Issue 3 of 2021

THE ACCOUNTANT

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PRESIDENT'S ADDRESS
FABIO AXISA

Dear Members,

I would like to start my last address to you, as your Institute's President, by focusing specifically on our profession's role in the jurisdiction's progress in addressing findings emanating from the FATF's assessment.

I would like to convey three key messages in respect of which the Institute expects its members to elevate standards and enhance efforts. Two of these thematic areas reflect specific FATF observations.

1. Content of websites and promotional material of accountants and accountancy firms

The Institute has been informed by local authorities, involved in the FATF process, that a number of accountants and accountancy firms promote Malta as a tax haven and give a lot of prominence to tax advantages (and very little else) of locating business in Malta within their websites and their promotional material. We have been categorically told that this does not really help the manner in which the jurisdiction is viewed by other countries' delegations. We strongly urge all firms and practitioners to review the contents of their websites and promotional material to take cognisance of this feedback. Clearly, our market should be promoted for a number of reasons and for diverse attributes, of which we should be proud.

The taxation facet is only one such consideration, and there are other factors which should be attributed much more importance. We need to keep front of mind the fact that the content of our websites and promotional material is also assessed by international stakeholders and that this significantly influences the manner in which our jurisdiction is considered and assessed.

2. Accuracy of the Register of Beneficial Owners

We strongly recommend that all the Institute's members that are involved in the provision of Company Service Provider (CSP) services devote a significant portion of their time in the coming weeks in the implementation of a verification programme in respect of the details of, and information attributable to, Beneficial Owners (BOs) of the clients of the respective CSP practice. This programme should be carried out by reference to refreshed evidence and updated documentation, with the ultimate objective of comparing the resulting information with the data currently within the Register held by the Malta Business Registry. We strongly urge our members to update the information within the Register should any amendments or differences be noted.

Additionally, all members of the Institute that provide services, other than CSP related services, to clients of their practices, should refresh the information referred to above in respect of the BOs of their clients as part of the periodic client re-assessment process. Once again, this should be carried out by reference to independent sources of evidence and documentation rather than information currently reflected within the Register. We strongly recommend that the refreshed information is compared to the current data within the Register. We re-iterate that our profession is subjected to a legal obligation to report to the Registry on an immediate basis, should there be any discrepancies noted. Whilst the above recommendation contemplates the application of a programme in respect of all clients of accountancy practices, we recommend that focus is primarily placed on entities ultimately owned or controlled by foreign persons or entities, on a risk basis, taking into account risks attributable to specific jurisdictions constituting the nationality of the foreign beneficial owners.

3. Tax evasion

As a profession, we should at all costs steer clear of any attempts by clients or parties to evade income taxes. The Institute demands this out of its members and expects zero tolerance by warrant holders.
With respect to local businesses and entities, we do hope that the days of accountants being involved in maintaining multiple versions of accounting records for clients or employers are over. We also augur that the involvement of accountants in the under-declaration or non-declaration of revenue for income tax purposes, which seem to occur systematically within local specific economic sectors, is non-existent. We strongly re-iterate that our profession should distance itself from any attempts by local players, no matter who these players are, to divert income or gains to overseas jurisdictions in attempts to evade taxes.

In relation to wealth, assets or funds allocated to entities incorporated in Malta by foreign beneficial owners, we strongly urge all members of the Institute servicing such entities to exercise vigilance and rigorousness in client onboarding and monitoring processes in respect of such clients.

In this manner we expect our members to be in a position to detect, as much as is reasonable taking into account the circumstances, whether such beneficial owners would not have committed tax evasion in connection with the assets or wealth referred to above transferred to Maltese incorporated entities. The perception around the jurisdiction's and the gatekeepers' success in combating tax evasion by foreign beneficial owners utilising local corporate vehicles is definitely one of the reasons why the jurisdiction has been adversely graded through the FATF's evaluation process. Our profession must be at the forefront of ring-fencing and defending our jurisdiction.

Changing tack and subject matter. The Institute's strategy for the past few years has centred around five pillars highlighted below. We have strived to forward our Institute's programme in relation to these thematic areas and I have provided regular updates on our initiatives in this regard. I would like to synthesise the next strategic steps within each pillar to ensure the continued enhancement of the Institute's strategic efforts going forward.

a. MIA as a home to all qualified professional accountants

The Institute's key priority remains that of attributing importance to the wide membership base, comprising accountants in business, sole practitioners in public practice, members of small and medium sized practices, together with partners and employees of larger firms. Every single member is fundamental and in my view our stance in the past few years demonstrates this. This objective was particularly relevant to me as President in view of my background and considering the higher proportionate impact of the recent regulatory and compliance changes within our profession on small and medium sized practitioners. The small and medium sized practitioners' community is at the heart of all major initiatives at the Institute and we will need to continue working closely with them to ensure their concerns and issues are an integral and intrinsic part of the Institute's strategic efforts.

We have instituted a programme for the purposes of including expatriate accountants working in Malta within the Institute. So far we haven't manage to attain critical mass in respect of numbers under this outreach programme but I am sure that we will continue working relentlessly to attract all members of the profession to the Institute. As with all major initiatives, the support and advocacy of the firms in our marketplace will be fundamental.

b. Elevating quality and raising standards within our profession

Taking cognisance of the current circumstances within our profession, the Institute had to allocate a significant amount of effort and time in respect of professional misconduct cases and other disciplinary matters. We have investigated and taken robust action, if deemed necessary, in respect of every single complaint received and matter highlighted to us, and in respect of every member mentioned in the press, in court proceedings or in other procedures. We believe this is unavoidable to restore our image and credibility as a profession.

We have been instrumental in providing feedback on, and shaping, to the extent practicable, changes to the regulatory and compliance requirements in respect of the profession, which were deemed necessary in view of the current jurisdiction's standing. Our strategic efforts in this area will continue in a sustained manner in the coming months.

The Institute's key objective going forward remains securing the execution of the proposed reform of the profession's regulatory infrastructure and regulatory body. We have proposed major enhancements to the regulatory framework so that the profession is regulated in a more effective manner and that only professional warranted accountants are allowed to operate as such. The Institute will continue to demand the required modifications as an intrinsic part of the restoration of the profession's image.

c. Enhancing the education and qualification process

We have invested in a significant manner in these areas as they are fundamental to the Institute's strategic objectives to increase the quantity and quality of students selecting accountancy and related subjects for education and qualification purposes. Increasing the supply of quality professional accountants will remain one of the MIA's priorities. We have recently launched a landmark education campaign targeting 12 and 15 year old children, to educate these children on the attractiveness of our profession and other topics related to accountancy. This campaign will involve further steps over the medium and long term, as the effort constitutes continuous investment over a number of years to reap dividends in future.

We have set up workstreams with the University and ACCA to enhance the respective tuition and qualification routes; our efforts in this segment are still work in progress. Our activities within the domain of education and qualification will escalate over the coming months and once again the support of the firms in the market will be key to the Institute.

d. Fostering collegiality and comradeship among accountants

As a response to all the challenges and issues that we have experienced as a profession within the past few months, we embraced the principle that by working as one profession with one front we have a better chance of delivering effective change and solutions to the actual issues at hand. COVID-19, greylisting and related reputational matters, significant resourcing constraints, obstacles in relation to relocation of expatriate accountants to Malta, and many other matters have been tackled by the Institute taking into account the interests of the wider membership base. The MIA continues to work with the authorities and provide recommendations in respect of the relocation process of expatriate accountants. We have focused on the needs and objectives of all the different pockets and sectors within our profession. The MIA's activities in the future will continue to address these prevailing circumstances.

e. Striving to make the Institute's voice heard, loud and clear

I am really pleased and proud of the fact that the Institute's feedback and views are sought and considered by the major stakeholders in the marketplace. Our voice is considered reliable, relevant and constructive. Our credibility has been attained through our incessant work with respect to formulation of feedback to formal and informal consultations carried out by all relevant regulatory authorities. We have also directly approached the authorities with our views on many matters and we have engaged in debates with several ministries on different issues impacting the profession. We have been very direct and incisive. Expect your Institute to continue investing in this approach and to continue operating with this style.

Like everything else in life, my term as your President has come to an end. For the past two years and three months, I have done my very best every single day to work hard for the Institute, for the profession and for you as members. It has been such an honour leading the Institute and leading a powerful army of more than 3,500 members. This experience has rendered me a better human being and a better professional accountant. I wanted this experience, but it turned out to be more inspiring and defining than expected. The Institute is alive, vibrant, ambitious and dynamic. It's not an easy entity – to work within it and contribute to it one has to want it with passion. The MIA is a sensitive, courageous and determined entity – a reflection of the characteristics of our profession and our members. We are extremely lucky to form part of this profession and the Institute. My last words will be the same ones I used at the commencement of my term. Strength. Resilience. Pride.

MIA NEWS

New professionals join the MIA family

Nearly 200 new professionals formally joined the Malta Institute of Accountants during the New Members' Ceremony held on 3rd August. The occasion was the first MIA social event since the start of the outbreak in 2020 and the new members were delighted to meet in person after a choppy end to their academic year.

MIA CEO Maria Cauchi Delia welcomed the new members and encouraged them to seek continuous development not just in their careers, but as individuals too. She urged them to do their part in transforming the profession and adapting it to new realities.

Ms Cauchi Delia congratulated the participants on their accomplishments and prepared them for an *"exciting, rewarding, and impactful"* career in accountancy, promising them the full support of the Institute.

In his speech, MIA President Fabio Axisa offered 14 points of practical advice, calling on young professionals to work hard, do the right thing, and appreciate the advantages of a career in the profession.

"There are no shortcuts and no short-term gains in accountancy," warned Mr Axisa, appealing to the graduates to focus on the good of the profession and protect the jurisdiction. "Enjoy the benefits of your careers but strive to make a difference."

The evening was also addressed by the Dean of the Faculty of Economics, Management and Accountancy, Prof. Frank Bezzina and the President of ACCA Global, Mark Millar.

In a break with tradition, new members were unaccompanied by guests to keep numbers within the safety protocols, but their families could follow the programme live on streaming. During the ceremony, apart from their certification, five graduates were recognised for their exceptional achievements in their study paths as follows:

- Marica Xuereb - 1st in Malta Overall Performance - September 2019 MIA-ACCA Top Affiliate
- Johan Damato - 1st in Malta Overall Performance - December 2019 MIA-ACCA Top Affiliate
- Leanne Barry - 1st in Malta Overall Performance - March 2020 MIA-ACCA Top Affiliate
- Aaron Grech - 1st in Malta Overall Performance - September 2020 MIA-ACCA Top Affiliate
- Enrica Maria Debono - Best University of Malta Accountancy Student 2019

The Institute also presented the Kevin Mahoney Award to Mr Brian Ferrante for his selfless support to parents with children diagnosed with autism. This award recognises accountancy professionals who distinguish themselves for altruism in the community. A full interview with Mr Ferrante may be found on page 40.

Following the presentation of the Kevin Mahoney Award during the New Members' Ceremony, the Institute invited Ms Brunella Bugeja & Mr Ivan Grech to receive an award in recognition of their altruistic deeds.

Ms Bugeja has been supporting a children's foundation in Africa for a number of years, both through administration work and fundraising, while Mr Grech led a firm wide initiative in support of a colleague in need.

MIA Annual Social event split over two days

On 4th and 5th August, over 350 Members of the MIA celebrated the profession with a complimentary set menu and free flowing drinks, whilst networking with other accountants and auditors in a nice setting at the Westin Dragonara Resort. As part of our CSR programme, in the build up to and during the events, funds were raised for Beating Hearts Malta (BHM) - an independent non-profit foundation dedicated to parents of children born with a Congenital Heart Defect.

In fact, attendees had the opportunity to buy paintings by Prof. Victor Grech and also donate money through raffle tickets. Following the events, MIA President Mr Axisa and CEO Ms Cauchi Delia, presented Prof. Grech with a cheque for the total donation of €12,000 as collected from members.

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Institute launches first-ever awareness campaign in secondary schools

The MIA unveiled plans to run an awareness campaign for secondary school students about the accountancy profession. This is the first initiative of its kind by the Institute, targeting students in Year 8 (Form II) and Year 11 (Form V) in all state schools, church schools, and independent schools.

Starting in October, the Institute will hold virtual interactive meetings for small student groups after school hours where professionals will share information about their careers, outlining the possibilities open to accountants and the available study paths.

Supported by the Department of Accounts within the Directorate for Learning and Assessment Programmes (DLAP), the sessions are a great opportunity for students to ask questions about the profession, just before they choose their next steps in their educational journeys.

The initiative will be backed by a digital communications effort engaging students and their guardians, as well as educators. Based on a study conducted earlier this year in collaboration with DLAP Accounts Department, the campaign also seeks to correct any misconceptions surrounding accountancy.

The ambitious project was officially launched at a press conference on 2nd September 2021, that was addressed by Education Minister Justyne Caruana, MIA President Fabio Axisa, and MIA CEO Maria Cauchi Delia.

PREMISES FOR LEASE

The Lower Ground Floor Premises found in 'Tower Business Centre' Swatar are available for Leasing.

The 740 sqm property is available for lease or partial lease on a long or short term basis, together with Carpark spaces at the Basement Level -5.

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NEWS ROUNDUP
JULY - SEPT

Bid to reduce resource waste in manufacturing

The Energy and Water Agency Companies will conduct audits for companies in the manufacturing sector as part of a project in collaboration with the Malta Business Bureau and the Chamber of Commerce. The WE MAKE initiative will help manufacturers use resources more efficiently.

Deficit rises to 12% of GDP

A half-year report by the Finance Ministry projected a €1.6 billion deficit for 2021, equivalent to 12 per cent of GDP. Finance Minister Clyde Caruana pointed to an increase in spending related to the pandemic but said that the deficit is expected to decline to 6 per cent next year.

Energy Ministry publishes draft policy on EV charging

The government unveiled a new policy on the charging of electric vehicles, proposing two price tiers depending on the time of the day. Energy Minister Miriam Dalli said that, at 0.1298c per unit, off-peak rates would be among the lowest in Europe.

The FIAU Consults on AML/ CFT compliance officers

The Financial Intelligence Analysis Unit drew attention to a consultation paper published by the European Banking Authority inviting subject persons to give their feedback on the role, tasks, and responsibilities of anti-money laundering and counter financing of terrorism compliance officers. Information on the draft Guidelines, including the consultation paper, may be found on the FIAU website and the consultation period runs until 2nd November 2021.

2022 Budget on October 11

Prime Minister Robert Abela announced that the 2022 Budget will be presented to parliament on October 11. He said that the measures will not introduce any new taxes to focus on economic growth and the creation of "a new prosperity".

SCAN ME TO SEE ALL CPES

UPCOMING CPE EVENTS

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October

05	IFRS 5 Non-Current Assets Held For Sale and Discontinued Operations
06	How will the businesses change their tact after the Coronavirus Pandemic?
07	iGaming Entities - An Auditor's Practical Guide
12	IFRS11: Joint Arrangement
13	Monitoring the implementation of IFRS 9 and the related impact of Covid-19
14	The Role of the MLRO: Tracking Moving Targets
15	Deferred Taxation: The accrual that need not be feared
19	GDPR Workshop: GDPR Fines, Claims And Enforcement Action
20	Fraud & Going Concern Risks: Impact on The Audit of Financial Statements
22	Budget Overview 2022
25	The Highly Qualified Persons Rules - Regulatory Framework And Recent Developments

November

03	Accounting Under IFRS - IAS 37 & IAS 2
04	VAT Treatment of Insurance & Financial Services
05	The Real Financial Costs of High Employee Turnover
09	IT Audit & IT Auditors: An Introduction
10	Property Valuations: Dealing with the Perit
12	IAS 20 - Accounting for Government Grants and Disclosure of Government Assistance
16	Advanced GAPSME: Practical Scenarios - 3 Sessions Package
18	Ongoing Financial Obligations & Reporting Applicable to Insurance Intermediaries
19	Illustrating The Amendments of IFRS 3 From A Practical Perspective
30	Mental Health - Today and Tomorrow's Wealth?

SUSTAINABILITY REPORTING STANDARDS IN THE EU: A STATE OF PLAY & A STATE OF THE ART

Authors: Hilde Blomme & Jona Basha

The Intergovernmental Panel on Climate Change (IPCC) report published in August confirmed that temperatures will reach 1.5C above pre-industrial levels under all emissions scenarios and that human influence mainly caused climate change. Whilst the report is a 'code red for humanity', hope is not lost if the world acts quickly in the next few years to address climate change and many other sustainability issues, including environmental degradation, human rights and social issues.

EU Developments

The European Union (EU) has been leading sustainable development for years, pioneering the European Green Deal in 2019. Sustainability reporting standards are particularly important in the EU as they contribute to achieving public policy objectives, including the ambitions of the European Green Deal.

Therefore, the European Commission (EC) proposed a Corporate Sustainability Reporting Directive (CSRD), to supersede the current Non-Financial Reporting Directive (NFRD) . Accountancy Europe welcomed the proposals of CSRD as they progress sustainability reporting.

Amongst other upgrades, the CSRD mandates the use of European sustainability reporting standards (ESRS) in the EU. These standards will be developed by the European Financial Reporting Advisory Group (EFRAG) and will be adopted by the EC via delegated acts by 31 October 2022. Accountancy Europe welcomed the EU leadership and progress on developing sustainability reporting standards: robust and verifiable sustainability reporting standards, which enable reliable reporting, improve market transparency, and minimise greenwashing.

The Commissioner for Financial Stability, Financial Services and the Capital Markets Union, Mairead McGuinness, asked EFRAG to start undertaking the necessary changes to its governance and funding and drafting these standards. A new sustainability reporting pillar will be created at EFRAG whereby:

- the EFRAG Sustainability Reporting (SR) Technical Expert Group (TEG) will be responsible to draft sustainability reporting standards; and
- the EFRAG SR Board will be responsible to approve the sustainability reporting standards proposed by the SR TEG.

ESRS will be based on the proposals of the EFRAG Lab Project Task Force on preparatory work for the elaboration of possible EU non-financial reporting standards.

International developments

At an international level the IFRS Foundation will set up an International Sustainability Standards Board (ISSB) in parallel to the current International Accounting Standards Board (IASB). The ISSB's first standard on climate will build on the prototype standard on climate-related financial disclosures. The goal is to provide a globally consistent and comparable sustainability reporting baseline, while also providing flexibility for coordination on reporting requirements that capture wider sustainability impacts.

The below table summarises the key elements of these two initiatives:

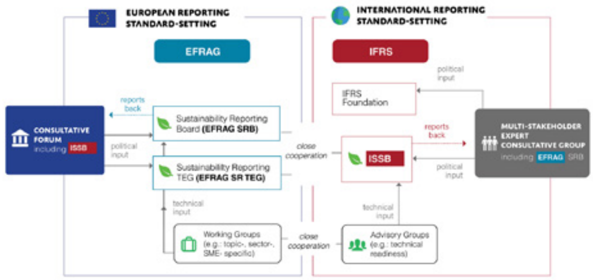
Towards global sustainability reporting standards

	ESRS	ISSB standards
Scope	Broad range of sustainability topics (environmental, social, governance)	
Audience	Broader stakeholders	Investors and other capital market participants
Materiality perspective	Double materiality	Enterprise value

Sustainability issues are global issues and require an internationally harmonised solution.

With many intercepting areas to their standards and common input, the ISSB and EFRAG should collaborate to produce aligned standards.

Accountancy Europe's paper A constructive two-way cooperation to sustainability reporting standard-setting lays down principles for cooperation and explores how this collaboration could work in practice (see figure).



In summary, there would be collaboration at a:

- technical level to ensure producing aligned standards: the ISSB, its advisory groups and the EFRAG SR TEG, SR Board its working groups work closely together; and
- political level to promote consistency and progress towards global sustainability reporting standards: the ISSB would be part of the EFRAG's Consultative Forum and the EFRAG SRG would be part of the IFRS's Multi Stakeholder Expert Consultative Committee.

Accountancy Europe will continue participating to this critical and strategic debate in the European public interest.

Hilde Blomme

Jona Basha

Hilde Blomme is Accountancy Europe Deputy CEO. Hilde leads the professional expertise team on the areas of reporting, assurance, (sustainable) finance, tax and practice development.

Jona Basha is a Senior Manager at Accountancy Europe. She engages in various financial reporting matters and specialises in non-financial information reporting and standard setting.

A CHANGE OF CLIMATE WITHIN THE PROFESSION

Based on Master in Accountancy dissertation by Nicole Sacco, submitted in 2020.

The world has been facing a pandemic for almost two years now. A crisis that has affected public health, food security and alternated employment worldwide. Two years later, we have almost fully adapted to this new norm, finding a balance between teleworking and our personal lives. The world had to instantly adapt because there was no other choice. Fortunately, there are options to change the future.

The Covid-19 pandemic was just a teaser of what the future holds if we disregard environmental problems in the coming crucial years and continue operating business as usual. The Intergovernmental Panel on Climate Change 2021 report raises the alarm about human activity driving global warming and Antonio Guterres (Secretary-General of the UN) further described this report as

"code red for humanity"

In 2021, Earth Overshoot Day fell on 29th July, meaning that humanity has exhausted nature's budget for the year by that date and for the remaining months we are accumulating carbon dioxide in the atmosphere and over-exploiting resources. There is an indefinite list of environmental impacts caused by human activities; however, these are not within the scope of this article. The purpose of this article is twofold:

1. Increase awareness on the direct relationship between the economic world and the natural environment, and;
2. Suggest ways how to achieve a long-term sustainable economy in the local scenario.

A 2030 agenda for sustainable development is currently in place, known as the Sustainable Development Goals (SDGs). The SDGs were developed by the UN, and the EU is currently committed to implement these in all EU countries. The 17 SDGs are divided in a list of 169 targets and 232 unique indicators to track progress, amongst which are those relating to environmental footprint. Based on scientific data, we have only nine years left from now to prevent irreversible damage on climate change.

The financial world constantly utilises performance indicators in order to closely monitor and judge performance according to set targets and benchmarks. In the same way, the Global Reporting Initiatives (GRI) issue standards covering a wide range of sustainability reporting topics helping companies to be more transparent and accountable for their impacts. In this manner, Environmental Performance (EP) can be monitored and reported on frequently through adequate use of Environment Performance Indicators (EPI). EPIs may be categorised either according to the type of resource being used or according to the ecological footprint, meaning the type of emission being produced such as emissions to:

- air;
- water;
- land and impact on biodiversity.

A case in point are CO_2 emissions to air, which by resorting to GRI 305 one can opt to monitor relevant EPIs such as closely monitoring yearly

consumption bills or the required energy per product. Designing EPIs with a reporting objective in mind allows information to be easily collected repeatedly from routine activities. Additionally, there are Internet of Things (IoT) devices available that are relatively inexpensive and easy to integrate that can identify patterns and trends.

The long-term monitoring of EPIs is mainly dependent on the feasibility of utilising current Management Accounting Systems (MAS). Hence, environmental issues should be targeted differently applying existing practices to capture, lock and report on environment-related data periodically without the need for heavy investment in other MAS. Environmental reporting guides organisational efforts on long-term goals and assesses the company holistically allowing for higher efficiency to take place.

Nonetheless, companies' response towards environmental issues depends on the attitude of the top management. Environmental issues need to be championed by the right person at a board level whilst allowing for two-way communication to come through. At the same time, companies need to set up a green agenda, establish a dedicated team, and enforce policies that encourage the right behaviour while providing adequate training to all employees to seriously contribute towards an improved EP. Accountants are directly committed to the public interest and their role is vital to achieving a better holistic company assessment, focusing on both financial and non-financial data. Another issue is the huge lack of awareness on the current environment and climate-related problems, which explains why internal environmental initiatives are either not taken seriously or handled by the public relations department.

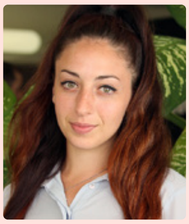
Government action, funding and support are important to nurture the right attitude towards EP. The laissez-faire approach by local firms illustrates poor communication channels with the competent environmental authorities and a lack of national environmental regulations.

Communication with business can be facilitated by either:

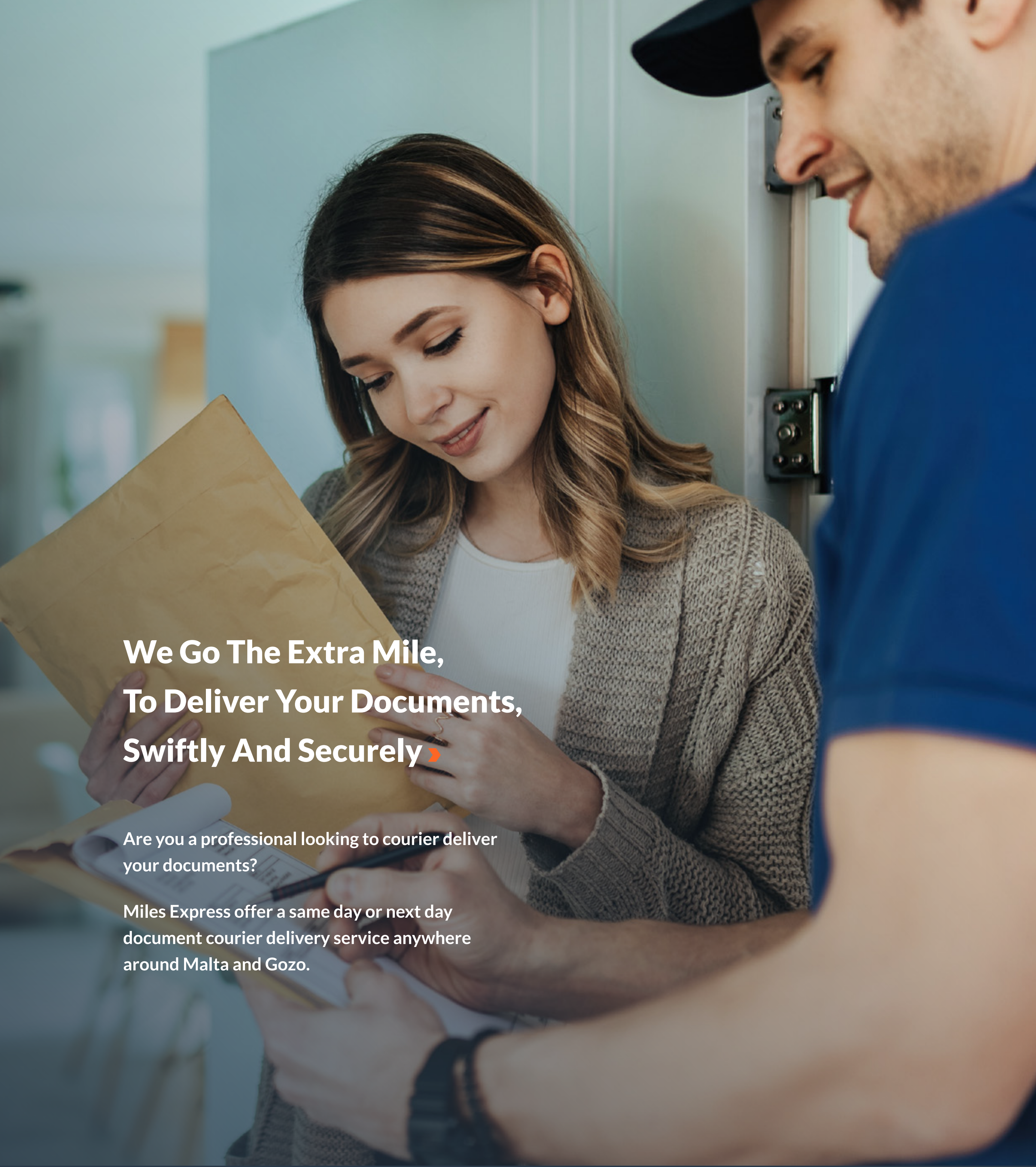
- introducing a specific platform;
- schedule frequent meetings discussing current affairs in this area such as available EU funds or practical tools for integration;
- invite key speakers in the field of sustainability.
- Similarly, initiatives could be introduced to enforce environmental regulations such as:
  - setting up monetary rewards for companies;
  - encouraging environmental audits;
  - Introducing a green tag benefit with products, meaning government focuses efforts on creating a form of local competition in order to simultaneously instigate consumers.

It is feasible to apply current reporting methods for EP purposes, however nationwide environment prioritisation is compulsory to raise awareness about the effects of consumption.

Clearly, the climate crisis is on our doorstep, we need to act now!



Nicole Sacco is a 2020 Master in Accountancy graduate, currently working at Deloitte Malta within the audit department.



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IS YOUR **PEOPLE MANAGEMENT STRATEGY** SUSTAINABLE LONG-TERM?

Author: Dr Elaine Dutton

It is understandable that at the start of the pandemic, numerous organisations focused primarily on

'riding the wave'

and ensuring they survive. It was an unprecedented situation where even those sectors not directly impacted braced themselves for the worst. However, the measures adopted to survive are often counter to the strategies one would employ to grow and maintain an adaptable workforce that can focus on the long term-sustainability of the business.

In 2020 numerous companies chose to re-structure and let go of roles that were not directly involved in the revenue generation elements of their company. Others cut out training budgets, stalled salary progression or halted other perks and benefits that used to keep members of staff feeling recognised and motivated. But a year and half after the onset of the pandemic, some businesses seem reluctant to let go of this survival philosophy and shift back to a growth mindset.

The reality is that, in the short term, people are typically ready to pitch in and understand that perhaps their company is going through dire straits. People may accept to have their roles stretched to also oversee or carry out functions that would have previously fallen in the remit of someone else's role. However, issues start cropping up when this remains the modus operandi of the company long after the business is no longer in jeopardy. From a sense of obligation and loyalty to helping one's business succeed, employees start feeling resentful and taken advantage of. Aside from these negative feelings being shared among the workforce and potentially impacting the employer brand, the actual demands of stretched roles, high expectations and lack of investment in resources, all start taking their toll.

When employees are overstretched and fatigued, they do not have the energy nor the head space to innovate or think proactively. They remain geared on the 'survivability' mode and focus on ticking off the day-to-day needs, addressing the most pressing concerns and ensuring nothing goes wrong. This is completely counter to a growth mindset that ensures that what is important is on the agenda before it becomes critical, and that the business is at the top of its game, ahead of industry trends and exceeding its clients' expectations.

A company philosophy that is geared towards holistic growth, identifies the skills, attitudes and values it needs to achieve its goals and then sets out a plan to attract those people from the market. It ensures that its workforce remains sharp and technically competent in the face of a complex socio-economic climate and invests

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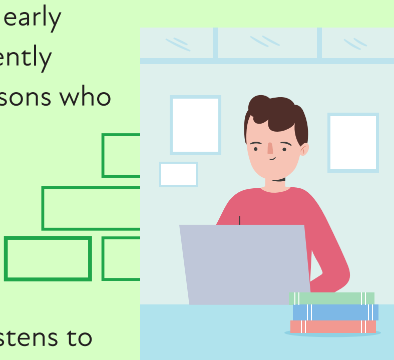
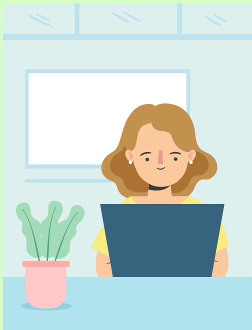
in its people and the resources they require to do their best work, rather than seeing such investment as biting into its bottom line. It ensures performance expectations are clearly set and implements a supportive mechanism to help people achieve their goals and weed out early and efficiently those persons who are not pulling the same rope with the team. It listens to what its people crave for to be able to be more productive and then sets out an action plan on those achievable outcomes that could mean higher retention of key talent. And although most employees can see beyond the frills of free health insurance, extra leave days or fruit in the office kitchen, such benefits contribute to the sense of appreciation that employees feel, particularly when their performance is steady, targets are being reached and competition for top talent is still fierce.



One of the most talked-about changes brought on by the pandemic has probably been the shift for many organisations to accommodate remote working when this was not a normal aspect of their workplace culture. Employees globally have taken to social media to ask for such measures to remain in place because for many, flexibility and trust are even more critical than other benefits. This presents a unique opportunity for many businesses to think long-term and think win-win. What might have been a band-aid solution brought on by sudden events could be an evolution of the work place - a way of retaining top talent whilst reducing costs attributed to having employees on site.

Needless to say that for a company coming out of survivability mode, it is critical to be efficient. Adding people to a team or suddenly creating new roles does not necessarily equate to adding productivity or increased profits. One needs to carefully assess what type of resources the team needs and how these are likely to change dependent on client trends and the dynamic nature of the environment within which the company operates. However, whilst being efficient and lean is definitely essential, in some companies the drive for efficiency leads to executives losing sight of the bigger picture and rather than lean, they run companies that are metaphorically under-nourished and at the risk of exhaustion.



Organisations that are aiming to thrive in the coming years need to reflect on their long-term people strategy and ensure that it is as sustainable as its corporate strategy and business plan.

The Covid-19 pandemic will not suddenly disappear and neither will other socio-political challenges on a local and international level. Building a sustainable people management strategy needs to be cognisant of the long-term needs of the organisation and factor in the reasons that attract new blood and that keep employees engaged and performing at their best. Such organisations need to build teams that are resilient, flexible and adaptable to changing circumstances, nimble enough to change course quickly and having enough head room to think strategically and innovate when old ways of doing things no longer serve the business well.

Dr Elaine Dutton, CSB Group's Head of HR and Employment Advisory Services, has helped a number of local and multi-national companies shape their people management strategy into an efficient, productive and sustainable one.

THE PROFESSIONAL WHO GAVE THE **KEVIN MAHONEY AWARD** ITS NAME

The Kevin Mahoney Award for Altruism has fast grown into one of the highlights in the MIA calendar of events. **THE ACCOUNTANT meets Ryan**, the son of the late Kevin Mahoney, to tell us more about the man who inspired the annual award.

You have now presented five editions of the Kevin Mahoney Awards. How does this annual occasion make you feel?

It is a moving experience every time. When my family was first contacted about this award, I grew very emotional. It was a bittersweet feeling as it was a reminder of my father's passing but it was also a fitting commemoration of what he stood for.

Presenting the award is an absolute honour for me. But even if it salutes my father, it is mainly about the chosen recipient. Every year, I feel privileged to get to meet the awardees who are recognized for their own altruistic acts.

Who was Kevin Mahoney?

My father was a family man, an employer, and an accountant. In that order. It was always about others for him, he never put himself first whether in his professional life or his personal life. He founded his own accountancy firm, Mahoney & Co, which he managed with utmost dedication. I regret never really getting to know who he was in his professional field because I was still a university student when he passed away. However, I've come across many professionals in my working career who knew my father and I'm proud to say that they are full of praise for him. He seems to be known as a gentleman of great integrity and respect and he has left an impact on whoever knew him.

My father was a man of little words. He was a calm, composed and meticulous person who treated everyone with dignity and respect. He was a fair, honest and selfless person and had a witty sense of humour. He loved to read, travel, jog and play the piano, the latter being a means to unwind after a long day of work.

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How was he as a father?

He was a devoted and supportive dad to my brother and myself. He was always present in our lives despite his busy schedule. I remember he would make it a point to attend Parents' Day and any other curricular or non-curricular activity that we participated in. To him, family was first and foremost. He was always fun to be around with. I appreciate all the sacrifices he went through to give us the best he could in his life.

Your father started his own business, what kind of boss was he?

I think he was a well respected boss and his employees were happy in his employ. He kept a good relationship with each and every one of them. I remember when he became ill, he was very worried about his clients and employees. He considered his employees to be part of his extended family and felt responsible for their livelihoods.

This was also translated in his approach to business. I remember him telling us that if you can make a good living with €5, there's no need to charge your clients €10.

Neither you nor your brother joined the profession. How did he take it?

My father never pressured us into accountancy; on the contrary, he supported us in all manners to achieve our dreams. I recall him asking me what career I wished to pursue and not once did he try to change my mind. He loved his job and was proud of the profession, but he wanted us to be free to make our own choices in life.

What is the greatest life lesson you learned from your father?

To be honest and truthful, no matter the repercussions. This is not always easy advice to take up, especially when you are young and ambitious. However, with the passage of time, I have now a better understanding of how wise and appropriate his example was. Life is full of ups and downs but, ultimately, the most important thing is to have a clear conscience.

Do you think that the values that defined your father's career are still representative of the profession today?

The recent events with regards to money laundering may suggest some neglect of the core values, but there are still many professionals who are committed to honesty, fairness, and correctness. Unfortunately, however, those who engage in unethical behaviour overshadow the upright ones and we tend to hear more about them.

The accountancy profession is founded on the right principles and is made up of many righteous individuals who do the right thing, day in, day out. The Kevin Mahoney Award by the Institute of Accountants is clear proof that there are many accountants who use their profession as a force for good.

Ryan Mahoney

CONSULTING CREATIVE COMMUNICATIONS

In today's business world, we have several buzzwords which are used across all levels of corporate strata. Amongst these terms, we have strategic and creative, which are visible across most reports, correspondence, email communication and job descriptions, to mention a few. Problem-solving is also one of these keywords. In the world of marketing, there are two ways to go about this, either strategically or creatively.

When it comes to creative thinking, it is important for one to allocate the appropriate time to brainstorm. The creative process can strike at any time, even after discussing the problem at length. This will also require exploring unconventional methods, ways of working you have never undertaken in the past. You will also need to think about the end result and the bigger picture, considering where you wish to arrive and how you will get there. Part of the creative process also entails seeking feedback from others, people who may not necessarily be involved in the process.

Strategic thinking, on the other hand, is all about maximising efficiency. In this respect, time needs to be limited to solve the problem or complete the assignment accurately within a respectable time frame. Addressing a complex problem strategically will require you to split it into different parts and tackling them according to the highest priority. Executing a plan strategically means that you refer to past experiences, analytics and data, and take decisions from past experience and good data.

Do not limit yourself to your day-to-day routine. This is where data driven, strategic and creative minds come in. Gain fresh insights from people who are not biased, from people who can discuss ideas, strategies through research, analysis and ample experience. In reality, different problems will require a blend of both strategy and creativity.

If you rely solely on creativity to solve work-related problems, you risk that the situation spirals out of control. If you rely only on strategic efforts, you may come across as providing solutions which lack impact and are uninspiring.

Leading companies embrace the approach that it is really a combination of the two which leads to the most fruitful results. It is all about identifying the right moments to utilise strategic versus creative efforts.

Want to learn more about the implementation of both strategic and creative efforts?

Visit our website www.myc.com.mt or get in touch on **info@myc.com.mt** to learn more about how you can leverage strategic direction and creativity.

This article is a paid advertorial by MYC for The Accountant Issue 3 of 2021

TRANSFER PRICING: A HOT TOPIC IN TAXATION ...NOW MORE THAN EVER

Authors: Neville Gatt, Mirko Rapa & Audrey Azzopardi

Transfer pricing refers to pricing arrangements between related parties, often involving transfers of tangible and intangible property.

This is an important tax and management issue for enterprises operating in a cross-border environment. Transfer pricing rules play a central role when multinationals apply their intra-group pricing arrangements on a cross-border basis. Increasingly extensive documentation requirements, additional transparency and stricter penalties demand regular review of the transfer pricing policies of multinational enterprises.

A group of companies with cross-border activities must have an individually tailored transfer pricing strategy and implement it successfully, if for example:

- it intends to change its business model;
- it envisages expanding into new markets;
- the OECD or legislators adopt new guidance or regulations for instance in respect of certain classes of transactions or assets.

In many cases, related parties forming part of a multinational group are affected by special circumstances on transfers to and from other group entities and related parties. This arises from the intra-group relationship that would not be present in transactions between unrelated parties or between independent entities transacting in an open market.

Some form of transfer pricing rules are currently in force in most countries across the globe. To date, Malta does not have sophisticated transfer pricing legislation or rules, although it does have some general anti-avoidance provisions that may be invoked in a transfer pricing context. Transfer pricing rules in various jurisdictions refer to the arm's length principle (ALP) and this concept is not alien to our legislation.

What is the Arm's Length Principle?

In terms of the OECD guidelines, the ALP should be applied in instances where transactions take place between related enterprises. In this regard, transactions should be valued as if they are to be carried out between unrelated parties, each acting in their own best interest.

Article 5(6) of the Income Tax Management Act refers to a similar concept in the context of a non-resident person carrying on business with a resident person over which it has substantial control. The law would, in this case, bring to charge the non-resident person in the name of the resident person when the course of such business is so arranged that it produces for the resident person either no profits or less than the ordinary profits which might be expected to be made from such business.

Transfer pricing in Malta

Maltese tax law does refer to the arm's length principle but does not define the term. Such references are found in Articles 2(1) and 12(1)(u)(2) of the Income Tax Act, in the context of determining profits attributable to a permanent establishment situated outside Malta. References to the arm's length principle are also found in the Patent Box Regime (Deduction) Rules, 2019 and the recently introduced European Union Anti-Tax Avoidance Directives Implementation Regulations.

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Article 51 of the Income Tax Act includes a general anti-avoidance provision that empowers the Commissioner to disregard any scheme which "reduces the amount of tax payable by any person" and where such scheme is "artificial or fictitious or is in fact not given effect to".

The article further empowers the Commissioner to determine the tax liability of any person who as a direct or indirect result of any scheme of which the sole or main purpose was that of obtaining any advantage which has the effect of avoiding, reducing or postponing liability to tax, has obtained or is in a position to obtain such an advantage.

Recently an enabling provision was introduced (in terms of Article 19 of Act XVIII of 2021) in the Income Tax Act empowering the Finance Minister to enact rules in relation to transfer pricing:

"51A. The Minister responsible for finance may make rules in relation to transfer pricing generally and may, in particular by such rules, provide for the determination of the arm's length pricing of a transaction or a series of transactions, any adjustments in relation thereto and advance pricing agreements."

In the light of the recent international developments and the recently introduced Article 51A in the Income Tax Act the expectation is that specific transfer pricing rules would be introduced in Malta in the near future. This will introduce a significant change to Maltese tax legislation and Maltese enterprises will need to be adequately prepared.

Concluding comments

Transfer pricing is a complex area for any business. The pace of change is fast and regulations are constantly evolving around the world.

Even though practitioners in Malta and the Maltese tax authority are already dealing with transfer pricing matters due to regulations in other jurisdictions and actions taken by foreign tax authorities, activity in this area will surely increase further. Practitioners in Malta and the tax authorities will need to invest further in upskilling to grapple with the increased complexities presented by the transfer pricing phenomenon.

Mirko Rapa

Audrey Azzopardi

Neville Gatt

Mirko Rapa joined PwC Malta in 2002 and is a Tax Partner. He has worked for some time in the international tax department at PwC Berlin and currently provides tax advice to a varied portfolio of clients.

Audrey Azzopardi joined PwC in 2009 and over the past years, she has assisted in providing advice to a wide portfolio of local and international clients across a wide variety of industries. She has been involved in various tax compliance and tax advisory work for large international clients.

Neville Gatt is an advocate specialising in tax and corporate legislation. Over the last 26 years, Neville has advised extensively on local, European and international tax issues to clients across a variety of industries, but with special focus on the financial services industry.

BEYOND THE 5TH ANTI-MONEY LAUNDERING DIRECTIVE – A COMPARISON WITH THE 6TH DIRECTIVE

As criminals find ever more innovative ways of laundering money across borders, the need to strengthen the 5th Anti-Money Laundering Directive has culminated in a 6th Directive and a subsequent raft of legislative proposals by the European Union. Directive 2018/1673 came into effect for the member states in 2020. Malta transposed this Directive into Maltese law by virtue of Act XV of 2021 which was published on 9th April 2021.

The main pillars of the 6th Directive are threefold:

1. the harmonisation of the definition of predicate offences;
2. centralised jurisdiction; and
3. the liability of legal entities for money laundering offences.

Predicate Offences

Predicate offences; offences which involve the proceeds of crime are the cornerstone of anti-money laundering laws. The 6th Directive expands the list of predicate offences contained in the 5th Directive and harmonises this definition across the EU member states so that the predicate offences are recognized as criminal offences in all the EU's member states. The 6th Directive introduces new predicate offences such as cyber crime and environmental crime.

Centralised jurisdiction

Building on the above concept, a money laundering crime committed in one country may yield proceeds in another country. By harmonising the definition of predicate offences, the EU has closed the loophole whereby an act of money laundering in one country could not be prosecuted in another country where it was not considered a criminal offence. The 6th Directive introduces rules for co-operation in the prosecution of money laundering offences, so that legal proceedings against alleged money launderers are centralised in one jurisdiction.

Liability of legal entities

Whereas up to the 5th Directive, only individuals could be held liable for money laundering crimes, under the 6th Directive, obliged entities which include legal persons such as companies, shall also be held liable for money laundering crimes. A company shall be held liable for money laundering if it fails to prevent individuals directing its business, from conducting illegal activities. The importance of having the right policies and procedures and proper oversight of their implementation cannot be overstated. The dissuasive measures against companies found guilty of money laundering offences include not only the possibility of the temporary or permanent closure of business but also the imprisonment of responsible company officials.

Looking to the future

On 20th July 2021, the European Commission unveiled a package of legislative proposals to strengthen and complement the 6th Directive. The proposals include a Regulation for the setting up of an EU Money Laundering Authority (AMLA), which would deal with cross-border cases of money laundering and would be empowered to act against money laundering offences, where the authorities of the member state concerned fail to act.

The proposals also include amendments to the Transfer of Funds Regulations so that virtual assets such as crypto currencies are brought into scope and the service provider of the originator of such currencies has to transmit information about the beneficiary along with the currency.

PKF Malta is a fast-growing, progressive firm specialising in audit & assurance, tax, advisory services and internal audit insurance. We provide services to a wide array of clients in a variety of sectors. PKF Malta has always enjoyed an excellent reputation, stemming from its dedication, professionalism and enthusiasm to serve its clients. Our firm provides a dedicated team of experts holding ample experience to deliver high-quality solutions bespoke to our clients' goals.

Dr Claire M. Calleja Zammit CAMS, Adv. Trib. Ecc. Melit., Pg. Dip. EC., LL.D. Senior Legal Associate

This article is a paid advertorial by PKF for The Accountant Issue 3 of 2021

HEROIC **CHALLENGE MANAGEMENT** IN THE **MALTESE BUSINESS EDUCATION** CLASSROOM

Author: Mark Galea

Leadership is a Universal-Phenomena that can be applied to any discipline, which needs one to believe in oneself and contribute to the greater good of others. Leadership starts by earning the trust of the people around you, creating a team and contributing more to the overall picture.

Leaders lead countries, societies, and organisations. Rath and Conchie (2008) argue that most successful leaders constantly reshape the way people live and develop people's opinions and values. Rath and Conchie (2008) continue to affirm that in the course of each person's natural life, there will be leadership opportunities, but it will be up to the individual to take opportunities of these situations, which will leave an imprint and it will continue to nurture itself in the future.

According to Lazear (2005), Entrepreneurship is gathering the most important factors of production which are human, physical, and information resources and undertaking it efficiently. As such as Lazear (2005) points out, entrepreneurs, combine people together with physical capital to develop a dynamic and new product to serve the market. Entrepreneurs are not specialists; they have a variety of skills they can apply in the business world. Lazear (2005), describes these people who 'initiate' the development of a business or 'reinvent' the way a company works as entrepreneurs.

'Heroic Challenge Management' (HCM) is proposed by Galea et al. (2019) as a model of management that assisted the researcher to tackle a tough situation that he went through: the loss of his father at a young age and having to manage his family business with his grandfather. Its roots are the 'Magical Formula': Values, Inspiration and Passion. This also emerged from a further understanding of connecting Leadership and Entrepreneurship as concepts, which is the Management of an Enterprise. The concept is thus a response to a tough situation faced when managing the day-to-day affairs of a company.


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HCM was introduced at the 'International Journal of Art and Science' conference in Budapest in 2019, and in a publication of the 'International Journal of Business and Management Studies'. The research stems from the first article, 'Leadership and Entrepreneurship: A Maltese Challenge Based Experience' by Galea and Galea (2018) in Rome.

Two lectures were delivered at the University of Bologna, which were a very fundamental stepping stone for the researcher to build a solid foundation for the conferences in Rome and Budapest. At the University of Malta, the researcher lectured an entire study unit entitled 'Business and Academic Report Writing'. He also lectured guest lectures at the Masters of Accountancy and Masters of Business Administration courses.

Galea et al. (2019) refer to the fact that his father contributed to the formation of the concept by being a strong inspiration for the researcher. Also working as a team with his grandfather provided the researcher a strong background to manage the company and encouragement to continue his education.

The essence of managing business lies in using resources in a manner that adds value to perceived stakeholders (Weick, 1995). Managing people is one of the essential functions of management, so managers understand the work elements and how these are organized in an efficient manner (Davidson, 1995).

Once the management structure is in place, the productivity of the workforce becomes a priority, whilst building a team and cooperative spirit among employers through effective leadership (Adeniyi, 2007). Slocum and Bass (2008) also refer to managerial functions when managers take decisions to steer the organization through, planning, organizing, leading and controlling.

Music has made it possible to connect all the elements and join the dots. With these sources of inspiration and music, the researcher gathered the strength to go on and manage the company. This style of management that his father and grandfather helped him shape made him the man that he is today and gave him a lot of strength.

The researcher is currently investigating how HCM can be applied in Maltese Business Education Classroom. The aim of this study is to explore how HCM is manifest in the teaching and learning of the business subjects and how it can be infused in the Business Education Syllabi. Ultimately the application of HCM to Accounting, Economics and Business Studies.

The attendance and participation of the students in these classes provided a strong contribution to the lessons and the development of the research. Listening and participating to the lecturer contributed immensely to the process of HCM, since ultimately the relationship of the teacher and student is very important to learn. This required a very strong Two-Way Communication between the teacher and the student.

The role of the student and the teacher is an inter-relationship that is required for education to be practiced at its strongest. The relationship of the teacher and the student is very fundamental. In these classes, the students are from a variety of countries, which makes it an international development. "Leadership is ultimately about creating a way for people to contribute to making something extraordinary happen". Kouzes and Barry (2007).

Would you like to participate and provide your own contribution too? You can make a difference and practice leadership by attending, listening and taking part in the organized MIA workshop 'M21098 - Heroic Challenge Management Business Strategy', to be held on 17th December 2021 via Zoom.

MEET THE MIA TEAM
ANALISE SAMMUT

What are you best known for by the MIA team?
Possibly, for making myself available to any team member seeking help. And that singing is one of my ways to deal with a stressful situation.

Why did you join the MIA?
I was given the opportunity to follow my interest in organising events. The positive vibe that I found and the autonomy to explore opportunities for development make me glad I took up the offer.

Do you remember your first day at the MIA?
So very well! As the then new 'Events and Relationships Coordinator' I had to meet the team at a venue where we were setting up for an event. At some point, I saw my predecessor disappear into a massive box looking for something (as if she were doing a magic trick), and I remember thinking 'I hope that level of physical flexibility is not part of the job!'

What's the best part of your job?
The best part is our team of hard-working, determined, and high-spirited individuals led by our inspirational CEO. My role as an Education Officer is also an opportunity to make an impact on the future of the profession. Case in point, we launched a campaign to address stereotypes about the profession among students, and raise their interest in a career in accountancy.

Is your desk obsessively tidy or a mad clutter?
The middle of my desk is my space – sorted but also easily mobile, ready for a meeting at a moment's notice. The edges though! Those are indeed cluttered with a backlog of papers - a visual reminder of my 3+ years at MIA.

What do you do to unwind?
What's my word limit here? Mostly, I am a social introvert - I'm good with people, but sometimes I just need a good long read or a vegetable session with Netflix.

What song can you play over and over again?
I love music and choosing one song is practically impossible. I never switch off 'Hotel California' by the Eagles when it's on the radio, though.

If you could become fluent in a new language instantly, which would you choose, and why?
German – I spent some time in Austria and left a piece of my heart in Vienna.

What's the best piece of advice you've ever been given?
'Life goes on.' It does not matter what happens in life - the good, the bad, and the ugly – the wheel of life just keeps on turning and one just needs to learn to dance in the rain.

What's your signature emoji?
Probably the *facepalm* or the *eyeroll*. I do like the tequila-salt-lemon combination – a reminder to take life with a pinch of salt (and a shot of tequila), although I'm more of a whisky kind-of-gal.


Avenue
77

MAKING AN EXAMPLE OF THE PROFESSION

As a Senior Business Controller in charge of Revenues, Mr Brian Ferrante certainly has his plate full. But the responsibilities of the profession only strengthen his determination to build a better society. A tireless volunteer at the Autism Parents Association, Mr Ferrante is this year's recipient of the MIA Kevin Mahoney Award for Altruism.

What was your reaction when you were told you were selected for the Kevin Mahoney Award?

I try to avoid the limelight as much as possible but, at the same time, I am a firm believer in leadership by example. When I was told that the Award was going to be presented at the MIA New Members' Ceremony and that I would be expected to address the graduates, I saw it as an opportunity to promote the values behind this initiative to our new colleagues.

Why do you think the Award is relevant in this particular period?

As long as there are disadvantaged people in our community, the Kevin Mahoney Award will always be relevant. The challenging times we are living through have increased the number of people who are struggling. The Award for Altruism is today more relevant than ever.

Would you say that your career impacted your sense of duty towards society and others?

Definitely. I grew up in a middle-class household and my upbringing was relatively sheltered. For the first eight years of my career, I worked as an auditor and consultant which required visits to multiple clients and led me to engage with people from all walks of life. This experience made me more aware of social dissimilarities and I realised that not everybody had the benefit of a privileged upbringing. This sensitivity towards others intensified when I went to work for an international company with a strong sense of Corporate Social Responsibility, and we used to organise volunteering weekends at women's shelters, respite homes and other institutions.

Do you think the profession contributes to the wellbeing of the community?

Yes, the profession gives a lot back to society. Firms but also individual members contribute significantly, both in terms of pro bono work and other initiatives such as donations and fundraising for worthy causes. We rarely hear about these noble efforts because professionals usually do it without much pomp, and that is the way it should be.

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LOCAL APPOINTMENTS

EY Malta

is proud to announce two new appointments to their leadership team: **Frank Cassar**, Assurance, Associate Partner and **Emanuel Farrugia**, Tax, Associate Partner.

PwC Malta

is pleased to announce the appointment of three new directors within the firm, **Francesca Fenech, Claudine Attard** and **Nadia Mifsud**.

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How can the profession contribute further?

As volunteer organisations are becoming increasingly regulated, many worthy organisations need our expertise in accounting, finance, and fundraising. We are uniquely positioned to help the non-profit sector become more professional and efficient. I believe that, as accountants, we have a greater responsibility to care for the wellbeing of the community and that should be reflected more in our education. The more seasoned among us, especially, should lead by example and guide new entrants along this direction.

Do you feel that people expect higher standards of integrity and decency from professionals in general?

The core values of accountancy place greater responsibility on us to lead exemplary lives outside of work. I think that the events of the last five years or so have led to a lowering of the bar. With hindsight, the profession could have done more to protect its standards and reputation, but it is now up to us to regain the trust of the public.

How did you learn that you were nominated for the Kevin Mahoney Award?

I received a call from the Institute sometime in July. Some months before this surprising conversation, I remember a former colleague asking a lot of questions about my involvement with the Autism Parents Association. At the time, I thought that he might have known someone whose child had been diagnosed with the condition, but when I was informed of the Award, I realised that he probably needed the information to compile the nomination.

What advice would you give to the next recipient of the Award?

I would first congratulate them, then encourage them to promote the Award. If every one of us inspires another person to help others, society in general, and our profession in particular, would be better off.

Will you nominate anyone for the next edition of the Award?

I will definitely be sending one or two nominations.

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Businesses are being challenged by disruptions more than ever before. They need to determine how to repair, rethink and reconfigure their operations to be resilient through today's rapidly changing business environment. At PwC Malta, our team can provide expert support with:

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