

Table 3: Reporting on main reform plans for the next 12 months

Table 3. Overview of main reform commitments for the 12 months		
Main (new or updated) commitments in the NRP for the next 12 months	Foreseen main measures and indication on whether they are CSR relevant	The estimated impacts of the measures (qualitative and/or quantitative)
Euro Plus Pact commitments		
Euro Plus Pact commitments	<p>Updating of Electronic System for the Inspectorate Section</p> <p>During 2017, an updated electronic system was being developed so that labour inspectors would be able to collate information on their laptops by virtue of the Employment and Industrial Relations Act. The system development and testing has now been completed and parallel testing has been initiated.</p> <p>Status: On Track</p> <p>This measure is not CSR relevant. However, it aims to address one of the three pillars of the 2018 Annual Growth Survey – ‘Structural reforms for inclusive growth, upward convergence and competitiveness’, sub-section ‘Job creation and fair working conditions’.</p>	When the system is up and running, it is expected that inspections would be carried out more swiftly and efficiently.
	<p>Consultations with all Stakeholders regarding Equal Pay for Equal Work</p> <p>At present, the salaries of employees of private contractors who provide services to public entities and Government are pegged with those of Government employees performing similar duties. It is being proposed that consultations take place to collect data and information to assess the implications if wages and working conditions of employees engaged by sub-contractors are placed at the same level as those of regular workers at the same place of work.</p> <p>Discussions are being conducted with social partners at the Employment Relations Board (ERB).</p> <p>Studies have also been conducted by the National Statistics Office (NSO) and forwarded to the Ministry for Finance. The final report will then be presented to the ERB.</p> <p>Status: On Track</p> <p>This measure is not CSR relevant. However, it aims to address one of the three pillars of the 2018 Annual Growth Survey – ‘Structural reforms for inclusive growth, upward convergence and competitiveness’, sub-section ‘Equal opportunities and access to the labour market’.</p>	After the consultations and study have been concluded, recommendations will be formulated and presented to Cabinet.
	<p>Reduction from 5% to 1.5% in Stamp Duty in Transfer of a Business to Children</p> <p>Starting from April 2017, Government is giving a 12-month concession whereby the stamp duty of 5% is being reduced to 1.5%, when a parent transfers a business to his or her children. This measure was extended by six months to September 2018.</p> <p>Status: Completed</p> <p>This measure is not CSR relevant. However, it aims to address one of the three pillars of the 2018 Annual Growth Survey – ‘Boosting investment to support the recovery and to increase long-term growth’, sub-section ‘Using reforms to support investment’.</p>	The number of persons affected by this measure was 78.
	<p>Introduction of Online Electronic Payment by Importers</p> <p>The Customs Department, in line with the international Trade Facilitation Agreement, is committed to introduce an online payment facility for use by traders and one-time importers bringing goods to Malta that attract duties.</p> <p>With this measure there will be a complementary facility for settlement of dues in favour of the Customs Department which would benefit both the Department’s clients and the Department itself. This measure will reduce or eliminate completely the inconvenience of the Department’s clients of personally calling at the Department to effect payment. It will ensure secure payment of transactions for the Department since online payments will replace cheque dealings and there will be a better use of the Customs Department’s staff.</p> <p>Status: Ongoing</p> <p>This measure is not CSR relevant. However, it aims to address one of the three pillars of the 2018 Annual Growth Survey – ‘Structural reforms for inclusive growth, upward convergence and competitiveness’, sub-section ‘Innovation and competitiveness’.</p>	With this measure there will be an efficient electronic payment system, using prevailing technology, which will decrease the cheque use for settlement of dues to the Department.
Measures to address growth bottlenecks and economic imbalances	<p>Developing Quality Management in Public Administration through the Common Assessment Framework (CAF)</p> <p>Since 2012, the Management Efficiency Unit (MEU) has been managing an ESF project intended to promote the CAF while also providing training in this regard, as a basis for continuous improvement and adoption of a total quality management model in departments and entities. The ESF closure report was submitted and finalised accordingly. After project closure, the CAF implementation will be managed by the People and Standards Division</p>	The CAF team is investing in outreach of CAF by providing more one-to-one meetings and delivering information sessions when requested by an entity or organisation. The target of this project was to have 14 organisations using CAF, and this number has been achieved.

	<p>(P&SD).</p> <p>Further achievements have been made:</p> <ul style="list-style-type: none"> • 365 public officials were trained in and exposed to the CAF methodology. • There are now 16 sites officially registered on the European Institute of Public Administration (EIPA) portal: the Gozo Public Library, the Food Safety Unit, the Gozo Sports Complex, the Foundation for Social Welfare Services (FSWS), Sedqa, Support and Appoġġ Agencies, the European Union Programmes Agency (EUPA), the MEU, the Ministry for the Economy, Investment and Small Business (MEIB), the Department of Contracts, the Health Standards Directorate, Automated Revenue Management Services (ARMS) Ltd, the Medical Imaging Department, Programme Implementation Directorate within the Education Department and the Ministry for Finance. The Health Promotion and Disease Unit and the Water Services Corporation had finalised the self-assessment meetings. • Offering continuous guidance and support during the CAF exercise. • Worked with the then Public Administration HR Office (PAHRO) on a customisation of the examples of the CAF model. • Delivered a CAF information session to public administration employees reading for the BA (Hons) Public Projects. • A CAF information session was held at the Department of Contracts (DOC) and as from the beginning of 2018, CAF is being implemented for a second cycle at DOC. • A CAF information session was held with the Foundation for Social Welfare Services (FSWS) self-assessment team, with the aim to start a second cycle at the same organisation in Q1 of 2018. <p>Status: Completed</p> <p>This measure is not CSR relevant.</p>	
	<p>Smart Fiscal Consolidation</p> <p>Government remains committed to ensure that developments in public finances support the long-term growth potential of the Maltese economy, thus contributing to enhancing the sustainability of public finances. The Government managed to successfully consolidate public finances turning a deficit of 3.5% of Gross Domestic Product (GDP) in 2012 to a surplus of 1.0% of GDP in 2016. In addition, the fiscal surplus is expected to exceed 3.0% of GDP in 2017.</p> <p>The positive fiscal developments brought about changes in priorities of public administration, now that public finances are on a sustainable trajectory. Initiatives focusing on high-quality spending on education, health, infrastructure and research and innovation (R&I), together with structural reforms, are intended to increase further the growth potential of the Maltese economy. In the meantime, the Government spending review is ongoing to ensure the achievement of improved efficiency in public spending. This should ensure that spending reflects changing priorities and changing needs.</p> <p>Status: Ongoing</p> <p>This measure is not CSR relevant but aims to address one of the three pillars of the 2018 Annual Growth Survey – ‘Responsible fiscal policies to support sustainability and convergence’.</p>	<p>A quantitative estimate of Government’s medium-term fiscal targets is included in the 2018 update of the Stability Programme.</p>
	<p>Pensions Reform</p> <p>In December 2006, the House of Representatives (HoR) adopted a series of reforms (Act No. XIX of 2006) including: raising the pension age from 61 to 65; lengthening the contributory period from 30 to 40 years; adopting changes to the two-thirds pension, calculation formula, the maximum pensionable income and the crediting of contributions as provided for under the preceding legislative framework.</p> <p>Pension reform in Malta is ongoing. In fact, following the set-up of the new Pensions Strategy Group (PSG) to continue the work of the previous Working Group, a report presenting pension reform recommendations was finalised in June 2015. The post-consultation report, including the final recommendations, was submitted by the Group for the attention of Government during September 2015. A number of these measures were adopted by Government as from the Budget for 2016:</p> <ol style="list-style-type: none"> As from 2016, the Minimum Pension for a person with a full contributory record is not less than € 140 per week. In order to ensure a fair balance between the contributory period and the period spent in retirement across generations, the contribution period for a full pension is based on a stable ratio between years contributing and years drawing pension. Consequently, the contributory period was raised from 40 to 41 years for persons born after 1968. The contributory period will be reviewed every 5 years to ensure that stable ratios are kept between the contribution period and the periods of time during which it is expected that the individual shall be in receipt of a pension. The introduction of an incentive mechanism for persons to defer their pension, whereby persons who are 	<p>As a result of the pensions reform of 2006, the pension age for persons born in 1952 went up to 62 for both genders with effect from January 2014 and the accumulation of contributions for a full pension entitlement increased from 30 to 35 years for persons born between 1st January 1952 and 31st December 1961, and from 30 to 40 years for persons born on or after 1st January 1962. As a result of this measure, the number of new claims is lower when compared to the year-on-year increase of previous years.</p> <p>The incentive to encourage later retirement and the linking of the contributory period to the period spent in retirement are expected to contribute to the strengthening of the long-term sustainability of public finances. At the same time, the adequacy element was also safeguarded through the increase in the minimum pension, better crediting for child rearing (which is designed to mitigate against gaps in the contributory periods, particularly of women, arising due to family responsibilities and as policy instrument contributing positively toward fertility increases) and the introduction of credits for human capital development and lifelong learning, alongside other measures.</p>

- eligible for retirement at the age of 61 years are awarded a financial incentive for each additional year they choose to continue working up to the age of 65 years.
- iv. A Working Group was set up with the scope of bringing to the consideration of Government, proposals relative to the introduction of fiscal incentives for employers that opt to introduce occupational pensions on a voluntary basis.
 - v. Better credits for child rearing and family growth and the introduction of credits for human capital development and lifelong learning.

The Government, in the 2016 Budget, accepted the principle behind recommendations (i) and (ii) above and these have been adopted by the HoR (Act No. XV of 2016) in March 2016. The incentive mechanism was publicly announced on the 22nd March 2016 and a legal notice (LN289/16) was published in August 2016. The scheme is open to workers in the private sector who would have paid 35 years of social security contributions and are eligible to retire at 61 years of age. Those who continue working until 62 years will later on receive an increase of 5% in their pension. The scale increases every year, whereby, a person who works until 63 years would receive an increase of 5.5% for the second year, over and above the 5% of the first year. The increase for the fourth year is 6% and for the fifth year, 6.5%.

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In the Budget for 2017 Government continued to address adequacy by introducing measures aimed at supporting the income of specific groups of pensioners. In fact, through the Budget for 2017, pensioners have been exempted from tax on income arising from any type of pension amounting up to a maximum of € 13,000. Pensioners, whose income is taxed at the married rate will retain a differential of a further € 1,000 (arising from any source) on top of the € 13,000. This measure will be implemented over a period of 2 years. Furthermore, as announced in the Budget for 2018, the ceiling on which income from pension is tax exempt has increased to €13,200. With respect to entitled beneficiaries of a minimum pension for married couples and to a non-contributory age pension, these will experience an increase in their pension of € 4 per week. The Budgets for 2017 and 2018 have also raised the amount of service pension that is not taken into consideration for social security pension assessment purposes by another € 200. In addition, the Budget for 2017 has addressed the gender inequality in the pension benefit rate, with females benefiting from an increase in the pension rate of up to € 20 per week.

In the 2018 Budget, the Government announced that every pensioner shall be benefitting from a weekly € 2 increase in his or her pension, irrespective of whether one is receiving a contributory or a non-contributory pension. Over 90,000 pensioners shall benefit from this measure, which will cost a collective € 9 million. The Government also announced in the 2018 Budget that as from 2018, pensioners who are 65 years or older shall have their pension adjusted to take into consideration the National Insurance (NI) contributions paid after pensionable age. Moreover, pensioners who have retired from work and are not yet 65 years of age and are engaged in a part-time work or are self-employed, will, as of next year, be able to pay the NI contribution pro-rata at 15% rate worked on their net income instead of the full rate, as is currently the case.

Third Pillar Pensions

The first pension products were launched on the market during November 2015, thus bringing into fruition Government's policy initiative in this area. Furthermore, the tax benefits for third pillar pensions have been extended to be applicable to certain insurance products in order to incentivise providers. Accordingly, there are now a number of providers offering personal pension plans. Savers undertaking these plans can receive tax rebates on their savings for retirement. Administrative statistics of the Inland Revenue Department show that there are in all 19 qualifying schemes registered and the number of qualifying individuals stood at 2,255 in 2017.

Voluntary Occupational Pensions

In 2017, the Government also implemented a measure intended to incentivise the take-up of voluntary occupational pensions. The Voluntary Occupational Pension Scheme Rules, which were introduced by virtue of Legal Notice 228 of 2017, provide tax credits to both employees and employers (including self-occupied persons) with the aim to incentivise an occupational pension system in Malta. The occupational retirement scheme is regulated by the Retirement Pensions Act or a long-term contract of insurance satisfying certain prescribed criteria. A qualifying employee is eligible for a tax credit amounting to 15% of the aggregate amount of qualifying contributions made during a year, up to € 150. A qualifying employer is also entitled to a tax credit amounting to the lower of 15% of the amount of qualifying contribution paid during a year and € 150. The total deductions that can be claimed by the qualifying employer in respect of qualifying contributions, shall in respect of each qualifying employee amount to the lower of the qualifying contribution actually paid and € 2,000.

Strategy on Retirement and Financial Capability

Following completion of the post-consultation process, the Strategy on Retirement Income and Financial Capability

	<p>was launched on 25th January 2017. A coordinating body within the then-Ministry for the Family and Social Solidarity (now MFCS) is implementing the Strategy.</p> <p>The first multimedia campaign relating to 'Responsible Xmas Spending and New Year Saving Resolution' closed on 11th January 2018. Work is underway on the following initiatives co-financed through the European Social Fund (ESF):</p> <ul style="list-style-type: none"> - tender for research on retirement and financial capability based on the Organisation for Economic Cooperation and Development (OECD) survey awarded in February 2018; - issuance of tender for a 3-year retirement and financial capability awareness campaign targeting 14 specific groups – tender is currently being vetted by Ministry Procurement Unit prior to publication; - discussions underway on Memorandum of Understanding (MoU) with the Malta College for Arts, Science, and Technology (MCAST) to introduce a financial literacy Level 3 programme directed at Government and NGO personnel; - The tender for the setting up of a Food Laboratory within the Home Economics Centre at the Ministry of Education and Employment (MEDE) for training targeting vulnerable youths combining nutritious and healthy eating with money management is currently being vetted by Ministry Procurement Unit prior to publication; - work, together with the National Council for the Maltese Language, for the articulation of a Maltese glossary of financial terms is targeted to start in March 2018. <p>Status: On Track</p> <p>This measure is relevant to CSR 1 and it also aims to address one of the three pillars of the 2018 Annual Growth Survey – 'Structural reforms for inclusive growth, upward convergence and competitiveness', sub-section 'Social policy protection and inclusion to tackle inequality and poverty'.</p>	
	<p>Public Infrastructural Projects</p> <p>The upgrade of the access network for the port of Valletta is now complete. The planned maritime infrastructure for the Malta-Gozo service in the 2 TEN-T comprehensive ports was completed in 2013 while investment in the TEN-T core port of Valletta is ongoing. The first phase of the refurbishment and upgrading of Deep Water Quay (DWQ) was also completed. The second phase to expand the DWQ for large cruise liners is planned to commence in 2018 (tender process in concluding stage). The following other infrastructural development projects are planned to start in 2018 and 2019.</p> <ol style="list-style-type: none"> 1. development of 3 existing and 3 new landing places for commuter ferries (Bormla, Valletta (Marsamxett), Sliema (Ferries), Ta' Xbiex/Msida, St. Julians (Spinola) and St Paul's Bay (Buġibba)) funded by European Regional Development (ERDF) funds; 2. landing places for the Gozo-Malta fast ferry (Mgarr and Valletta). <p>In 2015 co-financing under the Connecting Europe Facility (CEF) was secured for the first phase of the upgrade of the TEN-T Core Network in Marsa (Addolorata area). The Grant Agreement was signed in December 2015 and work commenced in Q4 2017.</p> <p>Funding has also been committed for the TEN-T Comprehensive Network – the re-development of the Kappara Junction is now complete.</p> <p>With an investment of approximately € 7.5 million, a number of roads will be built and upgraded. Vjal ix-Xarolla in Żurrieq which is currently underway has faced delays caused by the discovery of tombs including human remains, Triq Patri Pelaġju and Triq Anthony Aquilina in Żebbuġ are completed. A number of roads will be rebuilt and upgraded which include: the widening of the Marsa Hamrun bypass (tender evaluation stage), a new junction at High Ridge Swieqi (Planning Authority (PA) application process), an improved junction at Labour Avenue Mosta (tender at adjudication) linking it to the Mosta ringroad and work is underway on other projects in Qajjenza, Ħal Safi and Senglea.</p> <p>The study is currently underway to evaluate the introduction of a Mass Rapid Transport Systems (MRT) for Malta. The study includes an options analysis of all possible MRT solutions, including light rail. The best option has already been identified and now the study is looking into the details of this option. The study is to be completed by 2018.</p> <p>Another planned maritime infrastructure measure includes the improvement of existing facilities for cruise liners and the development of new cruise liner facilities in Gozo.</p> <p>Status: Ongoing</p> <p>This measure is not CSR relevant.</p>	<p>Development of the TEN-T network and external links are crucial for Malta's tourism and export-oriented economy as well as to ensure the mobility of persons.</p> <p>The National Transport Strategy and the Masterplan now enable Government to propose future transport improvements within a defined strategy, providing both Government and industry with a clear project pipeline, thereby encouraging economies of scale.</p> <p>The development of the cruise liner infrastructure should have major economic benefits for Gozo. Cruise tourism in general generates substantial economic benefits, in direct expenditures, jobs and employee wages. Generally economic benefits from cruise tourism arise from three principal sources:</p> <ul style="list-style-type: none"> - onshore expenditure by passengers; - onshore spending by crew; and - expenditure by the cruise lines for supplies, port services, port fees and taxes. <p>Government is committed to improve both the physical and the digital connectivity of Gozo to mainland Malta, in order to mitigate the obstacles that Gozo faces, arising from double-insularity and detachment from core economic and social activities.</p> <p>As part of this commitment, Government is exploring various avenues. Currently, the possibility of a tunnel to create a permanent link between the two islands is being studied. In addition, the introduction of a fast-ferry service is being actively sought. In this regard, a request for proposals for a Public Service Concession contract for the provision of passenger and vehicle services in Malta and Gozo has been issued. Once the contract is awarded, the preferred tenderer will be required to provide both the conventional and fast ferry services.</p> <p>All such measures would signify major socio-economic benefits including reduced travelling times, improved connectivity and the creation of new jobs.</p>
	<p>Private Investment Incentives</p> <p>Business First</p> <p>In order to effectively implement the one-stop-service to industry, a separate legal entity was set up through the incorporation of a new company, Business First Ltd, in July 2017. The new enhanced service makes use of a central Government framework which is intended to cut-down on turnaround time for the delivery of Government services.</p> <p>Status: Ongoing</p>	<p>Business First</p> <p>In 2017, 665 new accounts and 321 new prospects were generated, which refer to new clientele and submission of requests for assistance, including registration of businesses and accessing incentives to industry.</p> <p>Business First Ltd</p>

	<p>This measure is not CSR relevant. However, it aims to address one of the three pillars of the 2018 Annual Growth Survey – ‘Structural reforms for inclusive growth, upward convergence and competitiveness’, sub-section ‘Innovation and competitiveness’.</p> <p>Culture and Creative Industries (CCIs)</p> <p>An overarching Strategy for the period 2016-2020 that bridges cultural policy programmes was launched by the Arts Council Malta in December 2015. The Council seeks to address creative potential being developed into professional activity and investment in artistic excellence, connecting Malta to the international artistic community. 8 interlinked strategic tools underpin these targets: (1) investing in the cultural and creative sectors through funding and brokerage; (2) encouraging stronger programmes in arts education and providing training opportunities; (3) celebrating diversities and giving value to communities; (4) working on business development; (5) providing data and reflection through research; (6) linking the sectors internationally; (7) communicating effectively with the public; (8) creative professionals and other stakeholders.</p> <p>Status: Ongoing</p> <p>This measure is not CSR relevant.</p>	<p>Services were delivered to over 340 walk-in clients during the period October –December 2017; over 1,700 calls successfully answered in the same period, and over 650 emails were handled. Requests range in nature from start-up support and procedures, to Government-related services, incentives, and expansion projects.</p> <p>Culture and Creative Industries</p> <p>Based on research carried out in 2015 by the Economic Policy Department (EPD) within the Ministry for Finance (MFIN), in collaboration with the Valletta 2018 Foundation and Arts Council Malta (ACM), findings show that the CCIs contribute 7% to GDP. The CCIs continued to grow at an average of 9% per annum between 2010 and 2015, almost matching the performance recorded in 2005 and 2010. Around 14,000 people are economically active in the sector (full/part-time and self-employed). Following the 2018 Government budget, the following outcomes for the cultural and creative sector can be confirmed:</p> <ul style="list-style-type: none"> • A total of € 70 million will be invested by the Government in the sector, an increase of 168% (or € 43 million) over that for 2012. This translates to € 159 per head, being € 21 more than that allocated for 2017. From this total, € 47 million or 67% falls under the responsibility of the Ministry responsible for culture. The total cumulative Government investment in the sector since 2013 has now reached € 283 million. • All recurrent expenditure in the four areas of the cultural and creative sectors (heritage, arts, media and interdisciplinary) will experience increases over the 2017 budget, amounting to €7.5 million or 20.6%. The total recurrent expenditure will amount to over € 43 million. • With respect to capital expenditure amounting to € 26 million, there was a slight decrease of € 1.1 million when compared to the 2017 budget. This trend can be attributed to the initial co-funding of EU funded projects that were launched in recent years with expenditure expected to increase closer to the end of the EU funding 2014-2020 programming period. The 2018 financial estimates indicate that a new allocation of € 160,000 has been made to support local theatre spaces, building upon the Theatres Audit project that took place between 2015 and 2017. € 40,000 is also set for the Atelier for Young Festival Managers, an initiative of the European Festivals Association where distinguished festival directors will be working with participants from all around the world to explore issues relating to festival production management. • The public funding portfolio awarded by ACM to artists and organisations has increased from € 1.9 million to € 2.1 million. Significant increases were noted with regard to allocations to the Malta Arts Fund (+€ 50,000), Cultural Partnership Agreement (+€ 60,000) and the Creative Industries Platform (+€ 60,000). The budget for the National Fund for Artistic Excellence, which was introduced in the 2017 Budget, registered a further increment of € 20,000, with € 140,000 being dedicated to this programme. An overall increase of 36% is also registered in the allocation for Public Cultural Organisations (PCOs) with a total of € 19.5 million. This includes a substantial increase of 19% from 2017 allocated to festivals organised by PCOs, which now have a total budget of € 1.8 million. <p>In view of the European Capital of Culture, the Valletta 2018 Foundation enjoyed a 78% increase in funding with over € 8 million to be dedicated to its cultural programme which has been recently launched. This was also referenced in the budget speech which emphasised the importance of having a successful European Capital of Culture that is supported by ACM’s Festival Directorate in providing the major festivals’ artistic content. Co-funding from the current EU structural funds and the European Economic Area (EEA)/Norwegian financial mechanisms will also be key in ensuring continuous infrastructural improvement for the majority of PCOs, as well as the relocation of Heritage Malta.</p>
	<p>Strengthening Financial Stability</p> <p>The Malta Development Bank (MDB) was set up in 2017 with the major objective being that of identifying possible areas of market failure. Firms’ access to finance as well as major infrastructural projects are priority areas.</p> <p>The Malta Financial Services Authority (MFSA) complies with the European Insurance and Occupational Pensions Authority (EIOPA) Decision on the collaboration of the insurance supervisory authorities. According to this Decision, where the applicant intends to operate exclusively (or almost exclusively) in another Member State, the MFSA engages with that Member State even at application stage. The local supervisor also makes use of the EIOPA initiatives for National Competent Authorities cooperation, while regular cooperation meetings and/or conference calls with host supervisors are held, particularly with those host supervisors where Maltese insurance firms carry out significant activities.</p> <p>In 2018 the MFSA Act was amended to reflect the objective of reorganising the Authority by separately and clearly framing both roles of regulation and supervision in the financial services sector. Such amendments led to the creation of a Chief Executive Officer responsible for the MFSA’s overall performance. Moreover, the amendments clearly delineate the functions of the Registrar of Companies and the MFSA.</p> <p>In December 2017, Malta transposed the Fourth Anti-Money Laundering Directive (AMLD) into national law to further strengthen existing requirements in terms of anti-money laundering and at the same time to improve the fight against money laundering activities and against the financing of terrorism. As a result, supervision for Anti-Money Laundering and Countering Financing of Terrorism (AML/CFT) is expected to increase alongside onsite visits by the MFSA. The revised Act continued to enhance the Financial Intelligence Analysis Unit’s (FIAU) role in the fight against money laundering and the funding of terrorism, especially when it comes to cooperating and exchanging information with international counterparts and local authorities.</p>	<p>These measures are intended to bring Malta in line with legal requirements for implementing EU initiatives. These measures therefore have an important qualitative impact on the overall stability of the local financial sector, thus benefiting market participants, including institutions as well as depositors/investors. An additional impact on institutions is also expected in view of regulatory compliance costs and to a certain extent on their operations. Moreover, the Government is also expected to benefit in view of strengthened financial stability which would also further safeguard against any negative feedback loops between the sovereign and the financial sector.</p> <p>The MDB, which is owned by Government, has an initial authorised share capital of €200 million. The Government could guarantee up to 100% of the obligations of the Bank as well as up to 100% of the loans, facilities or guarantees that may be issued by the Bank. At the same time, the operations of the MDB are expected to address market failures in the local economy for the financing of SMEs and entrepreneurial activity as well as infrastructure projects, thus aiding in providing important funding for economic activities and investments that would otherwise have to be forgone. As a result, positive benefits to the wider economy are expected.</p> <p>In addition to ongoing cooperation and exchanges between supervisors, the compliance with EIOPA Decision by the MFSA facilitates the understanding of the situation and the circumstances of the undertaking before the local supervisor makes a decision on the authorisation. Such procedures continue to ensure the effective supervision of internationally-oriented business by financial institutions licensed in Malta in cooperation with the host supervisors in the countries where they operate.</p> <p>The amendments to the MFSA Act are expected to result in higher levels of efficiency and effectiveness of the MFSA. This will also further ensure the MFSA’s full and effective autonomy as a public institution.</p>

	<p>As from 2018, the MiFID II (Markets in Financial Instruments Directive II) and MiFIR (Markets in Financial Instruments Regulation) became applicable, enhancing the stability of local capital markets through improved transparency and oversight of financial markets and improved rules for conduct of business, thus enhancing regulatory and supervision convergence with the EU internal market.</p>	<p>The transposition of the 4th AMLD, by virtue of amendments to the Prevention of Money Laundering Act, will lead to the setting up of a National Coordinating Committee, which will be coordinating the development and implementation of a national strategy to combat money laundering and the funding of terrorism. The revised Act will continue to enhance the FIAU's role in the fight against money laundering and strengthen the FIAU's abilities to supervise and sanction breaches of AML/CTF preventative measures through heavier fines for such breaches. In addition, risks will be further mitigated as added emphasis will be placed on the carrying out of risk assessments by financial and other professional operators in relation to their anti-money laundering requirements as well as enhanced measures on dealings with non-EU countries with deficient anti-money laundering rules.</p> <p>The MiFID II and MiFIR frameworks will strengthen the transparency and improve the functioning of the internal market for financial instruments through enhanced regulatory and supervisory convergence, while enhancing conduct of business rules through additional transaction reporting requirements.</p> <p>Given the degree of importance for the functioning of such initiatives, Malta continues to strive towards a timely adoption, providing the relevant input as required and remaining ready to make the necessary additions to national legislation for the safeguarding and strengthening of financial stability.</p>
	<p>Palazzini – Luxury Heritage Tourism Accommodation – Pilot Project</p> <p>In 2012, the Malta Tourism Authority (MTA) launched the Palazzini Initiative with the aim of catalysing the conservation and rehabilitation of historic properties by encouraging their adaptive reuse as luxury heritage accommodation. The initiative aims to assist investors administratively by simplifying and streamlining bureaucratic procedures.</p> <p>Status: Completed</p> <p>This measure is not CSR relevant.</p>	<p>Due to this measure, there was an increase in direct investment by the private sector in urban conservation areas. The refurbished properties attract high-value tourists. The conversion of the Palazzini for this use revived properties in dire need of restoration. The project also provided expert guidance to investors, which in future can be utilised in other similar projects.</p> <p>Taking the lessons learnt in the above scheme into account, the MTA is in the final phases of creating a license category/label for Palazzini that will be entrenched in the new MTA legislative reform. The legislation is in its final phases of completion and is expected to be presented to Parliament by end of 2018.</p>
	<p>Business Promotion and Incentive Framework</p> <p>MGOZ launched a scheme for entrepreneurs involved in the development of high-tech and software products to attend the Web Summits. The objective is to create networking opportunities for upcoming entrepreneurs in a sector which can be beneficial to create further opportunities in Gozo. Following participation in the said Summit in 2015 and 2016, in 2017 the MGOZ opened the applications not only to the Web Summit to be held in Lisbon, but also to other internet technology-related events to be proposed by the same entrepreneurs.</p> <p>The Gozo Vocational Fund is still assisting young people in accessing training in various skills that would be needed to finalise their preparation to enter the labour market. Rotary Gozo and MCAST collaborate in this initiative.</p> <p>Within the agricultural-artisanal sector, MGOZ is currently working on an initiative whereby the valleys of San Blas, Rihan and Dahlet Qorrot would have their citrus produce labelled. Such a label would help to position the products strongly in the market and raise public awareness about the value of unique local produce.</p> <p>Following the widening of the scope of the Business Promotion and Incentive Framework in 2015, in 2017 the scheme for dive centres located in Gozo to further promote their activities abroad and the scheme which incentivised tourism operators to develop new niche markets for Gozo were merged into one and put online in order to facilitate the whole application process.</p> <p>During the year, 4 sessions on the way that social media can be used by businesses to promote their business ventures, were organised by MGOZ jointly with the Malta Communications Authority (MCA).</p> <p>Status: Ongoing</p> <p>This measure is not CSR relevant. However, it aims to address one of the three pillars of the 2018 Annual Growth Survey – 'Structural reforms for inclusive growth, upward convergence and competitiveness', sub-section 'Equal opportunities and access to the labour market'.</p>	<p>Through this measure, Government is incentivising business opportunities in Gozo.</p> <p>3 applicants benefited from the scheme to attend networking events abroad.</p> <p>At present 6 young people have benefited from the Gozo Vocational Fund to further their studies in music, art and fashion design.</p> <p>In 2017, MGOZ extended its support to cover other international events, apart from the Italian artisan fair 'L' Artigiano in Fiera'. These included the Salon International de l' Alimentation (SIAL (Paris)) and the Fiera di Autunno. 3 representatives of the organisation attended each event.</p> <p>In 2017, 8 entities benefited from the joint scheme for dive centres and tourism operators.</p> <p>30 participants had attended the various sessions on the way that social media can be used by businesses to promote their business ventures.</p>
	<p>Modernising Public Administration – Using ICT in the Achievement of Government's Simplification and Reduction of Bureaucracy Agenda</p> <p>Government is simplifying the process of deploying e-Government services. This is an initiative to promote and provide one face to online Government by simplifying this access through a set of life events (pregnancy and birth, getting a passport, looking for a job). The landscaping of activities including life events (such as business, job, studying, and family) and simplification and responsiveness were completed. This was the first phase of the EU Benchmarking exercise. Government is also focusing on the simplification of social security online services and Courts online services.</p> <p>The modernising of public administration is improving the accuracy and timeliness of the data capture and reducing visits to the Social Security Department and area offices. Furthermore, various real-time services are being offered by the Courts to the citizens and to the legal profession; this is increasing the case clearance rate and decreasing the disposition time.</p> <p>Status: Ongoing</p> <p>This measure is not CSR relevant. However, it aims to address one of the three pillars of the 2018 Annual Growth</p>	<p>More eForms were developed and implemented, namely the 'Notification of Changes in the Committee of Management of a Co-operative Society', 'the 'Notification of Members of a Co-operative Society; the application for 'Registration to practise the Legal Profession in Malta under the Home-Country Professional Title and under the Professional Title corresponding to the Profession in Malta' and the 'Industry Skill Card Application'.</p> <p>Other eForms are being developed, namely the 'EFL Teaching Permit Application', the Application to order Deeds or Wills', the 'Products of Quality National Scheme' (the 'Vines Doc' application and the 'Vines Banderol' application) and 6 other Business Start-Up forms (the 'Business Start-Up of Sole Traders for Tax Practitioners', the 'Business Start-Up of Companies for Tax Practitioners', the 'Business Start-Up of Partnerships <i>de facto</i>', the 'Business Start-Up of Partnerships <i>de facto</i> for Tax Practitioners', the 'Business Start-Up of Partnerships' and the 'Business Start-Up of Partnership for Tax Practitioners').</p> <p>With regard to social security, during 2017, the Malta Enterprise Social Security Number Web Service, the Retirement Pensions Online Calculator, the Elderly Contribution Deduction Online Calculator and the</p>

	<p>Survey – 'Boosting investment to support the recovery and to increase long-term growth', sub-section 'Using reforms to support investment'.</p>	<p>Application Monitoring (F5) for Pensions and Non-Contributory Benefits have become available online. The SABS (Sistema għall-Amministrazzjoni ta' Benefiċċji Soċjali) Online services enhancements and technology upgrade, the Elderly It systems, the Welfare Case Management, the Housing Authority IT, the Visa system and the implementation and integration of the European Exchange of Social Security Information (EESSI) are still works in progress.</p> <p>With regard to online services offered by the Courts, an eForm allowing for the instigation of a Court case under the First Instance of the Magistrates Courts was completed and made accessible on mobile devices. Work on the LECAM (Legal Case Management) proceeded to the second phase, with a major extension to the system that allows citizens to view their civil case files online. This was complemented by a rebranding of the eCourts.gov.mt website to align it to the Malta Government's Mobile Style Guide. The service was launched as part of the OPM mServices drive along with a new notifications system that allows citizens to subscribe for SMS alerts for case sittings or deferrals.</p> <p>The 112mt mobile app was launched in March 2017 and has proved to be one of the more popular Government apps.</p>
	<p>Aviation Malta</p> <p>The concept of Aviation Malta has been created in order to market Malta as a reliable, efficient and safe aviation jurisdiction. It is an effort between various entities, including Trade Malta and Transport Malta. Recently, the Ministry for Tourism (MOT) has also joined forces with the said entities in order to further promote Malta as an aviation location.</p> <p>Both the marketing linked to Aviation Malta and the processes linked to the Aviation Strategy are ongoing. The marketing of Aviation Malta and the process linked to the Aviation Strategy is currently being carried out through participation of personnel in fairs and delegations in co-operation with Trade Malta, with the latter also promoting Malta as a business location, including aviation-related services. Synergy has been found between the MOT and its aviation entities as well as Trade Malta.</p> <p>Status: Completed and ongoing</p> <p>This measure is not CSR relevant.</p>	<p>Aviation Malta aims to provide the necessary support to the aviation sector to consolidate its position in Malta, strengthen itself and grow further to service a wider spectrum of clients and markets. Malta must be constantly seen as a safe, reliable, efficient and business-friendly jurisdiction for a wide array of aviation services.</p>
	<p>Increase the Efficiency of the Judicial System by ensuring a Timely and Efficient Implementation of the Planned Judicial Reform</p> <p>Extension and renovation of judicial facilities</p> <p>The Government invested in the total refurbishment of an adjacent multi-storey building in Valletta, which is now housing the new offices of the Chief Justice, 18 Judges along with their staff and 3 new halls – which are now in full use. All this will increase the number of halls from 24 to 27 and will address the problem of shortage of halls available in view of the constant increase in the number of sittings being held. This is in line with the Justice Reform Programme, intended to decrease the backlog in Court cases. A new Training Room and a new Court Library were inaugurated in August 2017.</p> <p>The establishment of a First Hall of the Civil Court in Gozo</p> <p>Act 1 of 2018 enacted on 19 January 2018 provides for:</p> <ol style="list-style-type: none"> i. the establishment of a Commercial section of the Civil Court; ii. the establishment of additional Chambers of the Court of Appeal; iii. the abolition of the Court of Magistrates (Gozo) sitting in its superior jurisdiction; iv. the extension of the jurisdiction of the First Hall of the Civil Court to the Island of Gozo and Comino; v. the extension of the jurisdiction of the Civil Court (Family Section) to the Island of Gozo and Comino; and vi. the extension of the jurisdiction of the Civil Court (Voluntary Jurisdiction) to the Island of Gozo and Comino. <p>Through this Act, to the Civil Court (Commercial Section) there shall be assigned applications falling within the competence of the Civil Court and which relate to matters regulated by the Companies Act. The Civil Court (Commercial Section) shall take cognisance of all claims, expressly assigned by law to such section of the Civil Court, against persons residing or having their ordinary abode in the Islands of Malta and the Islands of Gozo and Comino. Provided that where the Civil Court (Commercial Section) is to hear causes concerning claims against persons residing or having their ordinary abode in the Islands of Gozo and Comino, it shall hold its sittings in the building of the courts of Gozo. Through this specialised Court, the Maltese Government aims to continue further enhancing the efficiency and effectiveness of its national Justice and Court system.</p> <p>Increasing the number of Judges and Judicial Staff</p> <p>Over the past months, each Judge in the Civil Courts has been assigned an experienced full-time lawyer chosen by the judiciary itself, with the duty of assisting the Judge in the drafting of judgments (an average of 3 different judgements per week); writing memoranda on pending lawsuits and assisting the Judge in the drafting of court orders.</p> <p>From 2015 to 2016 the number of Judges has been increased by 1 and the number of Magistrates by 2, while from 2016 to 2017 the number of Judges has remained the same and the number of Magistrates has been reduced by 1.</p>	<p>The planned judicial reform will have the following benefits:</p> <ul style="list-style-type: none"> • more efficiency in time needed to decide court cases. The investment in more physical and human resources will ensure a more balanced distribution of the caseload, thereby enhancing efficiency through increased timeliness and disposition of cases; • reduction of time wastage thus increasing productivity; • more trust in the justice system; • more efficiency in court management; • more motivated court employees; • enhanced accessibility of court documents through the ICT innovations, thereby contributing to added time efficiency for professional court users and more accessibility to Justice for citizens; • additional viable options for dispute resolution to contending parties, through ADR mechanisms. (Such measures translate into lower costs and quicker disposal times for the parties, whilst at the same time also contribute to increased efficiency in Court, due to the decrease in the number of incoming cases. The judiciary can thus use their time more effectively, deciding cases that are more complex); • streamlining of services offered to the users of the justice system through the establishment of the Legal Aid Agency which is an agency in its own right, signalling a commitment to bring the Justice system even more closer to the citizen. (As an Agency, Legal Aid now has its own budget, premises and administrative structure, thereby enabling it to expand its services to its clients, increase its professional output and address service lacunae); • improvement in the efficiency parameters within specific areas of the administration of Justice that have a direct bearing on sustaining the economy and attracting Direct Foreign Investment (DFI). <p>The digital services increase the transparency of the process and allow them to positively influence the disposition time of the case.</p> <ul style="list-style-type: none"> - the eCourts online service provides information that is available digitally and therefore without the need to be physically present in the Courts to gain access to it; - citizens have unencumbered access to their digital Civil case file, therefore allowing them to have better visibility and insight into the proceedings; - having better visibility, citizens are now in the 'driving seat' and no longer totally dependent on their legal professionals to drive their cause forward; - legal professionals can provide a better service to their clients as they are able to digitally reference Civil case files without the need to be physically present in the Court buildings; - it allows the legal professional to be electronically notified and to monitor and send the notification of official documents to third parties at any time of the day and from their offices or mobile devices; - citizens are kept abreast of their Court appointments as eCourts provides an easy way to register for

From 2015 to 2016 the number of Court Attorneys has been increased by 2, while from 2016 to 2017 the number of Court Attorneys has been increased by 1.

From 2015 to 2016 the number of Judicial Assistants has been reduced by 1, while from 2016 to 2017 the number of Judicial Assistants increased by 2.

Hence the following are the number of Judges, Magistrates, Court Attorneys and Judicial Assistants as at:

- 31 December of 2015:
 - o 21 Judges;
 - o 21 Magistrates;
 - o 13 Court Attorneys;
 - o 15 Judicial Assistants.

- 31 December of 2016:
 - o 22 Judges;
 - o 23 Magistrates;
 - o 15 Court Attorneys;
 - o 14 Judicial Assistants.

- 31 December of 2017:
 - o 21 Judges;
 - o 22 Magistrates;
 - o 16 Court Attorneys;
 - o 16 Judicial Assistants.

All new court staff is given in-house training upon engagement and all court staff attends regular in-house training throughout the year.

Moreover, in February 2016 the Minister for Justice, Culture and Local Government (MJCL), presented to Parliament Bill 145 to deal with the manner in which members of the judiciary are appointed, disciplined and dismissed. This resulted in Act 44 of 2016, entitled 'Constitutional Reforms (Justice Sector) Act', which passed through Parliament on 20 July 2016. Further details on this Act can be found hereunder.

Promotion of Alternative Dispute Resolution Mechanisms (ADRs) and Mediation

Mediation: The Government has embarked upon the amendment of the Mediation Act to further incentivise the use of ADR procedures. The amendments to the Mediation Act by way of Act VIII of 2017 have to date been published and rendered as an integral part of Chapter 474 of the Laws of Malta. Legal Notices have also been introduced to incentivise the public to resort to mediation proceedings and in turn and if the outcome of the mediation is in whole or in part successful – leading to a settlement – the parties in question shall be entitled to a partial refund of the expenses incurred. This measure is in line with recommendations made by the European Commission in COM (2002) 196 whereby access to such ADRs is being further incentivised. Logistical measures have now been completed in order to widen the scope of compulsory mediation to disputes regarding leases and leaseholds and in the near future further Legal Notices will be introduced in this regard.

In the short term, the figures for mediation applications would be moderate, but the impact of this measure should be such that in the medium term (2 to 3 years), mediation applications should steadily increase thereby also making the public more aware of other avenues for resolving disputes. A measure of this nature may consequently also have a bearing in the long term in reducing the case management of the Courts, with efficient and effective mediations.

Arbitrations: Since the inception of the Malta Arbitration Centre in March 2000, a total of 5,270 cases (inclusive of both domestic as well as international cases) were filed with the Centre. Until 31st December 2017, 86% of these cases have been closed. Arbitration legislation has over the years been amended in order to render the service more efficient to the public. Government is committed to bolster and improve the Arbitration Centre to be a more efficient and effective hub for dispute resolution, both locally and internationally.

Extensive use of ICT Technologies

Apart from what was reported in last year's NRP, the making available to advocates, notaries and legal procurators of the Interdiction and Incapacitation Registers (which went live on 23 January 2018) and the scanning of certain judicial acts, continues to act in such a way as to continue addressing bureaucracy and delays in the Civil Courts.

E-justice and the service of documents

- E-filing of applications for the Small Claims Tribunal and the Appeals from those decisions – also extended to applications before the Administrative Review Tribunal.
- E-filing of judicial letters in all Courts.
- E-filing of applications in the Courts of Magistrates.

Upgrade of the Web Portal

The www.justiceservices.gov.mt website offers a compilation of all main and subsidiary legislation as well as a free civil case management system. Court statistics and Civil and Criminal Law judgments are also available through this

- notifications of Courts sittings that they have an interest in;
- citizens can receive notifications of any deferred case in a timely manner therefore reducing the inconvenience and negative impact of travelling to the Courts for a sitting which has been deferred.

website.

A whole plethora of ICT solutions have been given to practitioners and the general public for free during recent years and the Ministry intends to continue enhancing the provision of online services through web facilities also in the future. In this regard, the Ministry is currently working on modernising the current services and on ensuring that all such services are available through a mobile terminal device. In this regard, listed below are current ongoing initiatives:

- www.justice.gov.mt: is a mobile-friendly portal which serves as the main web portal for the Justice Sector, providing news and links to all online services available throughout the Justice sector.
- www.eCourts.gov.mt: is a mobile-friendly portal aimed at providing citizens with the opportunity to follow their cases and filed Acts through the portal, as well as register for mobile/SMS notifications (through: <https://ecourts.gov.mt/onlineservices/sms>) about upcoming and deferred sittings. The facility to enable the online payment of Courts Fines (through <https://ecourts.gov.mt/onlineservices/efines>) was also successfully launched in 2017. Legal Professionals are now able to access information about Civil Cases, Acts and Warrants amongst others.
- Internal Services through an Intranet are also being provided in order to enable the effective and efficient administration of Court-related processes. For instance, the eFees facilities were finalised in 2016. Such facilities aim to provide Court employees with the facility to print out an accurate taxed bill of costs of each Civil case which would be automatically adjourned. This enabled procedures to be expedited immensely since the computation of the taxed bill of costs used to be compiled manually for each Civil case. The eFees concept is now being improved, aiming to provide the facility to the general public, in order for the general public to be able to view their bill of costs online and effect payments online. Moreover, fees related to other matters – such as judicial acts – are being analysed with a view to be paid online.
- During 2017 all Acts of Law, as from 1980 onwards were successfully hyperlinked to the respective legal instruments as well as to the updates of such a legal instrument (such as Acts of Parliament and Subsidiary Legislation). This measure reduces the time employed by legal practitioners and users, in making use of this online service. During 2018, this concept will be taken farther. A call for tenders in order to implement machine-readable Acts of Law conformant to the European Legislation Identifier will be issued (updating the currently available services through justiceservices.gov.mt). Furthermore, work on online facilities for notaries will also be carried out in 2018.

Electronic Register for the Termination of Mandates

The process of termination of general or specific mandates has now been made simpler, more accessible, less costly and will be processed by the Chief Notary to Government's Office within 24 hours of filing (if this is filed on a working day).

Online Register for Testamentary Searches

In order to decrease the level of bureaucracy in the administrative procedures involved when applying for testamentary searches of public and secret wills, this Government undertook the establishment of an online register for such testamentary searches. Notaries as well as citizens now have the opportunity to order testamentary searches online. The resultant searches will subsequently be sent to the client by post.

Online Register for Interdicted and Incapacitated persons

In order to facilitate searches for the legal profession and in order to provide a much more efficient and inexpensive procedure, the Law Courts set up an online register for interdicted and incapacitated persons.

Setting up a National Insolvency Register

Together with the MFSA, Government set up a National Insolvency Register and will in the future interconnect this register to the EU e-Justice Portal for the good functioning of cross-border insolvency proceedings. The project allows Courts and the MFSA to align the Maltese National Insolvency Registers to the requirements of the Insolvency Regulations. An online website has been created (corporateinsolvencyregister.com.mt). This will be online and fully operational in the immediate future.

Dealing with backlog

Apart from those measures addressing backlog that were already reported last year, throughout 2018, Malta will also start reviewing its case-weighting system in order to better understand the nature and complexity of the cases being registered in courts. The idea is to establish a new case weighing system that reliably reflects the complexity of the cases being registered in our courts. This will thereby result in a better distribution of the caseload, a better understanding of the levels of efficiency according to case complexity and will ultimately also assist the Government in understanding how many more judicial resources are needed in order to ensure sustained efficiency. In February 2018, a specialised workshop organised by the Council of Europe was held in Malta in order to establish a framework for the setting-up of such a system. Malta will therefore benefit from such expertise in order to establish its new system. Once in place, a more detailed efficiency analysis can be carried out on each and every court. In the coming months, the judiciary will be agreeing on a model that best fits the Maltese context, and then work will start being carried out in order to scientifically construct a weighing algorithm that truly reflects the complexity of the caseload.

Legal Aid System

To further enhance the structure of the Legal Aid Malta Agency, discussions with the Industrial Relations Unit were successfully concluded in 2017. Legal Aid Malta now has its own Grading and Salary structure and can issue vacancy calls accordingly.

The revision of the retainer fees of legal aid lawyers and legal procurators increased by almost threefold. This enabled legal aid lawyers and legal procurators to give a better service to the legal aid clients.

Once the necessary recruitment has been undertaken, it is planned to embark on a reach out campaign promoting the services of Legal Aid Malta. It is envisaged that a Facebook page for Legal Aid Malta will also be opened shortly.

Improvement of Data Collection and Data Analysis

In order to continue improving the quality of the justice system, as outlined by the indicators of the EU Justice Scoreboard, another batch of Court User Satisfaction surveys was carried out in 2017 on a different set of professional court users, covering mainly the same issues outlined in the 2016 survey.

Such analysis will enable the Ministry, the Judiciary and the Court Administration, to adopt a more strategic approach to enhancing the efficiency and quality of the justice system. Efficiency parameters such as the clearance rate, the disposition time and the number of pending cases for each Court in 2018 will be compared with the same parameters from previous years. It is expected that these reports will continue to further help inform policy.

EU Structural Reform Support Programme (SRSP)

In October 2017, the MJCL submitted an application through the SRSP entitled 'Enhancing efficiency and quality of the justice system through strategic Human Resource Management and technological support'.

The MJCL has been informed that the projects identified for 2018 have been selected. In March 2018, Malta was officially allocated €250K for the objectives falling within the first year of the project, and currently preliminary discussions are underway with both the Council of Europe and the SRSP team.

Simplification and Modernisation of Procedures

Civil Law: Act 4 of 2016 entitled 'Various Laws (Justice Reform) (Civil Procedure) (Amendment) Act' passed through Parliament on 12th January 2016. This Act addresses various amendments that simplify civil procedure, thereby contributing legislatively to an increase in efficiency.

Commercial Law: The Government is committed to expedite procedures and clearance rates in this context vis-à-vis companies. Malta introduced legislation in connection with the novel concept of Second Chance for honest directors who have concurred with the law, which Second Chance concept was initially proposed in the EU Commission Communication entitled 'The Entrepreneurship 2020 Action Plan: Reigniting the Entrepreneurial Spirit in Europe'. This legislation also introduces voluntary mediation procedures in insolvency, so that matters could be amicably resolved by professional mediators, if this can be attained by not less than 60% of the companies' creditors. There are also legislative measures which are intended to facilitate company restructures.

In addition to this, amendments were proposed to the Code of Organisation and Civil Procedure (Chapter 12 of the Laws of Malta) in order to provide for the setting up of a Commercial section within the Civil Courts. Act 1 of 2018 (also known as the Code of Organisation and Civil Procedure (Amendment) Act, 2018), *inter alia* provides for the establishment of a Commercial section of the Civil Court. The Civil Court (Commercial Section) shall be competent to assess applications falling within the competence of the Civil Court and which relate to matters regulated by the Companies Act. The Act shall come into force on the date when the Minister for Justice shall by Legal Notice appoint.

Moreover, amendments were also proposed to the Companies Act in order to provide for the recovery process for registered companies in financial difficulties. The amendments were adopted by means of Act XI of 2017 of the 21 March 2017.

Criminal Law: During 2016, the Government enacted Act 51 of 2016, entitled 'Criminal Code (Amendment No. 2) Act'. Building on the recommendations of the Bonello Commission Report (of 30 November 2013) and transposing Directive 2013/48/EU, this Act provides for the rights of suspects and accused persons in criminal to have access to a lawyer, to have a third party informed of the deprivation of liberty and to communicate with third persons and with consular authorities while deprived of liberty. A pilot project is currently being conducted whereby prosecution in 1 hall of the Court of Magistrates is being conducted with the active involvement of lawyers as opposed to prosecution being conducted by police officers as was the practice for a number of years.

It is also worth noting that through Legal Notice 297 of 2017, Directive 2014/41/EU of 3 April 2014 regarding the European Investigation Order (EIO) in criminal matters, was transposed under national legislation (Subsidiary Legislation 9.25: European Investigation Order Regulation). The transposition of the EIO in itself continues to enhance the efficiency and effectiveness of judicial cooperation between Member States, further simplifying processes of mutual legal assistance in Criminal matters.

Constitutional Law: During 2016, the Government also adopted Act 44 of 2016, Constitutional Reforms (Justice Sector) Act. This Act seeks to promote the separation of powers between the executive and the judiciary through a

new system of judicial appointments; enhance the accountability of the judiciary as a result of the extension of disciplinary proceedings in case of breach of ethics; and further uphold the independence of the judiciary through the introduction of an adequate pension scheme that honours the service of retired members of the judicial bench and their widows/ widowers.

In addition, this piece of legislation also makes provision for the setting up of 2 new Committees working under the remit of the Commission for the Administration of Justice, namely the sub-Committee on the appointment of members of the Judiciary and the sub-Committee on the discipline of the Judiciary. (This sub-Committee is completely made up of sitting members of the Judiciary which are elected by the members of the Judiciary itself.)

The overall aim of the Act is to increase transparency in the method of appointment of members of the Judiciary and to increase the accountability of the members of the Judiciary.

For obvious historical reasons, Malta's Constitutional system draws more from the British tradition than from the legal traditions of other Member States and this is also reflected in the system for the making of certain important Constitutional appointments. There have been many developments over the years but the basic Constitutional procedure is one through which Judges and Magistrates are appointed by the President on the recommendation of the Prime Minister (Articles 96 and 100 of the Constitution of Malta).

The Judicial Appointments Committee established by Article 96A of the Constitution is, according to sub-Article 96A(2), presided by the Chief Justice "or, in his absence, by the judge who substitutes him in accordance with paragraph (d) of sub-article (3)". The other members of the Committee are the Attorney General, the Auditor General, the Ombudsman and the President of the Chamber of Advocates.

It is clear that the Chief Justice is given a very strong role on the Committee by being its ex officio chairperson. Moreover, the Attorney General, although not forming part of the Judiciary, exercises a number of functions of a judicial nature, and with the required safeguards of independence, in the fields of public prosecution and of international co-operation in criminal matters.

The Attorney General, the Auditor General and the Ombudsman all enjoy constitutional security of tenure in their offices and the Auditor General and the Ombudsman are actually appointed by a two-thirds majority vote in Parliament whilst the Attorney General is appointed in the same manner as judges and is subject to the same requirements.

The President of the Chamber of Advocates is always an Advocate of long high standing and the Chamber of Advocates has a long track record of defence of the independence of the judiciary. The presence of the President of the Chamber of Advocates on the Judicial Appointments Committee is also in line with what is stated in paragraph 52 of the Explanatory Memorandum to Recommendation 2010/12 which refers specifically to "representatives of other legal professions" on such authorities.

Moreover, the assessment criteria adopted by the Committee have also been published in terms of Article 96A of the Constitution.

Being entrenched in the Constitution, this law required two-thirds of Parliament to be enacted, and enjoyed the support of all major stakeholders working in the Justice sector. This Act also attracted unanimity in the House and public endorsement by the Judiciary.

Media and Defamation law

The Bill on Media and Defamation which is currently at Committee Stage in Parliament mainly aims at updating and re-writing the Maltese law on libel and slander in a manner which strengthens respect for the right to freedom of expression in a substantial manner. The right to freedom of expression is the basis of all media activity and is also one of the main pillars of the democratic system. Previous amendments to the Criminal Code (enacted by Act XXXVII of 2016 on the 19 July 2016) have already widened the freedom of artistic expression. The Bill on Media and Defamation will widen freedom of journalistic expression extensively. This Bill will introduce the following main changes:

1. For words to be defamatory these must be such as to cause, or be likely to cause, serious harm to a person's reputation. This should discourage the filing of actions in libel and slander on the basis of statements which do not bring about serious consequences to a person's reputation.
2. The defences to an action for defamation are being strengthened to be brought in line with the latest case law of the European Court of Human Rights (ECHR). At the same time, the privacy of individuals is going to continue being protected, so however that such protection will not extend to public figures where what is said has significant relevance to the individual's public functions or to persons who although not being public figures are involved in incidents of public interest.
3. The list of publications which are privileged – since they report on events in respect of which there is a public interest for the public to be informed, and which leads to more journalistic freedom – is going to be extended.
4. The Media and Defamation Act will include no criminal offences and the few criminal offences currently found in the Press Act, which will be retained, will be transposed in the Criminal Code. A large number of criminal offences which interfere with freedom of expression and which are currently found in the Criminal Code are to be repealed.
5. The maximum amount of damages which can be awarded in an action for libel is going to remain the same as provided for at present under the Press Act (€ 11,640).

	<ol style="list-style-type: none"> 6. Defamation by words and not by publication is not going to remain a criminal offence but will give rise to a civil action where the maximum amount of damages awardable will be € 5,000. 7. In the hearing of causes for libel and slander, a system of preliminary hearing will be introduced whereby the Court will consider whether a case can be decided summarily. Alternative means of dispute resolution and settlement in this field – such as through explanatory statements, apology or mediation – are encouraged. 8. In establishing the amount of damages, the Court will also be obliged to take into account the effect which the payment of the damages will have on the person ordered to pay. This measure aims at better safeguarding the principle of proportionality. 9. Editors of websites will have additional defences at their disposal which are different to those available to editors of the written press and to broadcasters and this due to the specific nature of websites which receive comments from the public. 10. When a statement has already been published or when the same statement is published several times, specific rules will regulate the time barring of the action and the possibility to file a collective action in respect of the same statement. 11. The right of reply will be retained but failure to respect this right will now give rise to a civil rather than a criminal remedy. 12. A new article will make provision in respect of the defamation of deceased persons when such a defamation has an effect on living persons. 13. Registration of editors, other than editors of broadcasting services, and publishers will be on a voluntary basis and will not apply to editors and publishers of websites. The possibility of having the Media Register administered by the media itself is also provided for. 14. Due to the sensitive nature of regulations in the media field, regulations enacted under the Act will require prior approval by parliamentary resolution before they can come into force. 15. The protection of sources will apply to every editor, publisher, author, operator of a website or broadcaster. 16. The Code of Organisation and Civil Procedure will be amended to prohibit the issue of precautionary warrants in respect of actions for defamation. 17. The Electronic Communications Regulation Act will be amended so that merely defamatory statements written or spoken on a website and which give rise to an action under the new law will no longer constitute an offence against the Electronic Communications Regulation Act. 18. Actions for criminal libel which will be pending at the time when the new Act comes into force will be discontinued. <p><i>Act 2 of 2018 (Act amending the Public Administration Act) provides for pre-appointment parliamentary hearings (to be undertaken by the Standing Committee on Public Appointments) with respect to important public appointments to Ambassadorships and to leading roles in regulatory authorities.</i></p> <p>This Committee shall consist of 7 members appointed by the HoR of whom 4 shall be appointed by the Government, 1 of whom shall be appointed as Chairperson, and the other 3 shall be appointed by the Opposition.</p> <p>Through this Act, “(w)here a Minister...intends to nominate a person to be an Ambassador or High Commissioner or other principal representative of Malta in any other country, not being a person who is selected from amongst public officers in the service of the Ministry for Foreign Affairs or a person who already holds the post of Ambassador or High Commissioner or other principal representative of Malta in any other country,...or to hold a post in a Government Agency, Entity, Board or Commission or to head any other institution established by law...then unless the nomination is in respect of a reappointment, the Minister shall at least twenty days before he intends that the appointment should become effective give notice of the proposed appointment to the Chairperson of the Standing Committee on Public Appointments.”</p> <p>Status: Ongoing</p> <p>This measure is not CSR relevant but it aims to address one of the three pillars of the 2018 Annual Growth Survey – ‘Boosting investment to support the recovery and to increase long-term growth’, sub-section ‘Using reforms to support investment’.</p>	
	<p>New Law Court in Gozo</p> <p>The objective behind this measure is to address the space and accessibility problems within the Gozo Law Courts, thus making the system more efficient.</p> <p>A detailed geo-technical analysis of the chosen site revealed a natural terrain fault and this led to a rethinking of the location of this project. In fact, a public consultation process on the new proposed site was carried out. The architect is finalising the project brief and plans whilst geological studies are currently underway. When completed, the architect will commence consultation with the Planning Authority (PA) before an application for a PA permit is submitted.</p> <p>Status: Ongoing</p> <p>This measure is not CSR relevant. However, it aims to address one of the three pillars of the 2018 Annual Growth Survey – ‘Boosting investment to support the recovery and to increase long-term growth’, sub-section ‘Using reforms to support investment’.</p>	<p>The present building is an old and historic one, and does not allow any alterations, structural or otherwise. Hence, the construction and relocation of the Gozo Court would certainly alleviate if not outright solve most of the highlighted problems and would certainly increase the overall efficiency of the Gozo Court.</p> <p>Furthermore, a security issue will be solved since currently there are no separate entrances and exits for members of the judiciary, with magistrates having to use the same entrance/exit as those used by the general public.</p>
	<p>VAT Refund for Tourists</p> <p>In 2015, Government carried out the required amendments to the law to introduce this measure and issued a call for expressions of interest to select the operator that will coordinate this system. This call closed on 20th May 2015 and</p>	<p>Figures from the National Statistics Office (NSO) indicate:</p>

	<p>the legal notice regarding this measure was issued as well.</p> <p>The Malta Tourism Authority helped in marketing this measure.</p> <p>Status: Completed</p> <p>This measure is not CSR relevant.</p>	<ul style="list-style-type: none"> - an increase of 24% in the number of tourists from non-EU countries visiting Malta between 2015 and 2017; - an increase 22% in expenditure by tourists from the main non-EU countries¹ between 2015 and 2017; - an increase of 142% in the number of cruise passengers from non-EU countries visiting Malta between 2015 and 2017.
	<p>Ordering Land Registry Plans Online</p> <p>On 1st November 2016 https://www.landregistryplans.gov.mt was officially launched and in fact, Government is going one step further. In order to avoid having people who unable to use the online system having to travel to Valletta, discussions with the Parliamentary Secretary responsible for Local Government have started so that the same service may be available in the offices of the Local Councils.</p> <p>Status: Completed</p> <p>This measure is not CSR relevant. However, it aims to address one of the three pillars of the 2018 Annual Growth Survey – ‘Structural reforms for inclusive growth, upward convergence and competitiveness’, sub-section ‘Innovation and competitiveness’.</p>	<p>With the system fully implemented, this service is being offered online with an updated basemap, thus saving time and ensuring increased efficiency. Basemaps were updated to the latest 2015 version as previously the Land Registry was still using outdated ones from 2008. Necessary changes and development have been carried out to the previous software to accommodate the basemaps in a newer format and also to be able to cater for the old system and the newly designed module.</p> <p>Land Registry Plans are posted to the customer’s residence like in the case of birth and marriage certificates and in fact, as a result of this measure, if a plan is ordered before 1400hrs it will be posted on the same day, to be received the following day. Service from the office will still remain available.</p>
	<p>Financial Incentives for the Audio-visual Industry</p> <p>The Malta Film Commission (MFC) gives financial incentives, in the form of a cash rebate, to production companies that choose Malta as a film location.</p> <p>To be eligible for the rebate, a qualifying company with a qualifying production needs to pass the cultural test and present all the documentation as requested in the Guidelines to the Financial Incentives for the Audio-visual Industry.</p> <p>Once the production is completed and final submission is made, a full audit of expenses will be assessed by an independent auditor appointed by the Commission. On receipt of the audit report and upon final review by the Commissioner, a ‘Final Certificate’ will be issued and the approved cash rebate is forwarded to the qualifying production.</p> <p>New guidelines will be introduced in 2018.</p> <p>Status: Completed and ongoing</p> <p>This measure is not CSR relevant.</p>	<p>The MFC continued with its strategy to attract film productions to Malta. The financial incentives are expected to create work within the industry and generate a lot of economic activity for the country in general. The financial incentives are being constantly fine-tuned to further develop the industry.</p> <p>During 2017, 10 productions applied for the financial incentives (includes one Ad-Hoc Aid measure).</p>
	<p>Film Studios</p> <p>The evaluation process of the Request for Proposals from those who applied for the Expression of Interest was completed during the first quarter of 2017. In the meantime, the MOT is exploring the way forward.</p> <p>Status: On hold</p> <p>This measure is not CSR relevant.</p>	<p>The Government made an important step forward in the process to have a modern films studio in Malta that includes sound stages. This will give a new impetus to the film industry, with modern infrastructure that attracts big productions to Malta to make the industry more sustainable.</p>
	<p>Re-Development of the Kappara Junction</p> <p>As at end of September 2017, the area of Gżira was completed. The flyovers were constructed, asphalted and opened to traffic on 17th September 2017. In the meantime, excavation works for Reggie Miller Underpass were done so that this structure was completed under the road, whereas the access stairs and ramps were constructed at a later date. The replacement of the University of Malta Underpass also started during the month of September where works on the first third of this section were ongoing. In addition, works were underway on the Gżira side. The project also included the wall cladding of residences bordering the project, together with the formation of the slip roads on the San Ġwann side and services in Sliema Road, San Ġwann.</p> <p>It is to be noted that Transport Malta has accepted a request from the contractor for a time extension until February 2018, mainly for snagging works to be carried out after December 2017.</p> <p>The roads have been all made available to the public in the first days of January 2018. The project inauguration was held on the 25th of January 2018.</p> <p>Status: On Track</p> <p>This measure is not CSR relevant</p>	<p>It is expected that the upgrading of this junction will contribute towards the elimination of bottlenecks and an improved traffic flow during traffic peaks which will result in time savings, reduction on daily fuel costs and vehicle maintenance costs. This is expected to have ripple effects on the journey time of public transport and hence may encourage more people to use this service instead of their private cars.</p>
	<p>Development of the Multi-Level Junction to remove a Bottleneck on the TEN-T Core Road Network</p> <p>Action A of this project was awarded CEF grant funding in late 2015 and will be a major upgrade to the TEN-T Core and Comprehensive link just south of the Port of Valletta. Action A will mainly focus on the ancillary works and utilities along the perimeter of the whole junction, the construction of the north bound link from Triq Aldo Moro to Triq Garibaldi, parking facilities, public transport, street lighting, segregated lanes and space for cyclists and bridges for</p>	<p>It is expected that the upgrading of this junction will contribute towards the elimination of bottlenecks and an improved traffic flow during traffic peaks which will result in time savings, reduction on daily fuel costs and vehicle maintenance costs. This is expected to have ripple effects on the journey time of public transport and hence may encourage more people to use this service instead of their private cars.</p>

¹ Australia, Switzerland and the USA.

	<p>pedestrians.</p> <p>Funding for Action B of the global project was partially approved for a further CEF grant and this grant will co-finance the work envisioned for the construction of the overpass from Triq Aldo Moro into Triq Garibaldi, referred to as action BI. Transport Malta has submitted a funding application for the remaining balance of Action B under the Cohesion Funds in November 2017 which will consist of works for the construction of the overpasses apart from the underpass and works earmarked in Action A and Action BI.</p> <p>The project was planned in 3 phases to ensure continued access and the smooth allocation of financial resources. The tender for the demolition of factories has been awarded and works commenced in November 2017 and are nearing completion. The tender for the reconstruction of Triq Aldo Moro and Triq il-Gvern Lokali has been awarded. Works for this phase of the project commenced in February 2018. The third tender which includes the structural works was launched on the market in October 2017, bids were submitted in February 2018 and evaluation for the award of the tender is ongoing.</p> <p>Status: On Track</p> <p>This measure is not CSR relevant.</p>	
	<p>Refresh of Insolvency framework in line with EU Recommendations of March 2014</p> <p>The Bill was approved by Parliament in sitting 495 of 15th March 2017 and came into force on 21st March 2017.</p> <p>Status: Completed</p> <p>This measure is not CSR relevant but it aims to address one of the three pillars of the 2018 Annual Growth Survey – ‘Boosting investment to support the recovery and to increase long-term growth’, sub-section ‘Using reforms to support investment’.</p>	<p>It is envisaged that this measure will lead to legislative changes, institutional changes so as to give effect to the legislative changes, and a consultation and marketing exercise to explain the changes to stakeholders including the Malta Council for Economic and Social Development (MCESD), banks and legal practitioners.</p>
	<p>Reduction of Time for Sale of Inherited Property</p> <p>Act 14 of 2016 entitled ‘Civil Code (Amendment No. 2) Act’, dated 4 March 2016, further regulates the institute of the community of property. More specifically, this Act regulates the consequences of holding co-owned property for a period that is longer than 3 years (which period, prior to the enactment of this Act, was that of 10 years). Whilst not directly enhancing the efficiency of national justice systems and national procedures, this Act aims to facilitate co-ownership proceedings by providing co-owners with an easier method of partitioning such co-owned property. If, following this 3-year period, partition of property held in common is not undertaken, then the law itself (after 3 years of co-ownership, rather than the previously established 10-year period) offers vehicles intended to apportion such property.</p> <p>Status: Completed</p> <p>This measure is not CSR relevant. However, it aims to address one of the three pillars of the 2018 Annual Growth Survey – ‘Boosting investment to support the recovery and to increase long-term growth’, sub-section ‘Using reforms to support investment’.</p>	<p>In the long run, the high number of vacant properties will be reduced.</p>
	<p>Tourism in Gozo</p> <p>Promotional campaigns targeted towards specific tourism niches have now been developed. The MGOZ continues to promote major cultural activities abroad especially on digital promotion media. Each year it publishes an annual cultural calendar which is launched at the World Travel Market in London and which is then also promoted online.</p> <p>Status: Ongoing</p> <p>This measure is not CSR relevant.</p>	<p>MGOZ’s promotional strategy is yielding positive results. Up to September 2017, there were 68,892 Facebook likes and 1,066,644 website visitors. Up to November 2017, Gozo also experienced an increase of 25,478 tourists (i.e. people staying 1 night or more) or 13.7% over the previous year, and an increase in bed nights of 75,782 nights or 7%².</p>
	<p>Capital Allowances on Office Premises</p> <p>Buildings that are eligible for capital allowances (tax depreciation) purposes currently comprise industrial buildings or structures, hotels, and car parks. This list has been further extended to include office premises through means of Legal Notice 349/2016, “Industrial Buildings and Structures (Capital Allowances) Rules, 2016” that was issued on the 28th of October 2016.</p> <p>Status: Completed</p> <p>This measure is not CSR relevant. However, it aims to address one of the three pillars of the 2018 Annual Growth Survey – ‘Boosting investment to support the recovery and to increase long-term growth’, sub-section ‘Using reforms to support investment’.</p>	<p>This measure has resulted in a reduction of expenses on office premises.</p>
	<p>Vacant Properties</p> <p>The rate of final withholding tax that will be levied on transfers of restored property within an Urban Conservation Area (UCA), as affected in 2016, has been reduced from 8% to 5%. A reduction in stamp duty, from 5% to 2.5%, levied on transfers of property within an UCA, also applies.</p> <p>This measure came into force as of 1st January 2016. In the 2018 Budget this measure was extended.</p>	<p>Between 1st January 2017 and 31st January 2018, the number of contracts for properties in UCA was 251 with 293 buyers.</p>

² Data: NSO, Regional and Geospatial Statistics Unit.

	<p>Status: Completed</p> <p>This measure is not CSR relevant. However, it aims to address one of the three pillars of the 2018 Annual Growth Survey – ‘Boosting investment to support the recovery and to increase long-term growth’, sub-section ‘Using reforms to support investment’.</p>	
	<p>Reduction in Personal Income Tax Rates</p> <p>A taxpayer with a single declaration earning up to € 9,100, a couple with a joint declaration earning up to € 12,700 and a person with a single parent declaration earning up to € 10,500 will be exempt from income tax.</p> <p>A taxpayer with a single declaration earning up to € 19,500 will save up to € 90 in tax annually while a person with a single parent declaration earning up to € 21,200 will save up to € 105 per year in tax. A couple earning up to € 28,700 making a joint declaration will save up to €120 in tax. In the case of a married couple where both partners work and opt for single computation, they will be saving up to € 180 between them. In the case of a couple earning up to € 21,000 each, the savings in tax would reach € 210.</p> <p>Taxpayers who did not benefit from previous reductions in income tax will benefit from this measure. Furthermore, taxpayers who are on the minimum wage will not be liable to tax on income, including the bonus. The same applies to pensioners in the same income category.</p> <p>This measure came into force as of 1st January 2016.</p> <p>Status: Completed</p> <p>This measure is not CSR relevant but it is aimed to address one of the three pillars of the Annual Growth Survey – ‘Structural reforms for inclusive growth, upward convergence and competitiveness’, sub-section ‘Job creation and fair working conditions’.</p>	<p>The following is data pertaining for the year 2016:</p> <ul style="list-style-type: none"> - persons taxed using the single rates: 75,662; - persons taxed using the parent rates: 15,699; - persons taxed using the married rates: 28,411.
	<p>Malta-Gozo Link Feasibility Study</p> <p>Seismic investigations commenced in 2016, and preliminary geological investigations have now been completed. The contractor is now carrying out tests on some of the cored samples.</p> <p>Status: On Track</p> <p>This measure is not CSR relevant.</p>	<p>Once all data is available, the analysis of the geological and seismic investigations shall be incorporated into a geological model of the area of investigation, thus providing a better understanding of the risks to the business model. In turn, this would enable a conceptual design to be prepared, which will outline the best route for the tunnel. A tender for Design, Build, Maintenance and Operation will then be published.</p>
	<p>Tidal System and Smart Traffic Management System</p> <p>In order to address traffic during peak hours in specific areas, a tidal and smart traffic management system has been installed in and is currently operating in Vjal Sir Paul Boffa, Paola. This was successful and in fact further locations for the application of tidal systems were assessed in line with measure 2.2.11.2 of the Transport Masterplan. Transport Malta is now in a position to optimise setup by modifying the frequency of changes as directed by the Traffic Control Centre to alter directions with the traffic flows.</p> <p>Status: Completed</p> <p>This measure is not CSR relevant.</p>	<p>A noticeable improvement has been observed. However, since traffic management is highly dynamic, the possibility of altering lane changing times was studied in order to utilise the potential of the tidal lane system and Transport Malta is in fact altering the lanes more frequently to address the traffic requirements.</p>
	<p>Upgrade and Improvements in Air Navigation Services</p> <p>Malta Air Traffic Services (MATS) Ltd is a Government-owned company and is the designated air navigation service provider for Malta. It coordinates and controls all air traffic using the Malta Flight Information Region.</p> <p>Aeronautical Message Handling System (AMHS)</p> <p>MATS Ltd, in consultation with EUROCONTROL, is currently conducting a negotiated procedure with 3 accredited suppliers of AMHS. Currently, submitted offers are being adjudicated and a contract with the winning bidder will be negotiated shortly. The project has been delayed due to a shift in priorities attributed to implementation of regulations. The expected completion date of the project is end of 2018.</p> <p>Status: Delayed</p> <p>Air Traffic Management (ATM) System</p> <p>The new ATM system was procured through a negotiated procedure approved by the Department of Contracts. Following training of controllers and shadow operations, the new ATM System was commissioned in June 2017.</p> <p>Status: Completed</p> <p>Air Traffic Control Centre (ATCC)</p> <p>A new ATCC will be built comprising of a visual control tower, an area control centre, equipment rooms, offices, workshops and employees’ rest areas, to serve the present and future requirements of MATS Ltd and the aviation community. Excavation works and the building of a sub-structure are expected to take place in the second quarter of 2018, while the project completion date is planned for the end of 2019.</p>	<p>It is expected that with this measure MATS Ltd will be in a better position to achieve and maintain standards applied internationally in the provision of air navigation services.</p>

	<p>Status: On Track</p> <p>New Primary Surveillance Radar at Dingli</p> <p>Technical discussions with Leonardo have continued, and the refurbishment of the antenna and the replacement of the main radar bearing took place in January. The project is expected to be completed in June 2018.</p> <p>Status: On Track</p> <p>This measure is not CSR relevant.</p>																																								
	<p>Malta Film Fund</p> <p>The Malta Film Fund has a total allocation of € 350,000 in 2018. It offers 3 funding strands, one for development, one for production and one for distribution at International Film Festivals. There are 6 schemes within the funding strands, which aim to provide support.</p> <table border="1" data-bbox="685 531 1665 934"> <thead> <tr> <th>Type of Support</th> <th>Maximum Grant</th> <th>Percentage of Project Cost Funded</th> </tr> </thead> <tbody> <tr> <td colspan="3" style="text-align: center;">Development Support</td> </tr> <tr> <td>Writers' Grant</td> <td>€ 5,000</td> <td>Up to 100%</td> </tr> <tr> <td>Development Grant</td> <td>€ 30,000</td> <td>Up to 80%</td> </tr> <tr> <td colspan="3" style="text-align: center;">Production Support</td> </tr> <tr> <td>New Talent Grant (Short Film Production)</td> <td>€ 2,500</td> <td>Up to 100%</td> </tr> <tr> <td>Short Film Production Grant</td> <td>€ 20,000</td> <td>Up to 100%</td> </tr> <tr> <td>Production Grant</td> <td>€ 120,000</td> <td>Up to 50%</td> </tr> <tr> <td colspan="3" style="text-align: center;">Distribution Support</td> </tr> <tr> <td>Film Distribution Marketing Grant</td> <td>€ 10,000</td> <td>50% match-funding</td> </tr> <tr> <td>International Film Festival Fees Grant</td> <td></td> <td></td> </tr> <tr> <td>• Short Films</td> <td>€ 300</td> <td></td> </tr> <tr> <td>• Feature Films and Documentaries</td> <td>€ 500</td> <td>50% match-funding</td> </tr> </tbody> </table> <p>An independent evaluation panel of highly esteemed professionals, including foreign experts from the film industry, is brought together to assess and review applications and to administer awards in accordance with the set criteria included in the relevant guidelines.</p> <p>Successful beneficiaries are required to enter into an agreement with the Malta Film Fund which will set out the terms and conditions of the funding. The grant awarded is paid in stages and on receipt of all the required documents specified in the agreement.</p> <p>Status: Completed and ongoing</p> <p>This measure is not CSR relevant.</p>	Type of Support	Maximum Grant	Percentage of Project Cost Funded	Development Support			Writers' Grant	€ 5,000	Up to 100%	Development Grant	€ 30,000	Up to 80%	Production Support			New Talent Grant (Short Film Production)	€ 2,500	Up to 100%	Short Film Production Grant	€ 20,000	Up to 100%	Production Grant	€ 120,000	Up to 50%	Distribution Support			Film Distribution Marketing Grant	€ 10,000	50% match-funding	International Film Festival Fees Grant			• Short Films	€ 300		• Feature Films and Documentaries	€ 500	50% match-funding	<p>The objective of the Malta Film Fund is to nurture and sustain the development and production of Maltese high quality productions in all genres from new and established filmmakers for local and international distribution. It also aims to promote Maltese storytelling, Maltese stories and Maltese cinema and by doing so, improve the structure of the indigenous film industry.</p> <p>During 2017, 24 applications were received. 8 projects with a total allocation of € 320,000 were selected as follows:</p> <ul style="list-style-type: none"> - 2 Writers' Grants; - 2 Development Grants; - 2 Short Film Productions Grants; and - 2 Production Grants (Feature Film). <p>The first call for 2018 projects was issued in February while the second call will be issued in July.</p>
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	<p>National Development Bank</p> <p>The National Development Bank (NDB) is expected to address market failures and will complement the services provided by commercial banks.</p> <p>Following the European Commission's approval of Malta's plans to establish a Development Bank in August 2016, this measure is now fully implemented. The Legal Notice which brings the NDB into force has been published and both the Management Board and the Supervisory Board have been established and have held their first meeting. The Management Board has now taken over the running of the Bank.</p> <p>Status: Completed</p> <p>This measure is not CSR relevant but it aims to address one of the three pillars of the 2018 Annual Growth Survey – 'Boosting investment to support the recovery and to increase long-term growth', sub-section 'Making the most of EU and national budget opportunities'.</p>	<p>The NDB is expected to address market failures and thus it will complement the services provided by commercial banks and other financial institutions.</p> <p>The Bank will have an authorised capital of € 200 million, of which € 30 million will be the initial paid up capital.</p>																																							
	<p>SME Initiative – Stimulating Private Sector Investment for Economic Growth</p> <p>The SME Initiative Operational Programme is financed through the European Regional Development Fund (ERDF) with an allocation of € 15 million. Following a call for Expression of Interest, launched in July 2015, 2 financial intermediaries secured financing.</p> <p>Status: On Track</p> <p>This measure is not CSR relevant but it aims to address one of the three pillars of the 2018 Annual Growth Survey – 'Boosting investment to support the recovery and to increase long-term growth', sub-section 'Making the most of EU and national budget opportunities'.</p>	<p>This initiative is expected to leverage more than € 60 million of new SME financing, targeting circa 850 enterprises.</p> <p>As at September 2017, 400 SMEs were assisted under the SME Initiative with € 30.7 million disbursed.</p>																																							
	<p>Business Start</p>																																								

	<p>Through Business START (B.Start), Malta Enterprise is offering seed funding for small start-ups that have a viable business concept and are in the early stage of development. The maximum value of aid that is provided at this stage is a cash grant of up to € 25,000 and support is limited to 12 months. An initial instalment is paid once the project is approved. Subsequent instalments are paid quarterly after the Corporation reviews progression. The maximum grant awarded through subsequent payments shall be calculated by multiplying € 1,500 by the number of full-time employees engaged in the undertaking at least 1 full month prior to the end of the quarter review, provided that the total payment in any quarter shall not exceed € 10,000.</p> <p>The scheme was officially launched as a pilot project on 29th September 2015 and the response has been very encouraging. In view of the significant interest that has been received, the scheme has been extended to 2020.</p> <p>Status: Completed and ongoing</p> <p>This measure is not CSR relevant but it aims to address one of the three pillars of the 2018 Annual Growth Survey – 'Boosting investment to support the recovery and to increase long-term growth', sub-section 'Making the most of EU and national budget opportunities'.</p>	<p>The benefits expected to be derived from this scheme are related to facilitating access to finance. Up to December 2017, 78 beneficiaries have been awarded assistance, amounting to € 1,950,000.</p>
	<p>Start-up Finance</p> <p>The aim of this scheme is to provide finance to support small start-up undertakings in the setting-up and initial growth phases, in line with European Regulations. The support is provided as a repayable assistance linked to private equity, crowd funding and the procurement of machinery and equipment. The Corporation shall charge an interest on any value outstanding at the end of each calendar year.</p> <p>The scheme was reviewed and a new scheme was launched on 31st May 2017. Please refer to the new measure 'Start-up Finance 2017 – 2020' below for more details.</p> <p>Status: Completed</p> <p>This measure is not CSR relevant but it aims to address one of the three pillars of the 2018 Annual Growth Survey – 'Boosting investment to support the recovery and to increase long-term growth', sub-section 'Making the most of EU and national budget opportunities'.</p>	<p>Under the scheme which terminated on 31st October 2016, 3 SMEs have been awarded assistance under the Start-up Finance scheme. The repayable assistance awarded amounts to € 400,000.</p>
	<p>Managed Seed Capital Fund</p> <p>The Managed Seed Capital Fund is intended to support early stage technologies and knowledge/technology-based start-ups.</p> <p>The Management Committee responsible for the screening and evaluation of applications is made up of representatives from the MEIB, the MEDE and the University of Malta.</p> <p>The idea behind this fund is to encourage academics and students possessing creative and innovative ideas to get the necessary financial support to be able to develop their ideas into business concepts. It aims to assist promising ideas to move forward toward commercialisation and ultimately, creation of high growth businesses in Malta. Award funding will help to bridge the initial gap between lab/patent/idea and market development, and provides support to researchers and entrepreneurs when they need it most to increase the likelihood of success.</p> <p>Status: Completed and ongoing</p> <p>This measure is not CSR relevant but it aims to address one of the three pillars of the 2018 Annual Growth Survey – 'Boosting investment to support the recovery and to increase long-term growth', sub-section 'Making the most of EU and national budget opportunities'.</p>	<p>The Management Committee finalised the details of the implementation of the measure for 2017 and awarded 2 proof of concept projects and 5 start-ups for a total value of € 100,000. This initiative is being repeated in 2018 and the same amount of funds has been allocated in the 2018 Budget.</p>
	<p>Consolidation of Regulatory Frameworks for Collective Investment Scheme</p> <p>The number of available options for the establishment of investment funds has continued to grow. A consolidation of these frameworks would reduce the number of frameworks, streamline the applicable rules and enable better supervision, improve the licence application process, enhance the provisions related to the ongoing governance of the relevant schemes and outline the documentation required from the schemes in certain circumstances.</p> <p>An exercise is currently underway in order to extract the provisions regulating SICAVs found in the Companies Act, and address them in ad hoc Regulations issued under the same Act.</p> <p>Status: On Track</p> <p>This measure is not CSR relevant but it aims to address one of the three pillars of the 2018 Annual Growth Survey – 'Boosting investment to support the recovery and to increase long-term growth', sub-section 'Making the most of EU and national budget opportunities'.</p>	<p>This measure intends to consolidate and streamline a number of fund frameworks. The final objective is the amendment of the Investment Services Rules by Q3 2018.</p>
	<p>Incentive to Post-Secondary Graduates, who Graduated in the Last Three Years, to open a New Business and Reduce Burdens</p> <p>Since the first 2 years of a start-up company are usually the most difficult, removing the burden of audit of accounts can help mitigate initial costs on condition that the company's turnover does not exceed € 80,000 annually. Alternatively, the company may opt to have its accounts audited but gain a tax deduction of 120% of the audit fees up to € 700 annually in the first 2 years.</p>	<p>This measure will attract more new graduates to set up new companies hence further involving them in the commercial industry.</p>

	<p>This measure covers accounting periods starting from the 1st January 2017 until the scheme is terminated.</p> <p>The power enabling the Minister to issue a Legal Notice in relation to this incentive has been introduced in the Companies Act by virtue of Act XXXI. Accordingly, an amendment has been made to Article 425(1) by introducing a new paragraph (oa).</p> <p>Meanwhile, Legal Notice 306/2017 implementing the part of the measure relating to the Income Tax Act and the Income Tax Management Act (Cap 123 and 372 respectively), has been published on 3 November 2017.</p> <p>Status: Ongoing</p> <p>This measure is not CSR relevant but it aims to address one of the three pillars of the 2018 Annual Growth Survey – 'Boosting investment to support the recovery and to increase long-term growth', sub-section 'Using reforms to support investment'.</p>	
	<p>Introduction of a Detailed Tax Consolidation</p> <p>Government will introduce detailed tax consolidation regulations that permit groups of companies to calculate their profit and loss on a group basis.</p> <p>Work has been carried out on the drafting of a legal notice and policy direction is being sought.</p> <p>Status: On Track</p> <p>This measure is not CSR relevant but it aims to address one of the three pillars of the 2018 Annual Growth Survey – 'Boosting investment to support the recovery and to increase long-term growth', sub-section 'Using reforms to support investment'.</p>	<p>This measure will further simplify the computation of income of these companies both for the Commissioner for Revenue as well as for the companies themselves.</p>
	<p>Risk Investment Scheme</p> <p>Through this scheme, individuals investing capital in small and medium enterprises (SMEs) or in an investment fund spread over a number of SMEs registered on an alternative trading platform, such as Prospects on the Malta Stock Exchange, will be receiving a tax credit of up to a maximum of € 250,000 per year.</p> <p>Status: On Track</p> <p>This measure is not CSR relevant, but it aims to address one of the three pillars of the 2018 Annual Growth Survey – 'Boosting investment to support the recovery and to increase long-term growth', sub-section 'Using reforms to support investment'.</p>	<p>This measure will encourage investment on the Malta Stock Exchange. The relevant Legal Notice still has to be issued.</p>
	<p>Fight against Unjust Competition - Setting up of the Joint Enforcement Task Force</p> <p>The JETF is currently compiling data to address risk-based inspections at all ports. Furthermore, VAT evasion from Point of Sales is being tackled through exercises carried out by mystery shoppers.</p> <p>In Budget 2018 this measure was again mentioned as a continuation of the Budget 2017 measure.</p> <p>Status: Completed</p> <p>This measure is not CSR relevant but it aims to address one of the three pillars of the 2018 Annual Growth Survey – 'Responsible fiscal policies to support sustainability and convergence'.</p>	<p>The JETF is in operation and an action plan for 2018 has already been drafted. More specific inspections are being conducted, in collaboration with the Customs officials, following exercises performed by the Risk Management Unit. Results are very encouraging.</p> <p>This measure will address illegal employment, defaulters in social security payments and unfair competition across all business sectors.</p>
	<p>Continuous Maintenance of the Ċittadella</p> <p>Following the completion of the EU co-funded project for the implementation of the Ċittadella Masterplan it was deemed necessary to carry out a continuous maintenance programme to ensure that the upkeep of the Ċittadella is of the highest standards. This measure ensures that the Ċittadella is properly maintained both with respect to restoration as well as cleanliness and visitor services.</p> <p>Status: Ongoing</p> <p>This measure is not CSR relevant.</p>	<p>The continued maintenance of the Ċittadella ensures that visitors get a positive experience at this top historical site in Gozo.</p>
	<p>Improved Connectivity between Malta and Gozo</p> <p>A Request for Proposals for a public service concession contract for the provision of passenger and vehicle ferry service between Malta and Gozo was published by the Ministry for Transport and Infrastructure (MTIP) on 28th April 2017 on the Electronic Public Procurement System (ePPS) (Advert No 33/2017). In July 2017, MTIP extended the date of submissions of proposals to 26th April 2018. The preferred bidder will be required to provide both the conventional ferry services and the fast ferry services.</p> <p>Status: On Track</p> <p>This measure is not CSR relevant.</p>	<p>With this measure there will be the introduction of a fast ferry service which would enhance the transport link between the 2 islands.</p>
	<p>Extension of Xewkija Industrial Park</p> <p>The project shall create an attractive business environment centred on a large multi-purpose facility serving as an enterprise hub on the main arterial road linking Mgarr to Victoria, attracting new business start-ups and consolidating existing businesses in a suitably hi-tech facility. In addition, a separate self-contained industrial workshop complex</p>	<p>The 2 developments should nurture the growth potential of SMEs at a regional, national and international level through the provision of a suitable hosting infrastructure and working environment. This measure also aims to facilitate the establishment and growth of SMEs in Gozo by providing a location away from village</p>

	<p>shall be set up to transfer unsightly, unsafe and noisy small-scale industrial operations out of urban centres for a better, more tranquil, safe and hygienic community environment.</p> <p>Planning Authority permits for the extension of this park were granted. Full designs have been completed and works contracts were awarded in December 2017. Work commenced in January 2018. The derelict milk processing plant on the site of the projected enterprise hub has been demolished and excavations are progressing ahead of schedule. Work on clearing the site of the projected industrial workshop complex is also progressing well. EU co-funding disbursement targets to date have been met in full.</p> <p>Status: On Track</p> <p>This measure is not CSR relevant but it aims to address one of the three pillars of the 2018 Annual Growth Survey – ‘Structural reforms for inclusive growth, upward convergence and competitiveness’, sub-section ‘Innovation and competitiveness’.</p>	<p>cores and enabling further economic growth through better diversification in the economy and an increase in job opportunities for Gozitans in Gozo.</p>
	<p>Yacht Marina at Gżira Gardens</p> <p>The Government, through the Privatisation Unit, has now privatised the operation of a number of designated yacht marinas which were previously managed by TM. This move was aligned with the broad Government policy to continue to entrust operational activities to the private sector while limiting the role of the public sector to policy setting and regulation. In the hands of experienced and reputable private operators, complemented by investment in upgrading the existing facilities and improved berthing management, the marina’s unique location and facilities will now be better positioned to take advantage of the business opportunities presented by a growing and dynamic yachting industry. The annual Concession Fee (payable to the Authority) will be of a minimum of € 175,000. This measure should be completed by June 2018.</p> <p>This project is subject to pending litigation against the Authority by current berth users of the Marina who had filed Constitutional proceedings arguing that they have rights to a permanent berth in the Marina. Thus, the delay/s. Following a call for tenders, the bids are now currently being evaluated.</p> <p>Status: Delayed</p> <p>This measure is not CSR relevant but it aims to address one of the three pillars of the 2018 Annual Growth Survey – ‘Structural reforms for inclusive growth, upward convergence and competitiveness’, sub-section ‘Innovation and competitiveness’.</p>	<p>The Concession for the operation and management of the Marina is designed to attain the following benefits:</p> <ul style="list-style-type: none"> - to upgrade the service level of the Marina through investment in and modernisation and development of the present yacht marina facilities; - to optimise TM’s one-time and annual proceeds; - to give due cognisance to the Marina’s stakeholders and seek, as far as possible, to address their particular needs within the new market setting; - to ensure that the Marina areas, and particularly the public areas adjacent thereto, are maintained and embellished in such a way as to enhance the locality to the benefit of both residents and visitors; - generally, to support the tourism sector through the promotion of Malta as a prime yachting location.
	<p>Consideration of Issue of Call for Offers for Project Related to a New Yacht Marina at Marsascala</p> <p>This measure will meet the demands of the growing and dynamic yachting industry, the planning, development and infrastructure required in the area to meet the objectives, principles and policies and to promote development in the area. This measure aims to be finished by September 2018. The preliminary research and studies are now complete. There is now an ongoing consultation taking place, involving the legal consultants, the Department of Contracts, the Planning Authority and the Environment and Resources Authority in order to establish the restricted zones in the region such as swimming zones etc. Such areas are to be excluded from the project. Once these discussions are concluded the tender documents will be issued.</p> <p>Status: Delayed</p> <p>This measure is not CSR relevant but it aims to address one of the three pillars of the 2018 Annual Growth Survey – ‘Structural reforms for inclusive growth, upward convergence and competitiveness’, sub-section ‘Innovation and competitiveness’.</p>	<p>The project will have the following results:</p> <ul style="list-style-type: none"> - a number of pontoons and mooring systems to accommodate the maximum number of berths; - upgrading of the quay infrastructure; - weather protection measures or infrastructure as required to mitigate weather conditions for all year safe berthing; - provision of adequate land facilities for berth users and upgrading, embellishment and landscaping of the area.
	<p>The construction of a New Breakwater Arm at Tal-Qrejten Marsaxlokk</p> <p>Government will construct a new breakwater arm at Tal-Qrejten and repair and increase in height the existing breakwater at Delimara. This project, with a preliminary estimate of € 18 million, will increase the number of days during which the harbour of Marsaxlokk can be used during the year by the Marsaxlokk fishermen.</p> <p>An Outside Technical Review (OTR) carried out on the Main Works Tender for the Marsaxlokk Breakwaters (Qrejten and Delimara) indicated a number of technical shortcomings in the tender specifications and in the Bills of Quantities and Drawings (prepared by the Works and Infrastructure Department (WID)) within MTIP. Such shortcomings envisaged the risk of substantial variations during implementation. As a result, the project is falling behind schedule.</p> <p>In addition to the above, the wave study carried out at design stage contained statements wherein the suitability of the Delimara Breakwater was being put into doubt. Based on the latter, TM recognised the need to completely reassess the project and also the need to engage a consultant who is an expert in the field, to assist and be responsible for the design of the breakwaters. Further bathymetric and geotechnical studies are required to set a more accurate basis for the design.</p> <p>Considering the tight timelines, there is the possibility that till the end of 2018, the Qrejten breakwater would have been redesigned and works would have been initiated. However, since the Delimara breakwater requires further discussions, studies and assessments prior to actual design, it is highly unlikely that the design and the related tender could be completed and awarded by end of 2018.</p> <p>The Project Management tender is temporarily being put on hold. A revision to this tender is also envisaged.</p> <p>Status: Delayed</p>	<p>The project will increase the number of sheltered days in the harbour throughout the year.</p>

	<p>This measure is not CSR relevant.</p> <p>Establishing a National Excellency Fund to Award Artists and Other Cultural and Creative Professionals</p> <p>The fund is divided into the following:</p> <ol style="list-style-type: none"> 1. The Professional Development Fund which supports the continuous professional development of Maltese or Malta-based artists and cultural operators and students who are active in the cultural and creative sectors and seeking to engage in short term professional training to improve their skills and advance their specialisation; 2. Artivisti which provides emerging creatives in the community with an opportunity to access and learn from a nourishing pool of talent and a rich network of peers; 3. The Arts' Awards which celebrates excellent achievements in the cultural and creative industries. <p>Status: Completed and ongoing</p> <p>This measure is not CSR relevant but it aims to address one of the three pillars of the 2018 Annual Growth Survey – 'Structural reforms for inclusive growth, upward convergence and competitiveness', sub-section 'Equal opportunities and access to the labour market'.</p>	<p>As a result of this measure a number of artists will be supported to further their training and development in general. Moreover, a number of young artists will be supported to implement their project which will help them launch themselves in the sector and grow professionally as well as act as ambassadors for the arts. It will also lead to a number of artists/initiatives being awarded for their achievements.</p>
	<p>Business Enhance ERDF Grants Schemes</p> <p>The Business Enhance Grants Schemes seek to support enterprises when undertaking investment projects aimed at securing sustainable business growth, by becoming more competitive, innovative and becoming more resilient to market challenges. These schemes are part-financed by the European Regional Development Fund 2014-2020 and address a number of priority areas under Operational Programme I 2014-2020 'Fostering a competitive and sustainable economy to meet our challenges'. A number of schemes have been launched, namely:</p> <ul style="list-style-type: none"> • the Start-up Investment Grant Scheme; • the SME Growth Grant Scheme; • the SME Diversification and Innovation Grant Scheme • the SME Internationalisation Grant Scheme; • the e-Commerce Grant Scheme; • the SME Consultancy Services Grant Scheme; • the Research, Development and Innovation Grant Scheme. <p>Status: On Track</p> <p>This measure is not CSR relevant but it aims to address one of the three pillars of the 2018 Annual Growth Survey – "Boosting investment to support the recovery and to increase long-term growth", sub-section 'Making the most of EU and national budget opportunities'.</p>	<p>Through these schemes, which amount to € 51 million, circa 600 enterprises will be supported.</p> <p>As at end of 2017, a total of € 8.3 million in grants were approved under the open schemes with a total of 99 beneficiaries.</p> <p>Enterprises will also be eligible for € 20 million in EU funds for research as a result of a scheme on Research, Development and Innovation launched on 11 January 2018.</p>
New/updated Euro Plus Pact commitments		
Euro Plus Pact Commitments	<p>Clamping Down on Tax Evasion</p> <p>Government is continuing with its fight against tax evasion and unjust competition. Heavier fines are being imposed for both Court and out-of-Court cases relating to tax evasion. This measure should serve as a deterrent against evasion of excise duty.</p> <p>The amendment in the Excise Duty Act (Cap 382) leading to the actual implementation of the measure, forms part of Bill No. 12 of 2017, aimed at putting into effect all 2018 budgetary and other administrative measures. The said Bill was enacted into law through the publication of Act VII of 2018, dated 29th March 2018, entitled 'Budget Measures Implementation Act'. The increase in fines was therefore brought into effect.</p>	<p>By means of this measure, Government aims to decrease the illegal importation of cigarettes from approximately 17% to approximately 11% by the end of 2018.</p>
	<p>Extension of Online Social Security and VAT Return Forms</p> <p>The facility for businesses and companies that employ more than 30 employees to submit their social security and VAT Returns online will now be offered to those businesses that employ 10 employees or more.</p>	<p>It is expected that over 36,000 businesses will benefit from this facility, hence resulting in an increase of online submissions.</p>
	<p>VAT Reduction for SMEs</p> <p>Government shall increase the threshold below which SMEs will be allowed not to charge VAT while at the same time they will not claim any VAT paid by them. The present capping of € 14,000 is going to be increased to € 20,000.</p>	<p>This measure will result in a VAT reduction for SMEs.</p>
	<p>Introducing the Blockchain-Based Official Records in Education</p> <p>Malta will be the first country to make use of blockchain technology in education. In 2018, the blockchain platform will facilitate the issuing of educational certification from MCAST and the Institute for Tourism Studies (ITS) and accreditation from the National Commission for Further and Higher Education (NCFHE).</p> <p>Blockchain-based official records are expected to be central to the MEDE's work performance, both within the educational level and the employment sector.</p>	<p>When educational credentials are authenticated on blockchain, this measure will result in users gaining full access and manageability for present and future needs.</p>
	<p>Upgrade of the Electricity Distribution System at the Hal Far Industrial Estate</p> <p>The objective of this project is to meet the requirements of the area's current and upcoming industrial investments. It</p>	<p>This project will see the extension of the Hal Far Distribution Centre to cater for the increased demand for</p>

	<p>is one of several projects that Enemalta plc is implementing to constantly upgrade the country's electricity distribution infrastructure.</p> <p>The project is subdivided into 2 phases, which are being managed simultaneously. Phase 1 of the project involves the extension and upgrade of the Ħal Far Distribution Centre, while Phase 2 involves the trenching and cable laying works from Delimara through Marsaxlokk, Qajjenza, Birżebbugia to Ħal Far. Both works are projected to be completed by end of April/beginning of May 2018.</p> <p>By Q3 2018 it is expected that all the equipment inside the distribution centre is installed, tested, commissioned and connected to the cables installed between Ħal Far and Delimara Power Station. Hence this project will be considered as complete.</p>	<p>electricity from the industrial sector. Through this project, Enemalta will also remove old high voltage overhead lines extending to Gudja, Tarxien and other nearby localities.</p>
	<p>Cultural Initiatives in Gozo</p> <p>Thematic festivals in Gozo will be created and developed. The objectives are to stimulate another tourism niche with artistic and cultural productions and to enhance Gozo's attractiveness to visitors.</p>	<p>This measure should result in an increasing number of tourists across all seasons by:</p> <ul style="list-style-type: none"> - increasing destination visibility with clear positioning as a different travel destination; - increasing quality, sustainable tourism across seasons and help move Gozo away from its current imbalance in tourists' intake, prevalently reliant on day trippers.
	<p>Traffic, Accessibility and Upkeep of the Valletta Waterfront</p> <p>In 2017, Malta had 670,000 visitors at the Valletta Waterfront. The Government is working with various entities to ameliorate the traffic situation and accessibility of the area by increasing traffic signage and parking as a way of improving the attractiveness of the Waterfront.</p>	<p>Solutions to improve traffic, parking and accessibility issues should be identified to improve the tourists' first impressions.</p>
	<p>The Malta Laboratories Network Training Programme for Better Return on Investment</p> <p>The mission of the Malta Laboratories Network is to develop and sustain laboratory services in Malta through a unique model of co-operation based on fostering innovation, exchange of resources and empowerment of stakeholders to solve real world problems.</p> <p>The Network will launch a training program for all laboratories to attain better return for investment in this sector by promoting innovative approaches to reduce duplication while enhancing progress and motivation for scientific teamwork contributing to the nation.</p>	<p>This measure should result in creating progress in particular areas such as forensic, toxicology, pesticides, water, cooperation with the University and other fields.</p>
	<p>Training Initiatives for the Pharmaceutical Industry by the Malta Medicines Authority</p> <p>The Research, Scientific Affairs and Innovation Unit within the Malta Medicines Authority will be launching a number of training initiatives for the pharmaceutical industry, aimed at enhancing competence and knowledge in regulatory sciences and safety of medicines.</p>	<p>This measure shall strengthen knowledge and competence in the pharmaceutical sector.</p>
	<p>Masterplan for the Marsalforn Front</p> <p>The Marsalforn Masterplan will allocate about 12,850 square metres for bars, restaurants and other outlets. It also proposes that the area around the bay becomes a pedestrian zone while roads will have a porfido/lava surface.</p> <p>The Masterplan for Marsalforn will provide operators of catering establishments with a clear guide on how to apply to the authorities to increase their touristic facilities. These outlet owners will have to apply for permission for their placements in line with the Masterplan approvals. This would ensure that the placing of tables and chairs by Marsalforn restaurants do not obstruct other activities in the zone, particularly in residential areas, on the pavement in Triq il-Port and the zone for fishermen around the Menqa inlet.</p>	<p>This measure will enable this locality to become a quality destination.</p>
New/Updated Measures to address growth bottlenecks and economic imbalances		
<p>Measures to address growth bottlenecks and economic imbalances</p>	<p>Start-up Finance 2017 – 2020</p> <p>The scheme will provide support linked to private equity, crowd funding and the procurement of machinery and equipment. Depending on the type of support provided, assistance may be up to € 100,000 if linked to crowd funding campaigns and up to € 200,000 when the support is linked to private equity or required to fund the procurement of machinery and equipment.</p> <p>Small start-up undertakings shall be considered as eligible if they are, or shall be engaged in one or more of the following activities:</p> <ul style="list-style-type: none"> i. manufacturing, including the manufacture of gas; ii. Information Technology, digital media and communications; iii. Research, Development and technical Innovation; iv. industrial and product design; v. biotechnology, pharmaceuticals and life sciences; audio-visual and creative media investment in facilities (sound studio). 	<p>The aim of this measure is to finance innovative undertakings in their early stages of development with a repayable assistance, hence assisting start-ups to develop their innovative business ideas.</p>
	<p>Regeneration of Zones Not Traditionally Considered Touristic</p> <p>During 2017, Malta registered a record number of tourists and cruise liner visitors. The number of visitors is putting a strain on popular attractions.</p>	<p>This measure will improve the tourism product in non-touristic zones with the objective of dispersing visitors and hence addressing overcrowding issues in tourism hotspots.</p>

	Therefore, Government shall draft regeneration plans for zones that are traditionally not considered touristic. This would improve Malta's tourism product by regenerating areas that are not frequented by visitors, hence providing alternative attractions. Environmental consciousness both among the Maltese as the host population and tourists will continue to increase resulting in an increased demand for sustainable destinations.	
	Home-Porting Activity in Malta In line with the National Tourism Policy 2015-2020, Government introduced this measure in an effort to increase home-porting of cruise ships as a means of attracting additional inflows of tourists from different markets. The intention is to convert a number of day-trippers into tourists by enticing visitors who start and end a cruise on the Maltese Islands to extend their stay within the destination. It also helps to sustain a number of airline routes by generating an additional stream of passengers to boost yield and airline load factors.	The desired outcome is to attract new homeport cruises in Summer 2019. Cruise companies plan and start selling at least 2 years in advance.
	Implementation of a Second Submarine Fibre Optic Cable between Malta and Gozo Currently the telecommunications connectivity between Gozo and Malta relies on fibre strands leased from Enemalta plc with back-up facilities based on microwave radio links, individually owned and operated by the operators. The latter fully agree that the ideal back-up solution should be another fibre optic cable since this would provide the best technological and most reliable resilient communications set-up between Gozo and the rest of the world. However, to date, all the operators have deemed that it is not financially and economically feasible to invest in their own individual fibre cable. An EU co-funded study to assess the technical and financial implications of a new Malta-Gozo submarine Fibre optic link intended to provide the necessary connectivity resilience between the two islands has established that this state of affairs constitutes a market failure situation, which can only be addressed through the intervention of the State to deploy a second fibre optic link to ensure enhanced, reliable and fully-resilient connectivity between the two islands.	This measure will provide adequate resiliency in digital inter-island connectivity through a sound and reliable digital infrastructure, hence removing dependency on the existing, single fibre optic connection. Therefore, economic activity in Gozo would increase and in turn enable better investment promotion of the sister island. In the long run, it would positively impact the employment target through increasing the number of new activities and new jobs created in Gozo.
	Business Inspections Reform – Coordination of Inspections Businesses in Malta are currently subjected to inspections by a range of Government departments, authorities and entities. These inspections deal with various aspects such as food safety, prices, environmental issues, employment, and occupational health amongst others. Regulation is in place and is essential to protect the interest of society and safeguard its future. However, the local scenario showed over-bureaucratisation, silo mentality amongst regulators, high actual and opportunity costs, limited data sharing, overlaps in work demands, weak reporting and enforcement and penalty regimes that lacked effectiveness. Thus, it is essential that such processes are aided by the formation of a solid, business-intelligent IT system, whereby business-friendly checklists are provided to inform the businesses (including new and already running businesses) of what is required from them to reach the necessary standards and create new working processes whereby key entities will carry out inspections even on behalf of other entities and collate all the necessary data. This information will then be shared with other entities that require it. Following the success of the pilot project carried out in 2017 amongst pet shops and butchers, co-ordinated inspections in other business categories are being rolled out. Pre-assessment checklists have been devised, simplified where necessary and distributed to all pertinent business operators. These checklists incorporate all the relevant information and standards expected from different inspectorates for compliance and are being circulated prior to inspections. Coordinated inspections planned for 2018 include fishmongers, hairdressers, beautician and garden centres. The number of inspectors visiting the business site has been reduced to 1 to 2 persons from as many as 5 to 6 in some cases, thus resulting in a reduction in the time of inspection, particularly if the pre-assessment form is duly filled in and all documents prepared by the business owner prior to the inspectors' arrival. Data sharing from co-ordinated inspections is being referred to the inspectorates as needed. More pre-assessment checklists need to be devised for many different businesses whilst incorporating all standards and informational needs by inspectorates. In addition, further work is envisaged on the inspectors' forms for better access to data collected. The tender for the IT system is planned to be published in Q2 and evaluation and award targeted for October/November 2018. The IT system is expected to be up and running and fully operational by Q4 2020.	One of Government's key commitments is the reduction of bureaucracy and the simplification of administrative processes. Through this measure, it is expected that compliance increases through: <ul style="list-style-type: none"> <i>Fewer inspections and a reduction in associated burdens:</i> It is being ensured that inspections are targeted and overlaps are minimised. Inspections should be risk-based. For such practices, the unit must encourage and facilitate data sharing amongst inspectorates and devise ways how joint inspections can be carried out in specific businesses. Unnecessary inspections and potential simplification are being identified through the amalgamation of inspections' needs in one form. <i>Improved transparency and integrity:</i> To ensure transparency in inspections, there needs to be the provision of standardised information and reporting mechanisms. Updated information and advice need to be possible through a single point of reference e.g. single information system together with consistent feedback to business operators after inspections, regardless of the outcome of the inspection. <i>Relevant inspections:</i> Ensuring that no inspection is conducted unless there is a legislative or regulatory basis. Any overlaps, gaps and possible transfer of competencies from one Inspectorate to another should be identified and addressed. The focus should be made on ensuring that critical business standards are being met and continually improving. <i>Empowered businesses:</i> To ensure that business has the necessary tools and information in attaining compliance. The businesses are provided with a single point of contact including an accessible portal with necessary information prior to inspections. In addition, they are encouraged to make use of the self-assessment exercises through the provision of updated checklists, toolkits, and self-regulation initiatives. The unit will be also setting-up compliance-promotion initiatives, such as compliance awards and compliance recognition schemes aimed at business to achieve high level of compliance in specific sectors.
	New Facilities at the Government Experimental Farm for the Agricultural and Fishing Sector The Government experimental farm in Xewkija (Gozo) will be expanded in order to provide new facilities for the general public which will include a petting farm, a dog park and a butterfly enclosure.	This measure will increase the facilities to protect local species and educate the general public on the endemic flora and fauna. It will also provide a new recreational and open space for families, creating an interaction experience for children with farm animals and a park for dogs to exercise and play off-leash in a controlled environment under the supervision of their owners.
	Reorganisation of the Mġarr Marina to Increase Berthing Facilities for Fishermen The works being proposed to reorganise the yacht marina in Mġarr (Gozo) consist of dredging, re-instatement of the existing slipway, shoring of quays, replacement of the existing pontoons and anchorage works for new berths.	This measure will reinforce existing infrastructure and increase capacity for fishing vessels.

The following measures have been completed. However, given that they are still ongoing they are not being included along with the other measures which are still being implemented. Instead, they are being listed below for reference purposes:

- Revision of Tax Bands
- Rental Income
- Events Calendar
- Upgrading and development of the fisheries infrastructure in Marsalforn

National Employment Policy

Main commitments under the National Employment Policy	Foreseen main measures and indication on whether they are CSR relevant	The estimated impacts of the measures (qualitative and/or quantitative)
<p align="center">Work Exposure</p>	<p>The general target for the Work Exposure Scheme through the duration of the ESF Project is to place 1,030 persons who are not in education, employment or training (NEETs). These persons are expected to benefit from work exposure for a duration of 12 weeks. The annual target for the years 2016, 2017 and 2018 is to place 690 trainees (230 trainees per year).</p>	<p>It is estimated that 40% of NEETs will manage to be in employment after the scheme ends.</p> <p>The running of the Work Exposure Scheme is part-financed by the European Social Funds, has continued in 2016, 2017 and 2018. From January 2016 until end of January 2018, Jobsplus has placed 530 trainees. 378 trainees have already completed the scheme, 12 are still attending, 107 dropped out, while the remaining 33 participants opted not to participate in the scheme.</p>
<p align="center">Work Programme</p>	<p>The private sector and Jobsplus are working together to help the long-term unemployed and inactive persons to re-enter the labour market.</p>	<p>From the beginning of the initiative till end of January 2018, the number of people who signed the Work Programme contract is 1,390.</p>
<p align="center">Access to Employment (A2E) Scheme</p>	<p>Employment-related subsidies are given to employers who recruit disadvantaged, severely disadvantaged or registered disabled persons.</p>	<p>From the start of the scheme until end of January 2018, the A2E Unit received applications in respect of 1,203 participants, of which a total of 791 participants were still on the scheme. The cumulative total amount of grants contracted to date is of € 6,724,982.03, although the amount still valid owing to premature termination from employment, is of € 5,306,452.56.</p>