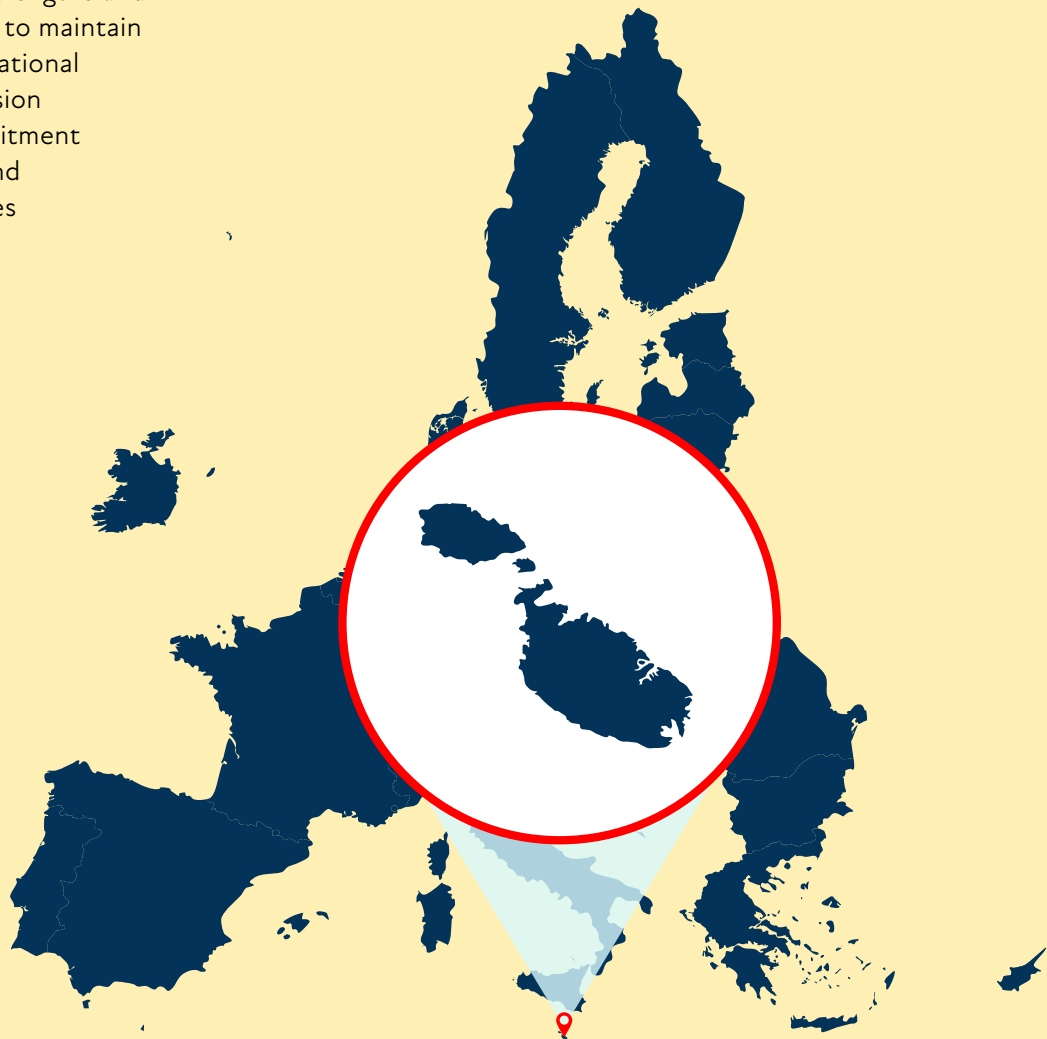
Malta's Role in the Evolving EU Landscape

As the European Union (EU) navigates a rapidly changing geopolitical and economic landscape, Malta finds itself at a turning point. The re-prioritisation at EU level, including building up resilience, competitiveness, and strategic autonomy, reflects a wider shift in global dynamics. The Draghi Report, commissioned to assess the Union's future competitiveness, calls for structural reforms and coordinated investment to safeguard Europe's position on the world stage.

For Malta, this context underscores the importance of adaptability and forward planning. As a small yet strategically positioned member state, Malta must proactively leverage its strengths and anticipate shifts within the EU to maintain its competitive edge. Recent national strategies, including Malta's Vision 2050, signal a long-term commitment to sustainability, innovation, and economic resilience, key themes also prioritised in the EU.

The EU's geopolitical environment is increasingly shaped by uncertainty and disruption. Legacy issues such as trade protectionism accentuated with Trump's return to the White House, ongoing volatility in global energy markets, the protracted conflict with Russia, and the rise of nationalist and far-right governments continue to test the EU's internal cohesion and external influence.

Malta, situated in the middle of the Mediterranean, is directly exposed to these shifts. Its open economy, reliant on tourism, services, and international trade, must remain agile in the face of supply chain disruptions, energy price shocks, and shifting trade frameworks. Ensuring economic stability amid these dynamics is a top priority, not only through national policy, but also by aligning with EU strategies to diversify dependencies and strengthen internal market mechanisms.



Despite the challenges posed by the evolving EU landscape, Malta has clear strengths in fiscal agility, digital innovation, financial services, education, and sustainable tourism that offer clear pathways for growth. The island's burgeoning tech ecosystem, supported by a skilled workforce and a favourable regulatory environment, positions it as an attractive destination for tech startups and other investors.

Key elements of Vision 2050, including its emphasis on green investment, digital transformation, and upskilling, complement emerging EU priorities. For example, Malta's growing role as a digital hub positions it well to attract startups and investment linked to EU programs such as the Digital Decade and Artificial Intelligence development frameworks.

Crucially, Malta's size and governance agility allow it to pilot scalable solutions in areas like smart mobility, e-government, and green buildings, offering EU partners tested models for broader application. To capitalise on these opportunities, it is crucial for Malta to align its national policies with EU objectives. This alignment will not only strengthen Malta's position within the EU but also enhance its competitiveness in the global market. To this end, policymakers should continue to focus on creating regulatory frameworks that foster innovation and support emerging industries.

Malta could also implement incentives for research and development to encourage investment in new technologies and sustainable practices, while also streamlining bureaucratic processes to facilitate business operations and attract investment. By prioritising policies that promote economic diversification and sustainability, the country can better position itself for future challenges. In this context, selective alignment with the Draghi Report's recommendations, particularly in areas such as institutional capacity, innovation policy, and investment in education, can reinforce Malta's

relevance within the EU without compromising national goals. This may involve increasing capacity building measures within institutions, promoting collaboration between academia and industry through industrial policy, and boosting funding and resources for education to improve educational quality, expanding access, and emphasising fields linked with jobs that add value to the Maltese economy. At the same time, Vision 2050 can serve as a domestic compass, guiding Malta's transition toward inclusive and sustainable development.

Active engagement with EU-wide programs presents another avenue for Malta to enhance its role within the evolving landscape. By participating in initiatives focused on digital transformation, climate change, and economic recovery, Malta can align itself with broader EU goals while benefiting from shared resources and expertise.

Building alliances with other member states is also essential for achieving shared objectives. Collaborative efforts in areas such as renewable energy, cybersecurity, and innovation can amplify Malta's voice within the EU and contribute to collective resilience. By fostering these partnerships, Malta can leverage its strengths and enhance its influence in shaping EU policies.

Malta's role in the evolving EU landscape is both challenging and promising. As the EU grapples with geopolitical uncertainties, Malta must remain adaptable and proactive in seizing opportunities for growth. By focusing on strategic sectors, aligning national policies with EU objectives, and engaging with EU initiatives, Malta can strengthen its competitiveness and resilience.

As Malta navigates this complex landscape, it is essential for all stakeholders, government, businesses, and civil society, to work collaboratively towards a shared vision for Malta's future within the EU. By embracing adaptability and innovation, Malta can not only survive but thrive in the evolving European environment.



Glenn Fenech and Chris Meilak are economists at EY, focusing on Economic Advisory and Business Modelling within EY's strategy and transactions practice.

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Malta's Family Office Opportunity

Positioning for Growth in Global Wealth Markets

While family offices have long existed within Malta's financial services ecosystem, their relevance has taken on new significance as the jurisdiction seeks to expand the industry towards services which offer a higher value proposition, at a time of shifting global wealth dynamics.

The National Strategy for Financial Services, published by the Malta Financial Services Advisory Council, identified family offices as one of four key growth areas alongside fintech, pensions, and aviation leasing. This marked a strategic decision to continue positioning Malta as a reputable, value-driven jurisdiction for wealth management, particularly in structures designed to preserve family wealth across generations.

Family office structures have become trusted vehicles to manage, preserve, and grow wealth over time. Recognising this, other jurisdictions have already invested heavily to capture this market segment and have succeeded in attracting a significant number of family offices.

Taking a future-focused approach, the Malta Institute of Accountants dedicated a panel to the subject during its 2025 Biennial Conference, acknowledging the momentum this area has gained and examining what Malta must do to capitalise on the opportunity. The discussion addressed foundational infrastructure, legal and regulatory frameworks, promotional strategy, as well as market expectations. The panel brought together key players and stakeholders from across the financial services sector, ensuring a well-rounded and informed perspective on the path ahead. The panel was moderated by Alex Azzopardi, Partner (Advisory – Risk Consulting Advisory Services) at KPMG, and featured Joseph Zammit Tabona, Chairperson of the Malta Financial Services Advisory Council,

Dr Gerd Sapiano, Deputy Head (Strategy, Policy and Innovation) at the Malta Financial Services Authority, Dr André Zerafa, Managing Partner at Ganado Advocates, and George Vella, Chair of Finance Malta and Partner (Head of Advisory) at Grant Thornton.

Since the launch of the national strategy for financial services, collaboration between stakeholders has deepened considerably, with regulatory bodies and industry participants working closely to align initiatives, streamline processes, and share insights. The number of stakeholders involved in regular strategic discussions has grown significantly, reflecting the collective will to see this segment mature.

Though the concept of the family office is not new to Malta, the national strategy formalised the sector as an area of targeted development. Malta's appeal lies not in scale, but in its unique value proposition offering a cost-efficient, flexible and professional environment where structures can be tailored with a high degree of customisation. A notable differentiator is Malta's hybrid legal system, which allows elements of civil and common law to coexist. This gives rise to considerable structuring flexibility - allowing for combinations of trusts, funds, holding companies and unregulated entities, all within a single jurisdiction. The result is an offering that is both technically robust and commercially practical.

Malta provides an attractive location for family offices seeking to establish a foothold in the European Union (EU), while benefiting from lower costs, a forward looking and accessible regulator, and a pool of professional talent. While family offices typically have a light physical footprint, their broader value to the jurisdiction is strategic - bringing long-term capital, demand

for advisory and fiduciary services, and wider economic linkages. This fits perfectly in the calls for sustainable, higher value-added growth.

With respect to this niche, Malta seeks to position itself as a jurisdiction that is ideal for families looking for geographic diversification, succession planning solutions, and efficient access to EU markets. The legislative updates, combined with administrative simplification and targeted promotional efforts, support this positioning.

In November 2024, the Malta Financial Services Authority issued a circular announcing changes to its regulatory frameworks to facilitate the establishment of Single Family Offices in Malta.¹ These consisted of amendments to the Investment Services Rules for Notified Professional Investor Funds and Related Due Diligence Service Providers, as well as to the Trustees of Family Trusts Rulebook.

In the context of family office vehicles which invest the private wealth of investors without raising external capital, a Notified Professional Investor Fund (a type of Collective Investment Scheme)² may be managed by a fund manager, established in Malta, which is exempt from the requirements for an investment services license, subject to certain conditions being met. These conditions *inter alia* include a minimum investment amount of Euro 5,000,000 in the NPIF, and the investors having aggregate net assets of Euro 50,000,000 irrespective of whether such assets are wholly invested in the NPIF.

The changes have also modernised the definition of ‘family’ in regulatory terms, acknowledging modern family dynamics. Moreover, this is also broadened further in very specific circumstances where trustees of family trusts would be investing in NPIFs, whereby the concept of family can also include key employees and executives benefiting from the regulatory flexibility of these set ups.

Alongside regulatory change, the overall infrastructure is also being enhanced. Reforms to tax administration, simplification of company compliance requirements, and the upcoming central identity framework are all intended to make Malta easier to operate in. Additionally, efforts are underway to increase international visibility through highly targeted conferences in key jurisdictions, followed by personalised engagement with family offices that express their interest in Malta’s offering.

As with any emerging sector, competition is strong and Malta must continually refine its business development capabilities, international marketing, governance reputation, and sector-specific expertise. The success of this initiative depends on attracting the right profile of investor - typically from high-wealth markets where families are actively exploring new jurisdictions for structuring their affairs.

There is recognition that promoting Malta’s family office offering is not a matter of high-volume outreach, but rather targeted, relationship-driven engagement. This requires the right balance of legal clarity, regulatory flexibility, competitive costs, and confidence in long-term jurisdictional stability. The groundwork laid through the financial services strategy and associated initiatives is already yielding results, and further progress is expected in the months ahead.

Looking ahead, Malta’s ambition is not just to grow the number of family offices, but to become a centre of excellence for long-term wealth preservation and intergenerational planning. In doing so, it contributes to a broader national objective of increasing the financial services sector’s contribution to Gross Domestic Product, and ensuring Malta remains a credible and innovative European jurisdiction.

1 The circular ‘Establishment of Single Family Offices in Malta’ may be accessed through the following link: <https://www.mfsa.mt/wp-content/uploads/2024/11/Establishment-of-Single-Family-Offices-in-Malta.pdf> .

2 Herein after referred to as ‘NPIF’.



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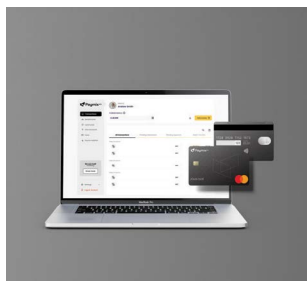


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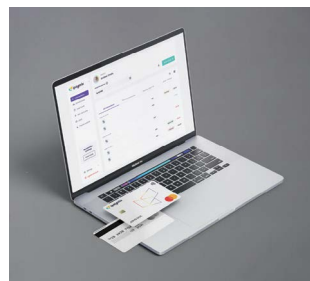


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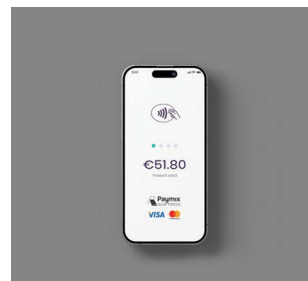
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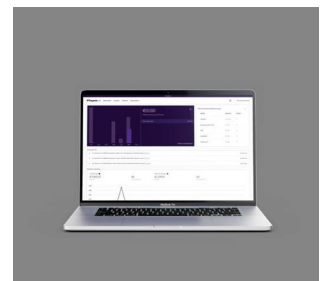
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The evolution of the accountancy profession in a competitiveness-driven environment

Big data is reshaping the accountancy profession, pushing firms to move beyond compliance and into value-driven insight. In this edition of *The Accountant*, we meet Annette Gauci, who explains how mastering data and technology is now central to staying competitive and relevant.

When Annette first stepped into EY Malta as an intern, she did not think that she would eventually thrive in an audit and assurance environment. But she was hooked from the start. “I rotated between tax, consulting, and assurance during my internship,” she recalls. “Following my internship, I decided to pursue a career in assurance, and I haven’t looked back since.”

Today, Annette is a member of The Malta Institute of Accountants’ (MIA) Young Members Group and works as an Assurance Manager at EY, working on audits for large firms in sectors such as oil and gas, telecommunications, hospitality, and real estate. While her work is predominantly focused on local clients, the experience is anything but repetitive.

“I engage with various industries and different people. It keeps things exciting,” she says. “In auditing, communication is crucial. It is important to have open conversations with the companies you serve, at different levels. You do not just interact with the finance team - you also connect with operations and those who have a deep understanding of the business’s inner processes.”

Some may assume that auditing is simply about ticking boxes. For Annette, audit is much more than this.

“Our responsibility is to ensure that the information conveyed to shareholders and stakeholders



accurately represents the true state of the business,” she explains. “It is not enough to concentrate solely on figures provided to you; you need to understand the context, the strategic initiatives as well as the risks and opportunities that may impact future results.” This perspective redefines the traditional image of the auditor, making it more strategic and dynamic.

To make that possible, the right tools are available today.

One of the most significant transformations Annette has witnessed in her career journey so far is the technological evolution reshaping the profession.

“When I joined the profession, some clients still maintained a paper audit trail,” she reflects, half amused, half nostalgic. “Today, even physical copies of financial statements are becoming unnecessary. Everything has gone digital.”

This shift goes beyond administration. The way audits are conducted has changed fundamentally.

“We used to solely focus on manual invoice checking and random sampling. Now, with data analytics, we take a more holistic approach. We follow a data-first mentality.”

Artificial Intelligence (AI) tools are now integrated into audit processes, from planning to the review of financial statements. “AI does not replace people,” Annette is quick to clarify. “You still need someone to interpret the data, build client relationships, and understand the bigger picture. But if you do not invest in these tools, you are at a competitive disadvantage. This applies not only to accounting and auditing firms, but also to our clients. It is encouraging to see that many have now embraced this change or are in the process of doing so.”

“In today’s market, competitiveness hinges on how well we harness data - firms that invest in digital tools not only streamline processes but unlock insights that facilitate smarter, faster, and more strategic decisions,” she adds.

Despite the rapid technological evolution, Annette emphasises that the human element remains crucial.

“Clients are not just looking for a clean audit report. They seek insights on their operations, relevant risks, and recommendations for improvement. Additionally, accountants are expected to be proficient in areas such as budgeting, cash flow analysis, risk management, and growth strategies.” This necessitates a heightened level of commercial awareness among accountants. “One needs to understand the client’s business model, the pressures and challenges within the respective industry, and tailor his/her discussions accordingly. This is what makes the profession more exciting,” she explains. “Our value now resides in being a trusted advisor, rather than just a number-cruncher.”

This means accountants need to be well-versed in business strategy, forecasting, cash flow management, and industry-specific practices. “It is no longer enough to know the numbers - you need to understand what they mean for the business.”

Preparing the Next Generation

Annette is equally passionate about the future of the accounting profession. She sees growing efforts by accountancy bodies and firms - including MIA - to engage young individuals early through

internships and outreach initiatives. However, she believes there is still more to be done.

“Prospective accountants study a lot of theory, which is essential. However, there is perhaps very little practical experience built into their curricula. This gap may create a disconnect from the profession,” she explains. “When students work while studying, they get to apply what they learn immediately, which is incredibly valuable.”

She also sees growing awareness around work-life balance and flexibility as a positive shift. “Younger generations value flexibility - and rightly so. Post-COVID, many firms have started to offer more agile work setups, and this can significantly impact their ability to attract and retain talent.”

Another key area is transparency around career paths. “We need to continue increasing our efforts to demonstrate how broad the profession really is - there are so many specialisations and roles beyond traditional accounting, particularly in fields like technology, sustainability, and advisory.”

For Annette, remaining relevant in a globalised, fast-evolving market requires adaptability - both for professionals and firms. “Technology, regulations, client expectations - it is all changing fast. We must stay ahead and continuously upgrade our upskills,” she says.

That said, she acknowledges that there are still challenges to overcome, particularly in encouraging full adoption of new technologies. “There is always resistance - especially when you are trying to bring everyone on board. Yet, it is essential for firms to invest in digital infrastructure, and for teams to be trained and willing to utilise it. Those who are prepared will be the ones who stand out.”

Looking Ahead

When asked about the future, Annette speaks with a mix of optimism and realism. “This is a profession that is constantly evolving. You cannot afford to stand still - neither as a practitioner, nor as a firm,” she asserts.

Her own journey - from intern to manager, from working through paper trails to utilising AI dashboards - reflects the transformation within the profession. Yet, amidst all the changes, one fundamental truth persists: understanding people, processes, and purpose remains at the heart of it all.

Meet *the Team*



MARIA ELENA
ROSSIELLO

Working at the MIA means...

Being constantly involved in multiple projects at the same time and learning something new every day.

What's one work-related skill or tool you've mastered that you're secretly proud of?

My writing skills, I would say. They come from previous experiences and years of practice, and are of utmost importance in my job at MIA.

What's a fun fact most people don't know about you?

I absolutely love winter but suffer from cold (a lot), which represents an antithesis in itself.

What's your current obsession?

I would not call it an obsession. I love watching TV series with my husband after dinner. It is our ritual, and we look forward to it every day. At the moment, I am watching *The Fall*, a series starring Gillian Anderson and Jamie Dornan.

What's your favourite way to spend a day off?

I am a digital artist, and I like making digital paintings during my free time.

What's one thing on your bucket list?

I would like to visit New York at Christmas time.

Beach vacation or city break?

City break. I am not a big fan of beaches.

What's one thing you could talk about for hours and never get bored?

I do not have a specific topic. I could talk for hours about anything, as long as there is some degree of depth to the conversation and not shallow talk.

Are you more of a planner or a go-with-the-flow type?

I am a planner (and one that likes planning everything in detail), but there are times when life demands you to go with the flow and hence will need to adapt.

If you had your own talk show, who would be your first guest?

It would be Dr. Gabor Mate', a Canadian physician with a background in psychology.

If you could instantly learn a new language, which would it be and why?

It would be German, so that I could relocate to Vienna (which is my favourite place in Europe) and enjoy all the beauty it has to offer.

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