



Annual Report

2023

MBR | MALTA
BUSINESS
REGISTRY

Annual Report 2023

MBR | MALTA
BUSINESS
REGISTRY

THEME

Building Bridges and Safeguarding the Maltese jurisdiction



The year 2023 was marked by significant achievements since the MBR's establishment. Foremost amongst them was the MBR's commitment in continuing to digitalise its services and the hosting of the international CRF Conference which placed the MBR at the centre of the corporate registries scene.

With the theme 'Building Bridges, Sharing Experiences', the hosting of the Conference served as a pivotal point to shed light on the work the Malta Business Registry has done in safeguarding the interests of the Maltese jurisdiction; from establishing an accurate BO Register to enhancing cooperation with entities and authorities particularly in relation to the sharing of information.

Inspired by this, the theme of the Annual Report revolves around the international connections of the Maltese Islands, making it a jurisdiction of choice in attracting businesses. This is manifested through the long standing history that Valletta has garnered over time through foreign power influences and the *Gardjola* standing at the edge of the bastions protecting Malta's capital city.

Still offering its strategic position, now from a business and economic point of view, Malta rests at the ideal crossroads between North and South, East and West; the bridge between Europe and the rest of the world. Hence, Annual Report 2023 shall walk you through each unit's significant achievements that convey the MBR's internationalisation while strengthening cooperation with counter parts as well as spearheading digitalisation.



Aerial view of Valletta

OUR VISION

To be Malta's national Business Registry recognised globally as an excellent Business Registry offering quality services to the corporate and business sectors locally and internationally, in compliance with local legislation and international standards.

OUR MISSION

To provide the best possible service expeditiously and impartially to our customers, cost effectively with state-of-the-art facilities, to incorporate companies and to register and inspect company documents.

To provide stakeholders with adequate, accurate and easily accessible registers, undertaking effective enforcement and to maintain Malta's global reputation as a jurisdiction of choice.

To ensure that the legislative frameworks that govern the businesses are efficient, up-to-date with international standards, responsive, user and investor-friendly and also to have the right legislative tools for combating crime, money laundering and financing of terrorism.

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FOREWORD

The Hon. Silvio Schembri
 Minister for Economy,
 Enterprise and
 Strategic Projects



Over the past year, the Malta Business Registry has played a significant role in safeguarding the best interest of the Maltese jurisdiction while ensuring a competitive environment that encourages activity within the business community, in line with the Government's vision. This can be attested through the number of new companies registered in Malta during 2023 and the extensive number of documents issued and processed throughout the year. Such remarkable achievements reflect the MBR's employees' own commitment and above all the crucial role that the MBR plays in facilitating the means of doing business. Adding to this are the significant legislative changes were put into effect and which provided businesses with both peace of mind and opportunities, as well as in upping Malta's competitive edge.

One such notable development was the new Insolvency Act that came into effect at the beginning of the year and which encourages an entrepreneurial spirit by instilling the mindset that everyone deserves a second chance. This is primarily achieved through the introduction of a system of early warnings as means of early detection. The Act also created opportunities for practitioners to specialise in this field as it established a regulatory framework for practitioners and to which an accredited course by the MBR was formulated. Another legislative change was the Mobility Directive for which, through new regulations, free movement has been encouraged, strengthening Malta's stance in mitigating money laundering and, most importantly, voicing employees' concerns and safeguarding their interests when the company is considering a cross-border mobility operation. Taking into consideration both legislative amendments, the MBR sought to create balance in empowering both the business community and practitioners.

It is essential for an entity to continuously look within itself and understand how it can improve to better serve its clients, and this is what the MBR does continuously. The restructuring of the Registry Unit, shifting services towards a more specialised approach, was a commendable move. Whilst opening new opportunities for the MBR's employees, this change provides a more personalized service towards clients' needs. Complimenting this is the MBR's bold move in embracing digitalisation. Nowadays, investing in new digital services is considered as a long-term investment and the new online platform, BAROS, has introduced new features including the online incorporation of companies, the creation of a Corporate Group Account allowing companies and corporate service providers to invite members to the group and share



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payment accounts as well as having reserved names shared between the same group when incorporating companies, the electronic filing of documents, and the use of a qualified digital signature which can be used both on the online platform and for personal use to sign documents electronically.

As pledged in this Government's Electoral Manifesto, reducing red tape is of utmost importance to continue attracting investors to our shores. As the saying goes, time is money and lessening unnecessary bureaucratic procedures is our target. It is with great satisfaction to note how the Malta Business Registry took the leading role in igniting discussion with the private sector on the Central Data Repository Solution. This project is a significant stride towards reducing bureaucracy and optimising resource utilisation in businesses. By automating manual processes, we can unleash the true potential of our workforce and further enhance Malta's economic landscape, positioning it for sustained growth and success in the years to come. This is what making a future-proof Malta is all about. Through a preliminary market consultation, 18 proposals were put forward which gave a clear picture on the types of technology the market offers. This paved the way to the drafting of the tender which shall see the initial steps in implementing this much-awaited initiative.

The MBR's significant achievements have grasped the attention of international registers which are seeing Malta as a referral point for measures that are still yet to be implemented by them. Such remarkable achievements have put the MBR as one of the most respected entities on the international stage. This was evident through the hosting of the Corporate Registers Forum Annual Conference which attracted over 200 delegates from over 45 registries. CRF Malta 2023 spearheaded discussions on subjects that currently dominate the registers spectrum, from anti-money laundering, EU initiatives to digitalisation. Having Malta at the centre of such a prestigious conference showcases the respect our jurisdiction enjoys on the

international level. A further honour for Malta is the role occupied by MBR CEO & Registrar Dr Geraldine Spiteri Lucas as executive CRF committee member and representative of the European Region. This further strengthens our own voice internationally.

Evidently, 2023 was a hectic year of achievements for the Malta Business Registry, seeing the materialisation of the MBR's vision in taking the significant leap forward in digitalisation and in placing itself firmly on the international top-tier. As a government, together with the MBR, we retain our commitment in sustaining a positive, safe and dynamic ecosystem for the business community, as well as strengthening and developing the skills of the MBR's employees. ■

The Corporate Registers Forum
 Annual Conference attracted over

200
 delegates
 FROM OVER 45 REGISTRIES

The Hon. Silvio Schembri
 Minister for Economy, Enterprise and Strategic Projects

FOREWORD

Dr Geraldine Spiteri Lucas

Chief Executive Officer
and Registrar –
Malta Business Registry



A project that is very close to my heart and which started its inception during this year, is that of solidifying the MBR's stance and vision on digitalization.

2023

was a significant year for the Malta Business Registry as it blossomed its past foundations while setting new ones. It was definitely a rollercoaster ride, from putting the MBR amongst top tiers, to bolstering our strategy in terms of internationalisation, to sustaining our work in safeguarding the interests of the Maltese jurisdiction while maintaining its competitive edge.

The transposition of the Mobility Directive was a game-changer since this generated more activity within the business community. Through a national legislative initiative, the legal framework of crossborder mobility, will, through the foregoing proposed regulations, equally apply to those limited liability companies which are formed in accordance with the law of other recognised jurisdictions outside of the European Union.

Adding to this was the implementation of the new legislative framework of the Pre-Insolvency Act which opened an array of opportunities to both businesses and practitioners. First and foremost, the Pre-Insolvency Act seeks to help a failing business to get back on its feet through a system of preventive restructuring plans and early warning mechanisms.

Given such significant changes, as an MBR we wanted to ensure to provide Company Service Providers (CSPs) the knowledge tools that enhance their service. Hence, for the first time, throughout the year we organised several educational and accredited training seminars with the participation of our own employees and guest speakers from the industry. With great satisfaction we can say that this initiative was hugely welcomed and we aim to improve it by the constant gathering of feedback from participants. However, communication is a two-way street. The Registry Unit underwent a significant restructuring which enhanced our ability to offer a more efficient and a homogenous service with a more specialist structure. Three clusters were introduced, one focusing on the incorporation of companies, dissolutions and shipping companies, another focusing on ongoing and another on Ultimate Beneficiary Owners and other transactions. This has proved beneficial in encouraging attentive service to clients.

A project that is very close to my heart and which started its inception during this year, is that of solidifying the MBR's stance and vision on digitalisation. The bolstering of the existing digital services led to the launch of our new online platform BAROS, the Business Automation Registry Online System, which offers various features from becoming an authorised user to be able to file online, to applying

for a digital signature which can be used both on the online platform and for personal use, and to be able to file electronically. The online platform came about after a series of testing which involved the private sector and CSPs that had the chance to provide their own feedback to which we adhered. Moreover, during this year the preliminary market consultation on a central data repository solution was carried out, for which 18 proposals were received. As per governmental pledge, this measure is to streamline the process of identifying applicants engaged in business activities in Malta, particularly during Know Your Customer (KYC) checks. By promoting the "once only" principle, standardisation, risk mitigation, and compliance, the repository will eliminate duplicative efforts, leading to significant time and cost efficiencies for both businesses and government agencies.

Over and above this, 2023 was crucial for the concrete internationalisation of the Malta Business Registry with the prestigious hosting

of the Corporate Registers Forum 20th General Conference. During this four-day conference, Malta, for the first time, welcomed over 45 registers and 200 delegates from across the globe. With the theme 'Building Bridges, Sharing Experiences', the discussions during this conference focused on anti-money laundering, transparency, digitalisation, EU initiative and sector-specific companies amongst others. This served as an opportunity to discuss challenges the sector is encountering and most importantly to identify means of collaboration. Above all, it showcased the respect Malta enjoys becoming a main referral point for countries still yet to implement significant changes to abide with regulations. Such success resulted in my appointment as an Executive Member of the Corporate Registers Forum entrusted with the Regional Seat representing Europe, a trust which I shall convert in voicing both Malta's and Europe's own challenges in this sector.

Lastly and not the least, I am deeply humbled to have received the most inspiring young leader award during the *Premju Haddiem tas-Sena*. To this, I am in debt to our hardworking employees who are the beating heart of our success.

Dr Geraldine Spiteri Lucas

Chief Executive Officer and Registrar – Malta Business Registry

FOREWORD

Annalise Zammit
*Chief Operations Officer
 and Deputy Registrar
 – Malta Business Registry*



On July 1, 2023, it was an honour and I accepted with great responsibility to be appointed as the Deputy Registrar with duties of Chief Operations Officer of the Malta Business Registry (MBR).

Building on the success of previous years, 2023 was a challenging and remarkable year for the MBR. The MBR hosted the truly remarkable conference being the Corporate Registers Forum, the first time ever that Malta hosted all business registry leaders. The journey leading up to this moment was marked by tireless efforts and meticulous planning; from coordinating transportation logistics, to ensuring seamless information dissemination among our esteemed delegates, to meticulously crafting events that left an indelible mark on our memories; every step was taken to make the CRF conference an unparalleled experience. The MBR hosted 200 distinguished delegates from over 45 different countries, and the diversity of perspectives, the richness of cultures, and the collective wisdom of everyone were a testament to the power of collaboration and dialogue.

Reputation, Simplification and Digitalisation are three words that the MBR succeeded in fulfilling in 2023. The main aim of digitalisation is to continue safeguarding the Maltese jurisdiction and reduce bureaucracy by introducing more digital methods. The works on the new online system, BAROS, ensured a user-friendly system whilst re-engineering the processes to be more efficient and effective. This would not have been made possible without the commitment and hard work of our employees. The MBR organised two informative sessions to Corporate Service Providers and the general public on the new online system BAROS, with over 500 attendees varying from business representatives. Effectively, this highlighted the importance to stand shoulder to shoulder with the industry by providing knowledge and tools, amid changes aimed at bettering their day-to-day work. Such remarkable response clearly demonstrated how

**Reputation,
 Simplification and
 Digitalisation are
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 fulfilling in 2023.**

the MBR's work is impactful and being felt by different segments of the industry. In addition, a constant channel of communication ensured a seamless transition to the new online system. Most importantly, monitoring works were carried out to ensure that no disruptions were to affect the industry, whilst continuing to provide data of quality.

During the first few weeks, our ICT team received more than 1000 authorised users, of which 210 were corporate accounts, and over 500 applications for the digital signature. This paved further discussions with

stakeholders on the introduction of APIs which will increase efficiency and boost customer experience. API integration will be further explored in the coming year.

In 2023, the MBR also successfully concluded its preliminary market consultation for the development of a Central Data Repository Solution, receiving an impressive total of eighteen proposals. The primary objective of the Central Data Repository is to streamline the process of identifying applicants engaged in business activities in Malta, particularly during Know Your Customer (KYC) checks. By promoting the once-only principle, standardisation, risk mitigation, and compliance, the repository will eliminate duplicative efforts, leading to significant time and cost efficiencies for both businesses and government agencies.

To continue facilitating the client's experience and improving our service, a new deposit box was installed on the MBR's premises, is intended to accept documents during extended hours from the MBR'S opening hours.

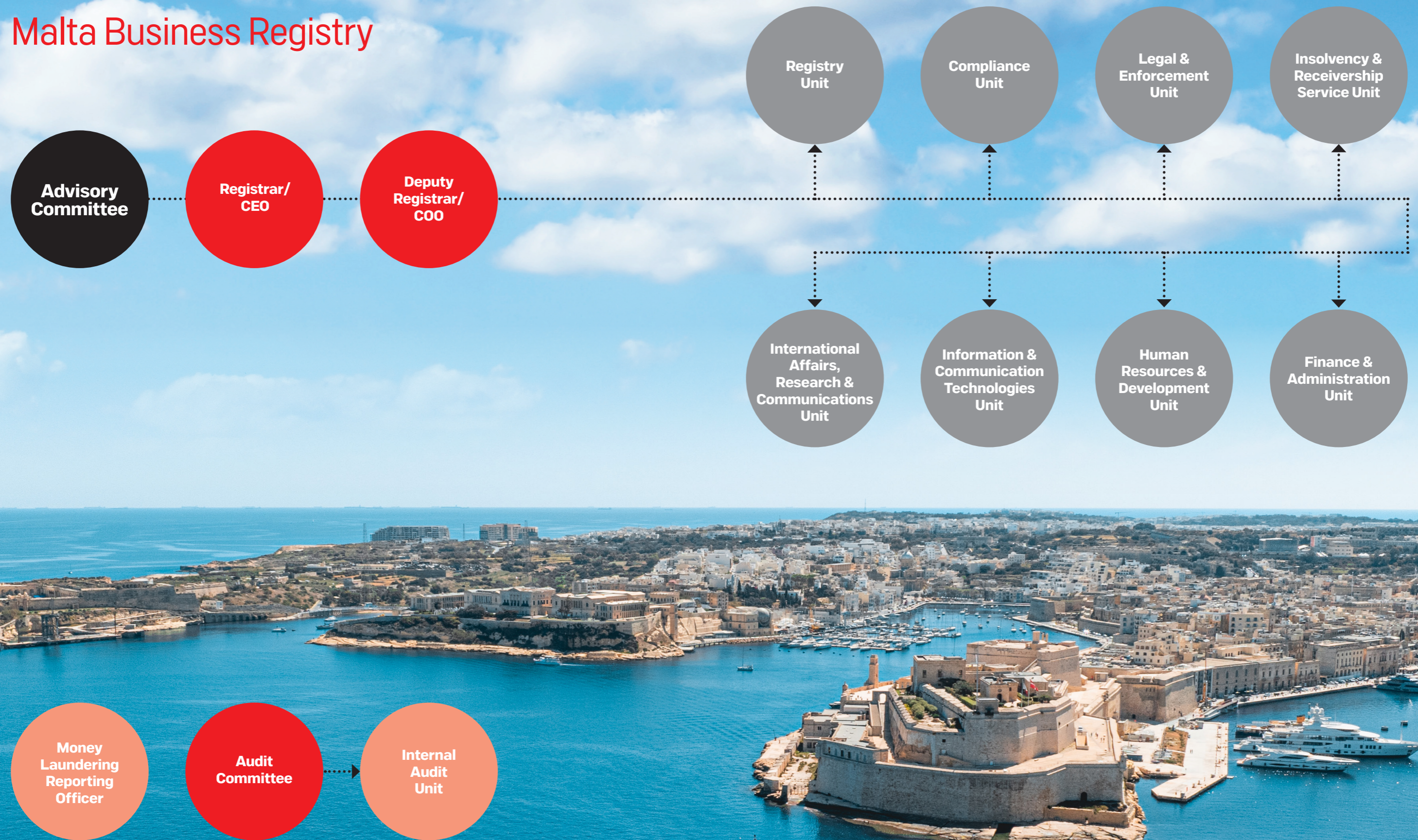
My vision is to continue working hard side by side with the Registrar and all our employees to ensure the best possible service expeditiously and impartially to our customers, to provide stakeholders with adequate, accurate and easily accessible registers, to undertake effective enforcement, to maintain Malta's global reputation as a jurisdiction of choice and to have the right legislative tools for combating crime, money laundering and financing of terrorism.

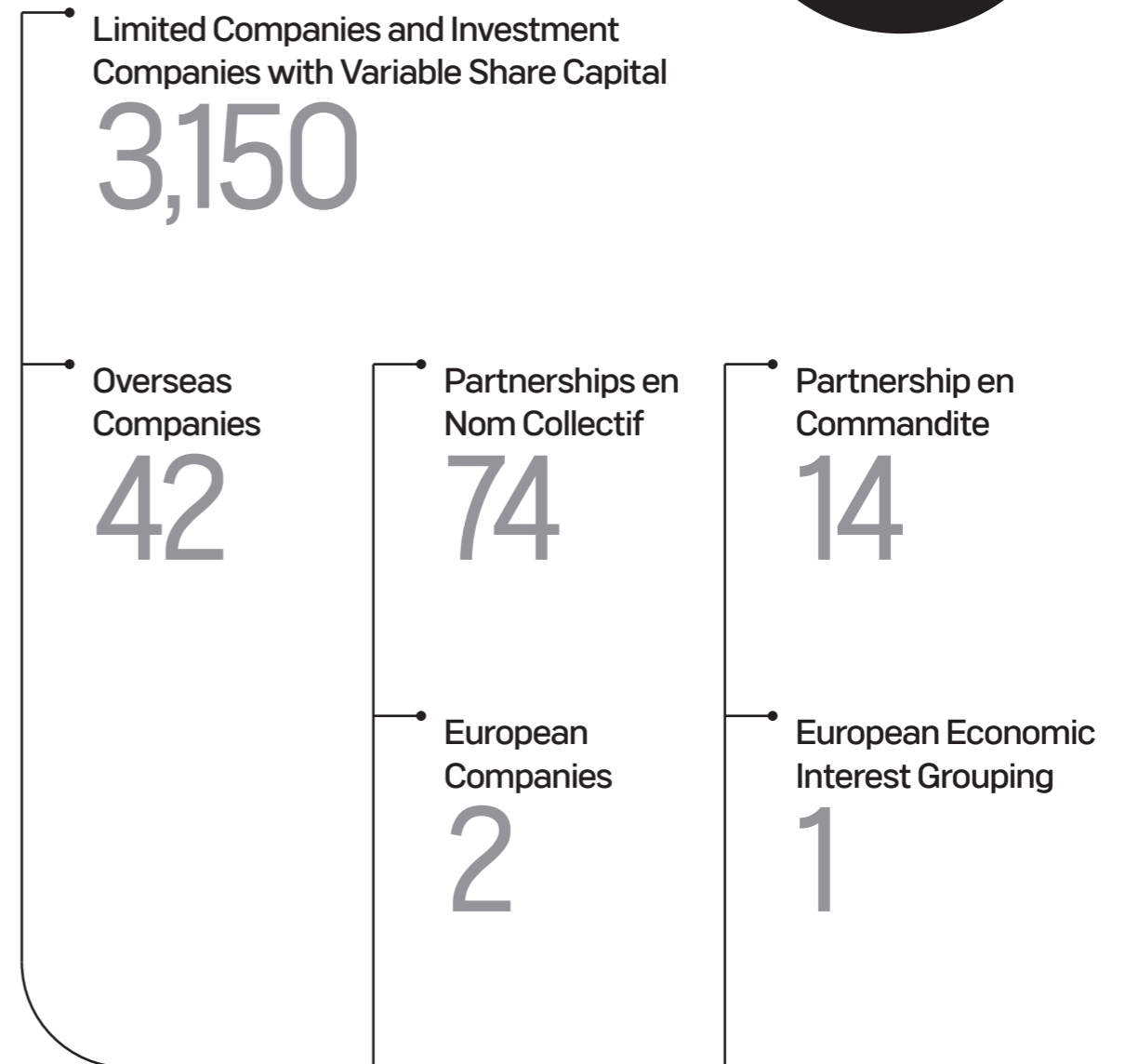
By continuing to improve ease-of-doing-business whilst ensuring good governance practices, the MBR retains its commitment in strengthening the Maltese jurisdiction. We know that the heart of success is a strong team with shared goals; we set goals as a team and push forward the drive and passion of each employee which propels us to achieve these goals. Goals through which we ensure to stay ahead of the curve and raise the bar in an ever-changing scenario. Moreover, the MBR's vision is to continue pursuing digitalisation to reduce paper submission and go completely digital.

Annalise Zammit

Chief Operations Officer and Deputy Registrar – Malta Business Registry

Organisational Structure of the Malta Business Registry





Total Annual Registrations
3,283

Companies placed in voluntary liquidation

1,521

Re-domiciliation of companies

91 INSIDE 46
OUTSIDE 45

Rejection of proposed legal entities

243 Proposed New Companies rejected by the Registry Unit

658 Proposed New Companies rejected by the Compliance Unit

Foundations & Associations Unit

KYC Searches

X (Unregistered Association)	1422
LPA (Registered Association)	68
LPF (Purpose Foundation)	199
PFLP (Private Foundation)	7

Total 1696

Issuance of Notes of Cancellation

Unregistered Associations	27
Registered Organisations	24

Total 51

Rejection of proposed legal entities

23 Proposed New Companies rejected by the Foundations & Associations Unit

Foundations & Associations

11 Registered Private Foundations (PFLP)

24 Registered Public Foundations (LPF)

8 Registered Associations (LPA)

Documents registered

215,916

Certificates	Certified true copies of registered documents	Name Reservations
14,100	9,070	8,698



Publications

Striking Off of Companies		Dissolution of Companies	
4,766		1,230	
Local Mergers	Continuation outside Malta	Dissolutions of Partnerships	Reduction in Issued Share Capital
111	45	34	110
Conversions	Cross-border Mergers	Cessation of Partnerships	Divisions
20	20	19	2

Compliance Unit

Notifications reviewed	Projected inspections	Onsite inspections to verify the BO
21,928	1,700	1,661



Screening of Involvements

Beneficial owners of existing companies	Directors of existing companies	
36,754	32,737	
Beneficial owners of proposed new companies	Founders of other legal organisations	Directors of proposed new companies
14,349	55	12,860
Administrators and other local representatives of other legal organisations	Individuals of companies struck off with the defunct procedure	
416	5,643	

Companies struck off following Defunct Procedure

2,658



Insolvency and Receivership Service Unit

Companies undergoing winding up proceedings

97

Companies undergoing court cases

60

Objections to the Defunct Procedure

267

(including regularisation)

Companies that filed outstanding documents within the deadline

75



Valletta City Gate, with the Tritons' Fountain in the foreground

Registry Unit

Upper Barrakka Gardens

Incorporations, Dissolutions and Shipping Team

During the years, the Registry of Companies has gone through various changes and challenges. The challenges faced in our daily duties are always plentiful and to ensure that our clients receive the best efficient service a restructuring was conducted within the Registry. Such restructuring aimed to bring along harmonization and increase expertise within the Unit. Achieving specialized roles has been determining factor behind the restructuring process which took place in January 2023.

The responsibilities of the Registrar include amongst other things the registration of commercial partnerships. One of the MBR's commitments is to ensure that companies are registered in the least time possible. The new Incorporations, Dissolutions and Shipping Team was entrusted with the registration of all types of commercial partnerships.

Things develop and change quickly and during the years the Registry was faced with many challenges. From the changes to the Companies Act and other subsidiary legislation, to the way documents are filed for registration. From incorporation documents signed in wet ink to those signed digitally. Cultural change is always a challenge and the last quarter of the year brought along a technological innovation with the Registry – the introduction of the new online system. As from November 2023, all types of company incorporations can be filed online through our web portal. This team worked hard to facilitate a smooth transition and to ensure that new company registrations are done in the least time possible and at the same time conduct all the necessary internal verifications regarding the documents and the data provided.

Every company/commercial partnership has a lifetime, and the team is also responsible for dissolution and winding up of companies/commercial partnership. The fact that there is a team that deals with such notifications, ensured that dissolution documents filed for registration are registered with minimal delay. This guarantees that MBR's data is accurate and up to date and third parties doing business can rely on our data. This Unit is also in charge of the establishment and maintenance of place of business in Malta and branches.

The shipping industry is an important sector for Malta's economy. This team is also assigned with the registration of documents relating to shipping companies. As a Registry are aware of the fact, that shipping transactions need urgent attention, and to make it easy for them to register their information with the MBR, shipping companies can now file documents online. This facility helps in ensuring that documents are registered, and certificates issued within a very limited time, thus achieving customer satisfaction. Furthermore, having this specialised team in place is ensuring that we provide an excellent service to clients.

Ongoing Team

The Ongoing Team is tasked with the ongoing supervision of active companies registered under the Companies Act 1995. Every Desk Officer within the Ongoing Team is allocated a range of Companies and entrusted with the vetting of documentation to ensure that all the changes are in accordance with the Law. The team also handles the processing of data in relation to any changes in the Beneficial Owners Registers. Once a document is reviewed, it is passed on for registration and is available to the public for viewing and downloading. Any defaults which may apply are also identified and claimed in terms of Law. It is fundamental for the Ongoing Team to ensure that the data provided in our Registers is accurate so that the end users are confident with the data that is published since this is then used for a wide range of activities.

Due to the nature of its work, the Ongoing Team has been assigned two Senior Desk Officers with specific duties; one targets technical matters and training, whilst the other has a more focused role in relation to the handling of documents and statistical aspects. Despite it being time consuming, the collection of statistical data has been a key tool to evaluate performance within the Team, both on a qualitative and quantitative aspect, the analysis of incoming documents, documents which were sent back for necessary amendments and data which aids in knowing how the Team's work and efforts are doing. This data led to the enhancement of the processes or, at times, to change direction completely. One of the main aims of the Team was to create a more homogenous approach with regards to the vetting of documents. More specifically, an email for Group Filings was introduced to handle multiple submissions of a particular change occurring in more than one company. Such development was to ensure that a consistent approach is applied during vetting.

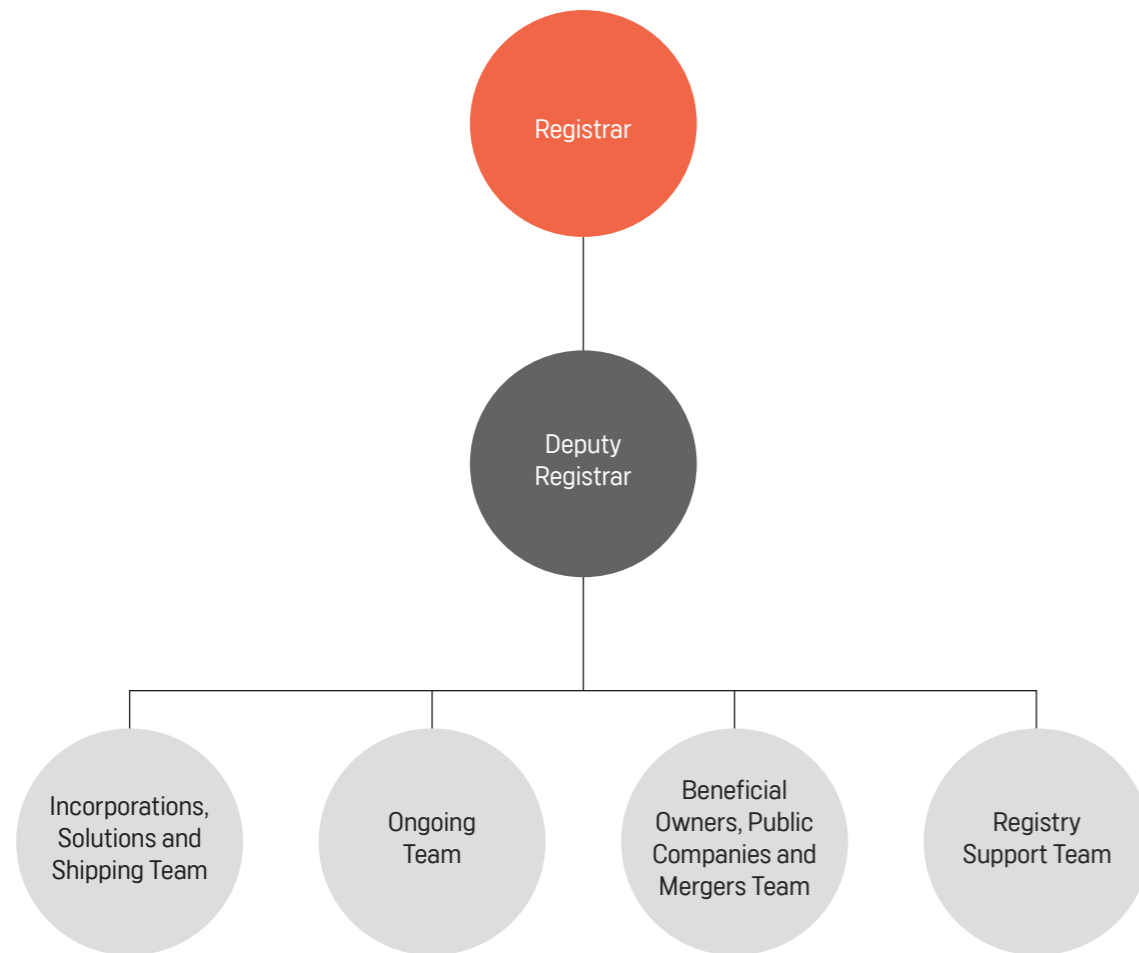
Apart for the senior members of the Team and the Desk Officers, the Junior Desk Officers together with the Administrative Officers are essential within the team. These members are entrusted with the vetting of specific documents apart from the processing of the annual statutory submissions (Annual Returns, Annual Accounts and Annual BO Confirmations); such submissions are substantial on a daily basis. The sorting process of all daily submissions is crucial, and in this aspect a structured system has been designed so that each and every document is appropriately sorted.

The restructuring process involved several transitional stages in the first few months of 2023, from the re-organisation of internal processes being now divided into three different teams each with its own portfolio of duties, to different changes even within the specific teams with regards to staff members. Training has been important throughout the year even with regards to new members who joined the Team during the past year. Following multiple discussions there was further investment in training methods to create a more structured approach to training; this was acquired by compiling a set of work procedures before any training was provided to any member of the Team. This remains an ongoing process to reach the aim to build guidance material which is constantly being updated and then provided to the members within the Team.

Another challenging aspect for the Team was the testing phase of the new portal which was officially launched in November 2023. This pivotal change within the Registry brought about more changes. During the months leading up to the launch of the new portal, various staff members were involved in the testing phases of the system. Prior to, as well as once launched, the team engaged in several discussions to adapt to the new changes and to identify any improvements which were required. The weeks following the launch posed their own challenges until the team adjusted and adapted to an entirely new portal.

The aims for the Ongoing Team for the year 2024 are to keep enhancing the features of the online portal and to start the transition towards paperless submissions. Furthermore, the Team will keep strengthening the existing processes for documents to be vetted in a more timely manner. Internal training will continue whilst also investing in specialised training for staff members.

Following multiple discussions there was further investment in training methods to create a more structured approach to training; this was acquired by compiling a set of work procedures before any training was provided to any member of the team.



BOs, Public Companies, SICAVs and Other Transactions

Another team is the BOs, Public Companies, SICAVs and Other Transactions Team which is currently composed of seven employees.

This Team is accountable for registering all cross-border transactions under the Mobility Directive, all local mergers & divisions, conversions of currency, submissions of Public Companies together with SICAVs, commercial partnerships (*En Nom Collectif* and *En Commandite*), EEIGs & SEs and providing guidance on Beneficial Ownership (BO) Information.

Malta was amongst the first EU countries which transposed the Mobility Directive. On the 31st January 2023, three separate subsidiary legislations were enacted into Maltese law incorporating Cross-Border Divisions (S.L. 386.26), Cross-Border Conversions (S.L. 386.27) and Cross-Border Mergers (S.L. 386.28) set out in the Mobility Directive.

The Mobility Directive was aimed at further enhancing the freedom of establishment of companies by creating a harmonised legal framework applicable to all Member States in the sphere of cross-border movement of limited liability companies, particularly cross-border divisions and conversions, which up until the coming into force of Directive (EU) 2019/2121 were largely dependent on fragmented national Member States' legislation. By way of a national initiative, the legal framework of cross-border mobility will, through the foregoing regulations, equally apply to those limited liability companies which are formed in accordance with the law of other recognized jurisdictions outside the European Union.

The beginning of the year was extremely challenging for the Team, since upon inception it had to register all the cross-border mergers under the old regime, i.e. S.L. 386.12 – Cross-Border Mergers of Limited Liability Companies by the end of the month since this legislation was repealed straight away upon the coming into force of S.L. 386.28. In the meantime, the Team had to quickly adapt to the new regulations on Cross-Border Divisions that involve the formation of new companies only and Cross-Border Conversions.

The new regime of Cross-Border Conversions comprises the relocation of a company to another jurisdiction by operation of law. This is more commonly known as the re-domiciliation of companies which, under Maltese law, was already governed by the Continuation of Companies Regulations (S.L. 386.05). The old legislation framework of Continuation of Companies is still being used mainly with EU countries which have not yet transposed the Mobility Directive, EEA countries and non-EU countries. The new regime of Cross-Border Conversions is being used with those EU countries which have implemented this Directive.

Although a year has passed since the transposition of the Mobility Directive, a number of questions from various practitioners and CSPs are still being well-received, despite a seminar which was held at the MBR's premises on 17th March 2023 to strengthen their knowledge and discuss their concerns.

Up till the end of 2023, three Cross-Border Mergers were completed successfully whilst a good number of others are in their final stages of completion. No Cross-Border Conversions have yet been concluded but there are two which are towards the end of the process. No Cross-Border Division has ever been commenced.

The year 2023 was also a busy year for the conversions of currency, re-domiciliation to non-EU countries, and particularly local mergers & divisions. In the last 6 months of 2023 alone, vetting of merger documents took place on 203 instances. This is envisaged to increase in 2024 as per recent articles in local portals suggesting a bounce back to 2021 and 2022 levels.

Approximately 1000 documents were processed for Investment Companies with variable share capital (SICAVs) in 2023. This Team is required to liaise with the various units within the MBR itself and external authorities in relation to these types of companies.

Last year was a busy one for partnerships with a substantial number of people opting to form a partnership *En Nom Collectif* or a partnership *En Commandite* to regulate their businesses. Various emails and queries have been answered, enabling a better understanding of how such a commercial partnership differs from a limited liability company in terms of forms and procedure to amend its deed, as well as the obligations which ensue to the members of the partnership, once this is registered.

Whilst not numerous in terms of registered Societ  Europea (SE) and European Economic Interest Grouping (EEIG), queries were received about the documentation which should be submitted to the MBR for transfers and re-organisation within SEs and EEIGs.

In order to create harmonisation in the way that Beneficial Ownership (BO) Information is approached internally, this Unit was given the task of coordinating the guidance on this subject. In fact, various meetings were held between different MBR departments during the year to discuss ongoing matters in relation to this topic. A number of webinars were also held with foreign jurisdictions to impart knowledge on the subject with the aim of ensuring a BO Register which is as accurate and up-to-date as possible. It is interesting to note that a good number of questions were received from the CSPs to obtain assistance on various scenarios related to the BOs.

One of the greatest tests of this newly-formed Team was the building and sharing of knowledge between the team members which is essential for the daily tasks of each individual. Consequently, a good number of internal training sessions were held for all the members of the Team to enrich their knowhow in the Continuation of Companies, Conversions of Currency, ESEF Accounts and E-Signing. Other basic forms have also started to be discussed.

The Team also provides specific support to public companies, including listed companies and SICAVs licensed by the MFSA in order to ensure efficient processing of documentation.

The Registry will continue working to enhance the MBR's support mechanisms in assisting clients in their queries, offer guidance in relation to the required documentation and streamline further the internal processes to remain proactive in keeping an up to date and accurate Register through the new portal.



View of Fort St Angelo from St John Street

Registry Support Team

For the Registry Support Team, it is essential that every team member knows the day-to-day processes, the new Registry online system, adapting to different roles, working closely with the desk officers, and close encounters with the public. One key element is that of understanding the client, through cordial dialogue, patience, and self-control when options differ, to keep the client engaged in our service. As first point of reference when submitting hard documents, the Registry Support Team is the image of the MBR and therefore we believe that service excellence is essential.

The Registry Support Team encounters a lot of challenges since the front office is open for the public on a daily basis, doing its utmost to assist the client in the best possible way. The Team ensures that orders for certified copies and certificates are issued in a timely manner while all documents processed by the desk officers are uploaded on the MBR website.

Approximately 35 name reservations are processed daily, and all bank transfers received are allocated accordingly. The Support Team also handles the issuance of certificates for new company incorporations, change of name & change of status, while notices are published on the daily newspaper and the MBR website as required. Also, approximately 40 orders for Good Standings and other certificates are issued daily, together with certified copies of the Companies. 760 documents, such as new company incorporations, Notices, Financial Statements, Annual Returns and Liquidation documents are uploaded on the MBR portal on a daily basis. In addition to this, every change in a company is recorded on the publications website (<https://register.mbr.mt/app/publications>) on a daily basis and the general public can search the publications website by date.

2023 was a year full of challenges. The Registry Support Team has faced a lot of challenges, including several deadlines and adapting to the new portal while at the same time ensuring that the daily processes are done in a timely manner. Challenges always manage to bring the Team more closely to work together as a family and ensure to help each other when necessary.

Needless to say, the Registry Support Team managed to achieve positive outcomes throughout the year 2023, believing in teamwork and in continuous motivation to deliver amid high demands.

In conclusion, the Registry Unit will continue working to enhance the MBR's support mechanisms in assisting clients in their queries, offer guidance in relation to the required documentation and streamline further the internal processes to remain proactive in keeping an up to date and accurate Register through the new portal. ■

35
name
reservations
**PROCESSED
DAILY**

40
orders for good
standings and
other certificates
ISSUED DAILY

760
documents
uploaded on the
MBR portal
ON A DAILY BASIS



Compliance Unit

Throughout 2023, the Compliance Unit has been committed to being proactive in ensuring a strong foundation in relation to the reporting and verification of accurate beneficial ownership information, whilst also ensuring that all Legal Entities are compliant with the MBR. Further to this, the Compliance Unit has also achieved the goal of automating the MBR's Risk Assessment.

In order to strengthen the supervisory authorities' compliance practices and procedures and enhance risk-based supervision, the MBR has set out to create a fully automated Anti Money Laundering Risk Model Tool (the Risk Tool) in order to be better able to assess the risk of every company listed on the register in line with a risk-based approach, so as to carry out an onsite inspection accordingly.

This part of the MBR's approach to strengthen the multi-pronged approach. The scope of such tool is to generate an automated risk rating following a thorough procedure which accounts for the MBR's supervisory judgement, which is carried out on an annual basis. The development of the automated risk tool is a critical element in order to identify the major threats and vulnerabilities related to the information of beneficial ownership which also depends on the probability of occurrence and impact. Primarily, this risk assessment analyses various scenarios of how registered companies can conceal the true beneficial ownership and the risk tool applies the risk scores accordingly.

The MBR's decision to automate the risk assessment, falls in line with the ever-changing drive towards the use of a more technology-based solution. The automated risk assessment by virtue of the Risk Tool incorporates the AI aspect together with the human aspect in order to facilitate a more effective and efficient risk assessment enabling the Compliance Unit to carry out more efficient and seamless focused inspections.

Whilst implementing the automated risk tool, concurrently, the Statistics Team within the Compliance Unit, actively set out to create and maintain a Centralised Statistics Database of all statistics collated that pertain to the MBR. The Statistics Team collects all forms of reporting figures from all Units within the MBR and collates such figures into the MBR's Centralised Statistics Database which is solely maintained by the Compliance Unit. These Statistics are used for reporting purposes both internally and externally and is a strong facet of data management within the MBR.

Moreover, the Screening Team within the Compliance Unit has increased its efforts in 2023 and has carried out KYC screening on a total number of 96,700 individuals, of which 27,209 were Beneficial Owners and Directors of New Companies. The Team has also screened 69,491 of new involvements in existing companies. The purpose for the dual screening platforms is to ensure a strong and robust method of compliance monitoring of all individuals on the MBR's Register.

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27,209

KYC screening of Directors and Beneficial Owners in newly incorporated companies

69,491

KYC screening of new involvements in existing companies



Gardjola overlooking Maramxett Harbour

As part of the MBR's supervisory effectiveness, in 2023 the Compliance Unit conducted 1,661 supervisory engagements in line with regulation of the Companies Act (Register of Beneficial Owners regulations). These inspections were carried out both onsite, as well as remotely. The MBR's focus is to verify the beneficial ownership information but attention is also given to companies' compliance with their regulatory obligations such as submissions of Financial Statements, Annual Returns and Annual Beneficial Owner Confirmations.

A combination of both offsite desktop reviews combined with onsite reviews of the companies, in certain instances led to referrals of companies to the Legal & Enforcement Unit for further investigation and possible legal action. These instances encourage all companies to ensure that all statutory compliance/responsibilities are complied with.

In addition to work carried out within the Compliance Unit itself, the MBR, held key functions in relation to several national and EU initiatives, legislature, and assessments.

In 2023, the Compliance Unit, on behalf of the MBR, also assisted Malta's Tax & Customs Authority (MTCA) with the second round of Exchange of Information on Request (EOIR) reviews for Malta's assessment. This was carried out by the Organisation for Economic Co-operation and Development (OECD). This assessment pertained to the exchange of information on income taxes and delved into Malta's legal, commercial and economic circumstances in relation to the mechanism for exchange of information on request, solely for tax purposes.

The MBR also consulted on the EU's AML Legislative Package pertaining to updated amendments to the Anti-Money Laundering Regulation (AMLR) and the Sixth Anti-Money Laundering Directive (AMLD6). The Compliance Unit provided specific expertise pertaining to the clarification of beneficial ownership rules in line with the EU's aim of harmonisation in this regard.

The MBR, as a key Competent Authority in Malta, and aided by the Compliance Unit in this regard, also ensured to achieve the goals as outlined in the National AML/CFT Strategy and Action Plan 2021-2023, whilst also working in conjunction with the National Coordinating Committee on Combating Money Laundering and Funding of Terrorism (NCC) to set out the MBR's priorities for the National AML/CFT Strategy and Action Plan 2024-2027. ■

The Malta Business Registry as a Gatekeeper in Combating Money Laundering and Terrorist Financing

St John's Co-Cathedral

Money laundering and terrorist financing pose serious threats to the global financial system and the overall security of nations. Governments and regulatory bodies are constantly endeavouring to strengthen the frameworks for combating money laundering and terrorist financing (AML/CFT). In this context, the Malta Business Registry (MBR) plays a vital role as a gatekeeper in ensuring transparency, accountability, and adherence to AML/CFT measures.

The MBR is the supervisory authority in terms of Regulation 2(1) of the Prevention of Money Laundering and Funding of Terrorism Regulations (PMLFTR). This role strengthened the MBR's supervisory functions to maintain an accurate and transparent central register of basic and beneficial ownership information for all legal persons. Furthermore, it enhanced the MBR's position to collaborate closely with competent authorities, subject persons, companies, foundations, and associations in defining acceptable standards undertaken by the MBR on its policies and procedures related to regulatory functions and to continue its fight against money laundering and terrorist financing.

The MBR serves as a centralised database, holding essential information on registered entities and their beneficial owners. The MBR records ownership details such as names, dates of birth, and countries of residence, thus enabling a transparent and easily accessible source of information for authorities. It also serves as a repository of information about registered companies, including details about their ownership structure, management, and other relevant information. This information is vital in combating money laundering and terrorist financing because it enables authorities to identify the true individuals behind corporate entities and trace the flow of funds. Competent authorities can efficiently investigate and identify instances of illicit financial activities. They can cross-reference the beneficial ownership information with other sources to identify potential risks and connections to criminal networks. Furthermore, the MBR enables transparency and accountability in corporate transactions. It allows individuals and businesses to verify the identity and legitimacy of the companies they are dealing with, reducing the potential for fraudulent activities, and helping them make informed decisions based on reliable information about a company's ownership structure and financial standing.

By implementing robust regulations and procedures, the MBR plays a crucial role in creating a transparent and accountable business environment, deterring illicit financial activities, and safeguarding the integrity of the financial system.

One fundamental tool employed by the MBR is the collection and verification of beneficial ownership information during the registration process. Companies are requested to provide details such as the names, date of birth, and nationality of their beneficial owners. Verification procedures are implemented to ensure the accuracy and authenticity of this information by requesting supporting documentation, conducting background checks, or relying on external sources of information. The MBR's anti-money laundering and countering the financing of terrorism (AML/CFT) efforts require companies to disclose accurate and up-to-date information about their ultimate beneficial owners. This data allows competent authorities to maintain a close watch on potentially suspicious activities, enabling them to follow the money trail and identify possible instances of money laundering or terrorist financing. They may conduct risk assessments and implement targeted measures to identify high-risk sectors or entities that might be more prone to illicit financial activities. Therefore, competent authorities may allocate their resources effectively and focus their efforts on areas of higher risk.

The collection and verification of beneficial ownership information enhance the effectiveness of AML/CFT measures, facilitating international cooperation and information sharing. Many countries now require companies to maintain records of their beneficial owners and make them accessible to competent authorities. Sharing this information across jurisdictions helps in the detection of cross-border transactions and the identification of global networks involved in money laundering and terrorist financing. By implementing robust regulations and procedures, the MBR plays a crucial role in creating a transparent and accountable business environment, deterring illicit financial activities, and safeguarding the integrity of the financial system.

The MBR functions as a gatekeeper by promoting transparency through mandatory reporting requirements on registered entities to submit annual reports, including financial statements, which aid in monitoring suspicious activities. These reports provide comprehensive information and function as a valuable tool for investigative bodies and law enforcement agencies, enabling them to track financial irregularities and uncover potential cases of money laundering or terrorist financing. By analysing financial statements, competent authorities can identify patterns or inconsistencies that may indicate financial irregularities. Any suspicious activity can then be flagged for further investigation. Efficient communication and sharing of information between the MBR and relevant regulatory bodies, such as the FIAU and law enforcement agencies, are vital in the fight against AML/CFT. Regular collaboration helps speed up identifying suspicious activities, conducting investigations, and taking appropriate action.

Money laundering and terrorist financing are global issues that necessitate seamless cooperation between countries. The MBR facilitates such collaboration by adhering to international best practices and standards, such as those outlined by the Financial Action Task Force (FATF). Compliance with FATF recommendations ensures consistent AML/CFT efforts internationally and enhances the exchange of information between jurisdictions. Transparent and accurate beneficial ownership information helps strengthen the integrity of the registry and facilitates effective risk assessment and investigation by regulatory and law enforcement agencies. Furthermore, adherence to international best practices enhances the credibility and reputation of a country's company registry. Countries that demonstrate a commitment to fighting money laundering and terrorist financing by aligning with FATF recommendations are often seen as more trustworthy partners and attractive destinations for business and investment.

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Customer Due Diligence (CDD) conducted by the MBR refers to the process of verifying the identity and assessing the risks associated with individuals or entities that register or are already listed in the registry. The purpose of CDD is to mitigate the risks of money laundering, terrorist financing, and other illicit activities by ensuring transparency and accountability within the registry. The MBR requires individuals or entities to provide identification documents to establish their identity, such as passports, national identity cards, or driver's licenses which are then verified to ensure that the registered entities are associated with real individuals or legitimate businesses. The MBR conducts a risk assessment of registered entities based on a range of factors. Risk assessment allows the MBR to determine the level of scrutiny and monitoring required for specific entities based on their perceived risk. The MBR also established a system for ongoing monitoring of registered entities to detect any changes in ownership, management, or suspicious activities. By conducting rigorous CDD, the MBR contributes to the prevention and detection of money laundering and terrorist financing activities. This ensures transparency and accountability within the MBR and strengthens the overall integrity of the financial system.

The MBR has systems in place to identify red flags or suspicious activities based on available data. Red flags can include unusual transactions, discrepancies in beneficial ownership information, or connections to high-risk individuals or jurisdictions. Whenever these red flags are identified, the MBR can initiate further investigation or report to the relevant authorities.

The MBR assumes the critical role of a gatekeeper through enhanced identification and verification processes, increased transparency, reporting obligations and interagency cooperation, which effectively contributes to the detection and prevention of illicit financial activities. By acting as a central repository of information, the MBR provides invaluable support to regulatory bodies and law enforcement agencies in their efforts to safeguard the financial system and national security. ■

The MBR provides invaluable support to regulatory bodies and law enforcement agencies in their efforts to safeguard the financial system and national security.



Monument to Francesco Laparelli and Girolamo Cassar

Legal and Enforcement Unit

The Unit contributed towards the betterment of the national company law framework whilst ascertaining the important role of company officers in maintaining their obligations emanating from the various provisions of the Companies Act and the subsidiary legislation thereto.

View of the Grand Harbour from the Upper Barrakka Gardens



Enforcement

1,186 Final Warnings were issued to companies and their officers after having failed to pay the penalties arising from the non-observance of filing obligations emanating from the various provisions under Maltese company law. Furthermore, 500 Judicial Letters were served.

1,186 FINAL WARNINGS ISSUED

500 JUDICIAL LETTERS SERVED

Defunct Procedure

In line with article 325 of the Companies Act, some companies had the defunct procedure initiated. There were 2,658 companies struck-off the register after no cause was previously shown to the contrary and 267 companies which had their defunct procedure halted following objections or other sufficient grounds under the law which satisfied the Registrar not to proceed with the striking off.

2,658 COMPANIES STRUCK-OFF REGISTER

267 COMPANIES DEFUNCT PROCEDURE HALTED

Litigation

The Registrar was summoned to testify before the court for a total of 639 sittings across an array of cases, to confirm or provide information accordingly. During the year, the Registrar was notified of 56 new court cases filed against the same Registrar, to which replies and notes of submissions were prepared and filed accordingly, whilst 71 cases were decided and a total of 90 cases are currently pending before the court. Four appeals are due to be appointed for their first hearing.

639 SITTINGS ACROSS AN ARRAY OF CASES



Legislation

Various developments took place during the year and consequently, the necessary preparations were made, including drafting of the necessary provisions and consultations.

Bill to amend the Companies Act

A draft Bill was finalised for it to be presented to Parliament for the necessary legislative procedure and enactment. The Bill includes the provisions necessary to transpose Directive (EU) 2021/2101 of the European Parliament and of the Council of 24 November 2021 amending Directive 2013/34/EU as regards disclosure of income tax information by certain undertakings and branches, commonly referred to as the Country-by-Country Reporting Directive. Apart from such transposing provisions, the Bill is composed of provisions that were deemed necessary to be introduced on a national initiative. These changes seek to improve the company law framework in ensuring legal certainty, follow recommendations given by the Maltese courts, improve the quality of reporting standards to the Registrar, assign new duties to the Registrar to carry out onsite inspections aimed to verify the information held by companies on their members and beneficial owners and matters incidental thereto, and to administer and maintain a central data repository.

Subsidiary Legislation Amendments

Work on various subsidiary legislation took place and a draft Legal Notice has been prepared. It includes amending provisions to the:

- Cross-border Conversions of Limited Liability Companies Regulations;
- Cross-border Divisions of Limited Liability Companies Regulations;
- Cross-border Mergers of Limited Liability Companies Regulations;
- Companies Act (System of Interconnection of Registers) Regulations;
- Companies Act (Use of Digital Tools and Processes) Regulations.

The main purpose for drafting this Legal Notice was to provide legal certainty in the scenarios whereby Maltese limited liability companies are involved in cross-border mobility operations and secondly, to ensure that adequate digitalisation provisions are in place to further enhance the digitalisation drive which the Registry has embarked on in its various processes.

This has resulted in legal provisions associated with the online exchange of information between registries themselves, as well as between registries and the public. Such exchange of information relates to the documents and data resulting from cross-border mobility transactions, including the transmission and online availability of pre-operation certificates and the draft terms of the mobility operation involved, to mention a few.

To enhance further the digitalization drive employed by the Registry, another transposing provision emanating from the Directive (EU) 2019/1151 of the European Parliament and of the Council of 20 June 2019 amending Directive (EU) 2017/1132 as regards the use of digital tools and processes in company law, was included. The Registrar is now obliged to store and make available all online documents received and registered as well as those filings received in paper-format to be converted and stored in a machine-readable format.



Repeal of Subsidiary Legislation

Another Legal Notice was drafted which aims to repeal two Regulations under the Companies Act:

- Companies Act (Applicability to Offshore Companies) Regulations; and
- Applicability of the Companies Act to Offshore Companies formed and registered under the Commercial Partnerships Ordinance and the Malta Financial Services Authority Act Order.

The scope behind such a proposal to repeal the foregoing pieces of legislation reflects primarily the fulfilment of the purpose behind the introduction of both Regulations way back in the 1990s. Prior to Malta's accession to the European Union (EU), companies could set up a registered office in Malta. This reflected Malta's company law framework at the time, being a *quasi*-mirror to its counterpart in the United Kingdom, as a British colony up until 1964.

As part of Malta's restructuring and preparation for EU membership prior the year 2004, offshore companies had to be phased out. The Regulations aimed to give opportune time for offshore companies to follow and come in line with Companies Act provisions, the latter enacted in Malta in 1995. Naturally, no offshore companies are existent in Malta, and neither can they be formed or registered locally. ■





Upper Barrakka Gardens

The Foundations and Associations Unit

2023 was a challenging yet satisfying period for the Foundations and Associations Unit. MBR officials were involved in an extensive task – transferring of the BO files of foundations and associations to the MBR's archives. They further created new files for unregistered associations and scanned the private documents of these organisations on the MBR website. It resulted that over one thousand new files were created and transferred to the MBR's archives.

The MBR officials were further responsible for reviewing forms, documents, BO Forms, registering new foundations and associations as legal persons, keying in details of beneficial owners on the MBR website followed by uploading the documents or forms on the MBR website. Documents, forms and details of the beneficial owners of foundations and associations are available on the MBR website to competent authorities, departments and other agencies wherein an MoU is in place. The MoUs played an important part to competent authorities, departments and other agencies on mutual collaboration, cooperation and exchange of information as part of their duties and functions to verify details of the beneficial owners. In case of discrepancies, the Unit is informed accordingly.

Another task carried out by the officials of this Unit was the anti-money laundering KYC searches on all involved parties, totalling 1696. Such exercise is carried out before the documents and forms are uploaded on MBR website. In case of any negative findings, the MBR official reports such matter to the MLRO in a confidential manner. The involved parties are also screened against MBR's database to check whether they are involved as directors in other companies with documents due for submission.

This Unit is responsible for collecting registration fees of new organisations that are registered as legal persons and registering new organisations as legal persons. In 2023, the Unit was responsible in registering 8 new associations as legal persons, 24 new public benefit foundations, 11 new private benefit foundations and 2 new cells of private foundations.

This Unit is further responsible for imposing and collecting annual and penalty fees, and publishing warning letters relating to pending annual or penalty fees. During 2023, penalties were imposed on over 160 BO forms for late submissions. Additionally, penalties were imposed on three foundations for failure to submit the registration documents within three months from date of establishment.

Another task carried out by this Unit was issuing Notes of Cancellation for those organisations that were struck off following dissolution on a solvent basis. In 2023, the Registrar signed a total of 51 Notes of Cancellation, being 27 Notes for unregistered associations and 24 Notes for registered organisations.

Throughout 2023, the MBR officials conducted an exercise to determine whether organisations are in good standing. They further informed the administrators about the shortcomings and to comply and place the organisation in good standing in order to avoid the organisation from being struck off as defunct. It resulted that 13 organisations were struck off as defunct.

The MBR officials were further responsible for issuing on request certificates of good standing, certificates of incumbency, certificates confirming the legal representation and notes of beneficial owner confirmation.

Compilation of statistics on registered Forms is another task carried out by this Unit. Statistics were forwarded to various authorities, including the FATF.

Throughout the year, the Unit held several meetings with the Commissioner for Voluntary Organisations to discuss how to simplify the collection of documentation. It is now possible for administrators of non-profit organisations (NPOs) to submit all documentation and forms to the office of voluntary organisations (VO office). Now, the VO office is acting as a one-stop-shop for new NPOs. An MOU was signed in this regard.

The senior official was further involved in delivering a total of 6 informative sessions or webinars. One of the informative sessions, in collaboration with the Notarial Council, was held at the Link Hall within the MBR premises to the notaries who assist founders to establish foundations. The Unit was further invited to deliver webinars on the obligations of the administrators of foundations and associations by other educational institutions. Additionally, an informative session was specifically delivered to the administrators of non-profit associations that are not registered as legal persons.

Last but not least, the MBR officials of the Unit continued on assisting administrators and committee members in filling in the BO forms and replying to their queries, bearing in mind that most of them carry out the work on a voluntary basis and during their spare time. ■

1696 KYC searches on all involved parties

Insolvency and Receivership Service Unit

The insolvency framework in the aftermath of revolutionary change.

An efficient and effective insolvency regime is of prime importance to an economically successful country, and, in an increasingly global world, it had long been felt that the insolvency framework should not only be a clean-up exercise of entities which are no longer able to pay their debts. It should crucially be focused on identifying and addressing problems as soon as they start to emerge. This has partially been achieved by the radical legal overhaul brought about by the recent enactment of the Pre-Insolvency Act, the Insolvency Practitioners Act and the amendments to the Commercial Code.

The Insolvency and Receivership Service, headed by the Official Receiver, has now been placed at the forefront to ensure that the tools contained in these legislative acts, and the changes envisaged by European Union Directive 2019/1023, are effectively and efficiently used to the benefit of local enterprises and the Maltese economy as a whole.

As the competent authority in terms of law, the Insolvency and Receivership Service has worked tirelessly in this regard and has launched a comprehensive training course for those interested in carrying out the role of insolvency practitioner in Malta. The course is aimed at giving insolvency practitioners practical advice and guidance on a widespread spectrum of topics that one encounters when dealing with companies facing the possibility of restructuring and dissolution. The Official Receiver, together with a number of experts in various related fields, will be delivering this training course, which consists of ten sessions and a formal assessment of the participants' progress at the end of the course. This will eventually lead to Malta having a strong and specialized team of professionals who, with the assistance of the Insolvency and Receivership Service, will be able to guide local entities facing distress and the likelihood of insolvency through these most challenging times. In this regard, the Insolvency and Receivership Service has therefore been given the pivotal role of ensuring a transparent process for the appointment and removal of insolvency practitioners, as well as creating a public register so as to make all related information in this field available to the public, whilst always keeping the authorities concerned well-informed and up to date.

The Insolvency and Receivership Service is also working on a platform of early warning tools focused on the prevention of insolvency. These are aimed at helping businesses identify the early signs of distress as soon as risk emerges, at a stage when the business is still viable and the possibility of insolvency is still somewhat remote. In this regard, we aim to provide the tools for a company to be able to make a self-assessment of its position, in order to ascertain the viability of continuing to trade. Such a tool will hopefully assist enterprises in detecting very early on that the business is likely to face distress, and to realise that immediate action should be taken to address the situation before it is too late.

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Aerial view of the Saluting Battery

The Role of the Official Receiver

The duties of the Official Receiver as outlined in the Companies Act relating to insolvency and the winding up of companies following dissolution by the Court remain the core competence of the Official Receiver, as head of the Insolvency and Receivership Service. These are augmented from time to time by supplementary duties imposed by the courts and the Insolvency and Receivership Service strives to provide a high level of service to all affected parties, creditors and the debtor company itself, as well as its officers and shareholders.

This Office is constantly striving to curb abuse, providing entrepreneurs with much needed protection. In view of this, the role of the Official Receiver frequently involves the need to take legal action against company officials whose actions were detrimental to creditors and third parties, in a bid to obtain just remedy for the affected parties and to be a deterrent for malpractice in the industry.

Throughout 2023, the Official Receiver dealt with 97 companies on an ongoing basis, which companies were undergoing winding up proceedings. The Official Receiver was also involved in approximately 60 other related court cases. The number of companies assigned by the court to the Official Receiver has seen an exponential increase when compared to the previous year, which bears witness to the dire situation faced by many companies in a post-pandemic economy. Whilst this has drastically increased the workload of the Official Receiver, the Insolvency and Receivership Service relentlessly strives to provide an efficient service of the highest standard to all companies entrusted in its hands by the courts.

Policy development

The Insolvency and Receivership Service also plays an active role in the development of Maltese insolvency policy, and the Official Receiver actively participates in European legislative proposals and initiatives in this regard. The Official Receiver is directly involved in European Union working groups in the field of insolvency which are at the forefront of change and is currently spearheading discussions, together with representatives from the other EU Member States, in relation to a proposed new Directive on the harmonisation of insolvency regimes across the European Union. The Official Receiver also participates in international meetings, largely due to her membership in the International Association of Insolvency Regulators (IAIR) and participation in the United Nations Commission on International Trade Law (UNCITRAL) Working Group V, which focuses on insolvency law. ■

Finance & Administration Unit

View of Fort St Angelo and the Three Cities

The Finance and Administration Unit is responsible for several support structures which ensure the well-functioning of the MBR. The Finance team is primarily responsible for the preparation of financial budgets and forecasts, financial planning and control, book-keeping, and payroll. The team is also responsible for the submission of monthly financial information, as required by the respective Ministry. The Finance team also liaises with the Statutory Auditors regarding the annual audit drawn up in line with International Financial Reporting Standards (IFRS).

2023 was characterised by new challenges and learning opportunities. The Corporate Registers Forum (CRF) conference held in Malta between the 16th and 20th of October 2023 was also an opportunity for finance and procurement to support the MBR through its services. The digitalisation of the requisition-to-purchase-order process ensured the timely handling of conference-related requests. Furthermore, the use of audit trail and reconciliation of accounts ensured efficiency, which contributed towards the event's success.

Throughout 2023, the Finance team processed several payments and transactions of a capital and expenditure nature. Moreover, circa €18.2 million of income was generated from the registration of new commercial partnership, foundations and associations, the registration of documents related to commercial partnership, the issuing of certified documentation, the publication of notices, and the imposition and collection of penalties and other services offered by the MBR.

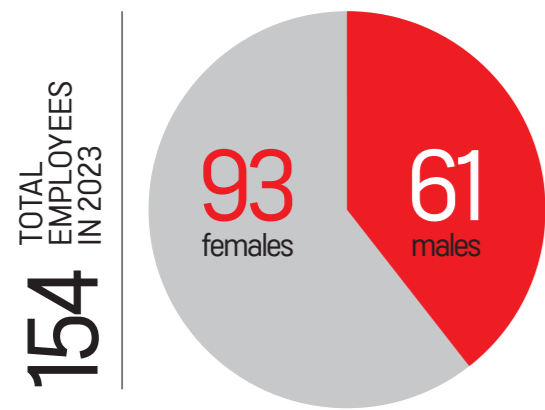
Furthermore, the Administration team is a support function for the rest of the operations within the MBR. Here, the Procurement team is tasked with procuring services ensuring best practice and compliance with the MBR's policies and standards and with Public Procurement Regulations. The team is also responsible for managing the MBR's facilities including the upkeep and the maintenance of the premises and other matters of a logistical nature.

Procurement issued a total of 412 purchase orders in 2023 in addition to the publication of tenders through the government's eTenders platform. In 2023 The software procurement management system was live, meaning that all purchase orders were issued through the new system. The system underwent fine-tuning to align its features with the policies and procedures adopted by the MBR. Nearly 100% of all purchase orders were also issued using qualified electronic signatures by the authorised MBR signatories, significantly reducing paper usage during the purchase requisition process.

Indeed, 2023 was another successful year for the MBR's Finance and Administration Unit. ■

Circa **€18.2 million** of income was generated from the registration of new commercial partnership, foundations and associations, the registration of documents related to commercial partnership, the issuing of certified documentation, the publication of notices, and the imposition and collection of penalties and other services offered by the MBR.

Human Resources & Development Unit



Employees

As at end 2022 there were 147 employees and as at end 2023, the number of employees increased to 154, being 93 females and 61 males. 11% of employees are in the Senior Management Category, 60% in management and middle-management, 28% in administrative and clerical roles and 1% of employees as non-clericals.



11% senior management

60% management & middle management

28% administrative & clerical roles

Internal Appointments

During 2023, 32 internal staff members were appointed to a higher grade as a result of various Filling of Vacancies exercises.



Training

155 different employees attended at least one training event. Total of hours of training carried out in 2023 was over 2,000 hours.

Self-Development Scheme

During 2023, there were 5 new applications under the Self-Development Scheme, whereby staff members receive financial support to further their studies in areas related with their respective roles. During the period under review, 5 employees concluded studies leading to the Executive Masters in Business Administration, Higher Diploma in Business Management, Higher Diploma in Human Resources Development & Management, Diploma in Anti-Money Laundering and Compliance, and Diploma in Accounts (ACCA). As at end of 2023, there were 15 different employees undergoing studies under the scheme. Studies varied in accordance with roles, including Law, Business Management, Anti-Money Laundering, Training and Development, VAT and Taxation.

Teleworking

During 2023, 16 staff members worked for up to 10 hours per week under the MBR Teleworking Policy.

Work From Home

During 2023, 122 employees benefitted from the Work From Home policy whereby each employee may work from home for a one day per week. In this respect, employees worked for more than 20,208 hours from home, equivalent to more than 2,256 days of work.

Reduced-Hours Working Schedule

In 2023, 21 different staff members worked on a reduced weekly working schedule either to take care of their children or to take care of elderly dependent relatives living in the same household.

Staff Handbook

During 2023, the HR Unit made proposals to the Board of Management to consider amending the MBR Staff Handbook, outlining the working conditions. During the year, the Board approved a number of amendments to the Staff Handbook to enhance working conditions, including work-family related measures.

HR Quality Mark Re-Certification

Following a thorough objective HR Audit based on data analysis, evidenced by supporting documentation and through face-to-face interviews, which was carried out at end of July 2023 by two independent assessors appointed by the Foundation for Human Resources Development (FHRD), the MBR has been re-certified with the HR Quality Mark for the next three years.

The MBR was assessed on the following critical areas:

Strategy

Overall Achieved Score:

78%

Career

Overall Achieved Score:

78%

Talent

Overall Achieved Score:

85%

Efficiency

Overall Achieved Score:

89%

Engagement

Overall Achieved Score:

79%

Relations

Overall Achieved Score:

95%

The HR Quality Mark is a national brand recognising the effective practices, professionalism, competence and contribution of the HR function in any organisation.

Move of the Salary Function

As part of the MBR's strategic decisions, the Salary Function was officially moved from the Finance and Administration Unit and integrated within the Human Resources Unit in order that staff matters be centralised within one Unit.

MCAST Freshers' Week

Between 10th and 12th October 2023, following our experience of last year during the University of Malta KSU's Fresher Week, the MBR participated for the first time during the MCAST Freshers Week, whereby HR personnel and other staff members coming from different academic backgrounds provided details on careers within the MBR and on the MBR's Internship/Apprenticeship Programme intended to students.

University of Malta Students' Internship Programme

During 2023, the MBR continued supporting students at the University undergoing Accounting, Legal and Compliance studies by engaging them on a definite basis for a number of hours per week, under its Internship Programme. Students have the opportunity to understand the real world of legal and finance by having hands-on practice on specific tasks within different sections. At the end of their course of studies, such students also have the opportunity to apply for indefinite job opportunities within the MBR.



Team-Building Events

The MBR Corporate Teambuilding event was held on the 19th May 2023, whereby all employees were divided into 14 competitive teams with each team having a mix of employees coming from different Grades and Units.

The first activity for each team was Build-A-Bus, whereby each Team was requested to construct a Maltese Bus with the material provided, namely cardboard sheets, wooden wheels, scissors, ropes and all the necessary colours and material needed to build the bus. At the end of the construction, each Team was judged on creativity, originality and firmness of the construction.

The second activity for each Team was the BIRGU iPad Challenge, merging technology with our local history – whereby Teams had to get to hotspot locations, answer all the questions and perform all the required tasks, while tracking. Teams were also requested to take creative photos and videos with the same iPad to fulfil the event’s aim of being creative and accurate.

During 2023, the MBR also continued supporting financially teambuilding events at Unit or Cluster levels. The MBR supports and promotes a healthy working environment for its staff and believes that ‘team’ is an important dynamic element in working together to achieve

success in accomplishing its organisational goals. Team leaders used this tool during 2023 to consolidate the team and in recognition of the goals achieved by the team.

Health and Safety

During the year, the HR continued with its training on health and safety matters to newly recruited staff during the induction programme. Training was also provided to the ‘Emergency Response Team’ whereby preparation and implementation of the fire drill/evacuation were carried out. On 24th February 2023, members within the Emergency Response Team worked together during a Laser Tag Game.

Performance Management

The performance of all employees is formally assessed at mid-year and at end-of-year against targets (KPIs) set to each employee at the beginning of the calendar year or once an employee is recruited or promoted to a higher role. These assessments complement an informal appraisal process that is undertaken throughout the year in respect of each and every member of staff. The performance management process features a mechanism for rewarding employees through an annual bonus and salary review based on merit. ■



The MBR supports and promotes a healthy working environment for its staff and believes that team is an important dynamic element in working together to achieve success in accomplishing its organisational goals.



Piazza Teatru Rjal



The Three Cities

International Affairs, Research and Communications Unit

As we reflect on the milestones throughout the 2023 Annual Report, as a unit we are delighted to share the key achievements that springboarded the MBR to where it is today, that is amongst its top-tier peers both locally and internationally. Moreover, our team demonstrated agility, creativity and most importantly professionalism when dealing with MBR's clientele as well as registries across the globe.

2023 was definitely a sensory overload, from building bridges with international counterparts to bolstering knowledge and tools to the business community, this to ensure a quick adaptation in ever-changing scenarios.

It is with great pride to note that this unit played a pivotal role in ensuring constant communication with stakeholders and the industry across the board and all channels particularly throughout the transition to the current online platform.

Sharing of information and providing knowledge tools

Our mission is clear, that of ensuring that the industry as whole is well-informed with upcoming changes and most importantly has knowledgeable tools in its day-to-day work operations.

In view of this 7 training seminars and information sessions were organised by the MBR focusing on :-

- Incorporation of Companies CPE accredited training seminar
- Information session for voluntary organisations
- Mobility Directive CPE accredited training seminar
- Information session on the interaction between the MBR and Notaries
- A Theoretical and Practical Insights on Legal Persons
- Information session on MBR's new online platform
- SME Week event together with the Malta Chamber of Commerce, Enterprise and Industry entitled 'Ease of Doing Business.'

It is with great pleasure to note that over 2000 attendees attended these seminars throughout the year. Moreover, 4 quarterly newsletters were issued during the year giving a thorough review of recent updates and upcoming events. Given the changes introduced during this year 11 exclusive newsletters were issued to our subscribers to ensure that our own community is kept well-informed.

Servicing MBR Clientele

The Reception Team plays a crucial part in various contexts within the communication infrastructure particularly to ensure a smooth flow of information whilst enabling an effective interaction. Essentially, the Reception is continuously updated in relation to the developments that occur internally as well as changes that effect the industry. Thus necessary training was given to ensure that clients are well-served. During 2023 over 15,000 calls were serviced by the Reception, meaning 280 calls a week.

Research

Continuous research provided a solid foundation for understanding the target audience as well as to stay ahead of the curve in relation to following international developments particularly initiatives taken by registries, entities and authorities that could better clients experience or otherwise effect MBR's operations.



Internationalisation

Malta, through the MBR, proudly hosted the 20th edition of the Corporate Registers Forum Annual Conference, the association of international corporate registries with over 50 registry members which serves as a platform to discuss best practices and new ideas within the registry sphere.

Such conference attracted 200 delegates coming from over 45 registries across the globe and other high level organizations and entities varying from World Bank, the European Commission, Moneyval and OECD amongst others. This was the first time for Malta to welcome registries across the globe and this came after a rigorous and competitive process to which Malta was chosen as a host, a decision which reflects the respect Malta enjoys on an international sphere.

With the theme 'Building Bridges, Sharing Experiences', the conference delved into subjects varying from :-

- Anti-Money Laundering and Counter Financing of Terrorism
- Digitalisation
- Registries Transparency
- EU Initiatives
- Sector-Specific Companies
- The Register of Beneficial Owners

The four-day conference also served as an opportunity for these governmental organisations to identify means of collaboration with the private sector which could prove beneficial for the betterment of registries' services. Most importantly, this conference shed light on the work done by the Malta Business Registry in introducing significant legislative initiatives that added significant supervisory responsibilities to the entity to ensure an up-to-date and high quality registry information which serves as a backbone for competent authorities to pursue with their day-to-day operations. At the end of the conference, Malta passed the baton to Qatar as next CRF conference host country.

Moreover, the MBR ensured to be present in conferences that serve as great exposure for Malta as a jurisdiction of choice, including the London City Week and Malta: A Global Financial Services Platform also held in London.

Conclusion

In conclusion, 2023 consolidated the MBR's position within the international platform and peers whilst strengthening Malta's voice in international fora. Most significantly, it positively shed light on the MBR's striking achievement becoming a referral point for registries still yet to embark on such legislative initiatives that are changing the business landscape as we know it today. ■





Information and Communication Technologies Unit

Modernisation of processes and the provision of reliable services were the main objectives of the ICT Unit in 2023. The ICT Unit is responsible for the development and delivery of infrastructure and digital services to the Malta Business Registry, government entities and the general public, using industry standards and methodologies. The team is made up of professionals specialised in different areas which include service management, information systems, infrastructure and cyber security.

One of the key projects towards the end of the year was the replacement of the legacy online system with a new online platform based on distributed ledger technology which consisted of an upgrade in both software technologies and infrastructure to improve system reliability and performance. This included a data migration from the legacy system to the modern platform, minimizing downtime and ensuring data integrity as well as implementing data validation processes to guarantee the accuracy and completeness of the migration information. The new online portal BAROS, the Business Automation Registry Online System, includes features such as the incorporation of all companies and commercial partnerships, filing of more electronic statutory forms, corporate group accounts and using qualified digital signatures to sign documents on the portal. The platform is also interconnected with other European registries through the Business Register Interconnection System (BRIS) and the Beneficial Owner Register Interconnection System (BORIS).

The ICT Unit played a pivotal role in orchestrating and hosting events at the newly opened conference hall 'The Link' within our building. The integration of state-of-the-art audiovisual systems, high-speed internet connectivity, and video conferencing capabilities enhanced the overall experience for both on-site and virtual attendees. The ICT Unit's meticulous planning and execution not only facilitated smooth event logistics but also showcased the versatility of the conference hall for various types of gatherings. One milestone was the hosting of the Corporate Registers Forum's Annual Conference which involved a 4-day conference with over 150 delegates.

Another key initiative was the ICT's involvement in leading a preliminary market consultation for the development of a Central Data Repository solution. Recognizing the critical need for a data integration across between different government systems, the Unit engaged in a thorough consultation process with potential technology partners and solution providers. This initiative aimed to gather insights into the latest industry trends, innovative technologies, and best practices in data repository development.

Through collaborative discussions and information exchange with other competent authorities, the ICT Unit sought to identify optimal technical requirements for the implementation of this central data repository.

In addition to the major projects highlighted above, the ICT Unit successfully implemented several key initiatives that have significantly contributed to the overall technological landscape of our organization. One noteworthy project involved the migration of APIs to Azure API Management which improved API performance and also facilitated the management of such APIs by providing better integration capabilities.

Furthermore, the implementation of a new help desk tool for internal support emerged as a crucial project, significantly enhancing the efficiency of our IT support services. The new tool has streamlined incident tracking, resolution, and user support, resulting in improved response times and overall employee satisfaction. Work is currently being planned to open this tool for external support related to the online system.

Looking ahead, the ICT Unit is committed to continue improving our service delivery, enhancing our new online system and ensuring compliance with industry standards and regulations. ■

The new tool has streamlined incident tracking, resolution, and user support, resulting in improved response times and overall employee satisfaction. Work is currently being planned to open this tool for external support related to the online system.



Internal Audit Unit

Steps leading to the Victoria Gate

A Year of Adaptability, Growth, and Contribution

The Internal Audit Unit embarks on the 2023 annual report, reflecting on a year marked by adaptation, growth, and unwavering commitment to the mission of ensuring the MBR's effective governance, risk management, and compliance.

Evolving Landscape: Embracing the Audit Committee

The year ushered in a significant change as the Audit Committee commenced its operations in March and an Audit Committee Meeting took place in every quarter of the year. This new structure has fostered a more robust and collaborative environment, allowing the Internal Audit Unit to align its audit activities with the agency's strategic objectives and address emerging risks. The Audit Committee has proven to be a valuable partner, providing insightful feedback and direction that has enhanced the Unit's effectiveness.

Strengthening Our Expertise: A New Colleague Joins the Team

In the beginning of the year the unit welcomed a new colleague, bringing fresh perspectives and expertise to the team's endeavours. The integration has been seamless, and the contributions have already made a positive impact on our operations.

Corporate Registers Forum Conference: A Collaborative Success

The Internal Audit team played a pivotal role in the preparation for the Corporate Registers Forum (CRF) conference, partnering closely with the International Affairs, Research and Communications Unit.

Data Governance Risks: Safeguarding the Digital Age

In the CRF Malta 2023 presentation on Data Governance Risks: Safeguarding the Digital Age, the growing importance of data governance in the increasingly digitised world was highlighted. This focused on identifying, classifying, and protecting sensitive data, controlling access, and monitoring suspicious activities. An emphasis was made on the need for a comprehensive data governance framework to ensure the registries' data assets are secure, reliable, and compliant, whilst applying current and theoretical methodologies.

Continuous Improvement: Our Ongoing Commitment

The Internal Audit team remains steadfast in its commitment to continuous improvement. Having actively participated in professional development opportunities, helped to enhance knowledge and skills to better serve the MBR. The approach to risk assessment and audit planning has evolved, incorporating new methodologies and tools to enhance effectiveness.

Looking Forward: Embracing Challenges and Opportunities

Moving forward, we anticipate a dynamic and ever-changing landscape. Preparation is key to adapt to these challenges and seize the opportunities that arise. The dedication to delivering high-quality audits, fostering a culture of compliance, and upholding the MBR's values remains unwavering.

We are grateful for the support and guidance of our stakeholders, including the Audit Committee, the senior management team, and our colleagues across the entity. Their ongoing commitment to a strong internal audit function is essential to our success.

Together, we will continue to safeguard the MBR's integrity and promote sound governance practices, ensuring its continued growth and success in the digital age. ■

Social Committee

Showing appreciation towards the tremendous work done during such a successful year is crucial to instil a sense of belonging towards the entity. For this, the Social Committee played an important role in shedding light on significant days to empower our employees; from Employees' Appreciation Day to Women's Day and International Men's Day.



H.E. the President of the Republic of Malta Dr George Vella and Mrs Vella being welcomed to the MBR's Annual Bake Sale in aid of I-Istrina.

This was amalgamated with initiatives to raise awareness related to health such as Pink October. Through a fundraising activity/event, MBR gave a donation to Cancer Support Malta (Europa Donna Home).

Additionally, for another consecutive year, MBR Employees organized the Christmas Annual Bake Sale in aid of I-Istrina which was attended by H.E. the President of Malta Dr George Vella together with his wife Mrs Vella.

The final donation gathered from this event was presented by the MBR's Senior Management during I-Istrina annual activity on the 26th of December 2023. ■



The bridge above East Street

Training Seminars organised by the MBR

Event Name	Date
Incorporation of Companies	3rd February 2023
Assoċjazzjonijiet volontarji mhux registrati bħala persuni ġuridiċi	15th March 2023
Mobility Directive	17th March 2023
The Interaction between Notaries and the Malta Business Registry	5th May 2023
A theoretical and practical insight on legal persons	31st July & 1st August 2023
Information sessions on MBR's New Platform	25th & 26th September 2023
Ease of doing business - SME Week	10th November 2023



03/02/2023
Incorporation of Companies



15/03/2023
Assoċjazzjonijiet volontarji mhux registrati bħala persuni ġuridiċi



17/03/2023
Mobility Directive



31/07-01/08/2023
A theoretical and practical insight on legal persons

- Company A is registered in Malta. All shares and voting rights are held by Company B registered in a foreign jurisdiction.
- All shares in Company B are held by Person X and Person Y in equal parts. They are legal professionals.
- Person Z granted loans to Company A and is also the signatory of the bank account of Company A.



10/11/2023
Ease of doing business - SME Week



MALTA BUSINESS REGISTRY

Annual Report and Financial Statements
31 December 2023

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Registrar's Statement report	1 - 2
Independent auditor's report	3 - 5
Statement of financial position	6
Statement of comprehensive income	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10 - 20

Registrar's Statement report

The Registrar presents the report and the audited financial statements of the Malta Business Registry for the year ended 31 December 2023.

Principal activities

The Malta Business Registry (MBR) is an agency set up by the Malta Business Registry (Establishment as an Agency) Order (S.L. 595.27), which regulates its functions and duties as applied within the remit of the Companies Act, Chapter 386 of the Laws of Malta. The MBR is responsible for the registration of all commercial partnerships and for a portal maintained by the Registrar of Companies making public all information required to be filed by commercial partnerships in terms of the Companies Act. In addition to this the MBR is also responsible for the registration of the Foundations and Associations in terms of the Second Schedule of the Civil Code. The MBR is also responsible for the register on beneficial owners of commercial partnerships, foundations, associations and other organisations. The MBR also conducts onsite inspections on companies in order to verify that the beneficial owners disclosed to the Registrar of Companies is accurate, current and up-to-date.

Establishment of the Registry and review of the business

The Registry is established under the terms of Subsidiary Legislation 595.27. Management hereby reports a surplus of €8,867,322 for the financial year 2023 (2022: €10,985,395).

Results and surplus funds

The statement of comprehensive income is set out on page 7. The surplus funds for the financial year paid to Government, in terms of the Public Administration Act amount to €10,000,000 (2022: €9,000,000).

Statement of Registrar's responsibilities

In preparing the financial statements the Registrar is responsible for;

- ensuring that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the EU and the Public Administration Act;
- selecting and applying appropriate accounting policies;
- making accounting estimates that are reasonable in the circumstances;
- ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Registry will continue in operation as a going concern.

The Registrar is also responsible for designing, implementing and maintaining internal control as the Registrar determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and that comply with the Public Administration Act and Financial Administration and Audit Act. The Registrar is also responsible for safeguarding the assets of the Registry and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

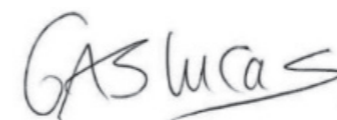
Access to information published on the Registry's website is available in other countries and jurisdictions, where legislation governing the preparation and dissemination of financial statements may differ from requirements or practice in Malta.

Registrar's Statement report - continued

Auditors

PricewaterhouseCoopers have indicated their willingness to continue in office and a resolution for their re-appointment will be proposed.

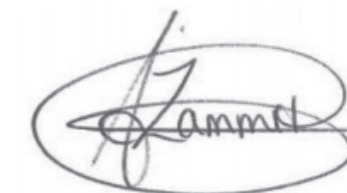
On behalf of the Malta Business Registry



Geraldine Spiteri Lucas
Registrar/Chief Executive Officer

Registered office
Malta Business Registry
AM Business Centre
Triq il-Labour,
Żejtun ZTN 2401,
Malta

10 April 2024



Annalise Zammit
Deputy Registrar/Chief Operations Officer



Independent auditor's report

To the Stakeholders of the Malta Business Registry

Report on the audit of the financial statements

Our opinion

In our opinion:

- The financial statements give a true and fair view of the financial position of the Malta Business Registry (the Registry) as at 31 December 2023, and of the Registry's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the EU; and
- The financial statements have been prepared in accordance with the requirements of the Public Administration Act.

What we have audited

The Malta Business Registry's financial statements, set out on pages 6 to 20, comprise:

- the statement of financial position as at 31 December 2023;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include material accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Registry in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements of the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) that are relevant to our audit of the financial statements in Malta. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.



Independent auditor's report - continued

To the Stakeholders of the Malta Business Registry

Other information

The registrar is responsible for the other information. The other information comprises the registrar's statement report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the registrar for the financial statements

The registrar is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs as adopted by the EU and the requirements of the Malta Financial Services Authority Act, and for such internal control as the registrar determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the registrar is responsible for assessing the Registry's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the registrar either intends to liquidate the Registry or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent auditor's report - continued

To the Stakeholders of the Malta Business Registry

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Registry's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the registrar.
- Conclude on the appropriateness of the registrar's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Registry's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Registry's ability to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have nothing to report to you in respect of these responsibilities.

Other matter – use of this report

Our report, including the opinions, has been prepared for and only for the Registry's stakeholders as a body in accordance with Public Administration Act and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior written consent.



Stephen Mamo
Principal

For and on behalf of
PricewaterhouseCoopers
78, Mill Street
Zone 5, Central Business District
Qormi
Malta

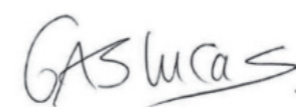
10 April 2024

Statement of financial position

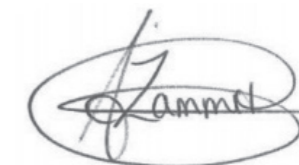
		As at 31 December		
Notes		2023	2022	
		€	€	
ASSETS				
Non-current assets				
	Property, plant and equipment	4	6,479,038	7,639,324
	Right-of-use assets	8	13,781,158	15,176,623
	Total non-current assets		20,260,196	22,815,947
Current assets				
	Trade and other receivables	5	3,553,708	2,887,709
	Cash and cash equivalents	6	12,323,311	12,409,571
	Cash held on behalf of third parties	6	4,255,314	326,522
	Total current assets		20,132,333	15,623,802
	Total assets		40,392,529	38,439,749
EQUITY AND LIABILITIES				
Capital and reserves				
	Staff support fund reserve	9	13,798	9,783
	Reserve fund		18,739,743	19,876,436
	Total equity		18,753,541	19,886,219
Non-current liabilities				
	Lease liabilities	8	15,030,282	16,152,732
Current liabilities				
	Trade and other payables	7	5,486,256	1,376,638
	Lease liabilities	8	1,122,450	1,024,160
	Total current liabilities		6,608,706	2,400,798
	Total liabilities		21,638,988	18,553,530
	Total equity and liabilities		40,392,529	38,439,749

The notes on pages 10 to 20 are an integral part of these financial statements.

The financial statements on pages 6 to 20 were authorised for issue by the Malta Business Registry on 10 April 2024 and were signed on its behalf by:



Geraldine Spiteri Lucas
Registrar/Chief Executive Officer



Annalise Zammit
Deputy Registrar/Chief Operations Officer

Statement of comprehensive income

	Notes	Year ended 31 December	
		2023 €	2022 €
Income	10	17,388,292	18,817,709
Operating expenses	11	(8,645,115)	(7,869,309)
Operating surplus		8,743,177	10,948,400
Other income	13	753,751	730,625
Finance income		25,875	96
Finance expenses	14	(655,481)	(693,726)
Surplus for the year – total comprehensive income		8,867,322	10,985,395

The notes on pages 10 to 20 are an integral part of these financial statements.

Statement of changes in equity

	Staff support reserve €	Reserve fund €	Total €
As at 1 January 2022	5,855	17,894,969	17,900,824
Comprehensive income			
Appropriation from income statement	-	10,985,395	10,985,395
Transfer to staff support reserve	3,928	(3,928)	-
Total comprehensive income for the year	3,928	10,981,467	10,985,395
Transactions with stakeholders			
Surplus allocated to Government	-	(9,000,000)	(9,000,000)
Total transactions with stakeholders	-	(9,000,000)	(9,000,000)
As at 31 December 2022	9,783	19,876,436	19,886,219
As at 1 January 2023	9,783	19,876,436	19,886,219
Comprehensive income			
Appropriation from income statement	-	8,867,322	8,867,322
Transfer to staff support reserve	4,015	(4,015)	-
Total comprehensive income for the year	4,015	8,863,307	8,867,322
Transactions with stakeholders			
Surplus allocated to Government	-	(10,000,000)	(10,000,000)
Total transactions with stakeholders	-	(10,000,000)	(10,000,000)
As at 31 December 2023	13,798	18,739,743	18,753,541

The notes on pages 10 to 20 are an integral part of these financial statements.

Statement of cash flows

	Notes	Year ended 31 December	
		2023 €	2022 €
Cash flows from operating activities			
Cash generated from operations	16	15,162,612	13,310,886
Interest and other income received		779,626	730,721
Net cash generated from operating activities		15,942,238	14,041,607
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(420,065)	(1,796,850)
Net cash used in investing activities		(420,065)	(1,796,850)
Cash flow from financing activities			
Payments to Government	18	(10,000,000)	(9,000,000)
Capital repayments of lease liabilities		(1,679,641)	(1,645,369)
Net cash used in financing activities		(11,679,641)	(10,645,369)
Net movement in cash and cash equivalents		3,842,532	1,599,388
Cash and cash equivalents at beginning of year		12,736,093	11,136,705
Cash and cash equivalents at end of year	6	16,578,625	12,736,093

The notes on pages 10 to 20 are an integral part of these financial statements.

Notes to the financial statements

1. Summary of material accounting policy information

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and the requirements of Public Administration Act. They have been prepared under the historical cost convention. The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain accounting estimates. It also requires the registrar to exercise judgement in the process of applying the Registry's accounting policies (see Note 3 – Critical accounting estimates and judgements).

Standards, interpretations and amendments to published standards effective in 2023

In 2023, the Registry adopted new standards, amendments and interpretations to existing standards that are mandatory for the Registry's accounting year beginning on 1 January 2023. The adoption of these revisions to the requirements of IFRSs as adopted by the EU did not result in substantial changes to the Registry's accounting policies impacting the financial performance and position.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the Registry. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

1.2 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euro, which is the Registry's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

All foreign exchange gains or losses are presented in the income statement.

1. Summary of material accounting policy information - continued

1.3 Property, plant and equipment

All property, plant and equipment is initially recorded at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Registry and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amount to their residual values over their estimated useful lives, as follows:

	%
Building improvements	10
Furniture, fixtures and fittings	20
Equipment	20

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with carrying amount and are recognised in the income statement. When re-valued assets are sold, the amounts included in the revaluation reserve relating to the assets are transferred to retained earnings.

1.4 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less loss allowance.

Impairment

The Registry assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Registry applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

1.5 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at face value. In the statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call together with short-term, highly liquid investments that are readily convertible into known amounts of cash, and which are subject to an insignificant risk of change in value.

1. Summary of material accounting policy information - continued

1.6 Trade and other payables

Trade payables comprise obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.7 Provisions

Provisions for legal claims are recognised when the Registry has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

1.8 Revenue recognition

The Registry recognises revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the entity.

Income derived is recognised when payment is received which, in view of the profile of companies including dormant and defunct companies, is determined by the Registry to be the point in time when there is a probability that the economic benefits associated with the revenue will flow to the entity. Fees and penalties and similar income due but not paid, are not accounted for, and are not recognised.

1.9 Leases

The Registry leases various vehicles and office spaces. Rental contracts are typically made for fixed periods ranging from 5 to 15 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset including a corresponding liability at the date at which the leased asset is available for use by the Registry.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities comprise the net present value of the fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Registry, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

1. Summary of material accounting policy information - continued

1.9 Leases - continued

To determine the incremental borrowing rate, the Registry where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease payments due within twelve months are classified as current, if not they are presented as non-current liabilities.

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability.

Right-of-use assets are generally depreciated over the lease term on a straight-line basis.

Payments associated with short-term leases of vehicles and land are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

2. Financial risk management

2.1 Financial risk factors

The Registry's activities potentially expose it to a variety of financial risks namely market risk, credit risk and liquidity risk. The Registry's risk management is coordinated by the registrar and focuses on actively securing the Registry's short to medium term cash flows by minimising the exposure to financial markets.

The most significant financial risks that the Registry is exposed to are described below.

(a) Market risk

The registrar does not consider that the Registry is exposed to significant market risk in view of the assets held.

(b) Credit risk

The Registry's exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below. The Registry's exposures to credit risk as at the end of the reporting periods are analysed as follows:

	Notes	2023 €	2022 €
Trade and other receivables	5	1,759,988	1,144,211
Cash and cash equivalents	6	16,578,625	12,736,093
		18,338,613	13,880,304

2. Financial risk management - continued

2.1 Financial risk factors - continued

(b) Credit risk - continued

The Registry assesses the credit quality of its customers taking into account financial position, past experience and other factors. It has policies in place to ensure that sales of services are affected to customers with an appropriate credit history. The Registry monitors the performance of its receivables on a regular basis to identify incurred collection losses, which are inherent in the Registry's receivables, taking into account historical experience.

The Registry's receivables, which are not impaired financial assets, are principally in respect of transactions with customers for whom there is no recent history of default. Management does not expect any losses from non-performance by these customers. None of the Registry's financial assets are secured by collateral.

As at 31 December 2023, trade receivables of €424,436 (2022: €424,619) were impaired, and the amount of the provision in this respect is equivalent to these amounts. Reversal of provisions for impairment arises in those situations where customers recover from unfavourable circumstances and accordingly start meeting repayment obligations. The Registry does not hold any collateral as security in respect of the impaired assets.

Credit risk in relation to cash and cash equivalents is deemed to be low, since the counterparts and issuer are reputable banks.

(c) Liquidity risk

The Registry is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise trade and other payables (Note 7). Prudent liquidity risk management includes maintaining sufficient cash and committed credit lines to ensure the availability of an adequate amount of funding to meet the Registry's obligations.

The Registry monitors liquidity risk by reviewing expected cash flows, and ensures that no additional financing facilities are expected to be required over the coming year. The Registry's liquidity risk is not deemed material in view of the matching of cash inflows and outflows arising from expected maturities of financial instruments.

2.2 Capital risk management

The Registry's equity, as disclosed in the statement of financial position, constitutes its reserve fund. The Registry's objectives when managing capital are to safeguard the respective entity's ability to continue as a going concern in order to provide returns and benefits for stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In view of the nature of the Registry's activities and its financial position, the capital level as at the end of the reporting period is deemed adequate by the Registrar.

2.3 Fair values of financial instruments

At 31 December 2023 and 2022 the carrying amounts of cash at bank, receivables, payables and accrued expenses reflected in the financial statements are reasonable estimates of fair value in view of the nature of these instruments or the relatively short period of time between the origination of the instruments and their expected realisation.

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of the registrar, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1.

4. Property, plant and equipment

	Building improvements €	Furniture, fixtures and fittings €	Equipment €	Total €
At 1 January 2022				
Cost or valuation	7,091,004	871,525	2,028,747	9,991,276
Accumulated depreciation	(1,409,206)	(425,789)	(855,986)	(2,690,981)
Net book amount	5,681,798	445,736	1,172,761	7,300,295
Year ended 31 December 2022				
Opening net book amount	5,681,798	445,736	1,172,761	7,300,295
Additions	1,162,584	473,085	161,181	1,796,850
Disposals	-	-	(129)	(129)
Depreciation charge	(771,593)	(258,803)	(427,296)	(1,457,692)
Closing net book amount	6,072,789	660,018	906,517	7,639,324
At 31 December 2022				
Cost or valuation	8,253,588	1,344,610	2,189,520	11,787,718
Accumulated depreciation	(2,180,799)	(684,592)	(1,283,003)	(4,148,394)
Net book amount	6,072,789	660,018	906,517	7,639,324
Year ended 31 December 2023				
Opening net book amount	6,072,789	660,018	906,517	7,639,324
Additions	171,212	85,945	162,908	420,065
Disposals	-	-	(3,584)	(3,584)
Depreciation charge	(835,498)	(282,086)	(461,693)	(1,579,277)
Depreciation released on disposal	-	-	2,510	2,510
Closing net book amount	5,408,503	463,877	606,658	6,479,038
At 31 December 2023				
Cost or valuation	8,424,800	1,430,555	2,348,845	12,204,200
Accumulated depreciation	(3,016,297)	(966,678)	(1,742,187)	(5,725,162)
Net book amount	5,408,503	463,877	606,658	6,479,038

5. Trade and other receivables

	2023 €	2022 €
Current		
Trade and other receivables - gross	2,184,424	1,568,830
Less: Loss allowance on trade and other receivables	(424,436)	(424,619)
Trade and other receivables - net	1,759,988	1,144,211
Prepayments	1,793,720	1,743,498
	3,553,708	2,887,709

Other receivables were unsecured, interest free and repayable on demand.

6. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following:

	2023 €	2022 €
Cash in hand and in bank	8,359,879	12,409,571
Cash equivalents	3,963,432	-
Cash held on behalf of third parties	4,255,314	326,522
	16,578,625	12,736,093

Cash equivalents is composed of a treasury bill with a maturity of 3 months earning an interest rate of 3.69% as at end of 2023.

Cash balances held on behalf of third parties consist of balances with:

	2023	2022
Central Bank of Malta	328,610	324,091
Bank of Valletta	3,926,704	2,431
	4,255,314	326,522

The balances held on behalf of third parties are reflected in Note 7 within "Other payables". Cash held at the Central Bank of Malta include amounts pertaining to defunct companies. The amounts held in Bank of Valletta include amounts held on behalf of companies in liquidation, whereby the court has appointed the Official Receiver to administer such companies.

7. Trade and other payables

	2023	2022
	€	€
Current		
Trade creditors	519,910	387,089
Other payables	4,569,796	646,411
Accruals	396,550	343,138
	5,486,256	1,376,638

Other payables include amounts held on behalf of third parties (Note 6).

8. Right-of-use assets and lease liabilities

This note provides information for leases where the company is a lessee.

(i) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

	2023	2022
	€	€
Right-of-use assets		
Vehicles	39	14,429
Offices	13,781,119	15,162,194
	13,781,158	15,176,623
Lease liabilities		
Non-current	15,030,282	16,152,732
Current	1,122,450	1,024,160
	16,152,732	17,176,892

(ii) Amounts recognised in the income statement.

The statement of profit or loss shows the following amounts relating to leases:

	2023	2022
	€	€
Depreciation charge of right of-use of assets		
Vehicles	14,390	14,390
Offices (gross of sub-lease contribution)	1,381,075	1,381,075
	1,395,465	1,395,465
Interest expense (included in finance cost)	655,481	694,759

During 2023, the Registry subleased parts of its property to other Government agencies for a contribution of €753,751 (2022: €730,625) which is netted against the lease depreciation in accordance with IFRS.

9. Staff support reserve

The staff support reserve has been created to set aside reserves to support employees in need at the opportune time.

10. Income

Income represents fees and penalties in line with charges prescribed by legislation. Fluctuations from one year to another may represent income claimed in previous years given that revenue is accounted for upon receipt of payment.

11. Expenses by nature

	2023	2022
	€	€
Depreciation of property, plant and equipment (Note 4)	1,579,277	1,457,692
Depreciation of right-of-use assets (Note 8)	1,395,465	1,395,465
Employee benefit expense	3,858,744	3,567,534
Professional and consultancy fees	124,881	163,601
(Decrease)/increase in loss allowance on trade and other receivables	(183)	2,230
Repairs & maintenance	228,707	155,680
Security services	93,896	91,193
Cleaning services	140,912	144,138
IT expenses	521,107	356,833
Other administrative expenses	702,309	534,943
Total operating expenses	8,645,115	7,869,309

Auditor's fees

Fees charged by the auditor for the statutory audit amount to €9,850 (2022: €9,750).

12. Employee benefit expense

	2023	2022
	€	€
Wages and salaries	4,982,501	4,550,567
Social security costs	230,428	221,983
Other staff costs	234,748	206,743
Recharged to other government entities	(1,588,933)	(1,411,759)
	3,858,744	3,567,534

12. Employee benefit expense - continued

Average number of persons employed by the Registry during the year:

	2023	2022
Managerial	102	104
Administration	39	42
	<u>141</u>	<u>146</u>

13. Other income

	2023 €	2022 €
Rental income from sublease agreements	<u>753,751</u>	730,625

The entire rental income is derived from sublease agreements with Government related entities (Note 18).

14. Finance expenses

	2023 €	2022 €
Interest charges for lease liabilities (Note 8)	<u>655,481</u>	693,726

15. Tax expense

Legal Notice 144 of 2018 (para 14) exempts the Malta Business Registry from any liability to pay income taxes.

16. Cash generated from operations

Reconciliation of operating surplus generated from operations:

	2023 €	2022 €
Operating surplus	8,743,177	10,948,400
Adjustments for:		
Depreciation of property, plant and equipment (Note 4)	1,579,277	1,457,692
Depreciation of right-of-use of assets (Note 8)	1,395,465	1,395,465
Increase in loss allowance on trade receivables (Note 5)	(183)	2,230
Loss on disposal of assets (Note 4)	1,075	129

16. Cash generated from operations - continued

Changes in working capital:		
Trade and other receivables	(665,817)	(230,305)
Trade and other payables	4,109,616	(262,725)
Cash generated from operations	<u>15,162,612</u>	<u>13,310,886</u>

17. Commitments

Commitments for expenditure not provided for in these financial statements as at the statement of financial position date were as follows:

	2023 €	2022 €
Contracted but not provided for	<u>641,727</u>	997,156

18. Related party transactions

Except for transactions disclosed or referred to previously, the following significant transactions, which were carried out principally with related entities, have a material effect on the operating results and financial position of the Registry:

	2023 €	2022 €
Surplus allocated to Government	10,000,000	9,000,000
Rental income from sublease agreements	<u>753,751</u>	<u>730,625</u>

19. Events after the reporting period

There were no material events after the reporting period that would impact the fair presentation of the financial statements.

20. Statutory information

The Malta Business Registry is the single companies' registrar in Malta established under Subsidiary Legislation 595.27 and reports to the Maltese Parliament.



Acronyms & Abbreviations

AI	Artificial Intelligence
BO	Beneficial Owner
BRIS	Business Registry Interconnection System
C	Limited Companies
CEO	Chief Executive Officer
COO	Chief Operations Officer
CRF	Corporate Registers Forum
EEIG	European Economic Interest Grouping
EU	European Union
HR	Human Resources
ICT	Information and Communications Technology
ICTU	International and Corporate Tax Unit
IEBSA CODE	International Ethics Standard Board for Accountants' Code of Ethics
IFRS	International Financial Reporting Standards
ISA	International Standards on Auditing
IT	Information Technology
KPI	Key Performance Indicator
KYC	Know your customer
LPA	Legal Person Association
LPF	Legal Person Foundation
MBR	Malta Business Registry
MFSA	Malta Financial Services Authority
MITA	Malta Information Technology Agency
NCPE	National Commission for the Promotion of Equality
NPL	Non-performing loan
OC	Overseas Companies
OPM	Office of the Prime Minister
P	Partnership en Nom Collectif
P COMM	Partnership en Commandite
PFLP	Private Foundation Legal Person
ROC	Registry of Companies
ROCA	Registry of Companies Agency
SE	Statute for European Companies
SMES	Small and Medium-sized Enterprises
SRSP	Structural Reform Support Programme
SV	Investment Company with Variable Share Capital
X	Unregistered Association

Notices

3rd February 2023

Notice to Subject Persons and Interested Parties
Restructuring within the operation
of the Registry Unit

28th April 2023

Notice by the Registrar –
New Incorporations Form

26th October 2023

Notice to CSPs and the General
Public Online Submission

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