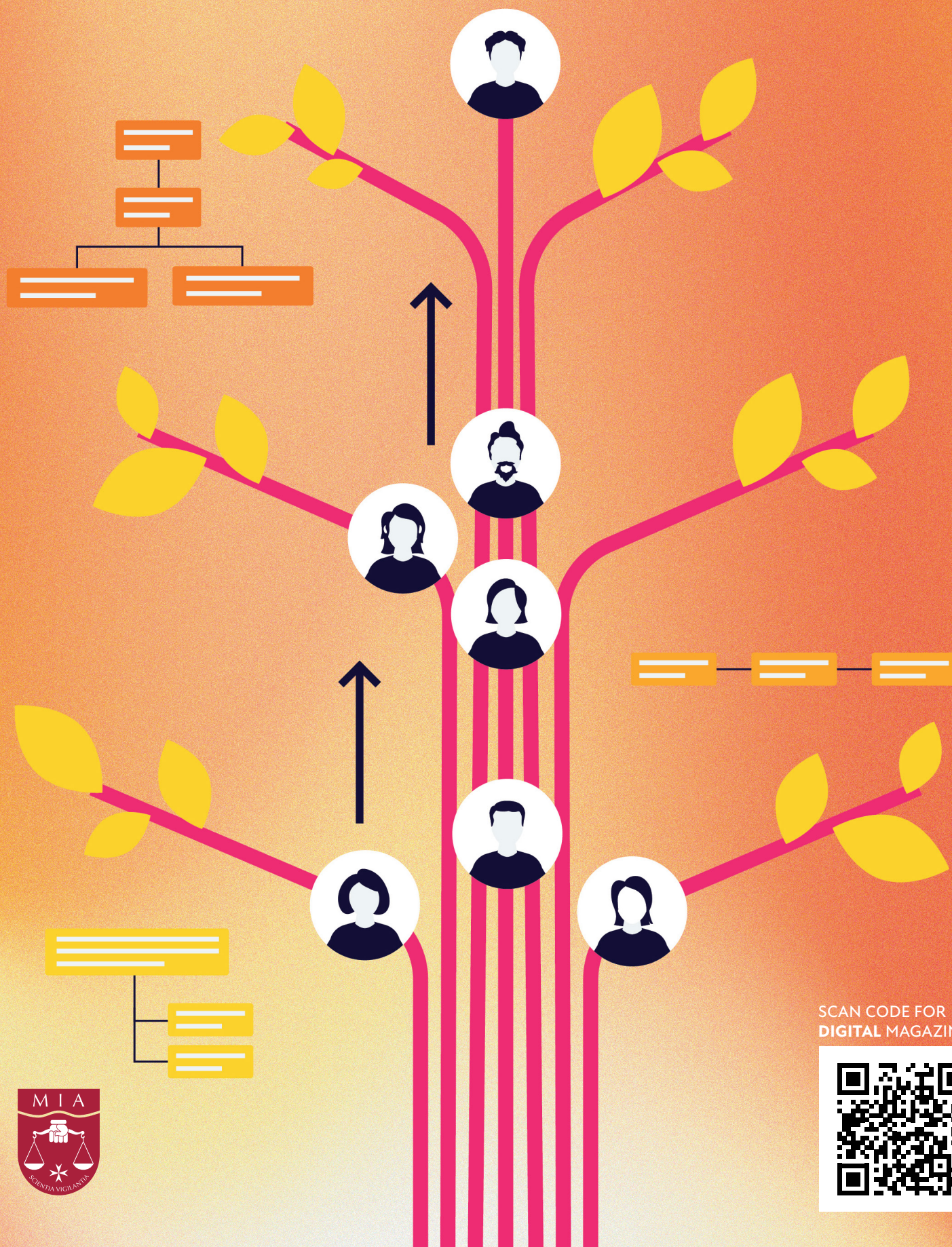
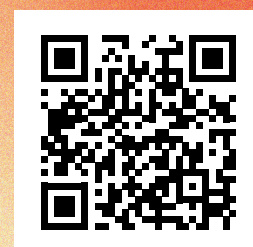


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President's Address

Dr Jonathan Dingli

It is an honour to contribute to *The Accountant* for the first time since my appointment as President of the Malta Institute of Accountants. I am deeply grateful for the trust placed in me by the Council and for the warm welcome extended by the wider membership. This role carries significant responsibility, one that I approach with a sense of duty, purpose and humility.

I begin by extending my sincere appreciation to my predecessor, Mark Bugeja. His leadership played a central role in strengthening the Institute's standing, widening its outreach and reinforcing its contribution to both the profession and the Maltese economy. I am committed to building on this work, together with the newly appointed Council members and those returning for another term.

Our recent Annual General Meeting was an important moment of continuity and renewal. The new Council reflects a blend of experience and new perspectives, united in its determination to guide the Institute through what is undeniably a period of transition for the profession. While the Institute's strategic direction was last updated in 2020, we have recently refreshed a high-level framework for the coming years, one that reflects today's realities and the challenges and opportunities ahead.

Over the past years, the Institute's relevance has grown significantly. Increasingly, several national and international institutions turn to us for input on policy and regulatory matters, as well as on initiatives affecting the profession and the wider economy, including challenges such as resource shortages and the skills gap. The Directorate-General for Taxation and Customs Union has invited our views on simplification efforts and Pillar 2, among others. Taxation related matters were also discussed during a meeting held last year with the International Monetary Fund, underscoring the weight given to the profession's perspective.

Closer to home, we contributed to consultations of national importance, such as the Labour Migration Policy, the education strategy and MCAST Vision Towards 2030. Similarly, with the National Risk Assessment currently being updated, we have been providing insights into the challenges practitioners and businesses encounter in complying with evolving requirements in an environment that is characterised by significant change.

These engagements are important not only to recognise the Institute's technical expertise, but also to reflect the profession's enhanced role in safeguarding Malta's economic stability and international credibility.

A key task for the Institute in the year ahead is to strengthen the value we provide to members. Our community is diverse, and we are committed to engaging more actively with those who may not yet be fully involved in the Institute's activities. One of the most practical reforms underway is the transition from the traditional committee model to more flexible task forces. These structures will enable us to deploy expertise more quickly, adapt to developments with greater agility and involve more members in targeted projects. This is a necessary evolution that will make the Institute more responsive and more effective. Naturally, we will continue strengthening our educational and informative offering which has already reached all-time highs this past year. With over 110 events – including conferences, face-to-face courses and webinars – amounting to more than 370 Continuing Professional Education hours, these figures only begin to reflect the depth of our commitment to supporting the profession.

Our relationships with international bodies remain a cornerstone of our work. Both Accountancy Europe and the International Federation of Accountants (IFAC) are revisiting their strategic priorities, and

their direction aligns closely with our own – a promising sign that reassures us the Institute is on the right track.

In a world where regulatory shifts in Brussels or Strasbourg can shape the day-to-day realities of local practitioners, remaining engaged internationally is essential. During these past weeks, we have held constructive discussions with IFAC's leadership, allowing us to present Malta's regulatory context and the pressures practitioners face. We have also participated in the Fédération des Experts Comptables Méditerranéens (FCM) meeting in Lisbon, which explored opportunities for deeper collaboration among Institutes in the Mediterranean region. These platforms ensure that Malta's voice is heard and that our members remain connected to developments shaping the global profession.

One of my first engagements since the commencement of the new Presidency has been the New Members Ceremony, where 163 accountants joined our community. Welcoming new professionals into the Institute is more than a symbolic milestone. It is a reminder that the future of our profession depends on nurturing talent, upholding integrity and preparing the next generation for a world shaped by digital transformation, heightened regulatory scrutiny and shifting business models. During this event, we were also honoured to host ACCA's now-President, Melanie Proffitt.

Recently, I also had the opportunity to meet the Institute of Chartered Accountants in England and Wales' (ICAEW) President Derek Blair. Their presence in Malta reaffirmed the strength of our relationships with international counterparts and their appreciation for the direction the Institute is taking.

As we embark on this next stage, my commitment is clear: to continue strengthening the Institute's role, credibility and contribution. The profession stands at a crossroads marked by global competition, technological transformation and increasing expectations from businesses, regulators and society at large. Meeting these challenges requires unity of purpose, transparency in our work and active participation from all members.

Together with the Council, I look forward to working closely with the profession, the authorities and our international partners to advance the Institute's mission and ensure that accountancy continues to play a meaningful role in shaping Malta's economic and social future.

As we step into the New Year, I want to express my best wishes to each of you. May 2026 be a year filled with fresh opportunities, rewarding challenges and continued achievements in all that you do.

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Message from MIA CEO

Maria Cauchi Delia

Welcome to the fourth and final edition of *The Accountant* for 2025.

The past months have been an intense and constructive period for the Institute, focused on taking stock of the Institute's strategic direction. With the high-level strategic framework now agreed, our attention is shifting from design to delivery, with a clear focus on the matters that will define the next phase of the profession's development. Our priority at this stage is to ensure that the work beneath it is ambitious, coordinated and relevant to the profession's realities. This includes strengthening our internal capacity through targeted staff training and operational improvements, so that the Institute is better equipped to support members and to respond effectively to the developments around us.

Foremost among the Institute's priorities is the attractiveness of the accountancy profession. It may seem as though we return to this point often, yet the reality is simple: wherever you turn, it all boils down to people. We can outline strategies, priorities and long-term plans, but without the right individuals choosing, growing in and sustaining the profession, the rest becomes merely theoretical.

The only comfort we have is that we are not alone to face this challenge. It is a global concern highlighted by international bodies, including the International Federation of Accountants (IFAC), which continue to warn about shortages of qualified professionals across most jurisdictions. While technology has reduced the need for manual bookkeeping, it has simultaneously expanded the demand for higher-level skills, and at a much earlier stage in one's career. This shift can, in fact, make the profession more appealing to younger generations, but only if we continue to explain its value and modern relevance clearly and convincingly.

Five years ago, the new strategic direction had given birth to the #AccountsForYou campaign. While this campaign has made it possible for us to reach thousands of students since its inception, it has not been enough. The years ahead will bring fewer graduates to the market. Moreover, in that lapse of time, the environment

has changed considerably, while automation and artificial intelligence continue to reshape entry-level tasks, accelerating the need for stronger analytical and digital capabilities.

This shift presents an opportunity to reframe the profession for younger generations, but it also requires a more deliberate effort to articulate how a career in accountancy is evolving. Over the coming months, we will build a refreshed approach that better reflects these realities and supports employers, practitioners and students alike.

Several important initiatives are already underway. We are working closely with the Malta Financial Services Advisory Council (MFSAC) to address the skills gap in the financial services sector. As part of the ongoing Financial Services Skills Study being carried out by the University of Malta, we asked our members to give feedback to ensure the findings reflect the real-world needs of the market. The study's results will help identify key skills gaps and inform policymakers in shaping future labour strategies. Additionally, our collaboration with MFSAC on the labour migration strategy continues, focusing on enhancing the efficiency, predictability, and industry alignment of procedures.

Strengthening our value proposition to members is another core priority. We want to engage more closely with practitioners and with those who may not typically participate in Institute initiatives. This includes offering clearer guidance on emerging regulatory developments, providing more opportunities for professional growth and ensuring that the Institute remains a reliable, forward-looking partner for the profession.

The strategy also reinforces our commitment to the technical foundations of the profession. As Malta's economy becomes more complex, the Institute's role in promoting sound standards and supporting real, sustainable growth is becoming more important. This demands that we remain relevant in the eyes of our stakeholders and maintain credibility through the quality of our work and our consistency in advocating responsible, long-term policymaking.

In parallel to this forward-looking effort, our policy and advocacy work has remained steady. We have worked with the Malta Institute of Taxation and the Institute of Financial Services Professionals on a set of recommendations for the Malta Budget 2026. In our proposals, we emphasised competitiveness, skilled talent and productivity as the three pillars essential to Malta's long-term economic resilience. We highlighted the importance of consultation before introducing major changes, the need to reduce bureaucratic burdens and the critical role of technology and artificial intelligence in modernising systems in the public service.

We also called for more effective measures to address workforce shortages, including upskilling incentives, stronger internship pathways, initiatives to attract Maltese talent working abroad and reforms that make Malta more appealing for skilled foreign professionals. Our proposals extended to a fairer and more efficient tax penalty system, updated fringe benefit rules and targeted Environmental, Social and Governance-related measures.

Beyond the Budget, we contributed to the ongoing review of the Highly Qualified Persons scheme and the Individual Tax Programme, and we continued our work on European Union Directives that need to be transposed into local legislation, including the eighth amendment of the Directive on Administrative Cooperation in Direct Taxation (DAC 8) and the Corporate Sustainability Reporting Directive (CSRD). Although the European Parliament's recent vote has narrowed the scope of the CSRD, our message to members remains unchanged: sustainability should be viewed as a long-term strategic asset, not solely as a compliance requirement.

The Institute's contribution to Vision 2050 also remains active. This work requires a long-term perspective, and we have emphasised the importance of grounding Malta's future direction in demographic realities, skills need, economic diversification and sustainable infrastructure.

International engagement continues to provide valuable insight. My participation in IFAC Global Connect this November offered an opportunity to examine global developments in artificial intelligence, competitiveness and standard setting. These discussions confirm that the challenges facing Malta are shared across jurisdictions, and that our strategic priorities are aligned with the wider international trends shaping the profession.

Collaboration with local authorities and regulators has remained strong. We continue to participate in discussions with the Accountancy Board on technical

and regulatory matters, including trade names and requirements emanating from international standards on auditing. In addition, our "Meet the Regulators" series has continued with well-attended sessions with the Financial Intelligence Analysis Unit (FIAU) and the Malta Tax and Customs Administration (MTCA). The series will resume next year, beginning in February with the Malta Financial Services Authority (MFSA).

We also maintained active dialogue with The Co-operatives Board on the proposed audit exemption for cooperatives, an initiative now reflected in the Budget speech. We will continue to push for alignment to ensure a coherent and effective approach.

The two main conferences hosted by the Institute during the fourth quarter also provided important platforms for engagement, discussion and professional insight, involving representatives from MIA Committees and Groups, as well as representatives from local authorities, including MTCA and FIAU.

The Small and Medium Practitioners Conference highlighted the speed at which the profession is transforming, particularly through digitalisation and new regulatory expectations. For this Conference, we were privileged to welcome Harpal Singh, Principal of Small & Medium Size Practices and Thought Leadership at IFAC, and Paul Gisby, Senior Director at Accountancy Europe, who delivered strong messages reflecting the importance of agility and innovation. They noted that developments such as real-time reporting and new Anti-Money Laundering requirements will reshape how practitioners interact with clients and authorities. The Tax Conference explored, among other topics, the impact of transfer pricing across the entire taxation spectrum and other developments in indirect taxation and Pillar 2, with speakers emphasising the need to assess taxation within a wider economic context.

As we move into the next phase of our work, the Institute's focus is firmly on implementation. We remain committed to being pragmatic, responsive and solution driven. I encourage members to participate actively in our initiatives, to share their insights and to continue helping shape the future of the profession in Malta. Our work is strongest when it is informed by the experience and engagement of our entire community.

On behalf of the Institute, I would like to extend my warmest New Year wishes to all our members. May 2026 bring success, growth and continued progress in both your personal and professional lives.

MIA *diary*

MIA – ACCA Events:

18th September

MIA-ACCA JES Events Connect Students and Partners

The Malta Institute of Accountants (MIA), in collaboration with ACCA, hosted an event, bringing together both students and education providers.

The event began with a session for ACCA Approved Learning Partners, focusing on strategies to support students through evolving qualification requirements and technological developments. This was followed by a dedicated student session, where ACCA representatives highlighted key updates in qualifications and exam innovation. Students also had the chance to connect, share experiences and explore how community and support can enhance their journey toward professional success.

Subsequently, qualified ACCA graduates shared experiences from their study journey with ACCA students. They spoke about how they managed their time while balancing work and studies and reflected on the challenging moments they encountered along the way, noting how these experiences played an important role in helping them attain their qualification.

Together, the sessions underscored that preparing for ACCA exams is not just an individual pursuit, but a collaborative process shaped by educators, peers and industry



MIA – ACCA Events



October Council Meeting

guidance, helping to build the next generation of finance professionals.

Recognising Outstanding ACCA Achievements

Building on its commitment to supporting achievement, at the beginning of November the MIA presented a congratulatory letter and a small token of appreciation to students who obtained Top Marks in one of the ACCA modules (across different modules except Corporate and Business Law). The same recognition was also given to the Top 3 Affiliates – those who completed their ACCA qualification and achieved the highest ranking based on the average mark of their last four

Strategic Professional exams – during the September 2025 exam session.

Annual General Meeting: 25th September

MIA holds 61st Annual General Meeting

The MIA held its 61st Annual General Meeting (AGM) on 25th September 2025 at Villa Arrigo, electing seven members to its Council. Returning members include Edmond Brincat, Mark Bugeja, Thomas Galea, Paul Giglio, Ronald Mizzi and Lucienne Pace Ross, joined by newcomer Karen Spiteri Bailey.

Outgoing President Mark Bugeja reflected on his term, noting focus in sustainability,

taxation, anti-money laundering, digitalisation and talent retention, areas he described as key to Malta's resilience and competitiveness. He also underlined the Institute's growing role in international and local policy discussions.

Furthermore, heartfelt gratitude was conveyed to Council Member, William Spiteri Bailey, who concluded 18 years of service on the Council.



Keeping Pace: Strategic & Operational Updates

Following the AGM, the new Council appointed Dr Jonathan Dingli as President, Annabelle Zammit Pace as Vice-President, Paul Giglio as Secretary and Shawn Falzon as Treasurer.

MIA Conference: Keeping Pace: Strategic & Operational Updates

At this year's conference for small and medium-sized practitioners, discussions focused on how firms can embrace digitalisation,

automation and data analytics to strengthen their advisory role and help clients adapt to a changing economy. The programme featured insights from Paul Gisby, Senior Director at Accountancy Europe, and Harpal Singh, Principal, Strategic and Thought Leader at the International Federation of Accountants. Following a discussion with MIA Chief Executive Officer (CEO) Maria Cauchi Delia, they participated in a panel on

Strategic Priorities for a Changing Landscape. Speakers noted that as automation takes over repetitive work, accountants have greater scope to provide strategic insight and long-term value.

The Commissioner for Tax and Customs, Joseph Caruana, outlined key developments related to the ongoing Malta Tax and Customs Administration (MTCA) project to move towards real-time reporting.



Daniel Frendo, Senior Manager of Legal Affairs at the Financial Intelligence Analysis Unit (FIAU), provided an update on the progress of the ongoing National Risk Assessment. He subsequently joined representatives of the MIA Anti-Money Laundering (AML) Committee in a discussion highlighting ongoing developments in AML regulation.



Reshaping the Tax Agenda: Policy, Regulation and Implementation

Another panel focused on the Audit Exemption, with representatives from the MIA Audit and Assurance Committee and MTCA's Director General of Legal, Technical & International Affairs, Aldo Farrugia, discussing the objectives of the recently published Audit Exemption Rules and examining their implications for auditors.



Boogie Event

A further discussion focused on Malta Enterprise schemes, providing insights into their key features and how they function. The conference was supported by Scope Solutions, Fyorin and Finance Incorporated Limited.

Meet The Regulators Series – FIAU

A recent Meet the Regulators session with the FIAU provided an opportunity for professionals to discuss current developments in Malta's Anti-Money Laundering and Countering the Financing of Terrorism framework. The discussion focused on existing compliance challenges, deficiencies and corrective actions, as well as upcoming regulatory and operational changes.

The session included a question-and-answer segment featuring MIA CEO Maria Cauchi Delia, FIAU Director Alfred Zammit, and the Head of Legal Affairs at the FIAU Dr Jonathan Phyll, who addressed queries submitted by participants. The exchange offered practical insights into regulatory expectations, sector priorities and the evolving compliance landscape.

Reshaping the Tax Agenda: Policy, Regulation and Implementation: The MIA Tax Conference 2025

At its annual Tax Conference, MIA CEO Maria Cauchi Delia underlined the importance of ensuring that new policy measures are supported by practical implementation and stakeholder consultation.

MIA President Dr Jonathan Dingli highlighted the need to consider the broader economic context when introducing fiscal and regulatory reforms, noting that Malta's long-term competitiveness depends on a

forward-looking approach rather than taxation alone.

The discussions and breakout sessions saw active participation from representatives of the MIA Direct and Indirect Taxation Committees, as well as the MTCA, including Commissioner for Tax and Customs, Joseph Caruana.

Participants took part in discussions covering key updates in direct and indirect taxation, real-time reporting and the national budget.

The conference was supported by Scope Solutions.

MIA Staff Boogie Event

The MIA recently took a break from the daily routine for a themed team-building day focused on connection and fun. The event gave staff a chance to unwind, share laughs and strengthen bonds beyond the workplace. It was a lively reminder that teamwork grows not only through meetings and projects, but also through shared experiences that bring people together.



Meet The Regulators Series – FIAU

MIA Fundraising Event

The MIA recently hosted a Family Day & Football Tournament, bringing together teams, families and supporters for a day of sport and community spirit, all in aid of The Malta Trust Foundation.

The competitive 5-a-side tournament saw RSM claim the top spot, followed by Deloitte in second and EY in third. Alongside the matches, sponsors provided food, drinks and snacks, with proceeds contributing to the Foundation. Generous businesses also donated prizes for bingo games and a raffle, adding to the festive atmosphere.

The event celebrated teamwork, camaraderie and giving back, highlighting how sport and community engagement can come together for a meaningful cause.

During the event, over €2,900 were collected.



MIA Fundraising Event

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ACCOUNTANCY EUROPE UPDATES

Advancing EU competitiveness through sustainability regulations

Accountancy Europe issued a joint statement urging European Union (EU) policymakers to maintain the EU sustainable finance framework, outlining how regulatory simplification can be implemented without compromising sustainability rules or their advantages for EU businesses. Scan the QR code for more information. **Read here** for more information.

Sustainability Reporting under ESRS

The introduction of sustainability reporting requirements has sparked debate among stakeholders over whether sustainability statements should follow a “compliance” or “fair presentation” approach.

A compliance framework requires a company to adhere to the obligations set out by laws, regulations or applicable standards, whilst a fair presentation framework expects companies to provide extra information when needed to give a clearer, more complete picture of their activities.

Some members of the European Financial Reporting Advisory Group (EFRAG) Technical Expert Group and the Sustainability Reporting Board have voiced concerns

about the fair presentation requirement under the European Sustainability Reporting Standards (ESRS). They caution that it could go beyond the intentions of the Corporate Sustainability Reporting Directive (CSRD), create uncertainties around applying double materiality for entity-specific disclosures, and may be premature for impact materiality.

At the same time, other members see strong value in the fair presentation approach. They note that many reporting standards already follow this principle. They also point out that the European Commission considers the CSRD to provide enough guidance to underpin fair presentation, making it a meaningful and practical framework for sustainability reporting. **Read here** for more information.

Omnibus proposal updates

On 22nd October, the European Parliament voted against the mandate adopted by the Legal Affairs Committee concerning simplified rules for sustainability reporting and due diligence obligations, with 309 in favour, 318 against, and 34 abstentions.

However, following this rejection, and in accordance with Rule 72(3) of Parliament's Rules of Procedure, on 13th November Members of the European Parliament (MEPs) met to consider amendments to the proposal during the plenary session in Brussels. The meeting resulted in the Parliament endorsing reduced reporting duties and due diligence requirements for companies. MEPs considered that social and environmental reporting should only apply to companies with an average workforce exceeding 1,750 employees and an annual net turnover of over €450 million. Only companies meeting these criteria would also need to provide sustainability reporting under taxonomy rules. Negotiations with EU governments, which have already established their positions on the file, aim to finalise the legislation by the end of 2025. **Read here** for more information.

ECB update: Adjusting the collateral framework to manage climate-related transition risks

In the second half of 2026, the European Central Bank (ECB) plans to implement a new measure within its collateral framework to enhance the management of financial risks linked to climate-related transition, based on the degree to which an asset may be affected by such uncertainties. Recognising that the Eurosystem's refinancing operations play a crucial role in maintaining price stability, the Governing Council has decided to introduce a "climate factor" that could reduce the value of eligible assets pledged as collateral. **Read here** for more information.

MIA feedback to EFRAG's revisions to ESRS

Following feedback on the **Omnibus proposal**, EFRAG released the revised Exposure Drafts of the ESRS in July 2025 and opened them for public consultation. Since then, the Malta Institute of Accountants (MIA) has engaged with Accountancy Europe and its own Sustainable Finance Reporting Working Group, which operates under the MIA Sustainable Finance Committee, to discuss the revisions, and has also submitted its feedback directly to EFRAG.

The MIA feedback focused on a range of areas aimed at improving clarity, usability and practicality. Key points included the need for clearer guidance and simplification of the Double Materiality Assessment, and the determination of material information as the foundation for sustainability reporting.

Further comments addressed the readability, conciseness and coherence of ESRS Sustainability Statements, the proposed burden reliefs and other clarifications, relief for limited data quality on metrics and relief for anticipated financial effects. The MIA also emphasised the importance of enhanced interoperability with the International Sustainability Standards Board's (ISSB's) International Financial Reporting Standards (IFRS) S1 and S2, reducing the number of mandatory and voluntary datapoints, and reinforcing the role of ESRS as a "fair presentation" reporting framework.

IFRS Foundation update: Reporting on expected financial impacts under ISSB Standards

The IFRS Foundation has published educational material on disclosing information regarding the anticipated financial effects of climate-related risks and opportunities. In June 2023, the ISSB released IFRS S1 – *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 – *Climate-related Disclosures*. Committed to supporting the adoption of these Standards, the IFRS Foundation has prepared this document as part of its implementation support efforts. **Read here** for more information.



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Sustainability Corner



ISSA 5000 Frequently Asked Questions

The staff of the International Auditing and Assurance Standards Board (IAASB) have issued a Frequently Asked Questions document on the applicability of the International Standard on Sustainability Assurance (ISSA) 5000 to sustainability reports prepared within the EU. Among others, the publication provides a high-level overview of how ISSA 5000 can support consistent, high-quality sustainability assurance engagements across the EU, thereby enhancing users' confidence in information reported under the ESRS. **Read here** for more information.

Sponsorship Announcement

The Malta Institute of Accountants has entered into a new corporate sponsorship agreement with APS Bank. This collaboration will support the Institute's ongoing work to advance the accountancy profession, enhance professional development and promote high standards within the financial and business sectors. The partnership will see both organisations work together on initiatives that benefit MIA members and the wider professional community.



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DBRS upholds Malta A rating with stable outlook

Credit Rating agency DBRS has confirmed Malta's long-term credit rating at A (high) with a Stable outlook, reflecting balanced risks to the country's economic and fiscal performance. The rating agency noted that while Malta's economic growth is moderating, it remains relatively strong. DBRS highlighted challenges such as Malta's vulnerability to external shocks due to its small, open economy and the strain of high population density on its growth model. Continued improvements in governance and the Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) framework were deemed essential to maintaining investor confidence. The report suggests that an upgrade could follow sustained fiscal discipline and greater economic resilience, while a downgrade could result from weaker fiscal performance or setbacks in institutional reforms. **Read here** for more information.

Guidance Note for CSPs published by FIAU

The Financial Intelligence Analysis Unit (FIAU) has issued a Guidance Note for limited company service providers (CSPs), outlining how they can apply AML/CFT obligations in a proportionate manner, in consideration of the nature and scale of their activities. The guidance aims to help smaller or less complex CSPs meet compliance standards more effectively. The FIAU also clarified that limited CSPs are not required to register on the Compliance and Supervision Platform for Assessing Risk (CASPAR). Instead, the Malta Financial Services Authority will share relevant registration and deregistration details with the FIAU, ensuring continued oversight of all CSPs falling under the definition of subject persons. CSPs that move from limited status to full authorisation under the Company Service Providers Act will, however, need to complete registration on CASPAR. **Read here** for more information.

Malta records strong safety scores, but dips in rule of law

Malta has fallen one place in the World Justice Project Rule of Law Index, scoring 0.67 and ranking 31st out of 143 countries. The drop was mainly due to weaker results in constraints on government powers and the absence of corruption, with limited accountability for officials cited as a key concern. Despite this, Malta maintained strong scores in order and security, ranking 12th globally and earning a perfect score for the absence of civil conflict. The report also noted progress in civil and criminal justice, particularly in accessibility and due process, though court delays remain an issue. Malta's open governance rating remains below the global average, reflecting ongoing challenges in access to information and civic participation. Positively, crime rates have continued to fall, dropping from 46 cases per 1,000 people in 2004 to 30 in 2024, confirming Malta's reputation as one of the world's safest countries. **Read here** for more information.

Foreign students rise to one-third of post-secondary and tertiary enrolments

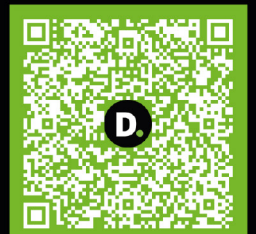
According to the National Statistics Office, a total of 32,675 students were enrolled in post-secondary and tertiary education during the 2023–2024 academic year. The majority of students were female (53.2%), while foreign students represented 30.8% of total enrolments. At post-secondary level, just over half of all students (55.7%) followed vocational programmes, reflecting the continued appeal of practical and skills-oriented education pathways. In tertiary education, the largest share of students (39.1%) was aged between 20 and 24 years, consistent with trends in previous years. These figures highlight Malta's growing diversity in higher education, both in terms of student demographics and study orientation, with vocational education remaining a key component of the country's post-secondary landscape. **Read here** for more information.



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Listed Bonds

A Strategic Financing Tool for Businesses

In Malta's evolving financial landscape, listed bonds are gaining prominence as a mainstream financing option for businesses. While bank lending has long been the cornerstone of corporate funding, more businesses are recognising the value of complementing traditional credit facilities with listed debt instruments.

This shift reflects a maturing capital market and a growing appetite among businesses to diversify their funding structures. Bonds are no longer viewed as an unconventional approach but as an integral component of a long-term financial strategy.

Complementary and strategically diversified

Bank financing and listed bonds serve different purposes, and when combined, can create a more balanced and sustainable funding model. Bank loans typically involve amortising facilities, with principal and interest payments made regularly throughout the term. On the other hand, bonds generally follow a bullet repayment structure, where the principal is repaid at maturity and interest is serviced periodically.

This distinction allows companies to better align repayment obligations with cash flow realities, particularly for capital-intensive projects or developments with long gestation periods. For instance, businesses engaged in large-scale infrastructure projects may benefit from the breathing room that a bond structure provides, reducing the strain on early-stage cash flow.

Flexibility through structure

The local bond market has evolved to offer greater flexibility for issuers. Features such as callability, allowing early repayment at the issuer's discretion, or multi-tranche programmes that spread fundraising across different maturities and characteristics, enable companies to tailor financing to their specific needs.

Moreover, a regulatory-approved base programme allows issuers to raise funds over time, instead of through a single offering window. Such structuring options enhance the adaptability of bonds as a financing solution, providing companies with strategic agility.

Beyond Financing: Governance and Transparency

Listing a bond is more than a capital-raising exercise. It is a step toward enhanced corporate governance, transparency and reporting discipline. Publicly listed entities are subject to stronger disclosure requirements and oversight, which not only strengthens investor confidence but often drives internal improvements as well.

For many companies, becoming a listed entity has yielded tangible and intangible benefits that extend well beyond access to capital. Enhanced reputation, stronger governance frameworks and deeper stakeholder trust are among the recurring themes reported by issuers post-listing.



Planning ahead pays off

For businesses considering a listing, early preparation is key. Some of the most successful bond issues stem from groundwork laid years in advance. Engaging with experienced advisors early provides companies with the clarity and readiness to act when the right opportunity presents itself.

The time to market generally spans four to six months from initial discussions to execution, depending on the company's level of preparedness.

Identify the right moment

Listed bonds are no longer a niche financing option in Malta. Such bonds are now a mainstream tool that enables corporates to diversify funding,

align repayment obligations with cash flow and strengthen governance. For professionals advising businesses, understanding this evolving space is crucial.

Those exploring how bonds could fit into their financing mix would do well to begin conversations early. With capital markets becoming an essential part of the financing ecosystem, it is no longer a question of whether businesses should consider bonds, but when. The right preparation and advisory support go hand in hand to ensure listed bonds deliver sustainable, flexible and strategically valuable financing solutions for companies looking to grow in today's competitive environment.



Author

Patrick Mangion heads the Capital Markets team at Calamatta Cuschieri Moneybase, a position he has held since 2019. He previously worked at a Big Four accounting firm where he gained extensive exposure to the regulated business space. Mr Mangion is actively involved within the Capital Markets sphere locally, chairing the Institute of Financial Service Practitioners subcommittee on capital markets and the subcommittee on Internationalisation within the Malta Financial Services Advisory Council Capital Markets working group.

Succession Planning in Family Businesses A Strategic Imperative

In Malta, family businesses form the backbone of the economy, mirroring the European trend where they account for over **60%** of all companies. Yet, despite their economic importance, many family businesses face a common vulnerability: the lack of a structured succession plan. Succession is not merely a legal formality; it is a strategic imperative that determines whether a business thrives across generations or falters at the point of transition.

Why Succession Planning is Critical

Succession planning ensures continuity of leadership, stability in operations and preservation of the family's legacy. It reduces the risk of internal disputes, protects the business from external

shocks and enhances stakeholder confidence. For family businesses with international ambitions or complex ownership structures, succession planning also aligns with broader strategic goals such as expansion, restructuring or compliance with emerging tax and governance frameworks.

In Malta, the **Family Business Act** (Cap. 565 of the Laws of Malta) recognises the unique nature of family enterprises and provides a legal framework to support their continuity. However, registration alone is not enough. Businesses must actively plan for succession to fully benefit from the incentives and protections offered under the Act.

What Holds Families Back from Planning?

Succession planning is often delayed due to emotional dynamics, reluctance to relinquish control or uncertainty about the next generation's readiness. Many businesses lack formal governance structures, making transitions more prone to conflict or ambiguity. Ownership and control mechanisms may be unclear, especially in cases involving multiple heirs or blended families. Succession must also respect the ownership thresholds set by the Act - no single family member may hold more than 80% of the business, directly or indirectly, to maintain eligibility.

Legal and tax implications of asset transfers can also be daunting. Without proper planning, businesses risk losing eligibility under the Family Business Act, particularly if ownership thresholds or family control requirements are breached during succession.

Understanding the Legal Landscape

Succession planning must be grounded in Malta's legal framework. The Family Business Act (Cap. 565 of the Laws of Malta) sets out clear criteria for registration, including ownership by at least two family members, with non-family shareholding not exceeding 5%, and long-term employee shareholding capped at 10%.

It also provides incentives such as reduced stamp duty on inter vivos transfers of shares or business interests between family members. Specifically, stamp duty on the transfer of shares or business interests between family members may be reduced from the standard rate of 5% to 1.5%, provided the business is registered under the Family Business Act and the transfer meets the conditions set out in the **Duty on Documents and Transfers Act** (Cap. 364 of the Laws of Malta).

The **Civil Code** (Cap. 16 of the Laws of Malta) governs inheritance and forced heirship, which can complicate succession if not addressed through wills or trusts. The **Companies Act** (Cap. 386 of the Laws of Malta) outlines governance requirements for limited liability companies, including shareholding structures and director responsibilities. The **Trusts and Trustees Act** (Cap. 331 of the Laws of Malta) allows for the use of trusts to hold family businesses for the benefit of family members, offering a flexible tool for succession planning.

Understanding these legal instruments is essential to ensure that succession plans are both compliant and effective.

Tools for a Smooth Transition

Effective succession planning involves more than legal compliance; it requires strategic foresight. A succession roadmap should outline the timeline for transition, define roles and responsibilities and identify potential successors. Governance structures such as family councils, boards or shareholder agreements can help manage expectations and formalise decision-making.

Training and mentorship are critical to preparing the next generation for leadership. Some families may opt to use trusts or foundations to protect assets and ensure continuity. Tax considerations are also essential, particularly considering Malta's transfer pricing rules, which may affect family businesses with cross-border operations.

The Family Business Office encourages businesses to integrate succession planning into their broader strategic agenda, ensuring that transitions are smooth, sustainable and legally sound.

How the Family Business Office Can Help

The Family Business Office plays a central role in supporting succession planning.

By acting as a bridge between family businesses and government support schemes, the Office helps ensure that succession is not only possible but successful. Registered businesses gain access to incentives, recognition and resources that can ease the transition and strengthen long-term resilience.

Turning Succession into Opportunity

Succession planning is a strategic imperative for Malta's family businesses. It safeguards the legacy of the enterprise, ensures continuity across generations and aligns with the legal and economic frameworks that support sustainable growth. With the right tools, guidance and commitment, family businesses can turn succession from a challenge into an opportunity, securing their place in Malta's economic future.

What Support is Available?

1. Malta Enterprise: Innovation & Growth

Registered family businesses may benefit from a range of Malta Enterprise schemes that are either specifically designed for them or offer enhanced support, including:

- **Microinvest Scheme**
Provides tax credits for investment in new technologies, product development or market expansion, with an enhanced cap for registered family businesses: €70,000 over a rolling 3-year period.
- **Advisory Services Grant**
Provides guidance on financial management and governance, including succession planning and mediation services. This is especially helpful for family businesses undergoing transition or restructuring.

Eligible family businesses may receive 50% costs up to €2,500 per intervention with a cap of €20,000 in a rolling 3-year period.

2. Reduced Stamp Duty on Transfers

Registered family businesses benefit from a reduced stamp duty rate of 1.5% (down from the standard 5%) when parents transfer ownership of the business to their children. This incentive is available for a designated one-year period and applies to both shares and business interests. It is designed to support intergenerational succession and encourage long-term continuity of family-owned enterprises.

3. Building Skills for the Future

Registered family businesses may benefit from Malta Enterprise schemes that subsidise employee training, particularly in areas such as digital transformation, compliance and business continuity.

These schemes typically operate through training vouchers, grants or co-financing arrangements, which can be accessed by applying through Malta Enterprise portal. Eligible training may include technical upskilling, succession planning or governance-related workshops, especially when aimed at preparing the next generation of family business leaders.

4. Accessing European Union (EU) and National Funds

Staying Compliant to Keep Benefits

To maintain eligibility for funding and support, registered family businesses must remain compliant with the conditions of the Family Business Act. This includes:

- Keeping fiscal returns and taxes up to date.
- Reporting structural changes within ten days.
- Ensuring ownership and control remain within the defined family thresholds.

Non-compliance may result in loss of registration and forfeiture of benefits, so businesses are encouraged to maintain regular contact with the Family Business Office and seek guidance when needed.

Your Next Step: Engage with the Family Business Office

Family businesses in Malta have a unique opportunity to unlock growth through targeted funding and support mechanisms.

Whether planning for succession, expanding internationally or investing in innovation, family businesses are not alone. The tools are available; the key is to use them!



Author

Dr Joseph Gerada attained a Bachelor of Education with Honors specialising in the English Language in 2002 and graduated as a Doctor of Laws from the University of Malta in 2014. He obtained the warrant of Advocate allowing him to practice in the Maltese courts in 2015. Prior to this, he acted as Director of a corporate services company.

On the 1st of June 2019, Dr Gerada was appointed regulator of the Family Business Office, a position he has held since then.



Author

Joseph F. Portelli is a senior change and transformation leader based in Malta, currently serving as Senior Manager at the Family Business Office. He leads strategic initiatives to strengthen governance, succession and sustainable enterprise growth. With extensive cross-sector experience, he specialises in delivering organisational transformation, driving innovation and aligning strategy with measurable impact across complex stakeholder environments.



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Key Considerations in Building Effective Governance Structures

Governance is the framework by which organisations are directed and controlled. It is the foundation of any successful business. A successful business is one that future proofs itself. At times, governance may be seen as an additional cost, but it is essential for building resilience, irrespective of an organisation's size or the market it operates in. This is especially important when considering the corporate failures that have occurred internationally, in Europe and in Malta.

Core considerations for any organisation necessitate a clear governance structure with the appropriate setup where roles and responsibilities are defined, and policies are drawn up, approved, complied with and reviewed periodically.

Some entities or markets are regulated and thus obliged to implement specific governance practices. Appendix 5.1 of the **Capital Markets Rules** provides a Code of Principles of Good Corporate Governance. The Code, which complements the Companies Act, targets companies whose equity securities are listed on the Malta Stock Exchange. The twelve principles are not mandatory, but listed entities must comply or explain any non-compliance. The Malta Financial Services Authority (MFSA) **Corporate Governance Code** issued in August 2022, provides principles to be applied on a best-effort basis across sectors, to all unlisted entities authorised by the MFSA. In June 2025, the MFSA also issued a consultation document on the General Code of Conduct for Leaders in the Financial Services, followed by a second consultation document on the General Code of Conduct for Decision Makers in the Financial Services Industry in October 2025. The documents cover board members, senior executives and others with key decision-making responsibilities. They complement existing governance frameworks and focus on ethical, accountable and stakeholder-conscious conduct.

Whilst some entities have formal obligations, others implement effective governance practices because they understand their importance and the benefits they bring. In fact, governance may be the differentiating

factor that explains why some family businesses succeed while others do not.

A key tool for building effective governance structures is the Three Lines Model, which helps to delineate roles and responsibilities, clarifying how key organisational roles work together to facilitate strong governance and risk management. While management performs the first and second-line roles, Internal Audit fulfils the third-line role. The governing body, typically the Board of Directors, provides governance, oversight and accountability. It ensures that the three lines operate effectively, are well coordinated and remain aligned with the entity's goals.

Every business entity benefits from a competent board structure, which is strongest when its members have diverse qualifications, skills, knowledge, gender and experience. As of June 2026, Maltese listed entities will be required to ensure that 33% of their board members are women.

A Board is expected to direct and set the strategy, have oversight over management, define the risk appetite and set the tone at the top by leading by example. A Board is stronger when it includes both Executive and Non-Executive Members. Independent Non-Executive Directors bring expertise and fresh perspectives, helping to support and constructively challenge decisions.

Principle 3 of the Code of Principles of Good Corporate Governance focuses on Board composition. Family businesses can also apply this principle by including Independent Non-Executive Directors. This enhances objectivity and credibility, while safeguarding against undue influence or conflicts of interest. Independent Non-Executive Directors are crucial in monitoring the reporting of performance, scrutinising management's progress towards set goals and objectives, and ensuring the integrity of financial information backed by robust controls and a risk management framework.

Setting up an Audit Committee in terms of Listing Rules 5.117 – 5.134 as well as other Board Committees including a Risk Committee, a Compliance Committee,

a Remuneration Committee and a Nominations Committee help to distribute and assign specific responsibilities amongst the Non-Executive Board Members. These Board Committees should have clear mandates, sound governance practices and regular performance evaluation. Performance evaluation is also key for the Board and the Management Team, whose performance should be aligned with both short-term and long-term goals.

The Governing Body sets the strategy which needs to be achieved whereas Management is there to work towards implementing and achieving the strategy. In its first line role, Management is expected to deliver the products or services and be responsible for an effective internal control system to help manage risk. In its second line role, Management, through other functions such as the Risk and Compliance Functions, ensures that controls are effective, policies are developed and complied with, and risk is being managed effectively and is aligned with the strategy.

The third line role resides exclusively with internal audit which is the cornerstone of governance. Internal audit provides independent and objective assurance and advice on the adequacy and effectiveness of governance and risk management. If used effectively, it can protect and add value to an organisation by providing insight as well as foresight.

The Three Lines Model of the Global Institute of Internal Auditors also includes External Assurance Providers such as External Auditors, Regulators, Certification Bodies and External Consultants or Specialists. Looked at holistically, it provides the basis on which a company's strong governance structure should be modelled, defining clear roles.

Continuous professional development and training are key at all levels. This starts with the Board, which must remain effective and up to date with developments in the industry, governance practices and regulation, which should then cascade down to the different lines.

Accountability and transparency are fundamental to building and maintaining the trust of the various stakeholders. In the case of capital market entities, this includes communication with investors and Regulators.

Capital market entities are subject to greater scrutiny and regulatory standards. Among others, they need to adhere to listing rules, market abuse regulations and transparency directives. Disclosure obligations include timely and equal access to information by all investors. Shareholders need to be treated equally, and minority interests protected.

When it comes to family businesses, governance challenges could include overlapping roles of ownership, management and family relations. Hence, this necessitates the need to have effective governance structures in place as the business evolves from what could be a self-regulated practice towards best practice. Transparent reporting is essential to maintain trust. Business continuity and succession planning are important considerations as is the long-term sustainability of the entity.

Governance breathes culture and sustainability. The tone at the top set by the Leadership behaviour shapes the culture of an organisation. Governance is also the foundation and basis for both environmental protection and social responsibility considerations. Environmental, Social and Governance (ESG) factors are important elements that any organisation wanting to future proof its long-term sustainability needs to integrate in its strategy. ESG captures various related risks such as climate, social unrest, the supply chain and regulatory change. These need to be integrated into enterprise risk management.

Boards need to have various frameworks in place including anti-corruption, whistleblowing and compliance. However, effective governance in any organisation goes beyond this; it entails creating a culture of accountability, integrity, transparency, fairness and responsibility. This necessitates acting in the best interest of the organisation and its different stakeholders.

Ethical leadership is key, and an effective governance structure contributes to sustainable value creation. Strengthening governance protects trust, maintains investor confidence, enhances the reputation of an organisation and supports the sustainability and success of a business going forward.



Author

Ingrid Azzopardi is a Chartered Director who sits on the Board of Bank of Valletta. She is a Certified Public Accountant and Auditor with over thirty years' experience heading Internal Audit Functions. She has chaired Audit and Risk Committees and sat on various boards pertaining both to public and private entities. She is a founding member and past chair of the Malta Forum for Internal Auditors (now IIA Malta). Ms Azzopardi is the current deputy chair of the Board of Administrators of the Malta ESG Alliance.



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Customs – Implementing the UCC Directive

The UCC – Union Customs Code – is an acronym that is going to make lives considerably easier. It was designed specifically with simplicity, service and speed as its key objectives. The UCC provides one legal framework across all the European Union (EU) customs territory, while at the same time reflecting international standards such as those used by the World Customs Organisation, which means that global trade is also catered for.

The UCC is the cornerstone of the EU's customs framework, designed to modernise and harmonise customs procedures across Member States, ensuring greater efficiency, legal certainty and trade facilitation. The Malta Customs within the Malta Tax and Customs Administration has played an active role in shaping and implementing the UCC by contributing valuable insights from its unique position given that Malta's position as a hub in the Mediterranean may expose it to specific trade flows, risks or operational challenges that differ from other EU Member States.

The scope of the new code is enormous: the framework came into force in 2016, but its complexity resulted in the UCC being rolled out gradually over the ensuing years. The European Commission's proposal for a modernised UCC includes 265 articles and an annex with interpretation rules. However, it represents a major step forward for this important sector which currently is responsible for enforcing more than 350 EU laws at the external EU borders.

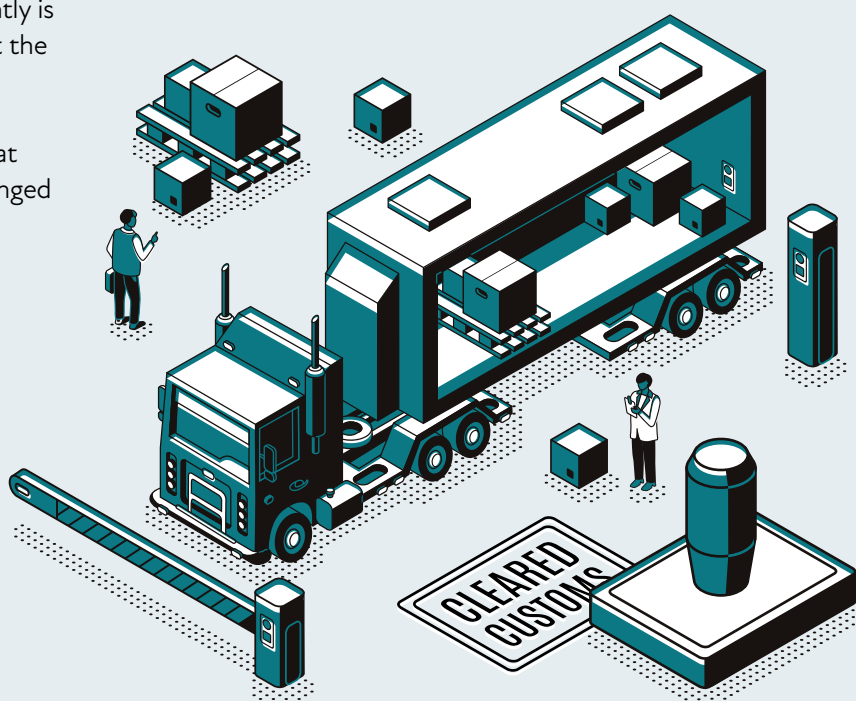
The aims of the Lisbon Treaty signed in 2007 were at the crux of the reform. However, the approach changed with times. Over the decades, the classifications at the heart of the system have had to be changed numerous times. In fact, some numbers have been intentionally left unused or reserved. This allows for future expansion without disrupting the existing structure.

The Malta Customs had already changed its operations substantially when Malta joined the EU in 2004 and adopted

the concept of free movement of goods. However, the UCC goes well beyond that by aiming to provide certainty for customs officials across the EU, while at the same time adopting a risk-based approach.

This is not presenting anything new: when Malta joined the EU and started to apply the Community Customs Code, the 100% controls that were previously applied, which included checking each and every postal item, container or person, were greatly reduced. Since then, many things have evolved to facilitate trade, with electronic declarations providing the ability to verify the products through various profiles (by type, country of origin or destination, economic operator history and declared value), all of which determines the level of scrutiny that is required. Notably, during the past 24 months, controls were reduced from 18% to 8%, and Malta Customs aims to further decrease this to 5% by the end of 2025 following the application of a risk-based approach. This reflects the commitment of the Malta Customs to facilitating legitimate trade while maintaining effective border security and compliance.

Several new systems, including the Arrival Notification, Presentation Notification, Temporary Storage replacing the manifest module, the upgrade of the National Import System and the Automated Export System to



ensure EU Customs Data Model compliance, as well as the New Computerised Transit System Phase 6, have already been implemented as part of ongoing customs reforms. Further system implementations include the introduction of the National Single Window, which will offer significant benefits by providing a single access point for traders to submit regulatory information and documentation, thereby simplifying procedures, reducing administrative burdens and improving coordination among government agencies.

For example, one of the major changes is for Customs to identify more compliant and trustworthy Authorised Economic Operators (AEO), who will then be able to benefit from swifter procedures. There are 19 AEOs in Malta.

Throughout the process, Malta, whose location makes it an important hub for shipment into the EU, has played a significant role, providing important input into the decision-making process. One of the suggestions put forward is the introduction of a dual system to ease the transition for companies from AEO to Trust & Check Traders status, which would offer even fewer controls. However, while Malta is in favour of this concept, it is concerned about the eligibility of small and medium-sized enterprises, which represent over 99% of all active enterprises on the island.

The key here is trade facilitation: while Customs have a major role to play in reducing the bureaucratic burden for economic players, it must still enforce regulatory integrity and ensure that illicit activities are curtailed. This covers both revenue collection, ensuring that goods are not smuggled across borders without payment of all taxes due, and the need for goods to be safe, covering everything from paint standards to counterfeit tobacco and the trafficking of illegal narcotics.

Of course, the reform has required considerable investment in technology, with several systems already operational and others planned for deployment. Comprehensive training has been provided not only to all Customs employees but also to economic operators, ensuring that all stakeholders are well-prepared for the new procedures. Economic operators have also been given the opportunity to participate in the testing

phases of these new systems, supporting a smoother transition and fostering greater collaboration between customs and the trading community.

The framework will rely on a number of elements: an EU Customs Data Hub will centralise risk management and import declarations, while an EU Customs Authority will coordinate customs operations, risk management and crisis response across the EU.

The EU Customs Data Hub will replace the national Information Technology system with a centralised platform, which will enable real-time supervision, data sharing and analytics. It will also help to reduce administrative burdens by supporting the 'only once' principle as part of the streamlining and simplification approach. Boosted by Artificial Intelligence, it will provide authorities with a 360-degree overview of supply chains and the movement of goods, while saving an impressive €2 billion in costs for companies across the Member States, as reported by the European Commission.

The EU framework will also have an important impact on e-commerce, which has grown dramatically over the past decade. In Malta alone, it reached a turnover of €2.9 billion in 2024, according to the **National Statistics Office**.

One issue that will have a major impact is the fact that online marketplaces will be made responsible for customs compliance. The €150 Value Added Tax exemption on low-value imports will also be removed, closing what many consider a loophole widely exploited by non-EU sellers. In fact, the European Commission reported that up to **65% of parcels were currently undervalued** to avoid customs duties or broken up into separate consignments falling below the threshold.

This could lead to the introduction of a simplified tariff treatment for distance sales below €1,000, which is considered to be one of the most ambitious points of the reform. Only time will tell.

The aims of the reform are grand, from protecting society to safeguarding the revenue of Member States. However, there is also another aspect: helping European businesses to become more competitive and thereby support the EU strategy for growth and jobs.



Author

Alan Mamo has over 30 years of experience in Malta Customs. He has led the Trade Facilitation Directorate since 2016 and became Director General Customs Operations in June 2025. He is recognised for enhancing procedural efficiency, promoting trade facilitation and driving modernisation within the Malta Tax and Customs Administration.

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Deadlines

January

- Value Added Tax (VAT) Return period ending November 2025 – Electronic Submission 22nd January 2026
- Recapitulative Statement period ending December 2025 – 15th January 2026*
- Central Electronic System of Payment Information (CESOP) Report for quarter ending December 2025 – 28th January 2026
- Final Settlement System Payer's Monthly Payment Advice (FS5) for December 2025 – 31st January 2026
- Directive on Administrative Cooperation (DAC 4)/Country-by-Country (CbC) Reporting by Ultimate Parent Entity/Surrogate Parent Entity – Group's fiscal year ending 31st January 2025 – 31st January 2026
- DAC 7 Reporting Deadline by Platform Operators – 31st January 2026

February

- VAT Return period ending December 2025 – Electronic Submission 22nd February 2026
- Eco-Tax quarter period October to December 2025 – 15th February 2026
- VAT Declaration – Article 12 – Electronic Submission and Payment 15th February 2026
- Recapitulative Statement period ending January 2025 – 15th February 2026*
- FS7 Employers end of year reporting and FS3 Payee Statement of Earnings – 15th February 2026
- FS5 for January 2025 – 28th February 2026
- DAC 4/CbC Reporting by Ultimate Parent Entity/Surrogate Parent Entity – Group's fiscal year ending 28th February 2025 – 28th February 2026
- DAC 6 Reporting - Deadline for the submission of the Annual Notification Form by Non-Disclosing Intermediaries – 28th February 2026

March

- VAT Return period ending January 2026 – Electronic Submission 22nd March 2026
- VAT Declaration – Article 11 – Electronic Submission – 15th March 2026
- Recapitulative Statement period ending February 2026 – 15th March 2026*
- FS5 for February 2026 – 31st March 2026
- Company Tax Return – Financial Year ending 31st January 2025 – Manual Return Deadline – 31st March 2026
- Company Tax Return – Financial Year ending 28th February 2025 – Manual Return Deadline – 31st March 2026
- Company Tax Return – Financial Year ending 31st March 2025 – Manual Return Deadline – 31st March 2026
- Company Tax Return – Financial Year ending 30th April 2025 – Manual Return Deadline – 31st March 2026
- Company Tax Return – Financial Year ending 31st May 2025 – Manual Return Deadline – 31st March 2026
- Company Tax Return – Financial Year ending 30th June 2025 – Manual Return Deadline – 31st March 2026
- DAC 2 Reporting – Deadline for Financial Institutions (FIs) – FIs using Excel – 31st March 2026
- DAC 4/CbC Reporting by Ultimate Parent Entity/Surrogate Parent Entity – Group's fiscal year ending 31st March 2025 – 31st March 2026
- DAC 4 Annual Notification by Local Constituent Entities – Financial Year ending from 31st January 2025 to 30th June 2025 – 31st March 2026

Other

*Nil Recapitulative Statements are not to be submitted.

Improved tools for taxpayers for a better compliance

In his foreword to the Strategic Plan 2023-2025, Finance Minister Clyde Caruana wrote: “Our country deserves an administration that ensures that taxpayers have modern, intelligent and easy tools to allow them to comply.”

These words kicked off a veritable transformation of the taxation system on the Island, based on the introduction of tools to make compliance easier for taxpayers, as well as analytics to ensure that the Malta Tax and Customs Administration (MTCA) could use business intelligence to predict trends, understand the impact of external and internal factors on tax compliance and identify defaulters.

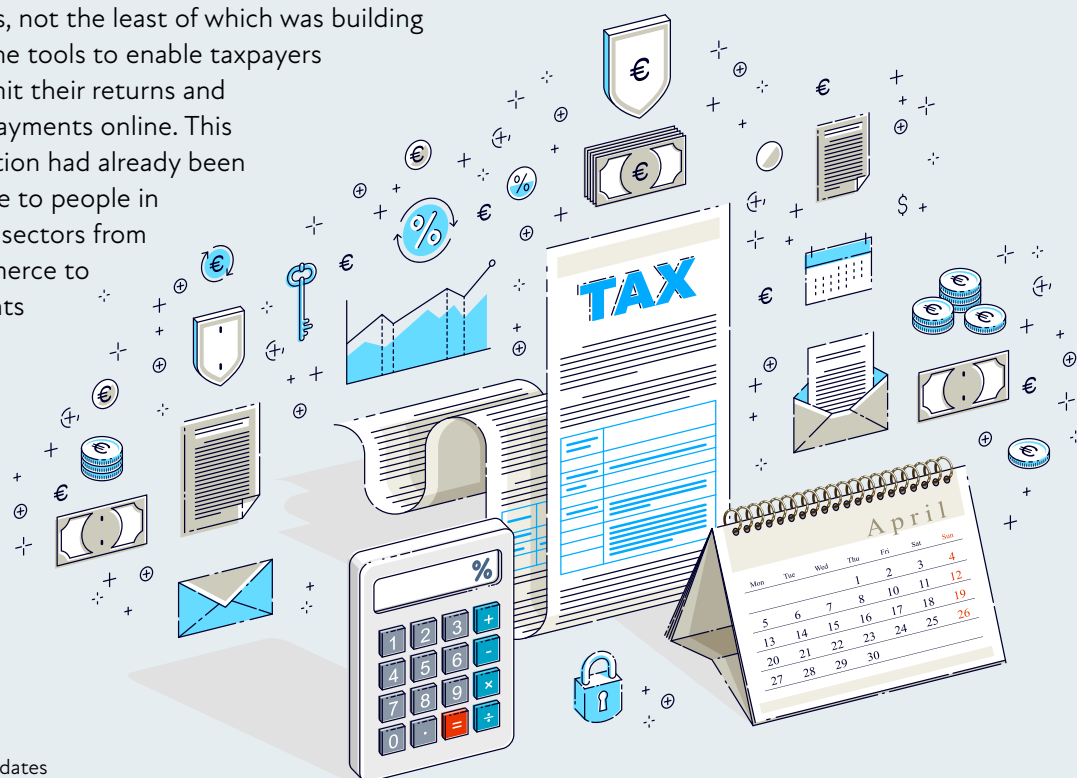
The transformation was all anchored on one assumption: that most taxpayers want to comply and that the role of the MTCA is to make it as simple as possible for them.

With the assistance of the International Monetary Fund and the European Commission, the transformation was based on a number of key projects, not the least of which was building up online tools to enable taxpayers to submit their returns and make payments online. This digitisation had already been available to people in various sectors from e-commerce to payments

and it made sense to roll it out to taxation, including Value Added Tax (VAT).

This seemingly simple change yielded significant results. For example, as reported in the 2023 and 2024 Annual Report, for base year 2023, 75% of personal income tax returns were filed on time. The share of personal income tax returns submitted online went up to 60% from 52% for base year 2022, while online submissions of VAT returns by exempt persons reached 63%.

However, there was also a subtle change as a result. The message going out to the public was positive, but firm: the MTCA will make it as easy as possible for taxpayers to file their return and pay, but non-payment is not an option. Slowly but surely, the MTCA also collected a total of €431.3 million in tax arrears in 2024, €56.5 million more than in 2023. The second phase, which will represent an additional €8.3 million investment, will focus on data analytics, machine learning and predictive analytics.



For instance, analytics will enable the MTCA to spot anomalous taxpayer behaviour in real time and understand trends by sector.

The digital transformation will not stop there: the MTCA will invest over €50 million in a digital Integrated Tax and Customs Administration System.

Drawing on improved data, the MTCA has been working to update its historic estimates to obtain a clearer picture of arrears. Through a business re-engineering project, MTCA has also taken steps to enhance the efficiency of refund processing, with the aim of shortening turnaround times and encouraging taxpayers to submit their IBAN details.

Some of the initiatives reflect those happening across the European Union (EU). The VAT in the Digital Age (ViDA) initiative will have a profound impact, introducing real-time digital reporting and e-invoicing to reduce VAT fraud, which cost the EU an estimated €61 billion in 2021, according to the European Commission press release issued in October 2023.

The changes also reflect today's realities and will affect the collection of VAT for short-lets and transport, among others.

Another major step was the setting up of a Large Taxpayers Office which provides expert assistance for eligible companies whose complex operations mean they require particular know-how with regard to cross-jurisdictional issues and matters related to transfer pricing, among others.

These changes require the active involvement of staff across the organisation. To support this, the MTCA has strengthened employee training and internal communication to ensure teams remain informed and engaged. The organisation's work exposes staff to a wide range of scenarios and international collaboration, contributing to the exchange of knowledge and best practices.

Education and information are also paramount, and the MTCA is using multiple social media platforms

to reach out to the public and to the corporate community. This initiative complements the email and text message reminders, which have also been instrumental in raising the percentages of on-time filing and payments.

The MTCA has also revamped its website to reflect the new functionalities it offers and, for the first time, will be providing a Maltese version.

The MTCA is also well aware of the need for higher levels of financial literacy, whether this affects a person's own household or their savings and investments. It forms part of a task force which involved multiple entities on the island and is currently evaluating outreach programmes across various ages and cohorts.

While support initiatives are important, equal attention must be given to defaulters. This is where the message from the MTCA has also got to be robust: it will soon be using all its data to correlate purchases, imports and profits, identifying any anomalies and potential fraud.

It is also carrying out numerous checks, and in the first six months of this year, it carried out 166 different audits, as well as over 2,000 field inspections, identifying irregularities and cases requiring follow-up.

The MTCA has also set up a Stakeholders' Forum to be able to communicate all these changes to various stakeholders, such as accountants. The Forum, which will be held twice a year, is an opportunity to engage with the MTCA, highlighting issues and making suggestions to improve revenue-collection and customs operations. Stakeholders are invited to give feedback on proposals, explaining situations that they may have come across in their work.

The MTCA's commitment to 'listening' extends beyond taxpayers, encompassing the professional community whose engagement is essential to advancing voluntary compliance. Such collaboration is fundamental to upholding the integrity and effectiveness of the tax framework.



Author

Andrew Buhagiar is the Director (Taxpayer Service) within the MTCA, providing assistance to citizens and businesses. Mr Buhagiar has been part of the MTCA since 2001, bringing over two decades of experience in public service and taxation policy implementation. He plays a key role in ensuring the Directorate delivers efficient, accessible and user-focused services.

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Local Appointments



BDO Malta has announced the appointment of Audrey Azzopardi as Tax Director with effect from August 2025, and Dr Franklin Cachia as Head of Legal Services with effect from July 2025.

KPMG in Malta has announced the appointment of David Pace as Senior Partner, and Louise Grima and Ruth Bonnici as Directors with effect from 1st October 2025.



PwC Malta has announced the appointment of Lucienne Pace Ross as Territory Senior Partner with effect from 1st October 2025. Lucienne joined PwC in 1997, was appointed Assurance partner in 2006 and assumed the role of Quality and Risk Management partner in 2011. She is a council member at the Malta Institute of Accountants (MIA) as well as Chairperson of the MIA Audit and Assurance Committee and a Member of the MIA Anti-Money Laundering Committee.

Building Trust Through Governance

Insights from Kevin Mahoney Award Winners

Two women, two distinct professional paths and one shared conviction: leadership is not a title; it is the discipline of standing for what is right, even when the room is silent.

This year's Kevin Mahoney Award honours two professionals, Rachel Lee Curmi and Ingrid Sammut, whose lives, though shaped by different worlds, demonstrate this belief through challenges and resilience.

As our conversation unfolds, a clear theme emerges. Governance is not an abstract framework, but a lived experience. Before delving into their stories, the discussion naturally begins here, at the intersection of culture, responsibility and human behaviour.

Governance as Culture, Not Control

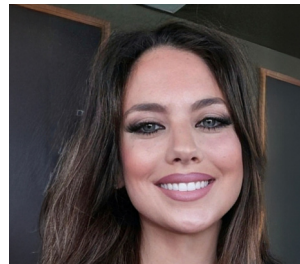
For Ingrid Sammut, governance is not paperwork; it is identity.

“Good governance is the cornerstone of trust. It is not a framework of controls. It is a culture that prioritises transparency, fairness and accountability at every level.”

Ingrid's career earned that conviction one role at a time.

She has lived finance from every angle, including Auditing, Financial Accountancy, Anti-Money Laundering, Risk Management and Compliance. Different vantage points that gave her a panoramic view of how organisations operate, not only on paper, but also in the people, behaviours, incentives and unspoken dynamics that drive them. She held leadership roles across professional audit firms, regulatory institutions, corporate service providers and industry, both locally and overseas, building a leadership style grounded not in authority, but in conscience.

Malta's economic landscape makes this especially critical.



Ingrid Sammut



Rachel Lee Curmi

“Family-run and owner-managed enterprises are our backbone. Governance does not restrict freedom; it protects legacy. It ensures that what was built with passion continues with purpose.”

Succession, emotional decision-making, blurred generational boundaries: these are governance challenges that spreadsheets cannot solve. Ingrid's work often begins by helping families separate identity from entitlement, while understanding that structure is not an enemy, but a shield.

Her entrepreneurial background, including owning a wellness centre and training academy, deepened this understanding. “There, I learned the lesson most accountants forget: financial discipline means nothing if it is not anchored in human wellbeing.” That experience would later become the foreshadowing of a life she never imagined.

Governance Through Technology

Where Ingrid cultivated governance as culture, Rachel has focused on digital transformation and controls. As a Senior Manager within PwC Malta's Digital and Assurance (DITA) team, Rachel helps organisations integrate Information Technology (IT) governance into their strategic fabric.

“Strong IT governance turns technology from a potential source of risk into a controlled, value-adding asset,” she explains. “When implemented well, it reinforces integrity, accountability and responsible leadership.”

Her international experience in San Francisco and New York shaped her approach: technology cannot be an afterthought.

“IT governance should be part of the same conversation as business strategy, risk appetite and culture. It is not a technical issue; it is a leadership responsibility.”

She warns of the risks inherent in systems built around individual knowledge. “When systems rely on a single person, the business collapses the moment that person leaves. Governance is what ensures continuity, whether in people or technology.”

Accountants as Guardians of Trust

Both awardees agree that accountants play a central role in shaping ethical behaviour within organisations.

Ingrid is unequivocal on this point.

“Accountants see things others do not: the patterns, the behaviours, the pressure points. We are guardians of trust.”

For her, going beyond compliance means asking difficult questions, mentoring younger professionals, embedding accountability into decision-making and speaking up when silence is convenient.

“We elevate the profession from oversight to leadership,” she adds.

Governance, Succession and Legacy

Succession planning remains one of the greatest governance vulnerabilities in Malta. Fewer than a third of businesses reach the second generation. Ingrid has seen this vulnerability first hand.

“Family enterprises form the backbone of our economy, yet many struggle with governance during leadership transitions. When decisions are driven by emotion instead of structure, legacy becomes fragile. Governance is the bridge between tradition and continuity.”

Rachel identifies a parallel in the IT environment: whether it is leadership transitions or system ownership, governance creates stability by defining responsibilities and expectations. It reduces key-person dependency, ensuring processes outlast individuals and organisational memory is preserved.

Leadership Forged in Adversity

The award honours the two women for their compassion, courage, selfless support and unwavering resilience in helping others within the community.

Ingrid’s story is one of extraordinary courage. Eighteen months ago, she was diagnosed with a rare and aggressive cancer in the sciatic nerve. Surgery removed the tumour and 12.3cm of her nerve, reconstructed with a graft. From athlete to disabled in a single operation, followed by fourteen brutal chemotherapy cycles – the most intense protocol available.

“It stripped me to the core,” she says quietly. “It dismantled every part of who I was. I stood at the edge of myself, now starting to rebuild from scratch.”

Her leg no longer moves as it once did; pain is constant. Yet her response has been one of dignity and determination.

“Much like in my professional life, I responded with humility and a commitment to continue contributing and leading by example.”

Rachel’s leadership, while born from different circumstances, is equally rooted in humanity. Quietly but consistently, she has supported colleagues through moments of grief, illness and personal uncertainty. She has been the person who checks in, redistributes workloads, and, in one case, organised a team-wide leave donation so a colleague could heal without fear of running out of paid time.

“This recognition reminded me that our greatest achievements are not just professional,” she says. “They are the moments we make someone else’s path a little easier.”

“For me, it is about connection, about showing up for others and helping them through challenging moments. That is what makes our profession truly human,” she adds.

The Legacy of Kevin Mahoney

Through these two women, the Kevin Mahoney Award becomes more than a recognition of excellence. It honours the values that Kevin himself embodied: integrity, courage and humanity in leadership.

Rachel embodies it through digital innovation, transparent processes and collective responsibility. Ingrid embodies it in resilience, ethical conviction and the ability to lead even when life attempts to break her.

They are two sides of the same principle: good governance is not just about systems or structures; it is about people. Their courage to act with purpose, even when no one is watching.

Meet *the* Team



FIONA
COLEIRO

What is something about your current role that challenges or excites you the most?

One thing that both challenges and excites me is finding the best and easiest way to meet the needs of our members and students. It is exciting to be the bridge between the customer experience and operational efficiency, making sure customers feel heard while also finding solutions that work within the Institute processes.

What is a hobby or interest you are passionate about that people might not expect from your professional profile?

One thing people might not expect about me is how much I love spending time with kids. Whether it is volunteering, babysitting or just hanging out with family and friends who have children, I really enjoy their energy and curiosity. Spending time with them helps me stay patient and empathetic, while making my heart burst with happiness.

How does your morning routine set the tone for your workday?

I always make sure to plan my day the night before, as I like having everything organised and mapped out in advance. It helps me start the day with clarity and purpose. In the morning, I kick things off with a good cup of coffee to wake up my senses, followed by a jog, which prepares me both mentally and physically. This routine keeps me energised, focused and ready to handle whatever comes my way during the workday.

When the workday wraps up, what is your favourite ritual or activity to recharge?

After work, I really value taking time to disconnect and recharge. As soon as I get home, I like to spend some quiet time by myself. It helps me clear my mind, lift my mood and shift focus away from the busy day. I also enjoy cooking in the evenings. Cooking is my way of slowing down and being creative. Whether I am trying a new recipe or making something simple, it is a routine that helps me relax and recharge.

If your job allowed you to relocate for a season, where would you go and why?

If I had the chance to relocate for a season, I would choose Budapest, a city that left a mark in my heart as soon as I landed. It has such a rich mix of history, architecture and culture, which I find incredibly

inspiring. I am also drawn to its lifestyle. In addition, there is a great balance between work and relaxation, with cozy cafés, thermal baths and a vibrant atmosphere. And of course, the food is a big part of the appeal!

Can you remember your very first job? What did it teach you about working life?

I will always remember my first job, especially since my current role at MIA is only my second. I spent a significant amount of time there, and it was a truly formative experience. The role was challenging, but it taught me valuable lessons, one of the biggest being that no matter how well you plan, it is important to always have a plan B. I also learned how powerful teamwork and coordination between departments can be. When everyone works together effectively, the results are always positive.

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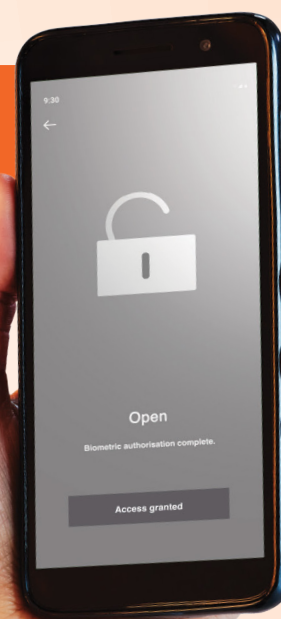
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