

# THE REGISTRY'S DIGEST

*Official customer newsletter of the Malta Business Registry*

## A WORD FROM THE REGISTRAR

I am pleased to present the fourth issue of the Malta Business Registry's newsletter.

Throughout this issue, we focused our attention on giving an insight into the work being done by our Compliance Unit. The MBR's Compliance Unit is a relatively new unit within the entity, which was set up primarily to verify that the BO information is accurate and up-to-date. This requirement for a stronger form of due diligence emerged after the MoneyVal assessment back in 2018.

Furthermore we also focused on celebrating a very recent achievement, the HR quality mark which was a result of a thorough assessment of the MBR's HR policies and procedures, undertaken by two independent evaluators nominated by the Foundation for Human Resources Development.

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

Mr. Joseph Farrugia,  
Registrar/ CEO  
Malta Business Registry



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The Registry's highlights and updates:

## NEWS

# News

### Share Transfer Notice

The Commissioner for Revenue and the Registrar of Companies would like to notify that, in respect of share transfers and changes in issued share capital/voting rights of companies and other commercial partnerships where applicable, or transfers of interests in partnerships, requiring registration by the International and Corporate Tax Unit (ICTU), all relevant documents should be delivered to the ICTU prior to forwarding any of the requisite documents to the Registry of Companies Unit within the Malta Business Registry. Read more on:

<https://bit.ly/3kJouMU>

### MITA Student Placement Programme



The Malta Information Technology Agency (MITA) opened its applications for this year's Student Placement Programme. In line with the Government's continuous support during the COVID-19 pandemic, for 2021, MITA will be reimbursing 75% of student salaries to private sector organisations as opposed to the standard 50% rate. This financial assistance however, is not the sole benefit of this Programme.

We encourage all of you to go through MITA's official communication and reach out to the SPP team at MITA with any questions you might have. They are also organising an online information session to tackle the programme details and answer questions. In order to apply contact MITA on [spp.mita@gov.mt](mailto:spp.mita@gov.mt)

Reference is made to the Company Service Providers (Amendment) Act (Act No. L of 2020), and the publication of Legal Notice 96 of 2021 which brought into force amendments to the Company Service Providers Act, 2013 (CSP Act). Following the coming into force of these amendments, there are a number of persons who are currently exempt, that will now fall within the scope of the new regulatory regime and thus need to apply for authorisation in terms of the CSP Act by the 16th May 2021.

The MFSA is pleased to inform you that the Authority is organising a day of webinars addressed to all professionals and practitioners whose activity will now fall within the scope of the new regulatory environment.

The aim of these webinars is to provide all the necessary information through practical sessions, in relation to the new authorisation process effecting all warranted professionals and other individuals who were previously exempt in terms of the Company Service Providers Act as issued in 2013. Moreover, the webinars will represent a good opportunity to address all enquiries coming from the industry.

The two webinars will take place on 15 April 2021 at 10.00 hrs and 14.00 hrs and will be broadcast through Microsoft Teams. Both sessions will have the same content and will be organised to meet the industry's requirements. If you are interested in attending one of these sessions, please refer to the [MFSA website](#). A certificate of attendance will be issued to all attendees who have joined the webinar with their personal details. [Guidelines](#) to set up a Microsoft account to join the live event are available in the registration page.

On behalf of the Malta Financial Services Authority (MFSA), we would like to direct you to the website page dedicated to the [New CSP regime](#) in order to make an assessment as to whether you require authorisation under the CSP Act from the MFSA.

**This event is being organised by the Malta Financial Services Authority**

# The MBR's Compliance Unit

BY MR. ANDREW SCHEMBRI, HEAD OF THE MBR'S COMPLIANCE UNIT

The Compliance Unit is a newly established department within the Malta Business Registry, and it is responsible for several different aspects related to regulatory compliance.

In 2018, the MoneyVal assessment made apparent that the then Registry of Companies needed to strengthen its screening process – both when a company is being incorporated as well as when changes happen in an already registered company. To this end, the Malta Business Registry has invested in an online screening database which each Company official is screened against, whether that be a director, secretary or shareholder/beneficial owner. When the screening results in positive hits, all relevant information is handed over to the Money Laundering Reporting Officer for further analysis.

The Companies Act (Register of Beneficial Owners) Regulations also came into force in 2018, and this gives the Registrar the power to conduct on-site inspections of companies to verify that the Beneficial Owner Register is being kept at the Company's registered address and that the information submitted to the MBR is accurate and up to date. Companies are chosen for on-site inspection using a risk-based approach based on the nationality of the beneficial owners. And companies can also be selected in cases where a discrepancy has been reported in the information held by the MBR.

The procedure used by the Compliance Unit to conduct on-site inspections is straightforward. First, a letter is sent to the Company at the registered address. The letter informs the Company's directors when and why a team from the Compliance Unit will be conducting an on-site inspection. On the day of the inspection, the Compliance Unit's officers verify the information held on file by the Company and confirm whether it matches the information included in the BO Form submitted by the Company to the MBR. Following the inspection, the Compliance Unit sends a report to the Company with all the findings and any remedial actions, if needs be.

In 2020, the Compliance Unit conducted over 800 inspections, and the Unit projects around 1,000 inspections will take place in 2021.

Another important function of the Compliance Unit is to deal with Companies that object to being struck off the Register as defunct in accordance with Article 325 of the Companies Act. In circumstances such as these, Compliance Unit officials communicate with the Company's directors and inform them of all the pending documents which are to be submitted within the three-month period provided in the Companies Act. Once the Compliance Unit receives all the documents, the officials communicate with the Legal department in order to stop the defunct procedure.

Furthermore, the Head of the Compliance Unit is also the MBR's Money Laundering Reporting Officer. Therefore, if a suspicious activity associated with either money laundering or the funding of terrorism is spotted during the inspection or screening process, the Head of the Compliance Unit communicates such findings with the respective Authority.

When either the subject person or competent authority encounters any discrepancy in the information submitted to the MBR, it must be immediately reported to the MBR using the Compliance Unit's email address: [compliance.mbr@mbr.mt](mailto:compliance.mbr@mbr.mt).

## Onsite Inspections statistics



**828 - Onsite Inspections conducted in 2020**



**347 - Issued reports with findings of onsite inspections**



**22 - Companies that did not reply to the onsite inspection letter on which action will be taken**



**1000 - Projected Inspections for 2021**

# Achieving the HR Quality Mark

**BY MR. GEORGE SPITERI, HEAD OF HUMAN RESOURCE AND DEVELOPMENT UNIT**

On 30th November 2020, the Malta Business Registry (MBR) was informed by the President of the Foundation for Human Resources Development (FHRD) that it had successfully achieved the Quality Mark rewarded for its effective Human Resources (HR) practices.

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

The MBR's achievement resulted from a thorough assessment of the MBR's HR policies and procedures, undertaken by two independent evaluators nominated by the FHRD. Given that the MBR was only independently established in 2018, achieving a successful conclusion to this review was not easy. However, notwithstanding these limitations, the MBR was one of Malta's first organisations to attain this award.

Following the MBR's move away from the MFSA in July 2019, its HR Unit immediately started reviewing the MFSA's Staff Handbook so as to create one of its own. The resultant MBR Staff Handbook includes the terms and conditions of employment and internal policies in lieu of a Collective Agreement existing in a Unionised environment.

During this process, the MBR took the opportunity to include new, family-friendly measures within its working conditions, including daily flexitime schedules, urgent family leave, remote working and reduced hours for employees with children up to 10 years of age (extended again for 12 years in 2020) and for employees who take care of elderly dependent relatives. This was done in consultation with the National Commission for the Promotion of Equality (NCPE), whose suggestions were also taken on board.

For transparency and consistency, the revised Staff Handbook also includes eligibility criteria, as well as the minimum and maximum salaries established within the MBR's salary grades structure.

The ease with which these new family-friendly measures were agreed to within the MBR is a testament to the equality and family-friendly culture embraced by the MBR's Senior Management. Back in November 2019, the MBR was awarded the Equality Mark by the NCPE in recognition of its positioning of equality at the fore of its working conditions, policies and practices. The FHRD Quality Mark was launched after this time.

The MBR's Staff Handbook is not cast in stone. Following feedback from staff and other stakeholders, as well as analyses of the local labour market, the HR Unit provides studies and proposals to the MBR's Board of Management (BoM) for consideration so as to upgrade working conditions for the benefit of employees' well-being.

An example of further amendments to the MBR's Staff Handbook introduced during 2020 is the launch of the MBR's Employees' Representative as elected by all MBR employees for two years. The first Employee Representative, Mr Kurt Izzo:

- represents employees in negotiations or consultations with the MBR's Management,
  - represents employees' views and opinions in the information process in the context of any changes to the Staff Handbook, and
  - provides proposals for the consideration of the BoM.
- During 2020, the MBR's HR Unit also conducted a Training Needs Analysis (TNA), incorporating results from a questionnaire disseminated to all employees and from one-to-one interviews with key personnel within the MBR and other stakeholders. The TNA identified skills gaps and areas of self-competence requiring further development. Consequently, a training plan for 2020-2022 was designed and immediately started to be implemented.

In terms of the MBR's Performance Management, employees are formally assessed against their respective KPIs on a mid-year and end-of-year basis. These assessments complement an informal appraisal process undertaken throughout the year.

The performance management process features a mechanism for rewarding employees' merit through an annual salary review and a one-time, yearly performance bonus.

The HR Unit is also inspired by its Business Strategies as introduced in the MBR's Strategic Plan for 2020–2025, namely its:

- Employee-Centric Strategy – to place both the MBR's customers and employees first and create the most optimum relations between stakeholders;
- Continuous Professional Development (CPD) Strategy – to develop CPD by evaluating the core competences and skills gaps in the MBR's management and employees;
- Recruitment and Retention Strategy – to attract, retain and reward highly talented people to the MBR by creating the correct employee value proposition and building a loyalty-inducing culture in addition to the MBR's approach to CPD;
- Diversity and Inclusion Strategy – to become a model employer by increasing engagement in equality and diversity across the board;
- Leadership Enhancement Strategy – to provide a strong vision and to transform the MBR's management and employee experience into one of empowerment and motivation.

The question is, why is all the above information relevant to the achievement of the Quality Mark? The MBR's actions, as detailed above, meant that when the two independent evaluators appointed by the FHRD completed their assessment in September 2020, the MBR was well prepared and not taken by surprise. This was because there are the right people at the organisation's helm, cultivating healthy employee relations and leading HR practices. This is also complemented by their vast experience in the industrial relations field.



As a result of the evaluators' assessment, the MBR achieved a total mark of 96% (with the pass mark being 75%). Hereunder is a summary of the results achieved:

- Average score of 98% on HR Policies and Procedures – based on the HR Plan, Ethics and Corporate Governance, Diversity and Inclusion, Social Responsibility and Wellbeing and Work/Life Balance;
- Average score of 100% on Recruitment and Selection – based on Workforce Planning, Recruitment and Selection process, Mobility and Turnover, Retention Initiatives, Exit Interviews and Job Descriptions;
- Average score of 100% on Compensation, Benefits and Total Reward – based on Job Grading, Compensation, Benefits and Recognition;
- Average score of 75% on Employment and Industrial Relations – based on Employment Relations, Industrial Relations and Employee Research. However, it is crucial to mention that the MBR immediately introduced the Employees' Representative (as described earlier), following the recommendation in the FHRD's final report;
- Average score of 100% on Performance Management – based on the Performance Appraisal, Feedback System and the Management of Poor Performance;
- Average score of 100% on the HR Information Systems – based on the HR Database and the HR Metrics and Analytics; and,
- Average score of 98% on People Development and Training – based on the Induction Programme, mandatory Training, Leadership Development, CPD and the Succession Plan.

This was a very encouraging result for the MBR indeed, and a collective achievement of which all MBR employees should be proud, as well as pleased to work within such an organisation. The HR Quality Mark is not granted permanently, so the MBR cannot rest on its laurels. Considering that Human Resource Management is an ever-evolving subject, such an achievement inspires the MBR's HR Team to continue striving to reach and sustain an exceptional approach to its Human Resource management.

# Beneficial ownership & transparency



Online central register of beneficial owners of all legal entities:



COMMERCIAL  
PARTNERSHIPS



FOUNDATIONS



ASSOCIATIONS



CO-OPERATIVES



VOLUNTARY  
ORGANISATIONS



SPORTS  
ORGANISATIONS

## Benefits:



- Transparency is a critical component of corporate governance



- Increase trust



- Help competent authorities and subject persons to fulfill their due diligence and risk management obligations

- Public beneficial ownership data enables citizens to hold companies and other organisations accountable



- Improve the rule of law



- Aid in the fight against corruption and money laundering



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# GET TO KNOW OUR EMPLOYEES

IN THIS ISSUE WE WILL BE ASKING MS. MELANIE DAMATO SOME QUESTIONS

## Ms. Melanie Damato

**Desk Officer, Malta Business Registry**

### **What excites you most about working in your sector?**

The company registration sector is always evolving, where new rules and regulations come into place regularly, the sector is also directly affected by various macro-economic developments and trends, making the job highly interesting as the need to keep abreast with company law and development is key to providing a good service.

As the MBR also directly contributes towards government's objective in the "ease of doing business", allowing Malta to be further attractive to those wishing to set-up business or relocate their business in Malta, this makes my job very rewarding, as the efforts of the MBR are directly contribution towards Malta's Economic Growth and investment.

### **How do you start your morning routine?**

I normally start the day early at 5.30 am, starting with the preparation of lunch and the school uniform for my 3-year-old son.

Given that we are a public facing organisation including international clients, we receive correspondence 24/7, I normally start my working day routine with reviewing and acting on the emails received.

### **What's something you'd still like to learn?**

Learning another language is always interesting and opens a window to learning other cultures. Something I would like to learn would be Spanish, which is a language spoken internationally.

### **Gourmet dining or homemade cooking?**

I prefer homemade cooking and in fact I like experimenting with new dishes in Mediterranean cuisine. However, I also like gourmet dining, especially food that I do not normally cook such as Asian, my favourites being Indian and Japanese.

### **If you could have any superpower, what would it be?**

That would be time travel. Using this superpower would allow me to change or at least influence past things that went wrong around the world. Besides that, time traveling would allow me to understand better different eras and cultures and meet people who are no longer with us or are still to come.

### **Which is your favourite spot on the island?**

My favourite spot in Malta is the area of Ta' L-Iskirvit (near 'Fomm ir-Rih') in my home town Mgarr. As I no longer live there, I still go there regularly to relax and unwind in its natural environments, particularly during the weekends.

### **Book, film, series, or music?**

Films, the favourite being true stories and comedies.

### **If you weren't in this career, what would you be doing?**

A career that interests me is the educational sector, mostly with young children. I believe that being a teacher can positively influence children's lives by inspiring, encouraging and motivating them to reach their full potential.



**Ms. Melanie Damato has been working in the Registry of Companies Unit for these past ten years and currently holds the position of Desk Officer with the Malta Business Registry. Melanie graduated with an Honours Degree in Business Administration.**

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