

Annual Report

2021

2022





THE MALTA
INSTITUTE OF
ACCOUNTANTS

About the Malta Institute of Accountants

The Malta Institute of Accountants (MIA) is the sole institution which brings together over 4,000 accountants and auditors based on the Maltese Islands, giving them a stronger collective voice. It provides professional guidance, technical support and ongoing professional education and training sessions to members and aspiring members of the profession.

The MIA is committed to attracting talented individuals to the profession and invests heavily in the process of creating awareness of the vast opportunities that a career in accountancy offers.

It takes active leadership in promoting a better legislative and regulatory ambience in the industry and makes sure to reflect the members' views by participating in extensive consultation processes which are regularly carried out by local and European authorities and leading international accounting organisations of which it is a member.

The Institute also seeks to boost visibility of the role and the value of the accountancy profession to the Maltese public, the business community, authorities and other relevant stakeholders.

The Institute strives to ensure that professional standards and ethics applied locally in accountancy meet the requirements of international regulatory bodies, and it actively works to sustain the reputation of the profession both in Malta and beyond.

The Malta Institute of Accountants (MIA)
Suite 4, Level 1, Tower Business Centre,
Tower Street, Swatar BKR 4013
Malta

Call: **+356 2258 1900**

Email: **info@miamalta.org**

Visit: **www.miamalta.org**

Published September 2022.

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Contents

Welcome by the Institute's President.....	1
Election of Council and Officers	4
Part 1 - A Focus on Members.....	6
Support to Members	7
Institute's Committees and Groups	11
Core Committees	12
Focused Committees	16
Focus Groups	20
Ad-hoc Working Group.....	22
Changes in Members' Regulations	23
Extraordinary General Meeting	23
Part 2 - Serving the Interests of Members.....	24
Biennial Conference	25
Membership and The New Members' Ceremony	26
MIA Committees and Groups	27
Football Tournament	27
Members' Social Event	28
SMP Networking Event.....	29
Learning and Networking Opportunities.....	30
#Highlights 2021 - VAT, Crypto & AML	35
The Malta Business Registry: Addressing defaults and concerns	36
Malta's efforts to exit the FATF 'Grey-List' - the Role of the Professionals.	37
SMP Conference - The Next Leap Forward - Succeeding through change!	38
PAIB Conference - Creating value from emerging trends in business	39
CPE Offerings	40
<i>The Accountant</i> Quarterly Journal.....	41
<i>MIAngle</i> Newsletter	42
Daily News	43
Members' Survey 2021.....	43
Social Media	44
Part 3 - Bridging with Stakeholders.....	45
Budget 2022 measure proposal.....	46
The Institute's Support to the Accountancy Board	46
Representing the Profession with Legislators	46

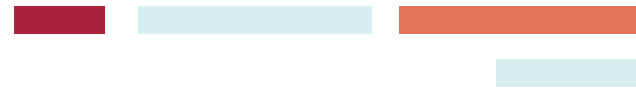


Joint Committee for the Prevention of Money Laundering	47
The profession's voice in the public domain	47
Representing the Institute on International Bodies	49

**Part 4 – Engaging and Attracting Quality Talent
to the Profession50**

Education and Student Membership	51
#AccountsForYou Awareness Campaign.....	51
Participation in the Masters in Accountancy Conference 2021	53
Outreach through Campus FM Radio	53
Participation in the July 2022 edition of I Choose Fair.....	54
MIA-ACCA Joint Examination Scheme.....	55
Global ACCA Winner	55
 An Appreciation.....	 56





Welcome by the **Institute's President**

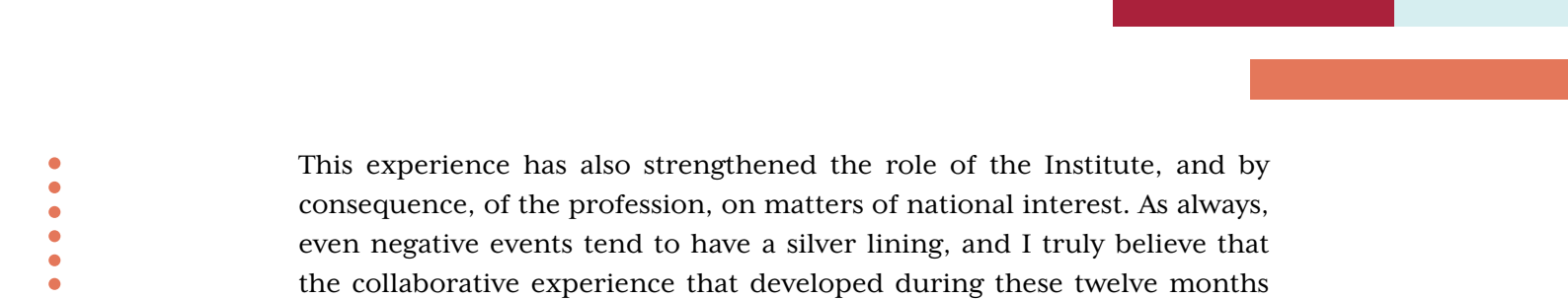


The Institute's Annual Report offers a great opportunity to reflect on the past year, learn, adapt, and look forward to the year ahead. This has been another tough and challenging year, but undoubtedly there is also a lot to be grateful for.

It is obviously impossible to recap the past year without referencing Malta's grey-listing by the Financial Action Task Force (FATF). A look back at the various opportunities which allowed me to address our members over the course of this time invariably included references to this unfortunate predicament. It could not have been otherwise. The need to achieve a timely exit from the grey-listing was imperative in order to avoid the long-term consequential adverse effects a long stay in the grey-list would have had on our profession, the financial services industry and the wider impact on the Maltese economy, which were too large to ignore.

Yet, resilience can increase even during challenging times when we focus on activities that help us cultivate it. And this was truly the experience that we witnessed throughout the twelve-month period during which stakeholders with an interest in the financial services sector joined forces, got their act together and cooperated towards one common objective.

I am truly proud of the efforts of the Institute, which has not only participated in the fora which were responsible to address the concerns raised by the FATF but in addition, was proactive in coming up with proposals and solutions to the challenges that the country faced. When needed, we also challenged existing perspectives.



This experience has also strengthened the role of the Institute, and by consequence, of the profession, on matters of national interest. As always, even negative events tend to have a silver lining, and I truly believe that the collaborative experience that developed during these twelve months will be extended, in the immediate future, to other matters of national interest, facilitating communication between authorities and professionals, thus ensuring that the views, concerns and challenges of both are mutually recognised and understood. In this context, the MIA will serve as an important bridge-builder between the two sides.

In the same way, I am appreciative of the efforts of our members as well as the wider cohort of financial services practitioners and other professionals who have worked tirelessly over the past months to ensure the strengthening of the financial services sector's reputation, an effort which has contributed in no small way to this desired result. I do have to re-iterate that this result should provide the impetus to remain vigilant at all times and to strive to improve on the higher quality that has been achieved to-date. It is our collective duty to restore Malta's place as an international financial jurisdiction of high repute, which attracts high quality investment based on substance, and contributes to sustainable economic growth and job creation. Within this overarching context, the Institute will continue to be a strong advocate for high standards of governance and ethics within the profession and business community.

Despite achieving an early exit from the grey-list having been the Institute's number one priority over the past twelve months, the year in review has witnessed an unparalleled range of activities across many fronts. The Institute has been at the forefront in representing its members on a multitude of issues, particularly in relation to the steady stream of legislation, regulation and standards being proposed and implemented at various national and supranational levels.

In this context, I salute the tireless efforts of our Committees and technical staff at the Institute for supporting the MIA in preparing its responses for the various consultation documents or draft legislation requiring feedback within just a few days of notice. This extensive, many times hardly visible, responsibility is fundamental to the profession as it ensures that our views are reflected and possibly, addressed in an appropriate manner. Keeping the members' needs in mind, the Institute has taken several strong positions with various authorities to ensure that in the enactment of the required legislation and regulation, the challenges being faced by the profession are addressed and that new requirements are not unduly prescriptive or unbalanced on members in a way that may unnecessarily stifle business.

Throughout the year, we have ensured that our members are regularly informed, educated and trained on the key changes affecting our profession.

Increased legislation aiming at fighting financial crime and tax avoidance, corporate tax reform, digitalisation and sustainability issues put a constant demand on the professional to get up to speed with new developments, invest in new skills, technology and more. Through regular conferences, seminars, training and CPE events, the Institute ensures that our members' professional development reflects the fast changing landscape we operate in.

As an Institute, we want our members to grasp the opportunities that the post-pandemic world is offering. This can only be achieved if firms and entrepreneurs look beyond their current business models and seek to transform themselves in the wake of the new realities, particularly technological development and the climate emergency. Here, accountants can take a leading role in advising their clients or employers on the best way forward. These challenges can in fact mean significant new opportunities of growth for our profession, with professionals positioning themselves as trusted partners of key decision makers. It is our commitment to keep driving this message home and upskilling in this area as new developments emerge.

Another matter of concern which we have been addressing throughout the year concerns the issue of human resources. I would like to extend my appreciation towards the local educational institutions which continue to nurture hundreds of new accountants every year, but as we all know, demand continues to outstrip supply. In this context, we have developed a two-pronged strategy whereby on the short-term we are engaged in discussions with authorities to facilitate initiatives, even by means of regulatory changes, which facilitate the recruitment of third country nationals, while at the same time proactively promoting the profession as a career of choice among the upcoming young students.

The issues outlined above, and the extensive report which follows, highlight a mere fraction of the effort of the Institute throughout the year. I would like to take this opportunity to thank Council, the MIA staff, the MIA Committees and other working groups for their exceptional contribution to the advancement of our members' interests and our beloved profession.



Mr David Delicata
President

Election of **Council and Officers**

The MIA held its 57th Annual General Meeting on Friday 1st October 2021, the second to be held remotely in view of the pandemic which was still restricting social activity at the time. The AGM was live-streamed from the Tower Training Centre in Swatar, reaching over 180 eligible members participating remotely.

During this meeting, seven members of the same Institute were elected to Council.

The elected members were Ms Charmaine Baldacchino, Mr Edmond Brincat, Mr Mark Bugeja, Mr Christian Gravina, Mr Noel Mizzi, Ms Lucienne Pace Ross and Mr William Spiteri Bailey. They joined Mr Fabio Axisa, Mr Christopher Balzan, Mr David Delicata, Dr Jonathan Dingli, Mr Shawn Falzon, Dr Ivan Grixti and Ms Annabelle Zammit Pace on the 14-member Council.

During the event, the MIA members, who joined the AGM online, were able to raise questions to the Council and also vote on a series of statutory changes proposed by the Council. The meeting also served as an opportunity for outgoing President, Mr Fabio Axisa, to highlight the Institute's activities and achievements over the previous year.





The Institute’s Secretary, Mr Noel Mizzi, continued with the adoption of the minutes of the previous year’s AGM, followed by the presentation of the Treasurer’s Report by Mr Franz Wirth, Treasurer, who explained the consolidated financial performance for 2020 and highlighted the main sources of income and expenditure. This was followed by the Auditor’s Report presented by UHY Pace, Galea Musù & Co. The auditors were subsequently re-appointed for the following year.

During the first meeting of the same Council held shortly after, the four Officers of the Council were elected. Mr David Delicata was elected as the Institute’s new President, Mr Noel Mizzi as Vice-President, Mr Mark Bugeja as Secretary and Mr Christian Gravina as Treasurer.

Mr Delicata, who had served as Vice-President of the Institute for the previous two years, thanked the Council members for their trust while expressing his appreciation towards outgoing President Mr Fabio Axisa for his sterling contribution throughout the two challenging years which characterised his tenure. During Mr Axisa’s Presidency, the Institute’s voice was strengthened and became an important stakeholder in matters of national interest, including Covid-19, grey-listing, the reputation of the profession and human resource constraints. Mr Axisa also led the introduction of the International Associate Member Scheme and worked on improving the quality of the profession.





A Focus on Members

The Malta Institute of Accountants puts the interest of its members and the profession in general at centre stage in every initiative it undertakes. In a period of worldwide disruption, transformation and rapid regulatory development, the Institute serves as a beacon for the profession, and a bridge-builder between accountancy and auditing professionals and the relevant stakeholders. The Institute seeks to ensure that the values which define this profession are promoted and upheld.



Support to **Members**

The past twelve months were beset with parallel challenges affecting the country and by consequence the profession, most notably the implications of a continuing pandemic and the placement of the Maltese jurisdiction within the Financial Action Task Force (FATF)'s enhanced monitoring procedure, known informally as grey-listing.

These challenges were compounded by numerous other developments which necessitated input and action by the Institute on behalf of the profession. Issues related to developments in the international tax landscape, the rapid process of digitalisation and evolving sustainability issues have all continued to shape our profession calling for swift action by the Institute.

Throughout its activity, the MIA sought to continue to be recognised as a strong advocate for high standards of governance and ethics within the profession and business community, while enhancing its role as a key stakeholder within our jurisdiction.

In view of the wide implication that an extended grey-listing had and could have had on the Maltese economy, the Malta Institute of Accountants placed the country's de-listing as its most important objective throughout the year. The MIA addressed the issue hands on, working side-by-side with regulators and key shareholders to support Malta's efforts in bringing itself in line with international requirements.



Representatives of the MIA took an active role in a number of meetings with the National Coordinating Committee with a view to contributing to Malta's plan of action to exit from the grey-list in the shortest time possible.

The Institute served as an important channel of communication between authorities and its membership base, facilitating mutual understanding and consistently making sure that legislative and regulatory requirements introduced within such context were not unduly burdening on professionals. On a number of issues, the Institute took it upon itself to present improvement proposals to relevant authorities, based on extensive feedback obtained through its dedicated committees and members.

The collaborative process experienced as part of Malta's efforts to reach the stringent FATF requirements will provide best practice on the way forward in the years ahead. This close cooperation with authorities, which allows the MIA to transmit the concerns of its members and accordingly update them with the most pressing developments, is also being applied on other matters, such as the drafting of the FIAU's Implementing Procedure Part II. Through these relationships, the MIA has also sought to elevate the stature of the profession following a challenging period for the jurisdiction as a whole.

In parallel, the Institute remains engaged with the Accountancy Board in the process of amending the definition of an accountant and proposing other necessary changes to the Accountancy Profession Act Cap 281. The purpose of this exercise is to better define the role of the accountant while restructuring and strengthening the Accountancy Board to improve overall quality within the profession.

On a daily basis, the MIA engages with authorities, regulators and government bodies, both local and European, including the Accountancy Board, the National Coordinating Committee (NCC), the Malta Business Registry (MBR), the Financial Intelligence Analysis Unit (FIAU), the Malta Financial Services





Authority (MFSA), the Office of the Commission for Revenue (CfR), the Malta Gaming Authority (MGA), the Sanctions Monitoring Board, Identity Malta and the Malta Digital Innovation Authority (MDIA).

Another pressing issue that the MIA has taken the lead on concerns the availability of, or lack of, human resources. Despite accountancy courses both at public and private institutions remaining hugely popular, the demand continues to surpass the supply. Long-term, the MIA is investing in the accountants of the future. Several industry leaders joined MIA staff in leading more than 60 physical and virtual #AccountsForYou sessions, sharing practical examples of how accountancy professionals can thrive in Malta or abroad, making the profession one which offers stability and durability. However, with indications that an increased local supply will not be enough, the MIA has engaged with authorities to bring forward a number of recommendations to facilitate the recruitment and retention of third country nationals.

In its role as a point of reference for its members, the MIA continued to publish regular guidelines and guidance for its members, issue regular news updates concerning local and international regulatory developments, offer technical and educational support and training and provide networking opportunities. The MIA also continued to invest in its Continuing Professional Education (CPE) programme, offering more than 115 courses throughout the year in review and attracting leading experts in the respective field to deliver the sessions.

Internally, the Institute led the programme of actions executed by the various committees, focus groups and ad hoc working groups.

Throughout the year in review, the MIA also successfully organised a number of high-level conferences which provided members and non-members with expert insights on two key themes which dominated the agenda throughout the year. The need for stronger Corporate Sustainability Reporting was the key theme addressed in the MIA's Biennial Conference 2021, in which an open and

frank discussion with the participation of a number of high-profile local and international speakers, provided members with better awareness of what the Corporate Sustainability Reporting shall entail and how this may impact them. On the other hand, during the AML Conference, the MIA managed to bring together the major stakeholders involved in strengthening Malta's AML efforts and seeking to secure Malta's compliance with FATF recommendations. The discussion centred around the two key areas on which FATF has pushed Malta for further action, beneficial ownership and tax evasion.

Earlier this year, the MIA also hosted two major events, the Small and Medium Practices (SMP) and Professional Accountants in Business (PAIB) conferences respectively, with industry experts sharing insights about several developments that are having or will have an impact on the environment within which local practitioners operate, and the ways and means through which accountancy professionals can take a lead and create added value in their respective fields.

The MIA also hosted an exchange of views with the newly-appointed Registrar of Companies and Chief Executive Officer of the Malta Business Registry Dr Geraldine Spiteri Lucas, attended by a sizeable number of professionals.

Other areas of activity in which the Institute was engaged throughout the year included:

- the European Single Electronic Format (ESEF);
- MBR Online System Testing;
- International Standard on Quality Management (ISQM) 1; and
- Updates to the Code of Ethics.



Institute's Committees and Groups

The Institute released a call for nominations to join the Committees and Groups in November 2021. Following the completion of the necessary compliance checks, the new groups were formed in January 2022, with the respective posts remaining in place for a two-year period, expiring December 2023.

The new Committees and Groups, which are an integral part of the MIA's work, are made up of a balanced mix of members with previous experience on these bodies as well as new ones who are offering fresh perspectives that the Institute continuously seeks. The different Committees and Groups have embarked on several new projects while bringing to conclusion a number of initiatives undertaken during their precedent configuration.

The Chairpersons of each Committee and Group are outlined below, as appointed by the Institute's Council:

From January 2022 onward:

Core Committees

Anti-Money Laundering Committee	Ms Ariane Azzopardi
Audit and Assurance Committee	Ms Lucienne Pace Ross
Direct Taxation Committee	Mr Craig Schembri
Ethics Committee	Ms Nicolette Mirabelli
Financial Reporting Committee	Mr Fabio Axisa
Indirect Taxation Committee	Ms Louise Grima

Focused Committees

Digital Committee	Mr Gordon Micallef
Financial Services Committee	Mr Christopher Portelli
Gaming Committee	Ms Romina Soler
Sustainable Finance Committee	Mr Michael Bianchi

Focus Groups

PAIB Advisory Group	Mr Stephen L. Muscat
SMP Advisory Group	Mr Jean Paul Debono
Young Members Group	Mr Dean Micallef



Core Committees

Anti-Money Laundering (AML) Committee

The AML Committee’s activity continued to be focused on extensive discussions with FIAU representatives relating to Sector-Specific Implementing Procedures (IPs Part II) with a view to ensure their eventual publication in the months ahead. The Committee was also involved in the organisation of and participation in a conference in December 2021 entitled “*Malta’s efforts to exit the FATF ‘grey-list’ - the Role of the Professionals*”. This conference brought together all the relevant competent authorities with keynote speakers on the subject-matter to provide insight into the main concerns raised by the FATF when grey-listing Malta. Speakers focused on the challenges brought about by grey-listing with the objective of addressing the same.

Representatives of the Committee were also involved in a joint MIA-IFSP meeting with the Sanctions Monitoring Board with the scope of highlighting the issues being encountered by practitioners in view of the approach adopted by the said Board for the profession.

AML Committee members were also active in providing ad hoc training to members in the form of CPE events, at times with the participation of the relevant authorities such as the Sanctions Monitoring Board, the FIAU and the MBR.



Audit and Assurance Committee

The highlight of activity of the Audit and Assurance Committee (AAC) revolved around the publication of a guidance related to the auditing of ESEF Financial Statements, which was issued in February 2022 under the title *MIA European Single Electronic Format (ESEF) Guidance for Auditors*.

This Guidance Note, prepared together with the Accountancy Board, does not constitute an assurance standard but makes reference to Directive 6 issued by the Accountancy Board and presents high-level aspects which are relevant for the auditor's work on ESEF related issues.

In relation to this, the Committee also organised a webinar which brought together representatives of the MIA ESEF Working Group (a working group under the remit of the MIA Audit and Assurance Committee), the Malta Financial Services Authority, the Accountancy Board and the Malta Business Registry, to cover the main requirements for implementation of ESEF. The webinar tackled key information with respect to the ESEF Annual Financial Reports, the salient points of the Accountancy Profession (European Single Electronic Format) Assurance Directive issued this year by the Accountancy Board and key aspects which are relevant for the auditor's work on ESEF, including the role of the auditor.

Work is still ongoing on the Committee's proposed inclusion of the Bannerman paragraph in the statutory auditor's report, safeguarding practitioners from the risk of inadvertently assuming a duty of care to third parties through their audit reports. A communication on this will be shared with MIA members once the matter is concluded.



The MIA also provided feedback to the European Commission on Corporate Reporting – Improving its quality and enforcement (European Commission Consultation) based on feedback provided by the Audit and Assurance Committee.

A New Quality Management Standards Working Group (including representatives from both the AAC and the SMP Group) was set up and will be issuing communications to members to assist them in the transition from ISQC to ISQM 1 that will become effective 15th December 2022. A webinar on this subject was also delivered on 22nd June 2022.

On 23rd March 2022, the Malta Institute of Accountants issued a note to remind its members of their obligations and necessary actions in view of the Russia-Ukraine situation.

Research on alternatives to the audit of small companies is currently in progress. In addition, the Committee is in discussion with various authorities to ensure that requirements being set are in line with the applicable international standards. In this regard, following collaboration with the Regulator for Energy and Water Services (REWS), the Institute is in the process of issuing a technical release to lay down professional requirements for Members in the carrying out of engagements requiring a confirmation that an undertaking is not an “undertaking in difficulty” as defined in the Guidelines on State aid for rescuing and restructuring non-financial undertakings in difficulty. Such confirmations are required through Section B of the Invitation to bids for the award of financial support for electricity generated from new Renewable Sources of Energy Installations with a capacity from 40kWp up to less than 200kWp and from 200kWp up to less than 1000kWp respectively issued by REWS.

Direct Taxation Committee

The Direct Taxation Committee enhanced its lines of communications through continuous discussion with fiscal authorities on various initiatives. Among these, members provided feedback to the Commissioner for Revenue including on the Corporate Income Tax Return and Online Share Transfer Procedures, and put forward a number of recommendations to ensure more alignment among different requirements or contribute towards more efficient processes.

The Malta Institute of Accountants participated in the public consultation on the draft Transfer Pricing rules published by the Commissioner for Revenue on 22nd December 2021. MIA's response was the result of work carried out by a working group established for this purpose under the remit of the MIA Direct Taxation Committee.

The Committee was also responsible for a joint event, organised by the MIA, MIT and IFSP, held on 4th March 2022 focusing on The Shell Directive (ATAP 3):



Understanding its impact on the Maltese Corporate and Financial Services Sector. During this event, participants were briefed on the key elements of the Shell Companies Directive, which the European Commission is putting forward as another means to fight tax evasion and tax avoidance. This briefing was followed by a high-level debate between a number of leading tax, legal and financial practitioners from Malta's major firms. The proposal, also known as ATAD3, links with other directives being pushed at EU and OECD level to streamline corporate taxation.

Ethics Committee

The Committee provided a version of the Code of Ethics to the Accountancy Board transposing the 2018 Revised and Restructured Code of the International Ethics Standards Board for Accountants (IESBA).

Representatives of the Accountancy Board are being invited for Committee meetings during which other necessary updates to the Code of Ethics for Warrant Holders in line with international developments are being discussed and will be eventually presented for the consideration of the Accountancy Board.

In June 2022, the Malta Institute of Accountants provided feedback in response to IESBA's Exposure Draft Proposed Technology-related Revisions to the Code based on work carried out by the Ethics Committee.

Financial Reporting Committee

Following extensive discussion and consultation, the Committee has provided feedback to the Accountancy Board on the draft legal notice concerning GAPSME, and is currently in the process of considering whether further changes are required, keeping in view the work being carried out by the same Committee related to required changes to the Companies Act. It has also continued its collaboration with the Financial Services Committee in order to develop specific GAPSME disclosures for retail clients.

The Committee, through a working group set up for this purpose, has also continued going through the Companies Act to identify provisions that need to be amended.

Indirect Taxation Committee

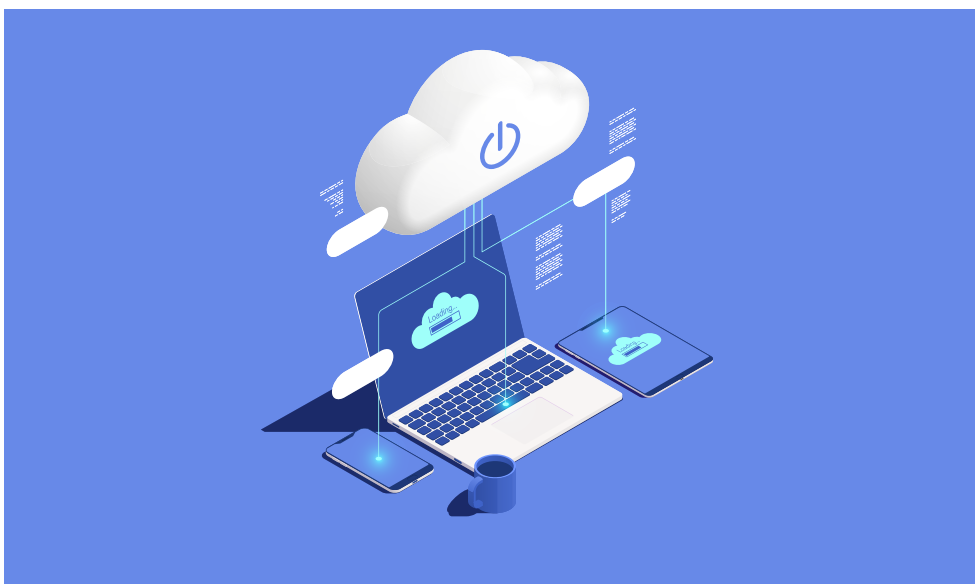
The Indirect Taxation Committee gathered member feedback with regards to the European-wide consultation process related to VAT in the Digital Age. The consultation feedback was eventually submitted by the MIA to the European Commission on 5th May 2022.

The Committee continued to engage with the Commissioner for Revenue on VAT related issues being encountered by our members during the course of their work. In parallel, Committee members have continued working on guidance about blocked VAT supplies to simplify claimed input tax that relates to areas such as entertainment and hospitality expenses. Members of this Committee are also in the process of carrying out research on the recovery of input tax for holding companies providing a mix of economic versus non-economic activities and the methodology used in case of partial recovery, with a view of exploring the possibility of further work by the Committee on this area.

Focused Committees

Digital Committee

Although the world has been rapidly embracing technology as an integral part of business for a number of years, the pandemic has significantly accelerated this process. In this context, the Digital Committee has re-initiated an important initiative with the SMP Group to evaluate the needs and challenges faced by sole, small and medium-sized practitioners with regards to Information Technology. The Committee is also engaged on the drafting of a competency framework focusing on digital skills that an accounting practitioner should be aware of.



The Committee also organised a webinar on 11th November 2021 focused on *The evolution of the finance function through Data and Automation*. The practical challenges together with opportunities were amongst the areas tackled by the speakers, including the Head of Business Management, Professional Insights at ACCA.

The work of the Committee is being carried out through a number of working groups covering Digital Upskilling, Cloud Accounting, VAT related matters, and collaboration with the Malta Digital Innovation Authority and the Malta Financial Services Authority.

Financial Services Committee

Two important contributions by the Financial Services Committee included the publication of two technical releases related to the IFD/IFR Limited Assurance Report and the Assessment of Compliance with Directive 16 issued by the Central Bank of Malta respectively.

The first technical release aims to assist practitioners in complying with the requirements of Rule R1-2.2.2 and R1-2.2.5 of Part BI of the Investment Services Rules applicable to Investment Services Licence Holders which qualify as MiFID firms issued under the Investment Services Act 1994 (Chapter 370 of the Laws of Malta).

The second technical release has the objective of assisting practitioners to comply with the requirements of paragraph 19 of Directive 16 Regulation on Borrower-Based Measures issued by the Central Bank of Malta in terms of the Central Bank of Malta Act (Cap. 204 of the Laws of Malta). The Technical Release details the Agreed Upon Procedures to be carried out by an external auditor at the end of the financial year of the third year of application of Directive 16 and every third year thereafter, to verify compliance with the said Directive. The external audit assessment is to be forwarded to the Central Bank of Malta and the MFSA.

The Committee also supported the MIA in providing feedback to the MFSA Consultation Document on the Proposed Settlement Procedure under the Malta Financial Services Authority Act and on the establishment of a Settlement Policy. Feedback was also submitted to the MFSA on the Discussion Paper reviewing the Asset Management Strategy.



Gaming Committee

The Committee organised a webinar on 1st June 2022 focusing on the *Forthcoming Reporting Obligations Required by the MGA* in respect of which two Technical Releases were published by the Malta Institute of Accountants in collaboration with the Malta Gaming Authority.

These Technical Releases lay down the requirements for operators and practitioners in the carrying out of engagements requiring the performance of agreed upon procedures and the reporting of factual findings thereon in accordance with ISRS 4400 (Revised), consequent to the requirements of Article 41 (2)(b)(ii) and (iii) of Directive 3 of 2018 Gaming Authorisations and Compliance Directive. These agreed upon procedures relate to gaming tax payable on revenue from players classified as Maltese players, as well as levy on gaming devices which fall under the Maltese licence, and Player funds, jackpot funds, as well as the portion of the player funds account balance which fall under the Maltese licence.

In this regard, this dedicated webinar sought to explain the requirements of ISRS 4400 (Revised) as applicable to the Technical Releases, the contents of the Technical Releases referred to above, the process to be followed by operators and address any queries which both operators and practitioners within the industry may have prior to the implementation of the reporting obligations which need to be met by 31st October 2022.

The Committee also prepared feedback on behalf of the MIA on the Revised Audit Service Provider Guidelines issued by the MGA.

Sustainable Finance Committee

This Committee is a new addition within the internal structure of the Malta Institute of Accountants and reflects the importance given to this field of action by the Institute and its willingness to act as a driver of change. Such a decision was underpinned by a true belief that the fight against climate change and the desire for true sustainability depend on the input of everyone and that sustainability is a matter which concerns all industries.

The Sustainable Finance Committee is responsible for identifying and interpreting issues pertaining to Sustainability Reporting, the Corporate Sustainability Reporting Directive (CSRD), the European Green Deal and other Sustainable Finance related topics, and guiding MIA members accordingly.

To support the implementation of its objectives, the Committee has appointed five working groups. These will focus respectively on Strategy, Reporting, Assurance, Learning and Education, and Capital Markets.

One of the Committee's first deliverables was the provision of feedback on the Draft European Sustainability Reporting Standards issued by EFRAG, delivered in August 2022. The working groups set up to provide this feedback included representatives of the Financial Reporting Committee.



Focus Groups

Professional Accountants in Business (PAIB) Group

The highlight of the activity of the PAIB Group during the period under review was the hosting of the PAIB Conference *Creating Value from Emerging Trends in Business*, held on 25th May 2022 at the Radisson Blu Resort. This event, details of which are provided in the Events section of this Report, reflects the Institute's efforts to support its members in embracing change and in acquiring the necessary skills and knowledge to transform opportunities into success.

Experts from the world of corporate finance, digital industries, ESG and credit management among others shared their views during this event, providing invaluable insight on how practitioners can work with business to identify ways of creating value from emerging trends in business, while securing growth and success for the years ahead.

The Group is also supporting the Institute's Education Campaign by providing input on and reviewing material for dissemination amongst students and educators alike.





Small and Medium Practitioners (SMP) Group

The Group has once again taken the responsibility of hosting the SMP Forum, which this year took place at the Radisson SAS Resort on Tuesday 24th May 2022. The theme for this year's event which is also reported in further detail in the Events section, was *The Next Leap Forward: Succeeding through Change*. The event highlighted the transformation of the role of the accountancy professional as a trusted advisor of the entrepreneur.

This Forum brought together experts in diverse fields such as financial crime, forensic accounting and taxation who engaged in an informative discussion and exchange with participants on a number of factors that are having or will have an impact on the environment within which local practitioners operate. The Group also organised a Networking Forum on 28th July 2022 for all sole, small and medium practitioners to attend.

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In addition, representatives of the SMP Group discussed matters of concern related to both direct and indirect taxation with representatives from the Office of the Commissioner for Revenue. During this meeting, a number of recommendations were also put forward.



Young Members Group

The Young Members Group continued to secure the involvement and engagement of the younger generation of MIA Members. Throughout the period under review its activities included the organisation of a physical CPE session focused on VAT, Crypto and AML.

The Group also provided support to the MIA's participation at the 'I Choose' fair through panel speakers and presence on the Institute's stands. Four members of the Group highlighted the transition of the accountancy profession in recent years. They described the opportunities created for such professionals as endless, sharing insights on the way that an accountancy background has shaped their career development, growth and success.

Ad-hoc Working Group

During the past years, the accountancy profession has been facing a lack of supply of qualified persons compared to existing and anticipated demand. This gap is being bridged through the recruitment of third country nationals (TCNs). While positively noting that the experience, to date, is that these TCNs are meeting the profession's needs, significant challenges are still being faced with the engagement process of TCNs. These challenges are having both financial and operational repercussions, ultimately impacting the extent to which services can be offered by our members to businesses.

In this context, two ad-hoc Working Groups have been setup to tackle this issue, hold meetings with a number of entities, including ID Malta and the Ministry for Foreign and European Affairs, now Ministry for Foreign and European Affairs and Trade. One of the working groups is tasked with putting forward policy related recommendations, a number of which have already been put forward to Identity Malta, while the other is looking into process related matters.

Changes in **Members' Regulations**



During the AGM held on 1st October 2021, members present approved a number of proposed changes to the Statute.

These revisions concerned primary disciplinary proceedings, procedures related to meetings of the Council, including quorum and voting, the admission, re-admission and resignation of members, election of officers as well as the eligibility criteria for specific council roles. The full list of changes is available [here](#), while an updated list of amendments is available through the [MIA website](#).

During the period under review, the Council approved changes to the Members and Disciplinary Bye-Law. It has also approved the introduction of the Committees Bye-Law. Amongst other matters such Bye-Law covers the eligibility criteria to sit on Committees, how applications are to be submitted, Committees' appointment and term, resignations, termination of appointment, vacancies during a term, meetings, conflict of interest and appointment of working groups.

Extraordinary General Meeting

The Malta Institute of Accountants held an Extraordinary General Meeting on 2nd August 2022 at its premises in Swatar. The EGM had a single item on the agenda and was intended to seek feedback from the members on the possibility of the Institute purchasing a building to serve as its official premises instead of the current lease which expires in May 2023.

A number of members of the Institute, including former Presidents of the Institute, shared their views on the matter, exposing different positions on the issue at hand. A vote was taken by the members present with a majority supporting the Council's proposal.



Serving the Interests of Members

As the sole representative body of accounting and auditing professionals and practitioners, the MIA seeks to further their interests by identifying the key issues that affect the profession and address them appropriately and in time. The last years have brought on the profession a continuous stream of legislative, regulatory, technological and ethical developments. The MIA stands as a bridge-builder between authorities and members, ensuring the considerations of both sides are carefully presented to the other party. The MIA tailors its needs to the growing diversity within the profession, including accountants in public practice, small and medium practitioners, public accountants in business, and other stakeholders.





Biennial Conference

The Biennial Conference was the first physical event to gather MIA members and other stakeholders following a two-year hiatus as a result of the coronavirus pandemic.

This high-profile event, held on 22nd September 2021, focused on the impact of sustainable accounting on financial reporting. It examined the anticipated transformations affecting the sector in the wake of the Corporate Sustainability Reporting Directive (CSRD) review by the European Commission.

The theme of the conference – *A New Mindset: Reduce. Reuse. Report* – reflected a growing awareness among professionals about their responsibility towards sustainability in the private and public sectors.

Some 38 local and international speakers shared their views with around 300 accountancy and auditing professionals as well as specialists in other key business areas that sought to learn about the new framework proposed by the European Commission that will standardise non-financial reporting for the private sector. The speakers included Olivier Boutellis-Taft and Noemi Robert, respectively CEO and Director at Accountancy Europe as well as Thomas Dodd, a Team Leader at the European Commission.



Membership and The New Members' Ceremony

On 25th November 2022, the Malta Institute of Accountants formally welcomed 222 new accountants as members within its ranks, following the completion of their studies through the avenues provided by the University of Malta and the ACCA throughout the 2020-21 academic year.

During the ceremony, which was held at the Hilton Hotel, four graduates were recognised for outstanding performances in their studies. These were Mr Jamie Abdilla (first in Malta Overall Performance, December 2020 MIA-ACCA Top Affiliate), Ms Celine Magro (first in Malta Overall Performance, March 2021 MIA-ACCA Top Affiliate), Mr Jonathan Azzopardi (first in Malta Overall Performance, June 2021 MIA-ACCA Top Affiliate) and Ms Sarah Bonnici (Best University of Malta Accountancy Student 2021).

Besides the MIA President and CEO, the event was also addressed by Dr Emanuel Said, Dean of the Faculty of Economics, Management and Accounting at the University of Malta, who highlighted the increasing role of technology, particularly distributed ledger technology (DLT) and artificial intelligence (AI), in rendering the accountancy profession increasingly specialised and effective. ACCA Global president Ms Orla Collins also joined the occasion virtually, focusing her speech on the bigger role accountants will be playing in driving climate action and sustainable recovery.



MIA Committees and Groups

Following the formation of new committees and groups for the term January 2022 – December 2023, committee and group members were invited to a networking event to better understand the Institute’s vision and priorities.

The event, held on 22nd February 2022 at Radisson Blu St Julian’s was attended by around a hundred committee members who had the opportunity to exchange views and ideas in an informal setting, as they set their agenda for the months ahead.

Football Tournament

On Sunday 1st May, the MIA held its Annual Fundraising Football Tournament as part of its Corporate Social Responsibility efforts. This year’s event was highly-competitive and attracted no less than ten teams. At the end it was the team from Agius & Associates who prevailed to lift the trophy.

During the tournament, funds were collected in aid of Dr. Klown, an NGO, active in Mater Dei Hospital that provides hospitalised children distraction and stress relief through fun and laughter. €1,947 was collected through donations for Dr. Klown. This was also possible thanks to the sponsors who provided food, drinks and snacks to sell at this well-attended event.



Members' Social Event

On 24th June, the Institute held its annual Social Event at Chateau Buskett. For the first time since 2019, the event was a stand-up do, as 600 members socialised, networked and donated to Dr. Clown throughout the evening.





SMP Networking Event

The traditional SMP Networking Event was back on the agenda on Thursday 28th July, providing the opportunity for some 40 sole, small and medium practitioners to meet up at an intimate evening high on discussion and socialising. The event was held at the Dragonara Lounge, Casino Dragonara in St. Julian's.



Learning and Networking Opportunities

The Institute tailors its CPE offering to cover a myriad of topics that relate to the major developments concerning the accountancy profession, the financial services industry and beyond. The MIA provided numerous training workshops, seminars, and courses addressed by established local as well as foreign experts.

The courses focused not only on technical developments concerning the profession but also offered soft skills which enhance the career prospects of participants and foster better working conditions, efficiency and interpersonal relationships.



Throughout the year in review, key topics covered were:

■ **AML:**

- AML/CFT risk assessments – conducting an effective CRA, JRA and BRA
- Beneficial ownership – Meeting your AML obligations.
- Dealing with Enhanced Due Diligence Measures for PEPs
- Reporting Suspicious of ML/FT: Good Practices
- Revised Implementing Procedures Part I
- Sanction Screening
- Sanctions: New Challenges, Obligations and Red-Flags
- Taxation and prevention of Money Laundering
- Tax-related money laundering red flags, typologies and case studies
- The role of the Money Laundering Reporting Officer

■ **Auditing:**

- ISQM 1: What Lies Ahead? A Proactive Quality Standard to Strengthen the Profession
- Reporting to those charged with Governance
- The Independent Auditor's Report: Essential ISA Considerations
- ESEF: The Highlights & FAQs, in collaboration with MFSA
- How will the revision of ISA 315: Identifying and Assessing the Risks of Material Affect Current Practice?
- Managing the risks of material misstatement during an audit
- Revised ISA 315: necessary changes by auditors

- Fraud & going concern risks - impact on the audit of financial statements
- iGaming Entities – An Auditor’s Practical Guide
- Intellectual Property – Malta Income Tax Considerations
- Internal Controls within an organisation: The different roles and responsibilities
- IT Audit & IT Auditors; An introduction
- Protecting the Organisation: Internal Audit’s Role in Internal Investigations

Covid:

- How will businesses change their tact after the coronavirus pandemic?

■ **Digital:**

- Fundamentals of DLT regulations in Malta, a non technical dive

■ **Direct Taxation:**

- An Introduction to Transfer Pricing
- Budget Overview 2022
- Compiling the Income Tax Return for Individuals.
- OECD and EU tax developments impacting Maltese cross-border corporate dividends
- Revisiting FATCA and CRS – An intermediate level session
- Tax and Duty implications for the transfer of immovable property
- Tax and Duty implications on transfer of securities and other relevant considerations
- Tax considerations in Corporate Re-organisations
- Tax credits under the Microinvest Scheme
- Tax obligations for self-employed
- Tax transparency: digital platforms and cryptocurrencies – What is to come? (DAC7 and DAC8)
- Taxation of fiscal aids given to businesses in light of COVID-19
- The Company Tax Return
- The EU Proposal to Implement the Global Minimum Tax
- The Shell Companies Directive (ATAD 3): Understanding its Impact on the Maltese Corporate and Financial Services Sector





■ **Financial Reporting:**

- Accounting For Cryptographic Assets
- Accounting for provisions and contingencies
- Accounting in the Gaming Industry – An Inside Look
- Accounting under IFRS – IAS 37 and IAS 2
- Advanced GAPSME: Practical Scenarios
- Consolidation Workshop: Complex scenarios
- Consolidation Workshop: The Basics
- Construction and real estate – revenue, lease and investment property accounting
- Cost Benefit Analysis
- Deferred taxation: the accrual that need not be feared
- Financial Instruments Under IFRS 9 And GAPSME
- IAS 20 - Accounting for Government Grants and Disclosure of Government Assistance
- IFRS 11: Joint Arrangements
- IFRS 17
- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations
- IFRS 17: Getting to grips with a revolutionary change to insurance accounting
- Illustrating the amendments of IFRS 3 from a practical perspective
- Income taxes: financial statement disclosures, and changes to IAS 12
- MIFID II obligations and with respect to the VFA Act
- Monitoring the implementation of IFRS 9 and the related impact of COVID-19
- Non-current assets under IFRS
- Property valuations: Dealing with the Perit
- Substance Over Form Under IFRS
- The Auditor's Report and the Auditor Clearance
- Understanding Auditor's requests: A Practical guide
- Valuing real estate: A review of valuation methods

■ Indirect Taxation:

- DLT Assets: VAT Implications
- Tax implications of remote work
- The Importance of VAT compliance: walk through the different VAT penalties & Interests
- VAT Considerations in the Immovable Property Industry
- VAT Refresher
- VAT Treatment of Insurance and Financial Services
- VAT treatment of Shipping, Yachting and Aviation related transactions
- VAT Updates 2021/2022
- VAT: From basics to practical examples
- Where and When is VAT applicable? – VAT Place of Supply Rules

■ Legal:

- The Highly Qualified Persons Rules – Regulatory framework and recent developments
- A Practical Approach to GDPR For Businesses
- Basics of Rent Law
- Changes to the Companies Act
- Competition Law in Malta – what you should be aware of
- Demystifying customer due diligence – a practical approach
- Directors' Duties and Obligations
- Employment Law Basics, a Practical Approach
- Insolvency: Company Liquidation and Company Recovery
- The Insurance Regulatory Landscape – Where We Are and Where We're Heading
- The Responsibilities of officers of a limited liability company
- The Role of the Company Secretary
- The Role of the MLRO: Tracking Moving Targets



■ **Local Regulatory:**

- Forthcoming Reporting Obligations Required by the MGA
- Ongoing financial obligations & reporting applicable to Insurance Intermediaries
- The Intrastat Declaration System
- The Malta Business Registry: Addressing defaults and concerns
- The New Company Services Providers Act - What does it mean for you?
- The Role of the Accountancy Profession

■ **Management and Finance:**

- An effective Business Plan; what it entails?
- An introduction to rent: What the valuation reviewer, valuer and investor/ landlord need to know.
- Being Prepared to Survive the Turbulence from the Ukrainian Conflict
- CFO perspective: Venture Capital & Start ups
- Economic indicators for decision making
- How forecasting can be used to improve profitability, returns and decision-making in business
- Sustainability and Finance
- The Benefits and Pitfalls of Automation.
- The International Money Transfer Market
- CSPs: Getting to Grips with Risk Management
- Fundamentals of Risk Management
- GDPR Workshop: GDPR fines, claims and enforcement action
- Raising finance on capital markets
- The real financial costs of high employee turnover

■ **Personal Skills:**

- Emotional Intelligence – It Matters
- Heroic Challenge Management Business Strategy
- Mental Health - Today and Tomorrow's Wealth?
- Resilience and Self-Care – Preventing Burnout and ensuring Mental Health and Wellbeing
- The Future of Work
- The Influential Leader - Fine-tuning your leadership style to make it work for you
- Time Management and Prioritisation Skills – Not having time is a myth!

■ **Technology:**

- The evolution of the finance function through Data and Automation



#Highlights 2021 – VAT, Crypto & AML

On the initiative of the Young Members Group, three topical issues of increasing relevance for accountants and industry professionals, namely VAT legislative changes and recent developments related to crypto-taxation and AML, were on the agenda of a mini-conference held on Friday 29th October 2022 at the Intercontinental Hotel in St. Julian's.

The event featured three focused presentations which served to bring participants up to speed on important developments on changes in VAT rules related to the e-commerce package, on the tax implications of trading and deriving income from cryptographic tokens as well as on the latest developments in the country's fight against financial crime and gave essential tips on how professionals can support authorities in this important objective. Participants and speakers engaged in a quickfire question and answer session after each presentation, which brought to the fore several issues of common concern, adding to the sharing of knowledge on the relevant themes.

Networking drinks bringing together accounting professionals and other industry stakeholders followed.





The Malta Business Registry: Addressing defaults and concerns

Fresh from her appointment as CEO and Registrar of the Malta Business Registry, Dr Geraldine Spiteri Lucas was invited to a vibrant exchange of views attended by over 40 MIA Members at the Institute's premises.

Following a brief introduction by the Registrar, several members highlighted some of the most pressing challenges faced on a regular basis, particularly the lack of availability of human resources, and pandemic restrictions to travelling, which had made obtaining certain documentation for companies with an international presence or ownership, harder. The participants also shared some practical suggestions on ways to improve the relationship between practitioners and the MBR, including with regards to the handling of documentation.

Dr Spiteri Lucas shared her views on various issues of relevance to the profession. The key themes addressed covered recent regulatory developments, including amendments to the Companies Act, changes to the UBO register, the upcoming launch of a new Registry online system and other practical challenges faced by professionals, acting as accountants or auditors for specific companies, or as providers of CSP services.



Malta's efforts to exit the FATF 'Grey-List' - the Role of the Professionals

Due to the priority given by the Institute towards securing a timely exit from the FATF's grey-listing, the AML Conference, held on 7th December 2021 at the Radisson Blu Hotel in St Julian's, focused on this matter of national importance. For this event, the Institute secured the presence of the key stakeholders involved in ensuring Malta's compliance with the recommendations brought forward by Moneyval and the FATF. These speakers addressed major issues relating to their respective entities and also engaged with participants on matters of common interest.

The AML Conference, attended by some 200 professionals also featured presentations and panel discussions which centred around beneficial ownership and tax evasion.

Participants were provided with exclusive insights, particularly through presentations by key stakeholders working on Malta's efforts with the FATF.





SMP Conference

The Next Leap Forward – Succeeding through change!

The evolving role of the accountancy professional as a trusted advisor of the entrepreneur was an underlying theme which emerged during this year's Small and Medium Practices Conference. This year's event brought together experts, industry leaders, representatives of constitute bodies and other stakeholders in diverse fields, who tackled issues related to financial crime, forensic accounting and taxation and shared their views on several factors that are having or will have an impact on the environment within which local practitioners operate.

This conference addressed a number of legislative and regulatory developments which impact the role of the professional, including those originating from the European Union and the OECD, particularly the Shell Directive, transfer pricing regulations as well as proposals of a minimum corporate tax. In the context of Malta's FATF grey-listing at the time, the strengthening of the fight against financial crime was also a key feature of the Conference.





PAIB Conference

Creating value from emerging trends in business

This Conference sought to discuss how professionals can transform the challenges brought about by recent trends in industry into new opportunities for business growth and success. In particular, participants focused on the new realities of the post-pandemic scenario, particularly the mainstreaming of Artificial Intelligence and Environmental, Social and Governance matters. The various sessions sought to help accountants better understand how PAIBs can continue to develop as leaders within their organisations.

Company leaders, CEOs and CFOs, as well as representatives of constituted bodies shared their perspective on the matter. Panel discussions were addressed by various experts in fields including on AI, the sourcing of capital funding and credit management. These panels featured both informative sessions updating participants with the latest developments in the respective fields as well as open and frank discussions during which representatives of authorities, firms and accountancy professionals shared their views and sought common ways of securing growth and success for the years ahead.



CPE Offerings

The MIA's CPE offering is continuously reviewed and updated in consideration of the developments in the industry and beyond. The MIA continued to identify industry leaders with the appropriate knowledge and experience to deliver these sessions in the belief that investment in education is a fundamental element of enhancing the quality of our profession.

Building on last year's special rates for CPEs, the Institute has maintained the group discount scheme whereby bookings of three or more individuals placed together receive a discount. Furthermore, the MIA has tweaked the 10-hour bundle to create an unlimited CPE package for all virtual CPE sessions throughout 2022. This means one can purchase a bundle and attend as many CPEs as they wish without inflating the price.



GROUP DISCOUNTS AVAILABLE
Available on all upcoming virtual CPEs in 2022

*T&C APPLY

This advertisement features a background of colorful ink splatters in shades of orange, yellow, blue, and pink. A dark red horizontal band is overlaid on the center, containing the text 'GROUP DISCOUNTS AVAILABLE' in white, bold, uppercase letters. Below this band, the text 'Available on all upcoming virtual CPEs in 2022' is written in a smaller, white, sans-serif font. In the bottom right corner, the text '*T&C APPLY' is written in a small, white, sans-serif font.

**PAY NOW
& BENEFIT ALL
YEAR LONG**

THE UNLIMITED BUNDLE
MAY BE USED WHEN
BOOKING ALL MIA
VIRTUAL CPEs IN 2022.

*T&C Apply

This advertisement features a background of a colorful, flowing ribbon in shades of purple, blue, and yellow. The text 'PAY NOW & BENEFIT ALL YEAR LONG' is written in a large, bold, sans-serif font, with 'PAY NOW' in grey and '& BENEFIT ALL YEAR LONG' in red. Below this, the text 'THE UNLIMITED BUNDLE MAY BE USED WHEN BOOKING ALL MIA VIRTUAL CPEs IN 2022.' is written in a smaller, grey, sans-serif font. In the bottom right corner, the text '*T&C Apply' is written in a small, grey, sans-serif font.

The Accountant Quarterly Journal

The Accountant is the Institute's quarterly journal, publishing articles of interest to professional accountants working in different industry segments. Through this journal, the Institute educates and updates members and stakeholders on current issues and developments, both within the Institute and the profession.

Through the four editions published during the period under review, the Institute put the spotlight on its efforts to reach out to the accountants of the future, upcoming legislative and regulatory development which impact the profession, insights into new standards, the fight against financial and tax crime and other industry-related developments.

The publications also featured exclusive interviews with distinguished guests such as the President of the European Parliament, Dr Roberta Metsola, the Commissioner for Tax Revenue, Mr Joseph Caruana, the Director of the FIAU, Mr Kenneth Farrugia and the CEO of the Malta Business Registry, Dr Geraldine Spiteri Lucas.

Other features also put in the limelight on individual MIA members as well as members of the MIA administrative team, who shared career insights while opening up on their interests beyond their profession.

The Accountant continues to be available in a high-quality glossy printed version while being also available electronically on the MIA website and through a QR code embedded on the cover page. Furthermore, a digital flipbook for every issue is sent via email to the members, students, and other stakeholders listed on the Institute's database.



MIAngle Newsletter

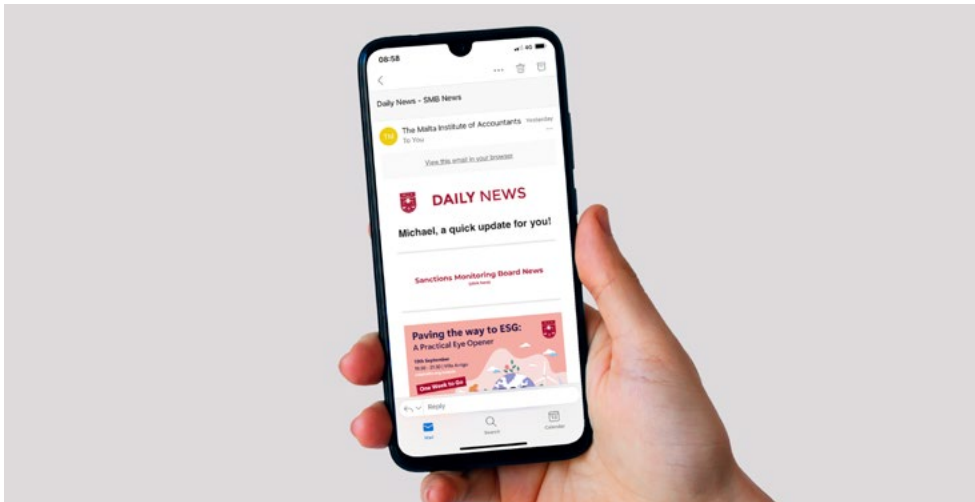
Now in its second year, MIAngle continues to provide timely technical updates to members of the Institute with emphasis on upcoming legislation, proposed revisions and other consultations launched at local and European level.

Experts, including members of the MIA's various Committees, dissect legislative and regulatory developments concerning the profession and the wider financial services industry through this newsletter. In this manner, MIAngle serves as a collaborative tool between members of the profession whereby expertise is shared within the professional community, leading to knowledge sharing and distribution, thus raising the quality of the profession.

The e-publication features updates from the latest events and news happening at MIA as well as a report of local and international news relevant to members. It also provides the Institute's Committees and Groups with an opportunity to showcase their work on behalf of the Institute and its members.

MIAngle's content is available on the Institute's website, providing members with a reference and resource platform.





Daily News

It is now standard practice that the Institute issues a daily email to advise members of topical news, including updates from the authorities, most commonly Financial Intelligence Analysis Unit, Malta Business Registry and Malta Financial Services Authority, Institute events, CPEs, local and international news and much more.

By doing so, the daily email provides the Institute with an immediate method of communication with all its members whereby urgent and pressing news items are distributed.

Analysis of the daily news shows the high demand for such a daily update with a large percentage of the membership base regularly reviewing the email communication.

Members' Survey 2021

Towards the end of 2021, MIA members were invited to share their views in a survey assessing the quality of the Institute's engagement programme. Through their participation, members had the opportunity to provide feedback about the way the Institute was engaging with its membership base, the positive elements which members identified through their membership of the Institute but also recommendations for new or improved activity.

The Institute has analysed the results thoroughly and instigated various internal discussions to assess this feedback leading to several recommendations being taken onboard. Overall, members expressed a positive outlook towards the different initiatives taken by the Institute to add value to its members and the various methods employed to improve engagement.

This survey provides key metrics and insight which help the Institute tweak and improve the way it reaches out to its members and better address the needs of the profession.



Social Media

The Institute has significantly enhanced the use of social media channels to communicate with its various stakeholders, primarily members, students and industry professionals. The social media team seeks to adapt its messages to the audiences typically associated with the relevant platforms.

A number of events were also live streamed on Facebook and communicated through LinkedIn, further enhancing the visibility of the activities organised by the Institute. The Institute is currently reviewing its social media offering with a view of investing further in communicating through it and build on past and recent successes in this regard.

Recently, the MIA has also extended its offering to Instagram which is mainly targeted at a younger cohort and is an essential vehicle for the delivery of the upcoming educational campaign towards prospective accountants.



Facebook

7,312 Followers

@The Malta Institute of Accountants



LinkedIn

4,552 Followers

@The Malta Institute of Accountants



Bridging with Stakeholders

The Malta Institute of Accountants has built an effective collaboration mechanism with a number of local and international stakeholders, including other professional bodies and associations. These relationships serve to bridge the gap between individual members and these entities, encouraging the dissemination of knowledge and information but also a mutual understanding of the respective needs and challenges. Throughout this activity, the MIA seeks to uphold the key values at heart to the accountancy professional including integrity, ethics and governance.



Budget measures proposals

Following consultation with the relevant Committees and Groups, a set of proposals will be presented to the Commissioner for Revenue and to the Minister of Finance in the coming days.

The proposals focus mainly of direct and indirect taxation measures, and take into consideration Government's direction with respect to the second pillar pension and environmental and social matters.

The Institute's Support to the Accountancy Board

The Institute, as the sole approved accountancy body under the relevant legislation, has continued strengthening its relationship with the Accountancy Board which is responsible for regulating the profession.

A new Accountancy Board has been appointed in June 2022, chaired by Mr Edgar Borg. Over the past months, the two sides continued to discuss several items of mutual interest, with work progressing on the revised definition of the professional accountant. This legal revision is intended to strengthen the profession by ensuring that only warranted professionals are legally allowed to carry out specific functions and tasks for which years-long education and training is required.

The Institute has also been in direct engagement with the Board to discuss the revision of the rules pertaining to Continuing Professional Education (CPE) to ensure that warrant holders practising the profession develop and maintain the right level of knowledge to practice competently.

Representing the Profession with Legislators

The Institute held a series of meetings with policymakers to present the members' positions on a range of issues and to contribute to the public debate with factual proposals.



Representatives raised concerns about the Moneyval and FATF evaluations with Finance Minister Mr Clyde Caruana, both before and after the results were announced. Discussions with the Finance Ministry extended to other pressing issues surrounding expats working in Malta, budget considerations and other areas.

Discussions were also held with other government officials including Education Minister, Hon. Dr Clifton Grima and the opposition's spokesperson for finance Mr Jerome Caruana Cilia.

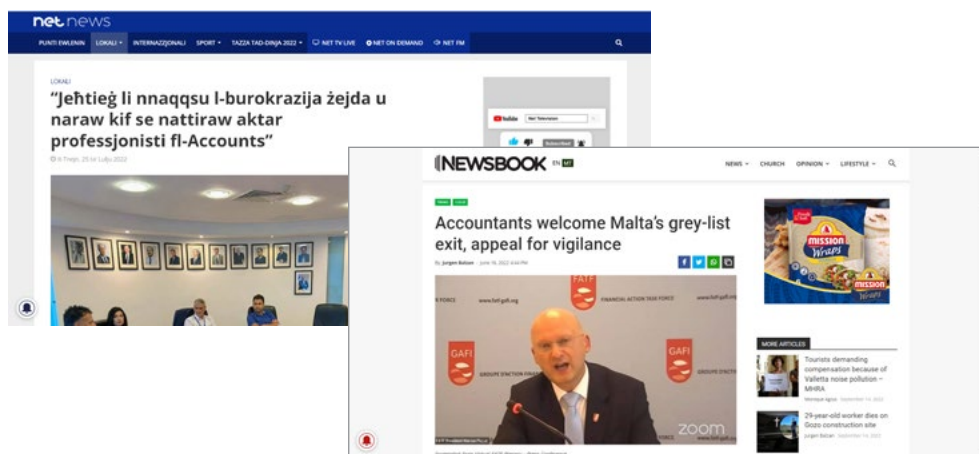
Joint Committee for the Prevention of Money Laundering

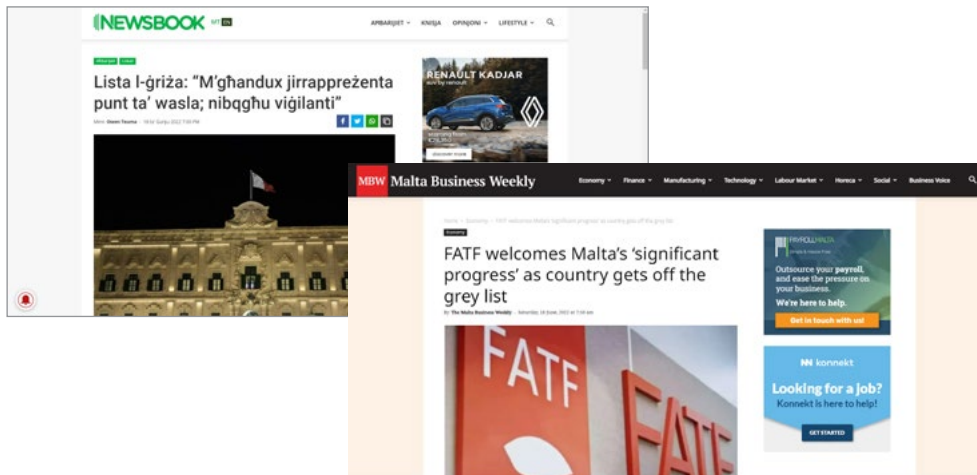
The MIA is a member of the Joint Committee for the Prevention of Money Laundering and Funding of Terrorism (JCPMLFT), where it is represented by its Legal Officer. The JCPMLFT is chaired by the Director of the FIAU and brings together competent authorities involved in the fight against Money Laundering/ Financial Terrorism as well as representatives of subject persons. The MIA is also represented in AML/CFT clinics organised by the FIAU focusing on a specific sector within the financial services industry.

The profession's voice in the public domain

The Institute continued to maintain a strong presence in traditional and electronic media by means of press releases, articles and interviews. Through these communications, the Institute expressed its position on several issues of national importance, gave details on the highlights resulting from events that it organised, and also shed light on major initiatives undertaken throughout the year.

The view of the Malta Institute of Accountants with regards to the inclusion, and eventually exclusion, of Malta from the FATF's grey-list was given ample coverage by various media sources. The Institute's calls for a timely exit from the enhanced monitoring mechanism and appeals for vigilance after the de-listing, were given good coverage in the mainstream media.





As an integral part of Malta's ongoing efforts to ensure such vigilance going forward, the MIA has over the past year contributed to the national exercise, led by the National Coordinating Committee on Combating Money Laundering and Funding of Terrorism (NCC), the governing body responsible for the general oversight of Anti-Money Laundering/ Combating the Funding of Terrorism (AML/CFT) policy, to review and update Malta's national risk assessment on money-laundering. To this end, the MIA attended a series of meetings, which are still ongoing, hosted by the NCC, wherein the Institute was given the opportunity, together with other private sector representatives, to provide its views. Representatives of the different categories of MIA membership were also consulted during this process.

The views of the MIA were also requested and taken on board by the FIAU in so far as guidance documents published by this Unit are concerned. An example of this is the Factsheet published by the FIAU relating to "Typologies & Red Flags: Indicators of Tax -Related ML".

Coverage of the MIA's position on a legal notice which allowed those with tax arrears to pay any tax due on the transfer of property purchased before March 2021 was also widely covered.

The President of the Institute Mr David Delicata featured in an exclusive interview on the Business Today, where in the context of the then-upcoming SMP And PAIB conferences, he highlighted the key challenges facing the profession and the initiatives taken by the Institute to address them and support its members in doing so. The President also addressed the Annual Conference of the Institute of Financial Services Practitioners on 7th April 2022.

The MIA's CEO, Ms Maria Cauchi Delia was featured in an exclusive interview on the public broadcaster's evening bulletin and also on the respective portal tvmnews.com.mt.



Other press releases which gained media attention focused on key issues being raised during events organised by the MIA, including the Biennial Conference, the AML conference, the exchange of views with the Registrar of Companies, the New Members event as well as the SMP and PAIB conferences.

The MIA has also shared a number of external communications with regards to its efforts to enhance the attractiveness of the profession by increasing awareness among young students as they approach the selection of study subjects for the years ahead.

Representing the Institute on International Bodies

The Institute represents the profession in recognised international fora, contributing to regional and global developments affecting practitioners and the wider financial industry. As an active member of Accountancy Europe and IFAC, the MIA maintains regular contact with international players and counterparts.

The Institute is also part of the Members' Assembly and the technical working parties of Accountancy Europe.

Accountancy Europe Young Professionals

The Institute is represented in the Accountancy Europe Young Professionals by a member of the staff. This network is a platform that gives a voice to young European accountants. It offers the opportunity to share best practices with fellow European colleagues, and works to promote the profession and attract new talent, facilitating international collaboration, and address common issues facing young professionals in Europe. Mr Jean Paul Debono, has been nominated by the Institute as the industry practitioner for this forum.

2021 IFRS Foundation Virtual Conference

MIA Technical Officers virtually attended the 2021 IFRS Foundation Conference organised by the International Accounting Standards Board (IASB). Amongst other topics, the two-day conference focused on IASB and IFRS Interpretations Committee updates, Financial Instruments, Disclosure Requirements in IFRS Standards and Business Combinations.

Accountancy Europe's Members' Assembly

Ms Maria Cauchi Delia, CEO of the Institute, represents the MIA on Accountancy Europe's Members Assembly. Accountancy Europe unites 50 professional organisations from 35 countries that represent 1 million qualified accountants, auditors and advisors. The MIA is an active member in this forum and participates in frequent virtual events by Accountancy Europe.





Engaging and Attracting Quality Talent to the Profession

The accountancy profession in Malta has grown significantly over the past years as the development of the services-based industry and the expansion of the financial jurisdiction created opportunities for Maltese and foreign professionals alike. This has in turn created a human resource challenge, which the MIA seeks to address through continuous educational campaigns aimed at fostering better awareness of the opportunities that the profession can provide to young students while also seeking to enhance the attractiveness of Malta's offering to attract quality professionals from abroad.



Education and Student Membership

Following the launch of the education arm last year, the Institute has consolidated its efforts to raise the profile of the profession, attract new talent as potential future accountants, get closer to stakeholders and address issues that need attention.

The MIA seeks to assist students with improving their knowledge and expertise particularly when assistance is requested in relation to dissertations, assignments or any other technical clarification as necessary.



#AccountsForYou Awareness Campaign

The growth of the financial services sector in Malta as well as the wider service-based industry and the attractiveness of the island as a corporate jurisdiction have created an exponential increase for career opportunities in the accounting and auditing sector. While this situation has provided fresh graduates and experienced professionals with unparalleled career choices, it has strained the availability of human resources and increased pressure on firms in recruiting staff to match their requirements for growth.

In this context, the Malta Institute of Accountants has been proactive in highlighting the multi-pronged opportunities brought about by accountancy careers. Through various initiatives, gathered under the #AccountsForYou Awareness Campaign, the MIA has highlighted the unique selling points of a career in the profession, including its durability, sustainability, skills development, flexibility to operate in diverse economic sectors and higher-than-average remuneration packages.

The campaign ran from September 2021 to March 2022 and sought to reach out to students in a multitude of ways. This effort included the organisation of some 60 awareness sessions attended by





more than 1,000 secondary school students. These sessions targeted primarily Year 8 and Year 11 students as the former prepare to select subjects for the forthcoming scholastic year and the latter sit for their O' Level exams, therefore a key timeframe with a significant bearing on their future career prospects. Participation in these sessions, which was generally voluntary and virtual, attracted students from various public, church and independent schools. During these sessions, students were encouraged to develop an early recognition of the potential role accountants play within society and had the opportunity to link such educational background to individuals who have achieved success in their respective fields.

The physical and virtual sessions were supported by an unprecedented digital campaign to engage students, guardians and educators, including Google search adverts, Social Media paid adverts (Facebook, LinkedIn and Instagram), the use of Influencers on social media channels who are well-known with the targeted audience (Instagram and Tik Tok), You Tube animated paid video adverts, Spotify audio adverts, mainstream media press releases and website banner adverts.

The Institute, through its Education team, also created the accountsforyou.org website supporting students on their journey including possible career options which one can follow through accountancy. It also created ten videos showcasing different elements of the profession.

This campaign was supported by the Ministry for Education and the Department of Accounting within the Directorate for Learning and Assessment Programmes (DLAP). It was received positively by students, parents, educators, and supporting sponsors. The Institute is committed to improve this project and relaunch a stronger version during the 2022-2023 scholastic year.



Participation in the Masters in Accountancy Conference 2021

The MIA sponsored and held a panel discussion during the Masters in Accountancy Conference 2021, which is a conference organised by and for students who are reading for their Masters degree and are in their final year. This was held on 2nd December 2021 at Corinthia Hotel St George, where a panel was moderated by the Institute with panel members consisting of MIA representatives from the MIA Young Members Group and the MIA Students Group. An informative discussion dealt with the aspects of the profession and what the soon-to-be-graduate-students should expect after their graduation.

Outreach through Campus FM Radio

As part of its continuous outreach effort, the Institute participated in a radio programme on Campus FM entitled *Il-Professjonisti f'Malta* and hosted by Ms Norma Camilleri, CEO of the Malta Federation of Professional Associations. The Institute was represented by its Technical Manager Ms Amanda Zammit. The programme, which was broadcasted on 11th May 2022, covered a multitude of issues concerning the profession, including the role of the accountant, the need for standards, the role of the Institute, integrity within the profession, relationships with international organisations, educational aspects and others. A link to the programme's recording is available [here](#).



Participation in the July 2022 edition of I Choose Fair

The Malta Institute of Accountants ensured a strong presence at this year's event held at the Phoenicia Hotel on 22nd and 23rd July, with representatives of the Young Members Group and other Institute staff members present onsite to meet the students, answer their queries and provide career tips. A number of give-away prizes also ensured that the MIA's stand was a place-to-be for the students who attended this year's job fair.

Organised by the Ministry for Education, the I Choose Fair gave students the opportunity to connect with a variety of entities and to speak to guidance teachers to enable them to make informed choices about their future.

The CEO of the Institute Ms Maria Cauchi Delia shared insight on the role of the Institute as the guardian of the profession, highlighting its important contribution towards career development. Describing the Institute as the only organisation which brings together all accountants and auditors, she highlighted its key activities including participation and consultation in new legislation, the organisation of educational conferences and training sessions as well as numerous networking opportunities for its members.



MIA-ACCA Joint Examination Scheme

The Institute together with the ACCA continues to run a Joint Scheme Agreement covering both the ACCA Qualification and ACCA's Foundations in Accountancy suite of qualifications. This Agreement established the Institute as the only joint scheme partner in Malta, bringing global recognition to local qualifications. Nearly 2000 students are enrolled in this scheme.

Throughout the past months the Institute has enhanced its efforts to liaise with the different stakeholders (ACCA, Approved Learning Partners, tutors, students) in its efforts to ensure that the qualification upholds its established standards and meets the needs of the local market, whilst defending the rights of the students who are benefitting from this service. In spite of Brexit, through the Institute's collaboration with ACCA, it is possible to bring the qualification to students who wish to study in the local market.

The Institute also maintains a webpage dedicated to providing Joint Examination Scheme (JES) students key guidance in preparation for ACCA exam sessions. The webpage contains exclusive information and resources for registered JES students and MIA members.

Global ACCA Winner

The Malta Institute of Accountants has honoured Ms Maria Sciberras for the extraordinary achievement of placing second among thousands of students around the globe during the March 2022 Strategic Professional Exam Level Exams held by ACCA.

The award was presented by the Malta Institute of Accountants President Mr David Delicata, CEO Ms Maria Cauchi Delia and Mr Thomas Galea, who is Malta's representative on the ACCA International Assembly.





An Appreciation

In recent years, a number of developments seemed to shed a dark light on the industry and the thousands of professionals which had over the past decades been positively responsible for transforming Malta from an off-shore jurisdiction to one of the most respected financial services jurisdictions on the continent.

Once again, these professionals have shown their true mettle, and, under the lead of the Malta Institute of Accountants were a fundamental pillar in achieving a quick exit for the country from the FATF's grey-listing. The MIA, driven by an energetic and committed Council, was at the centre of these efforts, being a formidable partner in coming up with ideas to support the implementation of Moneyval and FATF proposals, to deliver on the required targets and once again to demonstrate the values and ethical skills that reflect the true identity of the profession.

The MIA Committees and Groups worked incessantly in engaging with stakeholders and strengthening the link between accountants, the Institute and national institutions. Many times, during this reporting period, they were asked to come up with in-depth, technical reactions to national and European consultative processes for which only a few days for response is provided.

This activity is lead and supported by the energetic and vibrant staff at the MIA office, which despite the challenges brought by a second year of pandemic, strengthened their resolve in continuing to bring forward the interests of the profession – and the Institute's members alike.

Mr David Delicata
President

Mr Mark Anthony Bugeja
Secretary