

THE REGISTRY'S DIGEST

Official customer newsletter of the Malta Business Registry

A WORD FROM THE REGISTRAR

I am pleased to present the seventh issue of the Malta Business Registry's newsletter. Being that this is the first time that I am being featured in the MBR's official newsletter, I would like to take the opportunity to thank Mr. Joseph Farrugia for his work and dedication during his time as the MBR's Chief Executive Officer and Registrar. I will be working to the best of my ability in order to continue to expand on the sterling work of my predecessor and further ensure that the Malta Business Registry continues to establish itself as an important key player within the regulatory environment.

In this issue we focused on presenting 4 key highlights. These include The MBR's participation during a conference titled 'Meeting Compliance Requirements' held in collaboration with the Malta Chamber of Commerce during SME Week. The conference shed light on the challenges that businesses encounter, and which, as an entity, we are wholly committed to addressing. We also focused on the digitilisation of the Maltese Company Law Frameworks primarily brought about by the transposition of Directive (EU) 2019/1151, which is referred to as the 'digital tools and processes in company law Directive'. We also focused on presenting the recent achievement of the Quality Mark Reward from the President of the Foundation for Human Resources Development (FHRD) for the MBR's effective practices in the field of Human Resources. Last but not least we also turned our attention on the MBR's Annual Christmas Market event in aid of Istrina, for which the First Lady of Malta, Mrs Miriam Vella attended.

Make sure to visit our website and remain up to speed with all the goings-on at the Registry by subscribing to receive future issues of the MBR's Newsletter: <https://mbr.mt/>.

Dr. Geraldine Spiteri Lucas,
Registrar



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Building Bridges with the Business Community

BY THE INTERNATIONAL AFFAIRS, RESEARCH AND COMMUNICATION UNIT

‘It felt good to be back!’

This was the atmosphere throughout the event organised during SME Week in collaboration with the Chamber of Commerce, themed ‘Meeting Compliance Requirement’.

With over 200 businesses watching online and others present in-person, it was an opportunity to listen to queries raised and provide the necessary guidance. After all, the role of the Malta Business Registry (MBR) is not just that of a supervisory entity but also of a key partner on any business’ journey in the Maltese jurisdiction.

The event also helped to shed light on the challenges that businesses encounter, and which, as an entity, we are wholly committed to addressing. With this in mind, the MBR welcomed the Chamber of Commerce’s proactive stance in gathering opinions of its members, who made their recommendations about how to best enhance existent services and more.

The MBR is dedicated to its mission of providing businesses with peace of mind across their undertakings. “Our portal is yours to use, and your feedback matters. In fact, we have introduced a simple tool where you can notify us of incorrect information so action can then be taken,” says MBR CEO and Registrar Dr Geraldine Spiteri Lucas, adding that amendments were presented and published following suggestions put forwarded to the MBR by directors.

Chamber President Marisa Xuereb explains, “Compliance and good governance are a priority, and should not be regarded as a legal imposition but as a behavioral obligation arising out of ethical responsibility.” President Xuereb continued by identifying five guiding points that businesses should adhere to when it comes to compliance requirements:

1. Understand what is required, when and why
2. Identify supporting corporate service providers with caution
3. Keep abreast of regulatory changes
4. Provide regular feedback to Chamber consultations
5. Appreciate that the country is on a steep learning curve towards good governance.

Dr Marthese Portelli, CEO at the Chamber, remarked, “The Malta Chamber is all for better regulation and full compliance – that is, without excessive bureaucracy and without disproportionate administrative burdens and costs.”

Hon Silvio Schembri, Minister for the Economy and Industry stated, “The MBR is an important and on-going guide for stakeholders.” He described the event as an opportunity for discussion, giving both the Chamber and the MBR the opportunity to better understand the changes and their requirements. He stressed the importance of ensuring that the information provided is correct and timely, and of understanding the obligations of all parties involved to further augment collaboration.

This event will not be the last. As a Registry, we look forward to building strong bridges with the business community and creating opportunities to enhance communication.



Company Law Framework to be Further Digitised

BY DR. DAMIAN PAUL CASSAR, LEGAL AND ENFORCEMENT UNIT

October 2021 saw various amendments introduced to the Maltese company law framework.

This primarily resulted from the transposition of Directive (EU) 2019/1151, which is referred to as the ‘digital tools and processes in company law Directive’ (‘the Directive’). The role of the Directive is to dictate when new methods and procedures require additional measures to enhance the reliability, security and trustworthiness of any online procedures conducted.

The Directive has been designed to harmonise fundamental requirements across the EU’s single market, by providing the necessary means for citizens to form an online company, or register an online company branch, in the EU. By resorting to online processes in company law, a citizen can submit the necessary documentation electronically without having to physically visit the respective Registry or Authority in the Member State (MS) where the company or its branch is being incorporated. (Certain exceptions do apply.)

Beyond that, and in accordance with the spirit of the Directive, Act LX of 2021, together with Legal Notices 422 and 423 of 2021, was also introduced. Act LX introduces this requirement for newly appointed directors as well as current ones, both at incorporation level and in existing companies. The new provisions in Article 139(1) and (5) of the Companies Act specify that an appointed director is to give consent for such an appointment and to declare if they are aware of circumstances that could lead to their disqualification from being appointed or holding such an office in any MS. Disqualification information is then made available to the requesting registries across MS, so they can screen and decide whether the respective individual is suitable to hold the office of director in the state where the company is being incorporated or has its registered office. This information is solely exchanged via the Business Registers’ interconnection system, under the responsibility of the EU’s e-Justice portal.

Additionally, amendments under Article 142(6) of the Companies Act now dictate that the Registrar must consider any disqualification or relative information in another MS for any person applying to be a director. In such instances, the Registrar may decide not to accept the director’s appointment if they have been disqualified in another MS. This proves the importance of interconnectedness between MS Registers, and underlines how crucial it is for enhanced and real-time communication.

Finally, the digital processes that are being enhanced from a local perspective include the facility to file documents electronically for the various company law processes – from incorporation stage, across the company’s entire lifetime on the Register. The Malta Business Registry accepts electronically submitted documents if they are signed using qualified electronic signatures. These signatures enable submissions to be reliably authenticated and confirmed in accordance with EU regulations, and gives them the equivalent legal effect of a handwritten signature. Legal Notices 422 and 423 of 2021 provide for these changes in more detail, highlighting the provision of online information that is to be made available. Beyond that, it stipulates the online procedures in place, as well as the information held by the Registers that may be exchanged as part of the interconnected system between EU Registers.

These initiatives form part of a significant plan to digitise effectively, while guaranteeing better security and trustworthiness among company law procedures.



Our Employees: the Core of MBR's Mission

MBR Retains the HR Quality Mark

BY MR. GEORGE SPITERI, HEAD OF THE HUMAN RESOURCES DEVELOPMENT UNIT

The Malta Business Registry (MBR) has officially achieved the Quality Mark Reward from the President of the Foundation for Human Resources Development (FHRD) for its effective practices in the field of Human Resources.

The FHRD was set up as an autonomous, independent body in 1990 to spearhead the evolution of people management and development practices, as well as the human resources profession in Malta. The FHRD Quality Mark was since launched to recognise the professionalism, competence and contribution of the HR function in any organisation.

This achievement by the MBR was the result of a thorough assessment of our HR policies and procedures, which was undertaken by two independent evaluators nominated by the FHRD. When you consider that the MBR was only independently established in 2018, it's understandable that the process to achieve a successful conclusion of this review was no easy one! However, notwithstanding these limitations, the MBR was one of the first organisations in Malta – including among other government entities – to attain this award, and we are very proud of this result.

Going forward, we will continue to strive to acquire a healthy work-life balance and to better experience for our hard-working employees here at the MBR. This Reward strongly complements our strategy as an Employer of the Year, and sets the bar for others to follow.



Mr. George Spiteri, head of the Human Resources Development Unit was presented with the FHRD Quality Mark certificate



THE MBR'S ANNUAL CHRISTMAS MARKET IN AID OF ISTRINA





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