



# ANNUAL Report



2019  
2020



# THE MALTA INSTITUTE OF ACCOUNTANTS

## ABOUT THE MALTA INSTITUTE OF ACCOUNTANTS

The Malta Institute of Accountants (MIA) is the voice of the accountancy profession in Malta, providing professional guidance, technical support and continuing professional education to over 3,600 accountants.

MIA is committed to attracting talented individuals to the profession and invests heavily in the process of educating prospective accountants.

The Institute also helps to promote a proper understanding of the role and the value of the accountancy profession to the Maltese public in general and in particular, to the local business community.

The MIA forms part of leading international accounting organisations and it represents Maltese accountants in these prestigious fora.

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

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# THE MALTA INSTITUTE OF ACCOUNTANTS

## VISION

The vision of the Malta Institute of Accountants is to lead, train, support and promote its members, having regard to professional and ethical standards for the benefit of the accountancy profession and the general public.

## MISSION

The mission of the Malta Institute of Accountants is to:

- Ensure that the highest technical, professional and ethical standards are maintained by its members.
- Provide its members with the resources, information and leadership to benefit their employers and clients and the general public.
- Attract talented individuals to the profession.
- Create effective partnerships with other private and public organisations to ensure that its members are represented both locally and internationally.
- Promote a proper understanding of the role and the value of the accountancy profession to the public.

## VALUES

The core values of the Malta Institute of Accountants are:

- Responsibility: We act responsibly, in the best interests of our members and the general public.
- Accountability: We accept responsibility for our actions.
- Integrity: Through the code of ethics, we act ethically and work in the public interest, treating people fairly and honestly. We encourage others to do the same.
- Innovation: Developing creative solutions and putting them into action.
- Excellence: We deliver what we promise and add value that goes beyond what is expected.
- Teamwork: By working together we offer a quality service to our members.

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# WELCOME BY THE INSTITUTE'S PRESIDENT

A year ago, the Institute launched an ambitious five-point strategy to regenerate and continue strengthening the profession in Malta. A lot has happened throughout this year, as everyone knows, most notably the coronavirus pandemic that has held the world in its grip almost since the beginning of 2020.

The consequences of the disease are so severe that societies, industries, and professions are now referring to a time-shift between the pre-COVID and the post-COVID days.

The outbreak has forced leaders across different spheres to rethink strategies and plans, simultaneously overhauling processes and practices. For the MIA, it has only reinforced the vision outlined in the five core pillars and intensified our commitment to our engagement, sustainability, and education overall strategic themes.

The disruptions caused by COVID-19 have not dampened the Institute's efforts in our five pillars; on the contrary these adverse developments have increased our strength and willpower in this respect:

1. Ensuring that the MIA is home to all qualified professional accountants;
2. Elevating the quality and raising standards within our profession;
3. Working with all stakeholders to enhance the education and qualification process;
4. Fostering collegiality and comradeship among accountants;
5. Striving to make the Institute's voice heard, loud and clear, on issues which are important for the profession but also on national strategic issues.

Malta's economy is also under serious pressure from the outcome of the MONEYVAL evaluation report, the implications of which cannot be underestimated. This is the message the Institute will keep on disseminating.

I firmly believe that our profession is a crucial part of our country's successful economic model, and the members of the Institute are major contributors to the results that Malta has achieved over the last decades. Recognition of our fundamental role is not simple encouragement for the purposes of patting ourselves on the back; it should serve us to understand our collective and individual responsibilities within the marketplace as professional accountants. We have a duty to enhance our efforts in executing our professional activities in the most effective manner as gatekeepers in financial services and related areas. We need to raise the quality bar within our profession – but frankly, we expect all stakeholders to do so, as our profession tends to be ahead of the curve when compared to other professions and market players.

The circumstances in the past twelve months have led the Institute to take a more prominent place in the national debate and we have reached out to partners, stakeholders, and authorities to represent in a vociferous manner the views of professionals on the major issues the country is facing. We have been strong and incisive, but also fair and balanced. We have earned respect and acknowledgement. But expectations are now higher, and the Institute is expected to fulfil this demanding role. We will do so.



During the past few months, we drew closer to our members even as everyone was physically distancing. The MIA kept in touch with professionals, particularly throughout the thick of the pandemic, to lend support, receive feedback and analyse the situation as it developed. Our Committees and Advisory Groups were also in full swing to raise concerns and put forward concrete recommendations on imminent and longer-term needs.

The Institute's transformation in the area of education steamed ahead to offer better, more effective learning solutions to members through online Continuing Professional Education. At the same time, we started a constructive discussion with relevant stakeholders to update Accreditation Rules as well as enhancing the MIA's relations with Learning Providers.

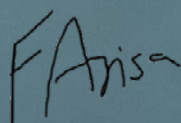


The performance and stature of our profession also relies on our interaction with the wider ecosystem of regulators and official bodies, and it was a privilege to continue collaborating with entities such as the Accountancy Board (the profession's regulator), the Malta Financial Services Authority, the Malta Business Registry, the Financial Intelligence Analysis Unit, the Malta Bankers' Association, and the Commissioner for Revenue to identify areas for improvement and effect the necessary changes. Ongoing interaction with these entities and authorities is one of our key objectives and we have invested heavily in such relationships. The regulatory landscape continued to change during the year under review, taking cognisance of the reputational and attractiveness challenges the jurisdiction is facing. We are contributing in a substantive manner to shaping an enhanced regulatory framework, which also regulates in a precise manner which professional services will only be carried out by professional accountants.

One of the key challenges our profession continues to face is the quantity and quality of resources available. The Institute has continued a process involving Jobsplus and Identity Malta seeking to continue to attract international professionals to the country. Simultaneously, we have set the ball rolling on an international affiliate programme to engage with expatriate accountants practising in Malta.

While everything around us seemed to be under pressure, during the current year the members of the Institute stepped forward to provide timely and trustworthy support to their clients, companies, or organisations. Our concerted efforts, everyone in their own respective function, have been decisive for the market's resilience and the country's ability to rise to the occasion.

I hope that the year until the next AGM will be less bumpy, but I am confident that, together, the profession can overcome any hurdle that lies ahead and lead through the challenges. I remain determined to achieve what we set out to achieve and will continue to work relentlessly for our members.



**Mr Fabio Axisa**  
**President**

# ELECTION OF COUNCIL AND OFFICERS



*The newly elected Council for the term 2019-2020.*

The Malta Institute of Accountants held its 55<sup>th</sup> Annual General Meeting (AGM) on 11<sup>th</sup> July 2019 at the Tower Training Centre in Swatar during which 177 eligible members voted. This report covers the period between July 2019 and August 2020.

The items on the 2019 AGM agenda included the adoption of the minutes of the prior year's AGM, followed by a presentation of the Council's Report for the year 2018-2019 by the outgoing President Mr William Spiteri Bailey, outlining the main work carried out by the Institute, particularly in the areas of technical and educational support to members, as well as collaboration with local and international partners. He also thanked the retiring Council members of the Institute, namely, Mr Franco Azzopardi, Mr Simon Flynn, and Ms Maria Micallef for their long-serving contribution to the Institute and the profession.

Mr Noel Mizzi, whose term as Treasurer also ended with this AGM, presented the Treasurer's Report, and explained the consolidated financial performance for 2018, highlighting the main sources of income and expenditure. This was followed by the Auditor's Report, presented by Mr David J. Pace from UHY Pace,

Galea Musù & Co. The auditors were re-elected for the following year.

The AGM proceeded with the election of the seven members to the Council on a two-year term. The new members were: Mr Etienne Borg Cardona, Mr Mark Bugeja, Mr Christian Gravina, Mr Noel Mizzi, Ms Lucienne Pace Ross, Mr William Spiteri Bailey, and Mr Francis Wirth. These joined Mr Fabio Axisa, Mr Christopher Balzan, Mr David Delicata, Mr Jonathan Dingli, Mr Shawn Falzon, Dr Ivan Grixti, and Ms Annabel Zammit Pace, who are serving their term on the Council ending during the 2020 AGM.

Following the Annual General Meeting, the new Council appointed Mr Fabio Axisa as President, Mr David Delicata as Vice President, Mr Noel Mizzi as Secretary, and Mr Francis Wirth as Treasurer. Throughout the period July 2019 to July 2020, Council meetings were typically held on a monthly basis.

Mr Axisa thanked the outgoing President and outlined his term's strategy to consolidate the MIA's role, stature, and relevance within a long-term view.

The new President called for broader representation of those qualified and operating as accountants in the Maltese jurisdiction, specifying that the Institute has a duty to keep raising the quality of accountancy and strengthening its efforts in the areas of education and qualification processes. The quality and quantity of accountants in the marketplace is fundamental for the profession, and Mr Axisa urged professionals to work together to achieve this aim and to raise the influential voice of the Institute on issues of strategic importance.


Later in the term, Mr Fabio Axisa presented Mr William Spiteri Bailey with a certificate of Honorary Membership and a memento to commemorate the outgoing President's commitment to the accounting profession during his term from 2017 to 2019.

*The 2019 AGM being addressed by the outgoing Officers Committee.*



President Mr Fabio Axisa (right) presenting ex-President Mr William Spiteri Bailey with a token of appreciation for his valuable contribution.





# PART 1: A Focus on Members

The Institute is continuously mindful of its mission towards members and consciously acts in a manner that upholds the Institute's vision. To ensure that members can maintain the highest standards in their professional work, the Institute keeps itself informed, connects with key stakeholders, provides resources and information, and offers members leadership to ensure that the profession is adequately protected and supported.

# SUPPORT TO MEMBERS



The Institute strives continuously to increase engagement among the members and to be more assertive in the areas impacting the profession. The Institute establishes strategic collaborations and forms alliances to gain a common voice championing the profession that is listened to. The Institute actively seeks the relevant stakeholders to discuss concerns and find common solutions.

Over the past year, the Institute has held meetings with various ministers and other government representatives, supervisory and regulatory bodies, as well as collaborated with other organisations which are similarly placed to support matters relevant to the Institute's strategy.

Some key stakeholders include the Accountancy Board, the Malta Business Registry (MBR), the Malta Financial Services Authority (MFSA), the Financial Intelligence Analysis Unit (FIAU), the Malta Gaming Authority (MGA), the Office of the Commission for Revenue (CfR), the Malta Institute of Taxation (MIT), the Institute of Financial Services Practitioners (IFSP), the Malta Bankers' Association (MBA), the Malta Chamber of Commerce, Enterprise and Industry (the Chamber), and the Chamber of Advocates. The Institute is also in touch with various other entities, banks, professionals, and specialists in different sectors.

In parallel to this, the Institute has also been driving the agenda of the various committees, focus groups and ad hoc working groups forward in line with the overall strategy of the Institute.

The technical team underwent a profound restructuring between the third and the fourth quarters of 2019 and a new team of highly energised and motivated individuals continued to push forward the Institute's strategy, working actively towards the set objectives. A new Engagement Manager role has been established to advance the Institute's commitment to its members and to further engage members in line with the Institute's strategy. Furthermore, a new Education Officer role has also been established, focusing primarily on plans to attract students and new talent to the accountancy profession, as well as supporting the education paths of both students and members at different levels.

The support offered in this period includes:

- Liaising with key stakeholders championing the profession
- Issuing guidance and guidelines to members
- Issuing communication on various news originating from both local and international fora
- Providing technical support for queries received from members
- Supporting the educational needs of current and prospective members, mainly accounting students
- Creating new learning and networking prospects
- Creating and realising a training programme for Continuing Professional Education (CPE)
- Leading the direction of the Committees and Groups
- Acting as the voice of the accounting profession with local and international authorities and regulators

The following are some of the major projects undertaken this year:

A high-level meeting with FIAU representatives was held to understand the shortcomings in the industry insofar as anti-money laundering (AML) considerations are concerned. The Institute, in close collaboration with the Accountancy Board and the FIAU, drafted sector-specific implementing procedures for publication pending endorsement by the FIAU.

The Institute is also working with the Accountancy Board to amend the definition of professional accountants, proposing the necessary updates to

the Accountancy Profession Act within the stipulated timelines. The purpose of this exercise is to define better the role of the accountant whilst improving overall quality within the profession.

Being the voice of the profession, the Institute seeks to listen to the different stakeholders and has done so through various ad-hoc working groups comprising of different spheres of the Institute's membership created specifically to deal with topics such as the suggested future foci of the Institute and the COVID-19 pandemic.


Detailed feedback on the Consultation Document published by the MFSA in so far as Corporate Service Providers (CSPs) are concerned was also provided by the Institute, which also organised a working group to discuss this consultation. Individuals involved in the working group included representatives from different spheres of membership: representatives from big 4 firms, mid-tier firms, and small and medium sized practitioners from the Small and Medium Practitioners (SMP) Advisory Group.

On 11<sup>th</sup> November, the Institute organised an open discussion with its members about this consultation, and to collate any related concerns from small-medium practitioners. The feedback from members contributed to the Institute's response to the consultation, which was presented to the MFSA on 6<sup>th</sup> December 2019. A series of follow-up meetings were held between MFSA and the Institute on the subject matter. The Institute offered its observations following the feedback statement issued by the MFSA in April. Moreover, the Institute organised a follow-up meeting with MFSA on 27<sup>th</sup> July 2020 to discuss further concerns raised by different members of the Institute, including its SMPs. Representatives of the relevant working group from the SMP Advisory Group were also present in this meeting.

Other meetings were held with representatives of MBR to clear any misconceptions relating to the submission of the 'Notices on Beneficial Owners (BO)' forms by professionals and other concerns by practitioners. Feedback on proposed amendments to the current BO forms by the MBR was also provided with the support of the Institute's AML Committee. A training session was organised for members by the Institute in collaboration with MBR upon the implementation of the new forms on 7<sup>th</sup> July 2020.







The Institute worked to bridge the gap between the MBR and the Institute's members, seeking to bring further clarity to its members on various MBR processes and required submissions. The Institute organised various meetings with the MBR, some of which involved the SMP Advisory Group, to highlight these concerns and some of the Institute's suggestions were welcomed and implemented by the MBR. In May 2020, the Institute also organised an online open discussion where all the Institute's members were given the opportunity to contribute and ask questions directly to the MBR. The Institute is focused on aligning with different regulators, such as the MBR, to bring added value and opportunities for discussions with its members whilst creating space for better working practices.

The Institute has also been actively involved in providing feedback to the National Foreign Direct Investment (FDI) Screening Office insofar as transposition of EU rules is concerned, as well as in the drafting of the relevant documentation in relation to this area. Furthermore, ad-hoc training was provided to the Institute's members in relation to the new rules. The Institute has also voiced its opinion to the relevant government representatives and to the Chamber of Advocates on the draft lawyer bill over concerns connected to the profession. The Institute has also collaborated with other professional associations in raising a common voice on the national economic situation and the impact on regulatory legal frameworks.

The Institute took the initiative to collate recommendations and suggestions for Budget 2021 to be submitted to government officials, representing the accountancy profession.

Furthermore, throughout the year, the Institute also assisted members with requests for technical guidance on different areas. These included queries relating to: GAPSME, the accounting profession, direct taxation, VAT, audit and assurance, financial reporting, anti-money laundering, and ethics, amongst others. When answering queries, the Technical team performs the necessary research as deemed necessary and consults with the respective authorities, professionals, or Committee and Group members who have the required expertise.

# INSTITUTE'S COMMITTEES AND GROUPS



*The Institute's CEO (left) and President welcoming the new Committees and Groups members.*

Starting from January 2020, the Institute's Council reappointed the Committees and Groups active for the two-year period until the end of 2021. Back in 2017, the concept of Committees and Groups was restructured, and official terms of reference were established for the period which started in January 2018 and ended in December 2019.

Some of the Committees and Groups which were active till the end of December 2019 have been reconstructed and, following a process of nominations, the Council approved a refined composition of Committees and Groups to be coordinated by the Institute's technical and engagement teams, respectively, with specific responsibilities set out in the updated terms of reference.

Before the end of the 2019 term, the Council revisited the objectives of each Group and Committee to reevaluate their structure and ongoing projects, based on demands of the profession. Most Committees and Groups whose term ended in December 2019, handed over their projects to the incoming members of the same Committee or Group whose term started from January 2020. However, in some cases, it was deemed more appropriate to restructure the Committees and Groups.

Particularly, in the case of the Local Regulatory Committee and the Public Interest Entities Committee, the related projects are being tackled by the core committees and the working groups, specifically set up. The Public Sector Committee has been put on hold for the time being, pending the conclusion of discussions being held with governmental representations, which are expected to guide the way forward in the public sector area. Meanwhile, since the Institute is organising networking activities for all members, members of the Senior Members Networking Group have been encouraged to join other Groups and Committees.

The Institute has deemed the education of current and future professionals as a top priority and established this area as one of the Institute's overall strategic themes. A high-level working group was formed to establish a clear strategy with the new Education Officer role and explore the exigencies of the various stakeholders involved. Along these lines, the Education Advisory Group has been placed in an inactive status, whilst the best way forward is being considered.

The Council is grateful to all outgoing Committee and Group members for their valued contribution to the profession. In particular, we would like to thank Mr David Leone Ganado, Chair of the MIA Local Regulatory Committee; Mr Malcolm Booker, Chair of the Public Interest Entities Committee; Mr Ian Rizzo, Chair of the Public Sector Committee; Ms Maria Cauchi Delia, Chair of the Education Advisory Group; and Mr Mario Galea, Chair of the Senior Members Networking Group; all acting as Chairs in their respective Committee until December 2019.

*Mr Fabio Axisa addressing the new Committees and Groups members.*



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

	From January 2018 to December 2019:	From January 2020 onward:
<b>Core Committees</b>		
Anti-Money Laundering Committee	Ms Juanita Bencini	Ms Ariane Azzopardi (Chair) and Dr Manfred Galdes (Co-Chair)
Audit & Assurance Committee	Mr Simon Flynn	Ms Lucienne Pace Ross
Direct Taxation Committee	Mr Craig Schembri	Mr Craig Schembri
Ethics Committee	Ms Nicolette Mirabelli	Ms Nicolette Mirabelli
Financial Reporting Committee	Mr Fabio Axisa	Mr David Leone Ganado
Indirect Taxation Committee	Mr Anthony Pace	Mr Anthony Pace
<b>Focused Committees</b>		
Digitilisation/IT Committee	Ms Claudine Cassar	Ms Claudine Cassar
Financial Services Committee	Mr Michael Bianchi	Mr Michael Bianchi
Gaming Committee	Dr Conrad Cassar Torregiani	Dr Conrad Cassar Torregiani
<b>Focus Groups</b>		
PAIB & Advisory Group	Mr Stephen L. Muscat	Mr Stephen L. Muscat
SMP Advisory Group	Mr David J. Pace	Mr David J. Pace
Young Members Group	Mr Jean Paul Debono	Mr Jean Paul Debono

## Welcoming the New Committee and Group Members

The Institute held a welcome event for the members of the newly appointed Groups and Committees for the term 2020 to 2021. The event on 30th January 2020, hosted by President Mr Fabio Axisa, gave the circa 100 attendees the chance to better understand the Institute's strategy and their expected roles as Committee and Group members within it.

They could also familiarise themselves with the work that had been implemented by the outgoing Group/Committee members in order to harmonise the transition for the pertinent objectives, as per the issued terms of reference. It was a good time for attendees to react and raise queries or concerns about their upcoming term.

*Committee & Group members started off their term with an introductory session in January 2020.*



Group and Committee members were encouraged to bring forward ideas and feedback on how the Institute can improve its service to members. Mr Axisa described Groups and Committees as the backbone that supports the Institute in initiating and implementing change at various levels, leading the profession forward in the right direction.

President Mr Fabio Axisa and Chief Executive Officer (CEO) Ms Maria Cauchi Delia, thanked the members for their ongoing contribution in the previous and upcoming years. The meeting was followed by a networking reception.

The following is a brief outline of some of the initiatives proposed and the work conducted by the Institute's Committees and Groups to benefit the Institute's members, the profession, and public interest.

*The Institute hosted a reception welcoming the new Committees and Groups Members.*



## Core Committees

### Anti-Money Laundering (AML) Committee

Members of the AML Committee, in close collaboration with members of the Accountancy Board and FIAU representatives, are actively involved in the drafting of Sector-Specific Implementing Procedures (IPs Part II). The objective is to provide accountants and auditors with sector-specific guidance in this field, which is urgently needed and would have the force of law. These IPs Part II would be a first for the accountancy and audit profession, which would bring it on an equal footing with other industries such as the gaming industry and the banking industry, which have always been guided by sector-specific implementing procedures.



The Committee provided feedback to the FIAU on various published Consultation documents, namely, the Consultation on the Risk Evaluation Questionnaires 2020, the Consultation on the proposed Amendments to transpose the provisions of the 5<sup>th</sup> AML Directive, as well as in relation to the Consultation on the Risk Evaluation Questionnaires submitted in 2019.

Committee members have also been involved in delivering training to members on AML matters, contributing to conferences as part of a panel discussion and other formats, as well as in providing feedback in relation to the various consultation documents published by the authorities.

### Audit and Assurance Committee

The main project for the Audit and Assurance Committee in 2020 relates to the provision of guidance to audit practitioners on auditing European Single Electronic Format (ESEF) financial statements. A working group has been specifically established to address this project.

Concurrently, the Committee has provided input on the implications of COVID-19 on auditing, supporting the creation of detailed guidance for members. The Committee is also drafting guidance on the latest revised International Standards on Auditing (ISAs). In the meantime, together with representatives from the Institute's Direct Taxation and Financial Reporting Committees, clarity is being sought on guidelines issued by the CfR about what is required to be audited upon a fiscal unit consolidation.



## Direct Taxation Committee

The Direct Taxation Committee was actively involved in providing feedback and engaged in discussions with the Malta tax authorities on a number of initiatives. This includes issuing guidelines in respect of the Organisation for Economic Co-operation Development (OECD) in relation to the Public Consultation Document: review of Country-by-Country Reporting (BEPS Action 13). The Committee submitted feedback to the local authorities in relation to the ATAD2 Implementation Rules, as well as in relation to the proposed Implementing Guidelines on Automatic Exchange of Financial Account Information, jointly with the MIT and the IFSP. The Direct Taxation Committee also worked on tax considerations ensuing from amendments to different International Financial Reporting Standards (IFRSs), New Tax Return Attachments (TRA) 111 and 112, Fiscal Consolidation Rules, COVID-19 measures, and proposed online tax residence certificates.

## Ethics Committee

A key project for the Ethics Committee is the continuation of the implementation and adaptation of the NOCLAR standard (the rule which dictates how accountants respond to a client's non-compliance with laws and regulations). A proposal and a guidance have been drafted and are currently being discussed with the Accountancy Board.

Another project that the Ethics Committee has prioritised is the transposition of the 2018 Revised and Restructured Code of the International Ethics Standards Board for Accountants (IESBA) within the Malta Code of Ethics for Warrant Holders. Meetings are being held with the Accountancy Board in this regard.



## Financial Reporting Committee

The Financial Reporting Committee (FRC) has supported the Institute's technical team with the issuance of the brief and the detailed guidelines on the implications of COVID-19 on accounting and reporting, guiding companies on whether COVID-19 is an adjusting or a non-adjusting event in the financial statements and what disclosures and adjustments need to be made to the various financial statements' line items influenced by the measures taken to combat the COVID-19 pandemic.

In June 2020, the Committee set up a working group chaired by a member of the FRC and including members of the FRC, as well as other members. This working group contributed to the European Commission's Consultation document on the review of the Non-Financial Reporting Directive (NFRD). The same working group met up again in July 2020 where it contributed to the European Commission's Consultation document on the Renewed Sustainable Finance Strategy.

In the coming months, the FRC will continue the discussions with the Accountancy Board to advance the GAPSME draft legal notice which has been proposed by the Committee and the Accountancy Board. The FRC, together with the Financial Services Committee, is also working on the possibility of extending the use of GAPSME to retail clients. This project will focus on drafting additional GAPSME disclosures for adoption by specific firms. Another project in the pipeline is the issuing of technical guidance on fiscal unit consolidations, supporting the Audit and Assurance Committee and the Direct Taxation Committee.

## Indirect Taxation Committee

The Indirect Taxation Committee is currently discussing with the CfR to finalise the project updating the CfR's website with VAT technical information. Another project that the Indirect Taxation Committee is working on is the preparation of guidance on blocked VAT supplies, which will provide clarity on claiming input tax for grey areas, including how to treat entertainment and hospitality expenses. This guidance will be made available to the Institute's members once finalised.



## Focused Committees

### Digitalisation/IT Committee

The Digitalisation/IT Committee is involved in an ongoing project together with the SMP Advisory Group to understand the needs and challenges faced by SMPs in relation to IT. Training and guidance in relation to this project are currently being planned. Another project in its initial stages is the issuing of guidance on ESEF reporting and on remote working.

### Financial Services Committee

In March 2020, the Financial Services Committee drafted a Technical Release Document endorsed by the MFSA regarding 'R4-3.2.7 of Part BI of the Investment Services Rules applicable to MiFID Firms' for Basis Year 2019. This was issued later to the Institute's members.

The Financial Services Committee is currently working on two main projects: the application of European Insurance and Occupational Pensions Authority (EIOPA) "guidelines on loss absorbing capacity of technical provisions and deferred taxes", for which discussions are being held within a specific working group; and 'R4-3.2.7 of Part BI of the Investment Services Rules applicable to MiFID Firms' which is, once again, being tackled for the Basis Year 2020. Meetings are being held with the MFSA in this regard.

Other objectives for the term include better guidance for practitioners within the financial services sector through CPE events and enhanced communication with MFSA on the latest compliance requirements.

### Gaming Committee

The Gaming Committee has continued building relationships with the MGA by drafting Agreed Upon Procedures in accordance with ISRS 4400 in relation to Gaming tax payable, Levy on gaming devices, Player funds and Jackpot funds. The Gaming Committee is in the process of issuing these Agreed Upon Procedures and will continue to collaborate with the MGA as the need arises.

Additionally, the Gaming Committee as well as its working group focusing on AML Considerations for Gaming Practitioners (established in 2020), provided a detailed and constructive response to the MGA Consultation Paper - Suspicious Betting Reporting Requirements and Other Sports Integrity Matters. The feedback made reference to the importance of the Sports Integrity Unit at MGA and suggested amendments in relation to details and clarifications required.



## Focus Groups

### Professional Accountants in Business (PAIB) and Advisory Group

The focus for this group is to better engage PAIBs with the Institute. The group worked intensely to organise the 'Brace for Impact' conference targeted for PAIBs, as outlined under the Learning and Networking Opportunities section, but which unfortunately had to be postponed.

The Autumn 2019 edition of *the Accountant* journal was dedicated to PAIBs, and various members of the PAIB and Advisory Group contributed to the content. Moreover, during the COVID-19 situation, the members of the group also contributed to an article on the effect of the outbreak on PAIBs. With regards to the rebranding campaign of the profession which will be pursued in due course, the Group proposed several new ideas.



The Group also contributed an article for the MIA newsletter outlining the effects of the COVID-19 outbreak on PAIBs. The members of the PAIB and Advisory Group have also supported the Institute with its outreach activities, as outlined in the Outreach Activities section of this report.

The PAIB Group met MIA President, Mr Fabio Axisa, to discuss the influence that a negative MONEYVAL report would have on the industry, highlighting the concerns of practitioners and driving forward the Institute's undertakings ahead of meetings with government officials about MONEYVAL.

### Small and Medium Practitioners (SMP) Advisory Group


During the July 2019 AGM, a motion was put forward to discuss the changes that Bank of Valletta (BOV) had implemented to its introducers list, limiting this to a few firms. The SMP Advisory Group together with the Institute met with BOV representatives who explained the reasons behind the approved list, sharing it with the Institute.





The SMP Advisory Group was also highly involved in the CSPs Consultation Document feedback that was submitted to the MFSA, following a series of internal discussions. The group also met the MBR to resolve challenges faced with MBR's processes.

Another important project was the organisation and the agenda-setting of the annual SMP Forum. This was due to take place in May 2020 but did not due to the COVID-19 pandemic.




During the COVID-19 situation, members of the SMP Advisory Group were in close contact with the Institute to support in various areas and voice the concerns of the SMP members they represent. The identified challenges led the Institute to organise multiple information sessions for SMPs, to support them during these trying times. As outlined under the section Support to Members of this report, the SMPs were also involved at different levels of the MONEYVAL shortcomings to support with closing the relevant gaps.

The Institute and a representative of the Group have also been supporting the MBR shift to a blockchain platform, providing consultation on various aspects of the processes and software. Representatives from the Institute and from the SMP Advisory Group have also been meeting with stakeholders, such as the CfR, to tackle concerns raised by SMPs.



## **Young Members Group**

The Young Members Group organised the Football Tournament in collaboration with the Institute, as highlighted later in this report. The group also focused on ideas to organise a fund-raising activity which will be marked in the Institute's yearly calendar.



Furthermore, the Institute and the Group co-organised the Young Members Group Payroll training and networking event, which is detailed in the Learning and Networking Opportunities section. Preparations are underway for other educational events.

The members of the Young Members Group also supported the Institute with its outreach, as outlined in the Outreach Activities section of this report.

As from the new term, the Young Members Group created separate working groups to allow members to focus on different areas, encouraging them to take ownership. These working groups consist of:

- the 'Branding and Education Working Group' with the objective to create exposure and promote the accounting profession
- the 'Community Working Group' focusing on curating a social media presence and creating a space for young members to communicate
- the 'Engagement Working Group' focusing on activities to engage young members and create future leaders

The Young Members Group is also reaching out through a specific and separate Facebook page targeting the younger members of the Institute, specifically. Content shared on this page directly targets the young generation and the members of this group contribute to the content-generation. The Facebook page of The Young Members of the Malta Institute of Accountants can be accessed **here**.

*The Young Members Group Facebook page.*



# FACING COVID-19 TOGETHER

## MIA SURVEY RESULTS!



The Institute worked tirelessly to support and comfort its members during this period of uncertainty which has thoroughly challenged the accounting profession. In the past months, the Institute engaged with different stakeholders including regulators, banks, and government institutions to discuss the measures required to support the Institute's membership base. The Institute is acting as a strong lobby group with various local and international stakeholders to ensure that the voice of the members is heard in these trying circumstances.

As the situation developed, the Institute launched two surveys asking members for feedback on how it can assist the profession throughout the COVID-19 pandemic in its discussions with the government and stakeholders.

The results of the first survey, attracting 260 replies, allowed the Institute to present real-time data to the authorities on the impact of the coronavirus outbreak on the profession and on the sector in general. For the second survey, 249 respondents submitted their feedback, mainly on how the COVID-19 pandemic continued to influence them and their businesses, and on the effectiveness and sufficiency of the financial state aid which was issued by the government to support businesses and individuals. All survey results were issued in the form of a report to MIA members. The Institute's aim is to

continue to be a relevant source of support to its members through a variety of engagement initiatives.

The Institute also liaised with various spheres of its membership base to gather feedback on how the situation has impacted them and those that they represent. At the same time, the Institute offered its support to members who reached out with queries.

Based on the members' needs and financial impact, the Institute organised a series of discussions with institutions and members of the Cabinet as well as other government authorities. Amongst other stakeholders, the Institute held discussions with the: MFSA, FIAU, MGA, MBR, CfR, Department of Industrial and Employment Relations (DIER), Malta Enterprise, Malta Development Bank (MDB), Information and Data Protection Commissioner (IDPC), MBA, Jobsplus, and Identity Malta. The discussions involved negotiations on matters of timeline and extensions on deadlines, on changes in processes due to the different working circumstances, on concerns related to members' cashflow and liquidity, the postponement of settlement of dues, and explored available aid in relation to employment issues.

The Institute, alongside representatives of the Institute's Direct and Indirect Tax Committees, assembled a set of robust and constructive proposals in relation to Income Tax and VAT related measures. The feedback and draft statements were shared with the tax authorities and members of the Cabinet to direct government policies according to the needs of the members.

The Institute remains in close discussions with other professional bodies who have common objectives and issues stemming from this pandemic with the aim of setting effective solid recommendations on further required measures, specifically impacting the professional sectors. These include the Chamber of Advocates, the Chamber of Architects and Civil Engineers, the Notarial Council, and even the Dental Association of Malta, with whom the Institute has collaborated to reveal the domino effect the situation has had on the backbone professions in the economy.

The Institute also issued a set of high-level and detailed guidance in relation to COVID-19 disruptions with respect to, amongst others, financial reporting and auditing related matters. The report discussed questions such as post balance sheet events, going concern considerations, and the impact on the auditor's report in detail. Guidance was also given with respect to compliance with AML obligations during COVID-19 disruptions, highlighting red flags and risk factors which subject persons were to take into consideration during this period. These guidance notes can be found in the e-library section of the Institute's website, available exclusively to members.

Furthermore, the Institute collaborated with the DIER to provide a solution for warranted accountants who were requested to sign a declaration for exemption of the salaries top-up of Euro 400 brought about by the COVID-19 pandemic. The Institute developed a Guidance on Agreed Upon Procedures (AUPs) including a template of the AUPs to be performed prior to submission to the DIER, which were proposed to the DIER and accepted, prior to being made available to accountants.

Any measures, circulars and other news were all made available and communicated to members on a regular basis, ensuring that members can readily access a hub of information under the COVID-19 news section of the MIA website. Furthermore, the Institute collaborated with a third-party provider to provide members with daily media update bulletins, summarising the relevant information issued daily from major news outlets.

### **Speedy Reaction to the Provision of Online Training**

In response to the COVID-19 disruption, the Institute acted swiftly to invest in an online platform for CPE training allowing members to continue their professional development despite the challenging environment. The system was effective in keeping the Institute in touch with members and facilitated the sharing of important information throughout the tumultuous period.

CPE sessions were presented in the form of webinars and the Institute took the feedback of members to address specific topics that met their current needs. Queries concentrated on the effects of the outbreak on the economy and the profession itself and the MIA delivered a series of webinars to answer questions about government assistance, financial reporting, and other accounting and audit matters. Besides the training sessions, the Institute also held frequent briefing talks in collaboration with other competent institutions or organisations.



**ONLINE  
CPE SEMINARS  
NOW AVAILABLE**

[Click here to see the full list](#)

## COVID-19 Information Sessions

The Institute organised the following sessions exclusively for the Institute's members, intended to provide members with the necessary information in a timely manner during the pandemic. Resulting from the questions asked during these sessions, the Institute also put together a list of 'Frequently Asked Questions', the answers to which were endorsed by the relevant authorities and issued to all the Institute's members.



## Q&A Information Sessions with Malta Enterprise and the CfR

On 9<sup>th</sup> and 15<sup>th</sup> April, the Institute organised two complimentary online webinars in the form of Q&A information sessions in collaboration with the Malta Enterprise and the CfR explaining the tax treatment, application process, and reporting obligations in relation to the COVID-19 support measures issued by the government. Over 350 members of the Institute participated in these calls.

## Malta Development Bank COVID-19 Guarantee Scheme

On 16<sup>th</sup> April, the Institute hosted a complimentary online webinar regarding the MDB COVID-19 Guarantee Scheme. MDB representatives were invited to participate in a webinar explaining different areas of this scheme to over 170 attendees, who also had the opportunity to ask questions and clarify any ambiguities.

### MDB COVID-19 Guarantee Scheme (CGS) Structure

- CGS provides a guarantee of **90%** of each working capital loan extended by the banks to businesses thereby providing the necessary reassurance, security and capital relief to banks.
- This will be a driving force to encourage the required credit to businesses which otherwise many SMEs in the absence of such an MDB guarantee.
- The benefit from the guarantee to commercial banks can take various forms



*MDB Representatives participated in an online webinar hosted by the MIA.*

### MDB COVID-19 Guarantee Scheme (CGS) Objective

- Sudden drop in revenues – disrupted cashflow – pressure on the banking system is growing – less risk taking
- It is crucial to secure business continuity by ensuring that credit keeps flowing
- Having access to liquidity for working capital requirements is critical for the survival of businesses
- CGS supplements a broader set of government measures.
- It provides credit risk mitigation and capital relief to commercial banks and that the benefit is passed on to businesses in various forms.





## COVID-19 DIER Conditions of Work

On 4<sup>th</sup> May, the Institute hosted an online CPE webinar in collaboration with representatives from the DIER who presented the main activities of the DIER and explained the circumstances which allowed or did not allow intervention by the DIER. Attendees had the opportunity to ask questions prior and during the event, which included a focus on changes in work conditions due to COVID-19, clarifications on vacation and unpaid leave during these exceptional times, and clarity around permits required from the DIER.

## IDPC Data Protection Q&A Session

COVID-19 led many employees to work from home as a safety measure. As a result, people started using company devices with company data from their homes without due consideration of possible infringements on data protection law.

To address concerns about data protection requirements, the Institute held an information session on 1<sup>st</sup> July 2020 in collaboration with representatives from the Office of the IDPC, to explain the General Data Protection Regulation (GDPR) requirements when working remotely.

*The Institute hosted a webinar in collaboration with the Office of the IDPC.*

The image is a composite of two parts. On the left is a slide titled "Principles relating to the processing of personal data" with a blue background. It features seven yellow hexagons arranged in a honeycomb pattern, each containing a principle: Lawfulness Fairness, Transparency, Purpose Limitation, Accuracy, Storage Limitation, Integrity Confidentiality, and another hexagon partially visible. On the right is a screenshot of a Zoom meeting grid. The top row shows Ian Deguara. The middle row shows the Malta Institute of ... (Host) and Ian Deguara. The bottom row shows Gabriella Borg and Alexander Cachia Zammit. There are also icons for AF and A at the bottom of the grid.

## Responding to COVID-19 in collaboration with Accountancy Europe

On an international level, during the peak of the pandemic, the Institute participated in the Accountancy Europe COVID-19 forum to understand the challenges faced at a European level, discuss how best to overcome these challenges as a united front, and to understand the implications on company reporting as a result of this outbreak.

The guidance issued by the Institute on accounting and reporting has also been featured in the Accountancy Europe hub of resources.

**MIA's work on COVID-19 Crisis**

**MIA's contribution to Accountancy Europe resources**



# ATTENDANCE AT INTERNATIONAL CONFERENCES



*MIA CEO Ms Maria Cauchi Delia during Accountancy Europe's Members' Engagement Day.*

## **IFRS Foundation's World Standard Setters Conference**

A representative of the Institute attended the annual IFRS Foundation World Standard Setters Conference in London on 30<sup>th</sup> September and 1<sup>st</sup> October, bringing together 160 professionals from different jurisdictions to discuss the upcoming IFRS outlook.

The theme was the preparation of the imminent consultations issued in 2020, including a discussion on the exposure draft for the primary financial statements which were due last December 2019. The agenda also deliberated the complex topic of the accounting treatment of goodwill and impairment, as well as breakout sessions on IFRS Taxonomy and Disclosure Initiatives.

## **Accountancy Europe's Members' Engagement Day**

On 2<sup>nd</sup> October, Accountancy Europe organised the first Members' Engagement Day with 120 professionals representing accounting bodies across Europe, including a representative of the Institute.

Several topics were discussed, and speakers highlighted current challenges faced by accountants and auditors, such as sustainable finance, taxation and ethics, the role of the audit, and youngsters and future skills.

## Accountancy Europe's Digital Day

Representatives of the Institute were amongst the circa 100 professionals who attended the third Digital Day organised by Accountancy Europe on 19<sup>th</sup> November. Focusing on the full impact of digitalisation, the conference addressed various topical areas such as the financial and environmental cost of going digital, and whether businesses should approach digitalisation depending on their respective needs.

The accountancy profession can offer a thought-leadership role to clients on how to harness digitalisation effectively. Digital Day highlighted how technology is transforming the world's mindset, the costs and benefits associated with these changes for the different spheres of accounting professionals, the expertise and standards required to measure this impact, and how technological solutions are being proposed to further diminish the environmental and financial costs to make technological initiatives even more advantageous.

*A discussion with Ms Hilde Blomme (left), Accountancy Europe's Deputy CEO during Digital Day.*



*One of the Institute's Technical Officers at Accountancy Europe's Tax Day.*



## Accountancy Europe's Members' Assembly

On 10<sup>th</sup> and 11<sup>th</sup> December, Accountancy Europe organised a Members' Assembly meeting in Brussels which was attended by the Institute. During this meeting, the 'Young Professionals Working Group' of Accountancy Europe presented the ongoing work of this group and highlighted the group's objectives for 2020. The meeting also included a discussion on the funding model of Accountancy Europe, and a constructive discussion to discuss the Accountancy Europe goals for 2020 with regards to the strategic pillars.

## ICAEW's FIN Strategy Workshop

On 12<sup>th</sup> December, a representative of the Institute attended the Financial Integrity Network (FIN) Strategy Workshop in Brussels, organised by the Institute of Chartered Accountants in England and Wales (ICAEW). There were several participants in attendance, representing various countries including Poland, Latvia, Bosnia, Cyprus, the United Kingdom, Bulgaria, and North Macedonia. The main discussion revolved on the effectiveness of the possibility of Professional Accounting Organisations (PAOs) adopting quality assurance schemes.

## Accountancy Europe's Tax Day

On 19<sup>th</sup> February, a representative of the Institute attended the Accountancy Europe Tax Day Conference in Brussels, focusing on current issues and challenges such as the role of ethics in tax, tax transparency, cooperative compliance, and possible shifts in taxation through a circular economy. Tax Day 2020 showcased how the world is evolving, and that the future will need to bring about corresponding changes in the current tax systems to drive a more sustainable economy.

The Institute was also meant to represent the local profession at the ICAEW's Quality Assurance for Non-PIE Audit Network (QAN) initiative in Frankfurt on 5<sup>th</sup> March, and again on 10<sup>th</sup> March at Accountancy Europe's conference in Brussels entitled "Implementing ESEF: Opportunities, Challenges & Way Forward". The Institute was also invited to attend the ICAEW Accountancy Profession Strategic Forum in Lisbon on 2<sup>nd</sup> to 3<sup>rd</sup> April. Unfortunately, these conferences were either postponed or cancelled due to the COVID-19 outbreak.

# MEMBER RELATIONSHIP MANAGEMENT SYSTEM



*A new website and its backend system was launched on 3 January 2020.*

At the beginning of 2019, the Institute had launched a new website and backend system (also referred to as Member Relationship Management (MRM) system). Unfortunately, this system failed to meet the Institute's expectations and requested deliverables, resulting in numerous hurdles mainly related to operations and backend functionality. After several unsuccessful attempts to rectify the situation, it was decided that the only way forward was to opt for an alternative system. Consequently, following a challenging year, a new website and its backend system was launched on 3<sup>rd</sup> January 2020 and has been running successfully since.

With its fresh look and feel, this newly designed website aims to create a more user-friendly browsing experience, whilst the orderly layout and structure of the previous website were retained wherever possible. This new site includes a series of Frequently Asked Questions (FAQs) for both members and students, which are updated according to the members' demands.

Visitors to the website can view the calendar of upcoming events, access the members' directory, and access updated MIA, local and international news. Furthermore, the e-library tool has been re-introduced and is exclusively accessible by all the Institute's members.

The launch of this system brought about several positive operational changes including a fully automated process with respect to the application and approval of memberships. Another practical change relates to the invoicing of subscription fees which are now being posted directly on the member's or student's account. Payments on the Institute's website are now also being accepted through PayPal.

The new system has also helped registration for events through the scanning of an individual QR code. Further improvements relating to events include the automatic cancellation of the booking and of the invoice if the payment is not activated within 15 minutes; an automatic waiting list management system for events, whereby delegates on the waiting list are booked by the system on a first-come, first-served basis; and a user-managed cancellation functionality whereby delegates can cancel their own booking until two days before the event. Furthermore, certificates of attendance for CPE events have since been replaced by the issuance of a written declaration in the form of an email confirming the number of attended hours for each attendee. Each event's presentation and any other related material are also being distributed via email.

The automation of operational processes has been greatly beneficial for the Institute as members of staff have been able to focus their energies on other endeavours. The Institute is committed to the continued upkeep of the website to enable members and students to stay abreast of the Institute's, and other, pertinent news.

*The e-library section is one of many resources available for members.*

## E-LIBRARY

THE E-LIBRARY SECTION IS ACCESSIBLE ONLY FOR MIA MEMBERS ONLY AFTER LOGGING INTO THE WEBSITE.

### SECTIONS:

[CONSULTATIONS](#)

[ETHICS](#)

[GAPSME](#)

[MIA BRIEFING NOTES](#)

[MIA GUIDANCE NOTES](#)

[MIA TECHNICAL RELEASES](#)

[OTHER PUBLICATIONS](#)

[SME AUDITS](#)

# CHANGES IN MEMBERS' REGULATIONS



## Revisions to the Disciplinary Regulations

In 2019, the Institute's Council approved changes with respect to the Disciplinary Regulations regarding the non-payment of fees. Members who fail to settle their subscription fee within five months from the due date will be categorised as Lapsed Members, whereby all membership rights and privileges are lost. Reinstatement to the previous membership level will take place when the relevant outstanding subscription fee is settled. However, if the subscription fee remains outstanding for 10 months from the due date, the status of Lapsed Members will be changed to Suspended, meaning that these members are no longer considered as members of the Institute. Suspended members who wish to be re-admitted as members of the Institute would need to apply again for membership and to send a written admission request to Council. Re-admission is at the discretion of the Council.



## Changes in the CPE Reporting Obligations

In 2019, the Council also agreed that, going forward, and as applicable as from January 2020, the detailed CPE return is to be superseded by a simpler CPE Declaration. In this regard members will be requested to declare whether they have complied or not complied with the CPE requirements and will only need to note the total number of hours undertaken in the relevant period. The CPE Declaration also incorporates a declaration with respect to availed exemptions and a declaration relating to re-entry into the profession following a period of CPE exemption.

## Revisions to the CPE Terms and Conditions

Throughout the period under review, the Institute also revised its CPE terms and conditions applicable to its face-to-face courses to reflect the changes brought about by the new website. Moreover, the Institute has also introduced new policies when it comes to the eligibility of CPE hours and the number of CPE hours awarded based on the attendance.

Further to the provision of online webinar courses, a set of terms and conditions applicable to such courses was also introduced.

## Changes in Bye-Laws

Due to the COVID-19 pandemic outbreak and its consequential impact on the operations of the Institute, Council approved amendments in Bye-Law 5 “Meetings of the Institute” and Bye-Law 6 “Disciplinary Proceedings”.

Bye-Law 5 has been revamped and it now caters for the possibility to carry out virtual general meetings whereby voting is held electronically. Other amendments include the addition of regulations and clarifications pertaining to general meetings and redrafting improvements.

Bye-Law 6 stipulates the tenure of the Chairperson of the Disciplinary Committee, the Deputy Chairperson of the Disciplinary Committee, and members of the Appeals Pool following their appointment during a General Meeting of the Institute. By means of such amendment, the tenure of these positions (which had expired on 1<sup>st</sup> June 2020) has been extended till the upcoming AGM, whereby members shall appoint the nominated persons for these positions. In light of this, clauses 3 and 10 of Bye-Law 6 have been amended accordingly in this regard.



A professional photograph of a man and a woman in business attire. The man, on the right, is wearing a dark suit, white shirt, and dark tie, and is smiling. The woman, on the left, is wearing a brown blazer over a white blouse and is also smiling. The background is a plain, light-colored wall.

# PART 2: Serving the Interests of Members

As the voice of the accountancy profession in Malta, the Institute has prioritised member engagement as an overall strategic theme to enhance the Institute's work with various representatives of its membership base, including its Committees and Groups, as well as representatives of accountants in public practice, of small and medium practitioners, and of public accountants in business, amongst various other stakeholders. The Institute aims to continuously strengthen the provision of its support and services to be in line with the everchanging needs of the members and the profession.

# MEMBERSHIP AND THE NEW MEMBERS' CEREMONY



*A wide shot taken during the New Members' Ceremony 2019 showing off the Republic Hall at the Mediterranean Conference Centre.*

Over the past period, the Institute's membership base has increased to over 3,600, of which 256 members joined during the MIA New Members' Ceremony held on 24<sup>th</sup> October 2019, at the Mediterranean Conference Centre.

Over one thousand of the currently registered members joined in the last five years – a testimony to the Institute's commitment to be relevant and deliver professional and personal value to members and the accountancy profession at large.

Professionals are invited to join the Institute once they successfully complete their studies via one of the recognised qualification routes: a Master in Accountancy degree from the University of Malta, the Association of Chartered Certified Accountants (ACCA) qualification, or an Association of Chartered Accountant (ACA) qualification from ICAEW.

Distinguished guests from each of these reputable institutions were invited to address the young professionals during the 2019 official ceremony, including University of Malta Dean of the Faculty of Economics, Management and Accountancy, Professor



*An arduous educational journey is rewarded with a certificate of membership.*

Frank Bezzina; ACCA Director of Professional Education, Mr Reza Ali; and ICAEW Head of Cyprus and Greece, Ms Christiana Diola. Special guests also included ACCA Head of Western Europe, Mr Abdul Goffar, and the Institute's Council Members and former presidents. More than a thousand people, including new members and their guests, were invited for the annual New Members' Ceremony.

During this Ceremony, six new members were awarded individual awards for their achievements: Ms Julija Daubaraitė received the Malta Overall Performance September 2018 ACCA Top Affiliate Award; Mr Christopher Bugeja received the Malta Overall Performance December 2018 ACCA Top Affiliate Award; Mr Joseph Falzon received the Malta Overall Performance March 2019 ACCA Top Affiliate Award; Ms Dinah Lee Delceppo received the Malta Overall Performance June 2019 ACCA Top Affiliate Award. Mr Kostas Karagiannis received the ACA Best Student 2019 Award while Ms Janice Camilleri was the recipient of the Best University of Malta Accountancy Student Award 2019.

The evening programme proceeded with awarding the Kevin Mahoney Award for Altruism to Institute member Mr Christopher Cardona who was recognised for his selfless support to a colleague who was going through a difficult time. For the last four years, the annual prize has awarded professionals who distinguish themselves for altruism in the community and demonstrate the values of the Institute beyond their professional life, in remembrance of the late Kevin Mahoney.

*Following the Ceremony, new members and guests enjoyed a networking reception at the La Valette Hall.*



## New Members' Networking Event

On 12<sup>th</sup> March, the Institute was to host the first-ever New Members' Networking Event for members who joined the Institute during 2019. The aim of this event was to introduce the new members to the mission of the Institute and explain how it represents them within the profession, to outline their obligations as accountants and members of the Institute, and to highlight the benefits of being members of the Institute, all in a fun and casual environment giving new members the opportunity to meet and network once again.

Although the event had to be postponed due to the COVID-19 outbreak, the Institute will be finding other ways to engage new members in the future.

**POSTPONED**

**MIA**  
SCIENTIA VICI ANTI

**IT'S OFFICIAL!**  
**The FIRST EVER New Members' Networking Event**  
**Thursday, 12th March**  
**SAVE THE DATE**

[www.miamalta.org](http://www.miamalta.org)

# MEMBERS' SOCIAL EVENT



*Around 700 members attended the Members' Social Event in 2019.*

Once again, around 700 members of the Institute enjoyed an evening of networking during the Members' Social Event held on 19<sup>th</sup> June 2019. The Members' Social Event is the annual anticipated summer event hosted by the Institute for colleagues and friends to meet and have a drink while raising funds for a good cause.

The Institute drove a successful donations campaign in the month leading to the social evening and organised raffles and an exhibition during the event itself to collect a total of €9,040 in funds for the non-profit organisation Beating Hearts Malta (BHM): the association for adults and children born with congenital heart defects, the most common malformation present at birth.

Following the Members' Social Event, an official presentation was organised where the then President Mr William Spiteri Bailey presented a cheque of €8,000 to BHM's President Professor Victor Grech, of which €5,266 were raised through the fundraising campaign and contributed by members and stakeholders of the Institute, whilst €2,734 were topped up by the Institute. A further €1,040 donated to the cause by members of the Institute after the official presentation, were also passed on to BHM.

The donation of €9,040 supports BHM's project to co-fund a dedicated cardiac magnetic resonance imaging (MRI) machine at Mater Dei hospital.

The Members' Social Event for 2020 was scheduled for 18<sup>th</sup> June, but, due to the COVID-19 pandemic, it was decided that this event will be held at a more appropriate time.

*George Curmi's (Il-Puse) band 'Hot Club of Valletta' provided lively entertainment during the Members' Social.*



*€8000 were donated to Beating Hearts Malta following the Members' Social. This sum was later increased further to €9040 resulting from the Social fundraising campaign.*



# YOUNG MEMBERS GROUP FOOTBALL TOURNAMENT



*This edition of the Football Tournament was supported by various members and stakeholders of the Institute.*

As part of the Institute's corporate social responsibility efforts, the Institute and its Young Members Group organised a football tournament in aid of BHM on Saturday 26<sup>th</sup> October 2019 at St Martin's College Sports Complex in Swatar.

Twenty teams representing professional firms and organisations were formed by members and their colleagues in another opportunity to raise funds for a good cause and to meet up with fellow accountants and MIA members in an informal environment. The football tournament initiative demonstrates the core values of the profession to the community.

The tournament saw a team from PwC lifting the trophy and raised €2,500 that were presented to BHM. This amount is in addition to the prior donation collected through the Members' Social Event campaign, adding up to a total €11,540 in donations presented to BHM in 2019. The BHM Committee thanked the Institute and its members for their noble gestures of support throughout the year.



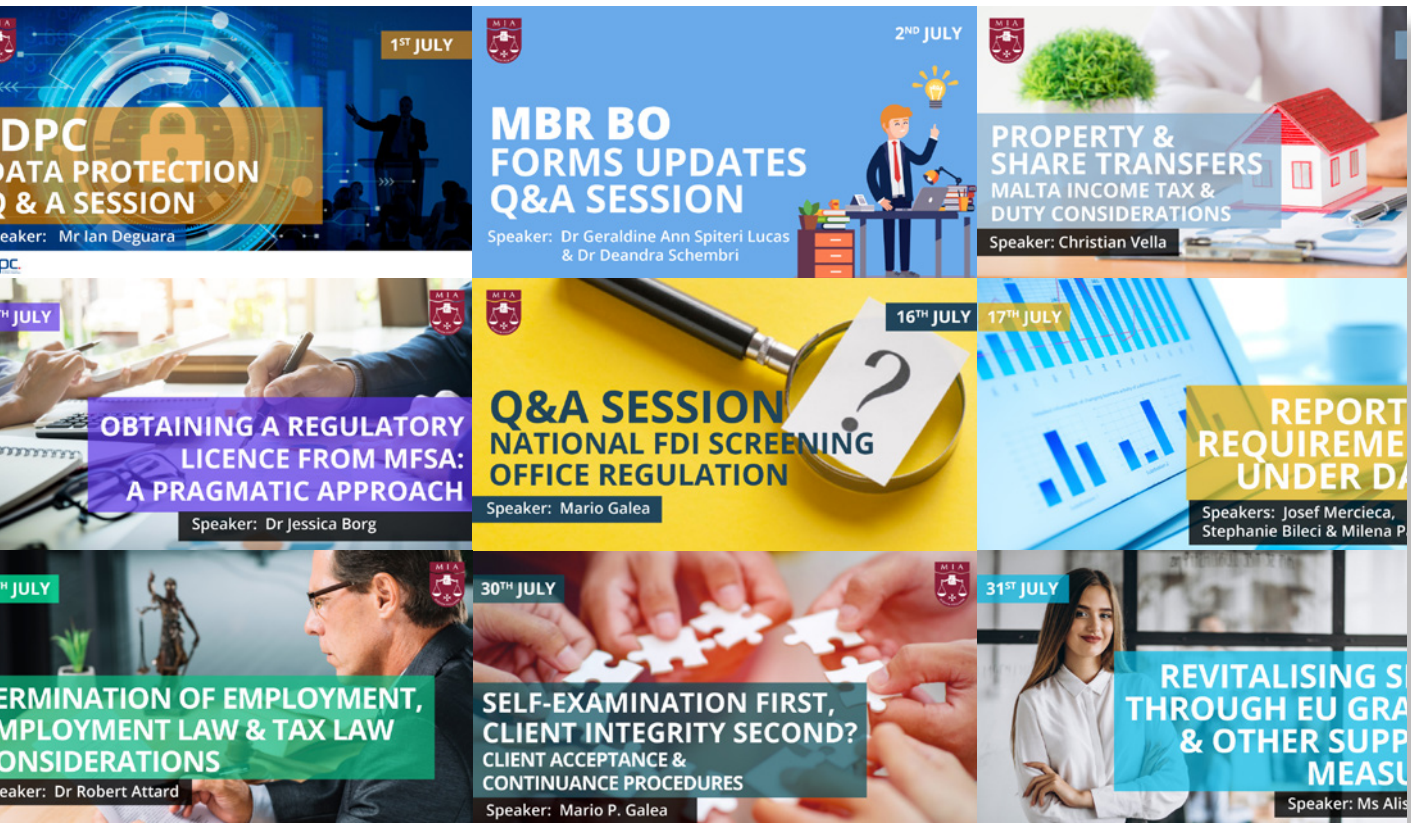
MIA President Mr Fabio Axisa and CEO Ms Maria Cauchi Delia with the winning team, one of two squads representing PwC.



Following the Football Tournament, another donation of €2,500 on behalf of the Institute and its Young Members Group was donated to Beating Hearts Malta.



# LEARNING AND NETWORKING OPPORTUNITIES



Over the past year, the Institute continued to deliver value to members by offering a selection of CPE events designed to equip members, students, and stakeholders with relevant knowledge according to their needs to ensure a successful practice.

The demand for quality CPEs has increased and the Institute offered several workshops, seminars and comprehensive courses addressed by both local and foreign speakers in a face-to-face and virtual manner covering the following topics:



1<sup>ST</sup> JULY  
Tax credits under the Micro Invest Scheme

How to fill in your personal income tax return this June 2020

Property and Share transfers – Malta income tax and duty considerations

Reporting Requirements under DAC 6

Anti-Tax Avoidance Directive (ATAD) 2

Termination of Employment, Employment Law and Tax Law Considerations

The EC's Tax Action Plan 2020

Tax return YA 2020 (New TRAs – TRA 111 and TRA 112) – Q&A session

& Dr Deandra Schembri

16<sup>TH</sup> JULY

17<sup>TH</sup> JULY

MAINTAINING A REGULATORY LICENCE FROM MFSA: A PRAGMATIC APPROACH

Speaker: Dr Jessica Borg

Q&A SESSION  
NATIONAL FDI SCREENING OFFICE REGULATION

Speaker: Mario Galea

## Employment

HR, Employment Law and GDPR

Basic Payroll Calculation

Employment Law & Payroll Tax

Payroll Advanced Sessions 1 & 2

30<sup>TH</sup> JULY

31<sup>ST</sup> JULY

## Ethics

The Interplay of Corporate Governance & Compliance

Self-Examination First, Client Integrity Second? Client Acceptance and Continuance Procedures

Speaker: Mario P. Galea

2<sup>ND</sup> SEPTEMBER

## Financial Reporting

Forensic Accounting

Functional, Presentation and Foreign Currency - Special Considerations Under IAS 21

Consolidations

Recent IFRS Developments on Leases

Valuations of intangible assets

GAPSME Foundation - Basic Sessions 1 & 2

GAPSME Advanced - Sessions 1, 2, 3, & 4

Consolidations - From theory to practical case studies - Sessions 1 & 2

23<sup>RD</sup> SEPTEMBER

TECHNOLOGY AT WORKPLACE: PROTECTION AND LEGAL ISSUES

Speaker: Bugeja

Speaker: Mr Nicholas Warren

VAT

CONSIDERATIONS IN THE FINANCE INDUSTRY

Speaker: Mr Kenneth Cremona

ARTIFICIAL INTELLIGENCE IN SUPPLY CHAIN MANAGEMENT

Speaker: Ing David J. Dingli

TAX TREATMENT OF IP

Speaker: Dr R

7<sup>TH</sup> JULY

## VAT TREATMENT OF CROSS BORDER TRANSACTIONS & INTERNATIONAL TRADE - GOODS & SERVICES

### Indirect Taxation

VAT update

VAT Refresher Course and Q&A: a focus on transactions in goods

VAT Refresher Course and Q&A: a focus on supplies of services in the e-gaming and financial services sector

VAT in the Gaming Industry

2020 VAT Quick Fixes

Where to Tax? VAT Place of Supply Rules

Managing VAT Risks (avoiding Penalties, Interest and Assessments)

VAT Treatment of Cross Border Transactions and International Trade – Goods and Services

Speakers: Josef Mercieca, Stephanie Bileci & Milena Palikarova

Speakers: John Debattista & Paul Zammit

8<sup>TH</sup> JULY

## REPORTING REQUIREMENTS UNDER DAC6

21<sup>ST</sup> & 23<sup>RD</sup> JULY 2 SESSION PACKAGE

## Legal

Admitting a company on Prospects MTF and its ongoing obligations

Achieving Adequacy and Sustainability: The Pension Conundrum

Practical issues in Merger and Acquisitions transactions

Relocation to Malta

Explore the Budget Highlights 2020

Speaker: Dr Robert Attard

Duties and obligations of issuers of ICOs

Speaker: Ms Alison Mizzi

GDPR workshop: Brexit, AML and other practical difficulties

Aspects of litigation relevant to the Accounting profession

Rent Reform

Coronavirus (COVID-19) Legal considerations at the workplace

The Legal and Regulatory Framework in the Insurance Sector – Sessions 1 and 2

Open Discussion with the Malta Business Registry

From MIFID II to the virtual Financial Assets Act - Regulating traditional finance and tokenised offerings

Speaker: Mr Christian Vella

Obtaining a regulatory license from MFSA: a pragmatic approach

National FDI Screening Office Regulation Q&A Session

14<sup>TH</sup> AUGUST

1<sup>ST</sup> SEP

15<sup>TH</sup> SEPTEMBER



ORG YOU AUD TO

Speaker

30<sup>TH</sup> SEPTEMBER



## SUBSTANCE OVER FORM UNDER IFRS

Speakers: Mr. John Debattista and Mr. Paul Zammit

16th April

16th April

### Management and Finance

#### Feasibility Studies

Capital budgeting for development projects and the valuation of development projects

Many measures, a little support or none at all

Traditional versus alternative methods of finance

Writing a Business Plan – It is not just about the Financials

Leadership and team management for today's workplace

Consulting a Family Business - Challenges and Priorities

Performance Management for the 21st Century

Leading in Time of Crisis: Sessions 1 and 2

Reframing Business Strategies for Now, Next, and Beyond

Revitalising SME's through EU Grants and other support measures

### Nurturing an Ambidextrous Organisation

Speaker: Ms Rachel Falzon



28th April

22nd April



### 2020 VAT Quick Fixes

Speaker: Mr Kenneth Cremona

15th MAY



4th MAY

### NAVIGATING THESE TROUBLED WATERS

Speaker: Mr Silvan Mifsud



### Personal Skills

Public Speaking - Connecting People - Sessions 1, 2 and 3

Building a successful career profile

Work life balance and the professional career woman

Inspirational Leadership Skills 2020

8th Leadership and learning to survive 21st century disruption

The EQ Edge - Emotional Intelligence for your success

Navigating the COVID-19 troubled waters



3rd JUNE

### WHERE TO TAX? VAT PLACE OF SUPPLY RULES

Speaker: Mr Kenneth Cremona

### Technology

How to Leverage AI and Automation in Accounting

The impact of AI on Accounting

Joining the igaming eco-system - Evolution or revolution?

Technology, Virtual Financial Assets and Crime

Blockchain for Accounting – An Introduction

Leveraging Automation for Increased Efficiency

15th & 16th JUNE



Speaker: Dr Robert Attard

### TAX MALPRACTICE: MANAGING RISKS

2nd JUNE



### NAVIGATING THE COVID-19 TROUBLED WATERS

Speaker: Mr Silvan Mifsud

## MIA-ACCA Joint Conference

The sixth edition of the annual Joint Conference with ACCA, which was held on 5<sup>th</sup> December 2019 at the Excelsior Hotel, was a resounding success, energising over 200 participants during the engaging sessions.

The Institute and ACCA worked hard to deliver a relevant programme where twelve experts, thought leaders and practitioners guided sessions on crucial themes in the accountancy profession today, discussing the anti-money laundering MONEYVAL report; barriers to growth for Maltese SMEs; IFRS Standards, and leadership qualities related to Emotional Intelligence.

The conference was the perfect occasion to present findings from the SME Survey conducted by MIA and ACCA, which were compared with global trends and then analysed in a panel discussion during the conference.

*Attendees of the MIA-ACCA Joint Conference taking part in an engaging session introducing the topic of Emotional Intelligence.*





*The panel discussing the 2019 MONEYVAL report.*

## Results of the MIA and ACCA Survey

The results of the SME survey entitled *Scale-up success: What do SMEs need to supercharge their growth? Spotlight on Malta* launched by the Institute and ACCA during the 2019 edition of the SME Forum, were published during the MIA-ACCA Joint Conference.

In 2018, ACCA had conducted a survey of 1,240 SMEs worldwide as well as a number of focus-group interviews with employees to better understand the common universal characteristics of high-growth SMEs (defined as businesses with fewer than 250 employees), as well as the aspects of their proactive approaches to growth that set them apart and which could be used to boost the productivity of peers experiencing moderate growth.

In 2019, the survey was replicated among Maltese SMEs, attracting 193 responses, predominately from the Institute’s and ACCA’s member businesses who are sole practitioners or work in SMEs. The study examined how SMEs experience wider success by comparing local business practices with those of global SME respondents to examine approaches to growth in productivity, turnover and recruitment.

The report is available exclusively for members of the Institute on the MIA website’s e-library section.



*The MIA and ACCA full report published in December 2019 and entitled **Scale-up success: What do SMEs need to supercharge their growth? Spotlight on Malta** is available for the Institute’s members.*



## MONEYVAL - The Aftermath

On 12<sup>th</sup> December 2019, the Institute organised an informative session discussing the outcome of the MONEYVAL Report on Malta published in July 2019. The audience was addressed by representatives from the banking industry as well as of the FIAU and the MFSA.

The objective of this session was to instigate an informed debate amongst Institute's members and seek to address shortcomings within the profession, as highlighted in the MONEYVAL report, insofar as AML obligations are concerned.



*An informative session discussing the 2019 MONEYVAL report.*

## Young Members Group Payroll Training

Alongside the Young Members Group, the Institute organised a training session on the fundamentals of payroll on 19<sup>th</sup> February 2020 at Villa Arrigo.

Industry experts gave a comprehensive overview of the subject to introduce young accountants to this vital business function. Over 150 professionals attended the event to learn about legislation, practices and processes covering topics such as leave, notice periods, termination, taxation regulation and Maternity Fund calculations. The engaging presentation was followed by a Q&A session giving participants the chance to clarify points and delve deeper into specific areas.

The evening proceeded with a complimentary networking reception providing the perfect opportunity for participants to meet other young accountants and expand their professional circle.



*A full house as over 150 participants attended the Young Members Group Payroll Training.*



*A lively panel discussion moderated by the Chair of the Young Members Group.*



*The event was followed by a networking reception hosted by the Institute.*

## Jobsplus and Identity Malta Information Session

The Institute received feedback from members that companies were encountering difficulties with the process of employing foreign nationals. To mitigate these issues, the Institute hosted a complimentary information session on 10<sup>th</sup> March 2020 in collaboration with Identity Malta and Jobsplus.

The aim of this session was to help professionals and their companies understand the process of employing foreign nationals, with special emphasis on third country nationals (TCNs), aiding employers to present the applications in the correct way with all the necessary documentation. This session informed employers and human resource practitioners on the policies and procedures relating to the employment of non-Maltese nationals, highlighting ways how applicants can facilitate such a process.

Identity Malta has introduced an online system and the new procedures relating to the online single permit system and the relevant applications were explained to those present. Jobsplus reported on the *New Employment Licence Application Checklist for a Third Country National* including the testing that is required in relation to the labour market, the purpose for such testing, and an explanation of how this process has been simplified.

*An information session was organised on employment of EU and Non-EU nationals.*



## Brace for Impact - The Malta Professional Accountants in Business Conference

On 27<sup>th</sup> March 2020, the Institute had planned to organise The Professional Accountants in Business Conference, including various topics that directly influence the work of PAIBs. The MIA was collaborating with the International Federation of Accountants (IFAC) and Accountancy Europe to create a unique space where senior executives can exchange perspectives and opportunities, but the conference had to be postponed due to the COVID-19 outbreak. The Institute is working on organising the PAIB conference again in the near future.



## Consolidated Group Income Tax Webinar

On 29<sup>th</sup> May 2020, the Institute held a joint webinar with the CfR, IFSP, and MIT, on the online application for the registration of a Fiscal Unit in terms of the Consolidated Group (Income Tax) Rules. The webinar covered the process of registering a fiscal unit, the new system known as 'My balances' (used to keep track of tax balances) as well as the consequences of registering a fiscal unit. This was concluded with a Q&A session.

# THE ACCOUNTANT QUARTERLY JOURNAL



The Institute's publication *The Accountant* has been refreshed and is now being wholly produced, edited, and published by the Institute, providing members with a more sustainable and distinct product. *The Accountant* is the definitive guide for accountants and auditors, publishing articles that are of interest to accountancy and audit professionals working in public practice as well as professionals working in the different Maltese industry segments. *The Accountant* is the only official publication of the MIA and will continue being issued by the Institute.

Through the quarterly journal, the Institute continues to educate and update its members on the current issues and developments both within the Institute and the profession. Recent publications included reflections on the future professional accountant in business and how one can develop business in a sustainable manner whilst mitigating risk, and the challenges being faced due to various unprecedented factors affecting the Maltese economy.

Content within the last few issues included a multi-publication continuous feature on the ESEF from the MFSA which raised awareness on the latest updates to the format reporting regime of financial statements. Recent issues focused on VAT Grouping in Malta, IFRS 15 Revenue from Contracts with Customers, as well as the Fundamental Principles of Valuation of Inventories. A core article from international

collaborating association IFAC was also featured in the journal, together with an interview of students who requested the Institute's support whilst compiling their dissertation.

Each edition focuses on a specific theme relevant to current times including a cover story and several feature articles addressing readers from the different practice sectors, both locally and internationally. Features such as *GDPR: AM I DOING IT RIGHT?* covered in the Winter 2020 edition and *Small steps to a healthy lifestyle* in the Spring 2020 issue, are practical articles for all stakeholders.

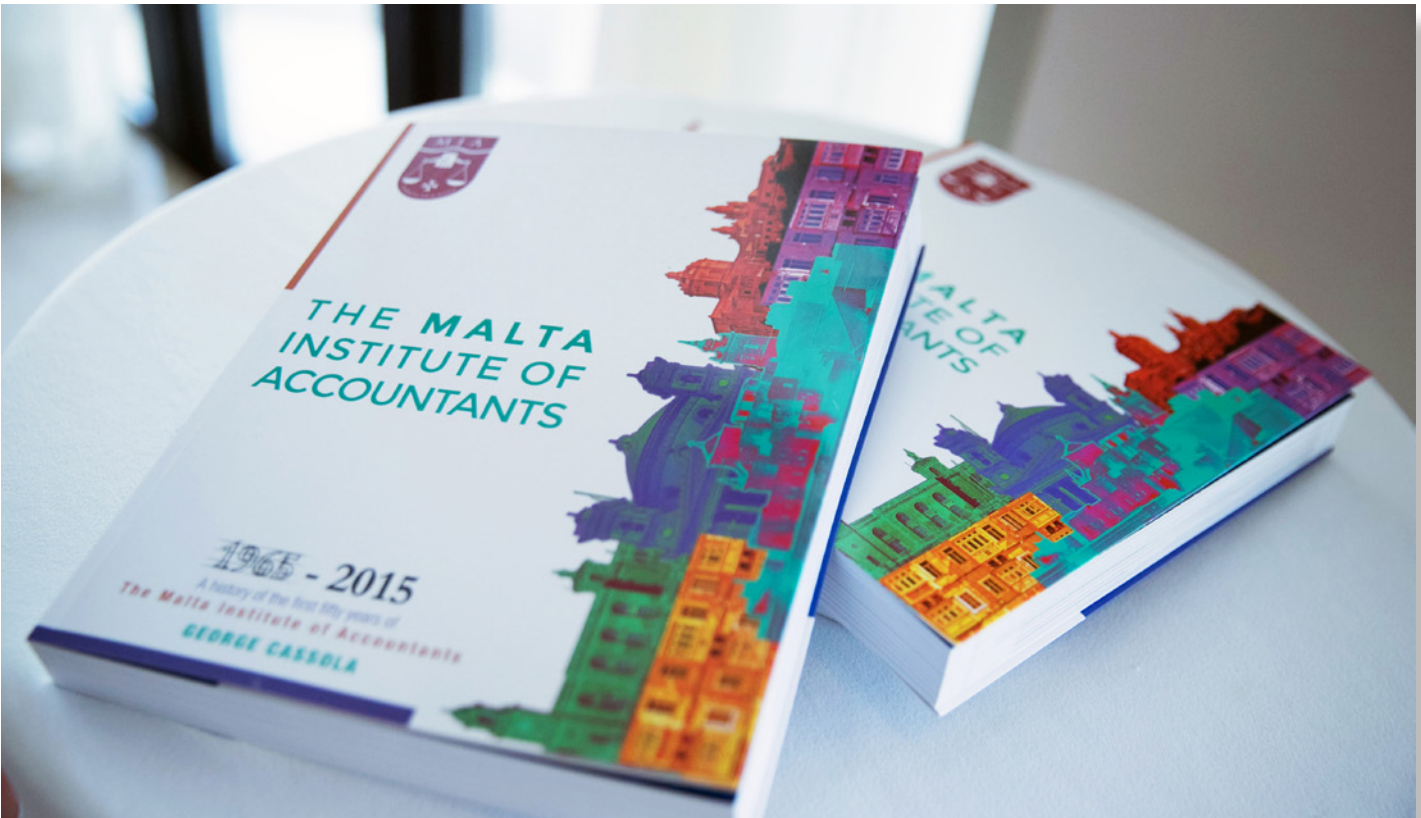
*The Accountant* continued to shine a spotlight on professional accountants who, beyond the profession, pursue various pastimes related to culture, entertainment, and sport.

Members and stakeholders of the Institute can enjoy the informative and engaging publication which is delivered to their doorsteps. For the more digitally inclined, articles are also available in the designated section for the journal on the MIA website. Furthermore, a digital flipbook for each issue is sent via email to the members, students, and other stakeholders listed on the Institute's database.



Click on the magazines to see the full publication.

# THE MIA HISTORY BOOK



Following the launch of the MIA History Book in 2019, the Institute ran a promotional campaign showcasing the professional life of the Institute's members over the last 50 years of MIA up to 2015, aimed at increasing the public's awareness.

As part of this throwback campaign, the Institute took a nostalgic look at the humble beginnings of the Institute. As author and accountant George Cassola said in an interview in *The Accountant* (Summer 2019),

the history of the MIA enlightens not only accountants, but anyone who wants to know more about our country's history and the people who shaped it.

# MEMBERS' SURVEY 2019



Once again, the Institute reached out to the members with a comprehensive survey asking for their assessment on the quality of the Institute's engagement with the members. Members were encouraged to express their opinions and help the Institute take an introspective look at its achievements and setbacks, and offer their suggestions for closer collaborations.

The survey included questions relating to the provision of technical guidance, training events, the Privilege Scheme, the Institute's quarterly journal *The Accountant*, and the monthly e-newsletter, amongst others, which are all services that the Institute offers to contribute to the members' continuous professional development. The results show that, overall, members appreciate the Institute's efforts to deliver benefits which are of relevance to the members, and the different means through which these services reach the respective audience.

The Institute has taken this year's members' feedback into consideration and, through the engagement strategic theme, is continuously acting on these insights to seek further opportunities for improvement that benefits members.





# PART 3: Bridging with Stakeholders

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The Institute fosters positive relationships with various stakeholders to be in a position to project the voice of its members and that of the accountancy profession. As part of its mission, the Institute creates effective partnerships with key local and international organisations to represent its members in appropriate fora.

## RECOGNITION AS AN APPROVED ACCOUNTANCY BODY

By means of Legal Notice 70 of 2020 issued on 17<sup>th</sup> March 2020, in relation to the Accountancy Profession Act (CAP. 281), the Institute has been recognised as an approved accountancy body for accountants in Malta by the Minister for Finance on the recommendation of the Accountancy Board. This recognition shall be for a period of four years.

## THE INSTITUTE'S SUPPORT TO THE ACCOUNTANCY BOARD



During the period under review, the Institute continued to support the Accountancy Board by undertaking its delegated duties.

CPE Accreditation is one of the duties which had been delegated to the Institute by the Board as stipulated in Directive 1 issued in terms of the Accountancy Profession Act and the Institute worked closely with the Board on this area in 2020. Accreditation of courses is the process of reviewing content and allocating the relevant hours and

competency to ensure that the course in question can be claimed for CPE purposes, subject that the content is relevant to the role being undertaken.

Prior to the COVID-19 pandemic, only face-to-face courses were accredited as per the Accreditation Rules, but as many courses had to either be postponed or delivered online, the Institute recognised the need to extend the accreditation process to also consider webinars. The Institute worked closely with the Accountancy Board to issue a set of new accreditation rules for online webinars while it liaised with the Board to revise the face-to-face accreditation rules.

Meanwhile, the Institute and the Accountancy Board continued to hold regular consultation meetings to discuss arising issues concerning the profession and the Institute's members.

## COLLABORATION WITH THE MFPA

As a founding member of the Malta Federation of Professional Associations (MFPA), the Institute joined forces with other professional bodies to propel discussions on common issues which are of relevance to the profession.

Mr Benjamin Rizzo, ex-President of the Institute, and Mr Francis Wirth, the Institute's current Treasurer and a Council Member, have been appointed to the Council of the MFPA to represent the Institute. The Institute actively participates in the MFPA by providing feedback, circulating information and surveys to members, and endorsing positions taken by the MFPA in the past months.

In addition, the Institute's CEO, Ms Maria Cauchi Delia sits on the Subcommittee for MFPA Statute Changes.

### **MFPA representative in Gozo**

The Institute nominated professional accountant and member, Mr Michael Formosa, as the Institute's representative within the MFPA Gozo Subcommittee. The Gozo Subcommittee was set up in the wake of findings from a joint project by the MFPA and the Gozo Tourism Association in 2018.

The aim of the Subcommittee is to promote the interests of professionals in Gozo, who, in view of the island's double insularity, face particular challenges. In the past months, the Subcommittee has discussed initiatives of how to assist professionals who reside in Gozo to fulfil professional development requirements, including CPE. Other topics recently considered by the Subcommittee are the specific difficulties experienced by professionals in Gozo due to the COVID-19 pandemic.

# LEVERAGING THE WEBSITE UPGRADE



## LATEST NEWS

### [Updated FSS Forms](#)

13 Aug 2020 08:20 | Anonymous

### [Private Sector Practitioners hopeful](#)

Malta will pass Moneyval test

12 Aug 2020 12:00 | Anonymous

### [MIA promotes profession in students' careers fair](#)

4 Aug 2020 09:56 | Anonymous

### [The EU Budget – reflections on the local scenario](#)

4 Aug 2020 09:40 | Anonymous



## UPCOMING CPE EVENTS

### [M2089 - Recent developments in the FinTech industry and tax implications \(Online\)](#)

1 Sep 2020 09:15 | Online Webinar

### [M2075 - Technology at the Workplace; Data Protection and Legal Issues \(Online\)](#)

2 Sep 2020 09:15 | Online Webinar

### [M2043 - Coaching skills for Managers and team leaders - 2 Session Package \(session 1 of 2\)](#)

3 Sep 2020 09:15 | TTC



## PRIVILEGE SCHEME

As part of its commitment to its members, the Institute is constantly looking for ways to improve its services.

We will continue to find the very best offers and discounts from the finest Privilege Scheme Partners.

Privilege Scheme Partners

Following the double-upgrade of its website, the Institute is now promoting a website which is as effective and convenient to use, as it is aesthetically-pleasing – an essential tool in upholding the Institute's mission to promote the accountancy profession.

As highlighted in the Member Relationship Management System section, the website aims to provide a user-friendly experience whilst giving access to a range of information such as the members' directory or e-library, the MIA, local, and international news, or the Institute's calendar of events. Online visitors can also find articles and the Institute's news featured in *The Accountant*, the Institute's quarterly publication, as well as a selection of FAQs.

Migrating to the new website developed a clearer line of communication between the Institute and its members, delivering timely updates at the click of a button.

# REPRESENTING THE INSTITUTE ON LOCAL AND INTERNATIONAL BODIES



**ACCOUNTANCY  
EUROPE.**



**International  
Federation  
of Accountants**

The Institute remains an official member of Accountancy Europe and IFAC. The MIA is an active player on local, regional, and international matters and contributes frequently to cross-border regulatory initiatives. The Institute also participates in periodic communications with other member bodies, maintaining a cross-border dialogue with other professional accounting organisations as needed.

As the approved Accountancy Body in Malta, the Institute nominated Mr Lino Casapinta and Mr Nicholas Xuereb who were then appointed by the Minister for Finance, as members of the Accountancy Board. Additionally, two practitioners, Mr Mark Bugeja and Mr William Spiteri Bailey were also nominated by the Institute and appointed by the Board as technical advisers. Their duty is to act as consultants to the Board and are not involved in the Board's decision making. The Institute, in line with the Accountancy Profession Act, also nominates accountants to be considered by the Minister to form part of the Accountancy Board's disciplinary pool.

As member bodies, the Institute forms part of the Members' Assembly and the technical working parties of Accountancy Europe.

Mr Stephen L. Muscat continues to represent the Institute on the IFAC PAIB Committee while Mr William Spiteri Bailey remains a member of the IFAC SMP Committee. Both appointments were nominated by the Institute and their current terms run until 31<sup>st</sup> December 2020.



## Joint Committee for the Prevention of Money Laundering

In September 2019, the Institute appointed an internal representative on the Joint Committee for the Prevention of Money Laundering and Funding of Terrorism (JCPMLFT). Chaired by Mr Kenneth Farrugia, FIAU Director, the JCPMLFT is an ad-hoc committee which provides a platform for discussion and brings together various competent authorities involved in the fight against Money Laundering/Financial Terrorism and representatives of subject persons. The meetings of the JCPMLFT serve as a platform for consultation on several important developments insofar as Anti-Money Laundering/Combating the Financing of Terrorism matters are concerned.

## Accountancy Europe Young Professionals

A staff member of the Institute participates in this group which brings together young professionals from across Europe to discuss initiatives for young accountancy professionals. The objectives of this group include establishing a young members' platform, contributing with perspectives on professional matters from young professionals, promoting the profession, attracting talent, encouraging internationalisation, learning the needs of young professionals, and providing young professionals with a voice in governance.



# SIGNING OF A CO-OPERATION AGREEMENT WITH THE MALTA CHAMBER OF COMMERCE, ENTERPRISE AND INDUSTRY



*Starting from the left: Malta Chamber Deputy President Ms Marisa Xuereb, President Perit David Xuereb, then MIA President Mr William Spiteri Bailey, and then MIA Vice-President Mr Fabio Axisa at the signing of the agreement.*

In July 2019, the Institute signed an agreement of co-operation with the Chamber committing to collaborate on matters of national economic policy of common interest to the business community and the accounting profession. The Institute has regularly collaborated with the Chamber on an ad-hoc basis, such as providing feedback during the COVID-19 pandemic.

The two organisations agreed to further their active co-operation in the interest of the Maltese economy, in the upholding of business ethics and the promotion of best practice amongst members of both organisations. This agreement officiates the engagement of meaningful dialogue between both parties, supporting each other on key common issues and encouraging cooperation in matters in which either party has greater expertise.

The two organisations also committed to co-operate towards facilitating the dissemination of information, opportunities in education, and lifelong learning for their respective membership bases. Moreover, the organisations will collaborate in joint projects aimed at supporting the business of members on both sides to grow and internationalise.

## Participation in the Chamber's MONEYVAL Forum

The Institute also participates in a MONEYVAL forum specifically set up by the Chamber's Financial Services Committee. Led by the Chamber, the forum brings together key professional associations such as the Institute and other stakeholders to coordinate education, training, and assistance efforts that help improve Malta's MONEYVAL rating, or soften the impact should the outcome be negative.



## Young Chamber Network

Since August 2019, a staff member has represented the Institute on the Young Chamber Network organised by the Chamber. This network brings together young entrepreneurs to share expertise, business acumen and experiences within the context of the Chamber. Chamber President, Perit David Xuereb also joins these meetings and provides valuable input on the businesses and economic situation of Malta. Over this reporting period, meetings were held periodically including an online meeting during the COVID-19 outbreak. In this session, individuals from different industries raised their concerns on the negative impact of the pandemic on their businesses and industries.



# MIA PRESIDENT'S PARTICIPATION IN THIRD PARTY CONFERENCES



*MIA President Mr Fabio Axisa participating in various panel discussions.*

On 20<sup>th</sup> February 2020, the Institute's President Mr Fabio Axisa, participated as a guest panellist at the AML & Financial Crime Conference focusing largely on the findings and actions resulting from MONEYVAL's 5<sup>th</sup> round of evaluation of Malta, as well as to the need to restore Malta's damaged reputation in this sector.

The Institute's President also represented the profession on a panel discussion entitled *Malta Banking Sector - Risk, Regulations and Technology* at the 8<sup>th</sup> NextGen Payments and RegTech Forum held on 27<sup>th</sup> and 28<sup>th</sup> February. Several topics were debated during the panel discussion, including regulations in Blockchain and cryptocurrencies, open banking in Malta, the growth of FinTechs and their treatment by the Maltese regulators, and how traditional banks are responding to changes.



# PART 4: Engaging and Attracting Quality Talent to the Profession

One of the Institute's key objectives is to attract quality talent to the profession by engaging with the relevant stakeholders to contribute towards a holistic education for young future professionals. The Institute is keen to present to the public a positively modern and realistic understanding of *who* the accountant is and *what* their role is, moving away from obsolete misconceptions.

# EDUCATION AND STUDENT MEMBERSHIP



The Institute recognises the need to encourage more students to choose accountancy as a profession, and to improve the quality of education received both by students who follow accountancy as a career path, and current professionals seeking to continue developing their skills and competencies.

Through the new education strategic theme, the Institute is working on a high-level plan to raise the perception of the accountancy profession and move it away from outdated misconceptions. The new education strategic theme will serve to support the provision of informed guidance to young students, as well as to align studied material and pedagogical methods with the needs of the profession.

The Institute kept its partnership with ACCA to offer the Joint Examination Scheme (JES), allowing graduates to receive global acceptance for their local qualifications. As at the end of this reporting period, the number of students registered with the Institute through the JES was nearly 2,000. Once their studies are complete, they will join the cohort invited to the annual New Members' Ceremony.

The staff members of the Institute regularly support students with queries, requests for technical guidance, and aid with assignments and dissertations relating to several accountancy fields.

## ACCA Global Prizewinner June 2019 Taxation

As part of the JES, the Institute and ACCA award students who excel and obtain outstanding results in their examinations. In 2019, Mr Ryan Gellel was announced the Global Prizewinner of the ACCA taxation exam in the June 2019 session.

In recognition of his achievement, Mr Gellel was personally presented with this distinctive honour by MIA President Mr Fabio Axisa and MIA CEO Ms Maria Cauchi Delia, as well as ACCA Director of Professional Education Mr Reza Ali and ACCA Head of Western Europe Mr Abdul Goffar.

*Ryan Gellel was presented with the ACCA Global Prizewinner award.*



## MFSA Education Consultative Council

Staff members represented the Institute in quarterly meetings of the MFSA Education Consultative Council (ECC) which was active for several years until January 2020. The ECC served as a forum for debate, coordination, and exchange of information on the training and development offered to current and future professionals in the financial services sector. The Council has not been convened since January this year. The stakeholders discussed the different challenges encountered by the education system in Malta, and the initiatives undertaken by each participating institution for this sector.

# AIM PROFESSIONAL ACADEMY LTD. DISCONTINUES ACCA TUITION



In August 2019, the Institute announced that AIM Professional Academy Ltd. will be discontinuing ACCA tuition. AIM Professional Academy Ltd. was a pioneering Learning Provider set up in 2003 to fill the gap in ACCA tuition in Malta. The academy had built a reputation for quality education and achieved a Platinum level of approval by ACCA, assisting thousands of professionals in obtaining their qualifications.

Nowadays, student members of the Institute enjoy a wide choice of tuition providers and the time was deemed right for the Institute to fulfil its long-term strategy and devote its resources to the nurturing of the professional environment. Members and students were advised of this change, whereas students were encouraged to continue progressing in their studies with an alternative ACCA Approved Learning Partner.

The Institute continues to implement the Joint Scheme Partnership in Malta with ACCA and has taken the opportunity to strengthen its excellent relationship with ACCA to bring more opportunities to professionals in Malta.

The Institute strives to be a backbone for students and learning partners as it remains the local supporting entity for all ACCA students and all ACCA Approved Learning Partners (ALPs).

# FOCUSED EVENTS FOR ACCA ALPS, TUTORS AND STUDENTS



*MIA and ACCA co-hosted a day workshop which brought together ACCA ALPs and Tutors.*

On 4<sup>th</sup> February 2020, through the JES, the Institute and ACCA co-organised a tutor development day for all local ACCA ALPs and their respective tutors. The day-long workshop was followed by an evening event providing ACCA students with exam hints and tips.

Representatives of ALPs and tutors had the opportunity to discuss several topics relating to the ACCA qualifications. Furthermore, ALPs and tutors were encouraged to share their opinion on how the Institute and ACCA can better support them, and several valid contributions were presented which are being taken into consideration.

ALPs and tutors were also invited to be present for the evening part of the event, where students active within the JES took part in an engaging discussion and presented constructive feedback about the support provided by the Institute and ACCA. Members of the Young Members Group were also present to guide the discussions. Following the event, everyone present was invited for a networking reception.

Furthermore, this event paved the way for further discussions between the Institute and ACCA. The Institute gave its input on a series of webinars for students planned over the summer and is discussing remote proctored exams to address difficulties caused by the COVID-19 pandemic.

# OUTREACH ACTIVITIES

As part of the Institute's mission to attract talent to the profession, the Institute collaborates with various local and international educational institutions, as well as governmental organisations. The Institute welcomes invitations to fairs and conferences and takes the opportunity, with the support of various Committee and Group members, to showcase the profession and the accountant's dynamic role.

Apart from the outreach activities detailed below, the Institute was also meant to participate in other initiatives which were postponed or cancelled due to external directives or government measures, including health concerns relating to COVID-19. Amongst others, these included *My Journey, I Choose* in November and in January, De La Salle Careers Day, and the University of Malta Annual Awards.



## *I Choose July 2019 and July 2020 – Nagħzel il-Karriera Tiegħi*

Once again, the Institute took a proactive role in the *I Choose* initiative, organised by The Ministry for Education and Employment and targeting secondary school students. Students who are typically between 14 and 16 years old are encouraged to attend this event with their guardians to seek professional guidance about their future career paths.

On 19<sup>th</sup> and 20<sup>th</sup> July 2019, as the official voice of the accountancy profession, Institute staff and members were present for a 2-day exhibition to address any misconceptions about the profession and encourage students to consider accountancy as their future career by following any of the study routes available. Unfortunately, due to restrictions imposed by the COVID-19 pandemic, the Institute was not invited to participate in the exhibition in 2020.

However, in both the 2019 and the 2020 editions of *I Choose*, the Institute brought together members of its Committees and Groups representing the different spheres of the profession, for an interactive and informative panel discussion to showcase the diverse career opportunities available, the possibilities for personal development, and the job security associated with the accountancy profession.

*The I Choose event which took place in 2019.*



*The I Choose event which took place in 2020.*





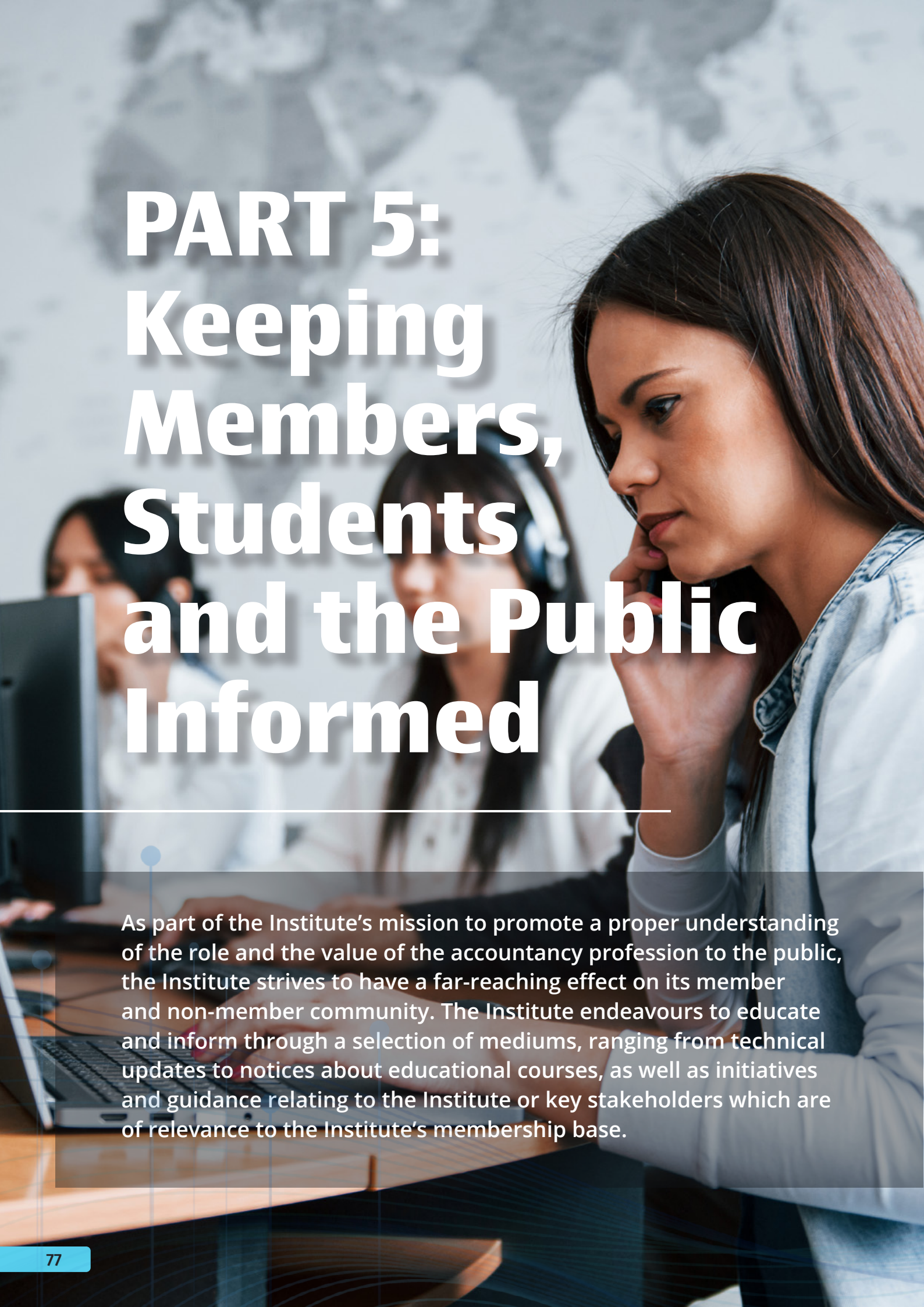
## Master's in Accountancy Annual Conference

On 6<sup>th</sup> December 2019, the Institute participated in the 7<sup>th</sup> edition of the University of Malta Master's in Accountancy Annual Conference organised by final year students in collaboration with the Faculty of Economics, Management and Accountancy (FEMA). As a sponsor and contributor, the Institute presented a panel discussion in collaboration with four guests from the MIA Young Members Group.

Moderated by a staff member of the Institute, the panellists discussed issues relevant to the final-year students preparing to leave their academic life to enter the working world as professional accountants on a full-time basis. The future graduates and members enjoyed a personal insight into the experiences of these professional accountants who represent different spheres of the profession. It was also an opportunity for them to better understand the practical contribution of the Institute to professionals at an individual level and to the profession at large.

*Panellists prepare final-year University students for life after graduation.*





# PART 5: Keeping Members, Students and the Public Informed

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As part of the Institute's mission to promote a proper understanding of the role and the value of the accountancy profession to the public, the Institute strives to have a far-reaching effect on its member and non-member community. The Institute endeavours to educate and inform through a selection of mediums, ranging from technical updates to notices about educational courses, as well as initiatives and guidance relating to the Institute or key stakeholders which are of relevance to the Institute's membership base.

# REVAMPED MEMBERS' eNEWS



Starting from the March 2020 edition, the monthly electronic newsletter has been revamped to give it a more modern and sophisticated look. The renovated newsletter means a fresh look, with a focus on a clean design with an emphasis on the use of typography and images, making the reading of the e-newsletter a more pleasant experience for the Institute's members.

As importantly, the content of the newsletter has also been upgraded over this period. The monthly eNews now includes a technical main feature of relevance to the profession, reports on the Institute's local, as well as international news, soft skills articles (such as: coping with COVID-19, being a better leader, and tips on productivity), and an engaging brain teaser. The newsletter is also a medium to showcase the work done by the Institute's Committees and Groups, such as the release of technical announcements and the issuance of guidance notes.

Analytics over these past months continue to show an increase in viewership and readership. The newsletter's content is available on the Institute's website, providing members with a reference and resource platform.



# REGULAR USE OF COMMUNICATION CHANNELS



The Institute makes use of various tools to remain regularly in touch with its members, students, and stakeholders. Analytics show that emails remain the preferred means of communication for the recipients of the Institute's guidance notices and informational releases, particularly when such notices are of an urgent nature.


Nonetheless, the Institute also has a respectable following on its main social media channels, namely Facebook and LinkedIn. Through its Facebook page, the Institute can post across platforms, utilising Instagram's advertisements as needed. As noted in the Young Members Group section, apart from the Institute's main Facebook page, a dedicated page for the Institute's young members has also been created – providing a space for networking, support, and the sharing of ideas.


Regularly using the Institute's various communication channels, allows the Institute to increase its presence within the business community, particularly at a time when COVID-19 has shifted the direction of the world's economy online.


# facebook


## The Malta Institute of Accountants

@CPAMALTA · Non-profit organisation

 The Malta Institute of Accountants - Integrity and Expertise

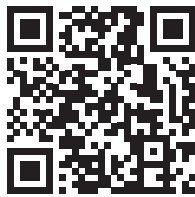
 The Malta Institute of Accountants - Integrity and Expertise

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## The Young Members of the Malta Institute of Accountants

@MIAYoungMembers · Non-profit organisation

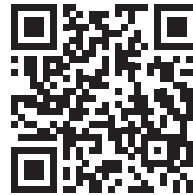
 This is a space for young Accountants of the Malta Institute of Accountants to network, share ideas and support each other.

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# An Appreciation



It is quite remarkable that an Annual Report of the Institute of Accountants makes such frequent reference to a pathogen. The COVID-19 virus has, sadly, upended plans for events and initiatives this publication was expected to document. But it has not quashed the determination and commitment of the Institute to pursue the vision, mission, and values that guide it. Although it has been a testing year for the profession, the MIA's members were able to find the comfort, expertise, and assurance to keep going forward. That level of dedication and effectiveness amid a crisis could only be reached by the exceptional team the Institute is proud to call its staff.

Mr Fabio Axisa  
President

Mr Noel Mizzi  
Secretary