



# **Malta**

## **National Reform Programme**

### **Annex Table 3**

**Ministry for Finance**  
**April 2016**



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)
<b>Euro Plus Pact commitments</b>		
<i>Euro Plus Pact commitments</i>	<p><b>New Shops Scheme</b></p> <p>The scheme was launched in mid-May 2015. It shall first target Government-owned shops in Valletta and will also be introduced to other towns and villages in Malta and Gozo at a later stage. Applications received are being processed and deeds in respect of the 45-year emphyteutical concession are being signed and concluded.</p> <p>Status: On Track</p> <p>This measure is not CSR relevant.</p>	This concession will result in an increase in revenue from commercial rents.
	<p><b>Setting-Up of Conventions Malta</b></p> <p>Conventions Malta became operational on 18th May 2015. Soon after the launch in May 2015 a working group composed of representatives from the Meetings, Incentives, Conferences and Events (MICE) industry was created. The main objective of the working group is to build an effective strategy that will truly attract more conferences and events to Malta as a destination mainly in the shoulder months. Towards the third quarter of 2015 Conventions Malta embarked on two major projects: (a) New Marketing Campaign, and (b) New Web Portal, both to be launched in April 2016. Conventions Malta is collaborating with industry stakeholders.</p> <p><i>The Marketing Campaign</i></p> <p>A marketing consulting agency was appointed to assist in the building of a new marketing approach. The agency will take stock of the current positioning of the Maltese Islands in the MICE industry, with particular focus on Association Meetings. Meetings are held every week by representatives from the agency with Destination Management Companies (DMCs), hoteliers and other stakeholders, to discuss in depth their experiences and take their projects as case studies. A SWOT analysis was carried out by the marketing agency and this analysis was concluded in the third week of January 2016. The agency is using the data collected to build the Conventions Malta marketing campaign, targeted for specific markets and sectors.</p> <p>Trade shows participation was and still is one of the most important marketing exercises used every year to promote the Maltese Islands as a MICE destination. Participation in new trade shows is being considered as new emerging markets may consider Malta as a destination for their next conference and/or event.</p> <p><i>Web Portal</i></p> <p>A new web portal is still under construction. The portal will be an important tool for clients (conference organisers) and trade (suppliers). The web design company was selected through a tender process and signed a three-year contract for the design, which will also include portal update and maintenance.</p> <p><i>International Bids Support</i></p> <p>International bids preparation and support for Association Meetings will be another facility being offered to local Associations, Government and non-Government organisations.</p> <p><i>Educational Programmes</i></p> <p>The trade and other organisations relating to the industry will be invited to participate in educational programmes held towards the second half of 2016. Local and international professionals will be invited for educational programmes covering subjects related to the MICE industry.</p> <p><i>Facilities Study</i></p> <p>Conventions Malta will commission a study taking stock of the current facilities and infrastructure, such as multipurpose venues and future demands by the industry. This study will serve as advice for Government's vision for the industry, such as resources and facilities required to meet international market demands.</p> <p><i>Schemes and Incentives</i></p> <p>Conventions Malta will be revisiting all existing schemes and incentives offered to the trade to attract more conferences and events to Malta. Meetings will be held with various entities to seek any possible incentive that could be beneficial to the industry.</p> <p><i>National Infrastructural Projects Planning</i></p> <p>National infrastructural projects are an important factor for Malta's economic development and progress. It is a reality that</p>	Major stakeholders within the industry strongly believe that there is a lot of room for this market to grow and the only way forward towards this growth would be through the collective efforts of a new national conventions bureau. Throughout 2014, the MICE sector contributed to a record breaking 7.7% of tourist arrivals, that is, an increase of 12% on the previous year.

	<p>works in progress of major infrastructural projects create a considerable amount of disruptions for local residents and also for guests. Conventions Malta will be collaborating with entities such as Transport Malta, the Ministry for Transport and Infrastructure, Local Councils and other entities related to such projects at planning stage. Important logistical aspects will be discussed and conveyed to the trade to avoid disturbance of guests visiting and/or organising their events in Malta.</p> <p><i>EU Presidency 2017 and Valletta 2018</i></p> <p>Conventions Malta is participating by assisting and supporting in the preparation of events of national stature, such as the EU Presidency in 2017 and Valletta 2018. For both events, team members from Conventions Malta advise and assist the organisations on conference logistical aspects, and also take the opportunity to promote the destination with delegates attending the respective events.</p> <p>Status: Completed</p> <p>This measure is not CSR relevant.</p>	
	<p><b>Training for the Film Industry</b></p> <p>The Film Commission drives the vision of the local indigenous film industry. It also offers training and grants to further develop the local talent. Through the acquired skills from this training, local crews will give a better service to foreign productions, while local film makers will get the know-how to start producing their own films. The two-phased EU-funded project (ESF 2.186) 'Re-skilling of workers for the local film industry' was intended to train a minimum of 100 persons but due to substantial positive interest, training was provided for 345 persons who attended 709 training placements.</p> <p><b>Phase 1:</b> Below the Line Training, spread over a time window of 16 months between June 2014 and October 2015. The training aimed to increase the adaptability and employability of individuals aged 16 years and over. The training programme consisted of 19 courses, which aimed to provide a solid foundation for the participants. 311 persons attended the courses.</p> <p><b>Phase 2:</b> Above the Line Training: Film London Microwave International in Malta, spread over a timeframe of 10 months between February and November 2015. The Malta Film Commission together with Film London offered Film London Microwave International in Malta, a micro-budget feature filmmaking scheme from the UK. An intensive five-day programme, the 'Microschool' consisted of seminars, workshops, screenings and script surgeries. Participants for 'Microschool' consisted of 20 film-makers (5 Teams including Director, Producer, Director of Photography and Writer) for the production of the feature film. Following 'Microschool', the 20 film-makers undertook a period of project and professional development. One project was then selected for actual production with a budget of €200,000 and involved 36 film crew trainees.</p> <p>Status: Completed</p> <p>This measure is not CSR relevant.</p>	<p>The project was successful. 345 persons were trained in various aspects of the films industry.</p> <p>In all, 19 courses were given in Malta, 10 workshops were held in Gozo, a number of master classes were also held, and a film was made in collaboration with experts from Film London.</p>
<p><b>Measures to address growth bottlenecks and economic imbalances</b></p>	<p><b>Developing Quality Management in the Public Administration through the Common Assessment Framework (CAF)</b></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.</p> <p>Further achievements have been made:</p> <ul style="list-style-type: none"> <li>• 365 public officials were trained in and exposed to the CAF methodology.</li> <li>• There are now fourteen 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, Sapport 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, and the Imaging Department. The Health Promotion and Disease Unit, the Ministry for Finance, and the Programme Implementation Directorate within the Education Department are doing the self-assessment meetings. The National Commission for the Promotion of Equality (NCPE) started the exercise. However, it informed MEU that it decided to put the CAF process on hold because it is envisaging that it will develop into the National Human Rights and Equality Commission. Other entities are exploring this possibility.</li> <li>• Offering continuous guidance and support during the CAF exercise.</li> <li>• Working with the Public Administration HR Office (PAHRO) on a customisation of the examples of the CAF model.</li> </ul> <p>The MEU worked on a number of administrative requirements related to an ESF project. The Managing Authority has yet to finalise the review of the addendum and ensure that all payments are processed. A time window was opened in February for a Statement of Expenditure and seven payments were processed. Upon guidance from the Planning and Priorities Co-Ordination Division (PPCD), a claim for indirect costs will be raised.</p> <p>Status: On Track</p>	<p>365 public officials were trained and exposed to use this tool, following both CAF conferences held in December 2014 and May 2015 which are referred to below.</p> <p>The CAF team organised a conference on 29 May 2015, titled "Bench learning through sharing of experiences", targeted to local and international public officials who had experience on the CAF model or who were interested in applying it in their organisation. It served as the closing activity of the ESF 4.159 project. The objective of the conference/seminar was to strengthen the momentum gained from the December 2014 conference and as bench learning experiences. An Italian CAF expert, Ms Teresa Ascione, delivered a speech and facilitated a workshop. During this May conference two organisations, Aġenzija Sedqa and Aġenzija Sapport were certified 'Effective CAF Users' (CAF Label Certification), bringing the total to 4. The certificate was presented by the Permanent Secretary (Strategy and Implementation) within the Office of the Prime Minister.</p> <p>The CAF team is investing in outreach of CAF by providing more one-to-one meetings and delivering information sessions. The target of this project was to have 14 organisations using CAF, and this number has been achieved.</p>

	<p>This measure is not CSR relevant but it is aimed to address one of the three pillars of the Annual Growth Survey – ‘Pursuing structural reforms to modernise our economies’, sub-section ‘Further improve product and service markets and business environment’.</p>	
	<p><b>Smart Fiscal Consolidation</b></p> <p>Government is committed to continue controlling the deficit in public finances with the aim of keeping it at a sustainable level.</p> <p>A Government spending review is ongoing to ensure the achievement of improved efficiency in public spending, reduce waste and ensure value for money, thus ensuring greater financial discipline and fiscal accountability in the public sector, in particular, public entities and Local Councils. This should ensure that spending reflects changing priorities and changing needs.</p> <p>Preliminary estimates indicate that the deficit in 2015 has declined further to 1.5% of Gross Domestic Product (GDP), which represents an improvement in the deficit-to-GDP ratio of 0.5 percentage points, compared to the level recorded a year earlier. The main contributor towards the decline in the deficit is expenditure towards social benefits and social transfers in kind, which declined by 0.7 percentage points of GDP. This reflects the implementation of the recommendations of the in-depth Comprehensive Spending Review within the Social Security department, which was completed in 2014. The General Government balance is expected to continue declining in 2016, with further gradual reductions envisaged over the medium-term horizon. This decrease will be supported through a number of revenue and expenditure measures which were announced in the 2016 Budget, as well as robust economic growth.</p> <p>Permanent discretionary revenue measures particularly included the increases in excise duties levied on consumer goods and the further lowering of income tax bands, in line with Government’s policy to shift the tax burden away from labour income. Moreover, an environmental charge will become applicable on tourist stays with the aim to upgrade, improve and maintain main public spaces.</p> <p>Incremental discretionary expenditure measures (including those implemented in previous budgets but which will still have an impact in 2016) are expected to improve the budgetary balance in 2016, particularly due to temporary expenditure in 2015 which will not be affected in 2016. These measures include the final equity injection in Air Malta in 2015, the supplementary child benefit and the one-time additional bonus to compensate those employees, pensioners and other beneficiaries who did not benefit from the reduction in income tax of previous budgets.</p> <p>The aforementioned improvements to the budget balance will be partially offset by an increase in expenditure in respect of 2016 Budget measures.</p> <p>Status: On Track</p> <p>This measure is relevant to CSR 1.</p>	<p>A quantitative estimate of Government’s medium-term fiscal targets is included in the 2016 update of the Stability Programme.</p>
	<p><b>Pensions Reform</b></p> <p>In December 2006, the House of Representatives adopted a series of reforms (Act No. XIX of 2006) including: raising the pension age from 61 to 65; lengthening the contributory period from thirty to forty 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 to continue the work of the previous Working Group, a report presenting pension reform recommendations was finalised in June 2015. Subsequently, the Group prepared a post-consultation report that took into consideration the feedback received (until the end of August 2015) from social partners, political partners and the general public. 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> <ul style="list-style-type: none"> <li>• As from 2016, the Minimum Pension for a person with a full contributory record will not be less than €140 per week. This measure will contribute to address the problem of poverty amongst the elderly.</li> <li>• 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 will be based on a stable ratio between years contributing and years drawing pension. Consequently, the contributory period is being raised from forty to forty-one years for persons born after 1968.</li> <li>• The introduction of an incentive mechanism for persons to defer their pension, whereby persons who are 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.</li> <li>• A Working Group shall be 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.</li> <li>• Better credits for child rearing and family growth and the introduction of credits for human capital development and lifelong learning.</li> </ul> <p>The Pensions Strategy Group argued against a mandatory approach to increases in the statutory retirement age based on the linking of the retirement age to a longevity index. Such an approach does not take into account differences in life expectancy between different types of workers as well as differences between life expectancy and healthy life expectancy. The Group</p>	<p>As a result of the pensions reform of 2007, 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. 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>Once the incentive to encourage later retirement and the linking of the contributory period to the period spent in retirement are eventually introduced, these 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>

	<p>proposed that the Government should strive to increase active employment beyond the statutory retirement age by (i) incentivising late exits from the labour market; (ii) incentivising the deferral of a retirement decision; and (iii) initiating discussion within civil society and amongst constituted bodies for the eventual separation of the mandatory retirement age from the statutory retirement age.</p> <p>The Government, in the 2016 Budget, accepted the principle behind recommendations (i) and (ii) above. The reform measures listed above have been adopted by the House of Representatives (Act No. XV of 2016) in March 2016, with the exception of the incentive mechanism for persons to defer their pensions that has been publicly announced on the 22nd March with legislation to follow during the course of 2016.</p> <p><b>Third Pillar Pensions</b></p> <p>With regard to the third pillar pensions in Malta, it is to be noted that 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.</p> <p>The Government has presented a draft National Strategy for Retirement Income and Financial Literacy for consultation for 2016-2018. The aim of this Strategy is to build a culture of saving for retirement as well as better money management during life events. Through this Strategy, the Government is concluding a three-year action plan. One of the steps that the Government will embark upon following the consultation process is the setting up of an entity to steward the implementation of the National Strategy.</p> <p><b>Employment of older persons</b></p> <p>The Maltese Government has introduced a number of measures to encourage entry, re-entry and retention in the labour market. Following the 2008 Budget, individuals beyond the retirement age who chose to continue working could do so without forfeiting their pension whilst in employment. This measure was also a move towards increasing the working life, with the duration of working life gaining momentum over the recent years as evidenced by the increases registered between 2005-2009 (1.5 years) and 2010 and 2014 (2.7 years). In the National Employment Policy published in 2014 it is pointed out that from 2010 onwards, the employment ratio of older persons increased consistently and is expected to continue increasing in the coming years. This is a reflection of the increases in the pension age legislated in 2006 through which the old age employment ratio is expected to reach 49.4 per cent by 2020 which contrasts sharply with the rate of 28.6 per cent registered in 2000.</p> <p>Status: On Track</p> <p>This measure is relevant to CSR 3.</p>	
	<p><b>Public Infrastructural Projects</b></p> <p>During 2014, there was a reconstruction of 1km of the TEN-T Core Network on December 13th Road and an additional new 88m underpass at December 13<sup>th</sup> Road.</p> <p>Access network upgrading for two of Malta's sea ports as well as the upgrading and refurbishing of the international port infrastructures are planned with a view to improve cargo and passenger capacity.</p> <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 preparations are underway for work to commence in Q4 2017.</p> <p>On the TEN-T Comprehensive Network, a project application for the re-development of the Kappara Junction has been submitted under the Operational Programme 2014-2020.</p> <p>With an investment of €13 million, a number of roads will be built and upgraded. These include Vjal ix-Xarolla in Żurrieq and other works in Triq Patri Pelagju and Triq Anthony Aquilina in Żebbuġ.</p> <p>Government aims to conclude the National Transport Strategy and a Master Plan by mid-2016. This aims to identify policy and infrastructure options to address Malta's transport needs in the future, including alleviating road traffic bottlenecks on the TEN-T and other strategic roads. Within this process, Government will evaluate the potential for complementary passenger transport systems aimed at reducing reliance on the private car, which include public transport, rail-based systems and transport by sea. Appropriate road infrastructure measures are being considered so as to improve the safety of pedestrians and to ensure that road infrastructure is accessible for all.</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. Discussions on the Memorandum of Understanding between the Privatisation Unit and the selected bidder are being finalised. Preparations are underway for the second study to be conducted prior to issuing the tender for a new mooring system in Xlendi. Government is undertaking a cost benefit and socio-economic analysis for an airstrip in Gozo, to enhance national and regional mobility. In the meantime the feasibility study on the Gozo</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 establishment of a National Transport Strategy and the Master Plan will allow the Government to propose future transport improvements within a defined strategy and will allow both Government and industry to have a clear project pipeline, thus 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> <ol style="list-style-type: none"> <li>onshore expenditure by passengers;</li> <li>onshore spending by crew; and</li> <li>expenditure by the cruise lines for supplies, port services, port fees and taxes.</li> </ol> <p>Currently the only connection between the two islands is by sea, hence Government is studying various options to increase connectivity to the main island and other nearby destinations in order to mitigate the obstacles arising from double-insularity and detachment from core economic and social activities. The proposed development of a rural airfield in Gozo is one of the options being considered. The introduction of air transport should have major socio-economic benefits, including reduced travelling times, the creation of new jobs related to the operation of the airfield and ancillary services. In addition, it provides for the possibility of Gozo to branch out into new niche tourism sectors.</p>

	<p>rural airstrip was completed.</p> <p>Status: On Track (National Transport Strategy delayed)</p> <p>This measure is not CSR relevant.</p>	
	<p><b>Private Investment Incentives</b></p> <p><b>Industrial Parks</b></p> <p>With an investment of € 16 million, Malta Industrial Parks (MIP) is in the final stage of implementing an extensive programme of upgrading works in a number of industrial parks.</p> <p>The majority of the works have been completed; however approval to resume works at Hal Far Industrial Park was obtained in June 2015. The work will be completed during Q2 of 2016. The Hal Far, Bulebel and Kordin Industrial Parks in Malta and Xewkija Industrial Park in Gozo benefited under this project in terms of new road infrastructure, hard and soft landscaping including the provision of parking areas and pedestrian walkways, street lighting, water catchment and advanced fire fighting systems.</p> <p>Status: On Track</p> <p>This measure is not CSR relevant.</p> <p><b>Business First</b></p> <p>Malta Enterprise launched “Business First” (Malta’s one-stop shop for business) in January 2012. Apart from the schemes and services offered by Malta Enterprise, more than 50 services from various Government departments and entities are being provided through Business First.</p> <p>Furthermore, Business First has an active outreach programme whereby it keeps direct contact with the business community, focusing on start-ups and SMEs.</p> <p>Business First underwent further structural changes in order to make it even more efficient and to expand its reach towards new clients. It is now also focusing on ease of doing business for SMEs and other enterprises by acting as a catalyst for the reduction of unnecessary administrative burdens. In this respect, the Corporation is working on a pilot project which, when implemented, will allow self-employed persons to set up a business online by filling in one form. This form will in turn be processed by the Employment and Training Corporation (ETC), the Inland Revenue Department (IRD), the VAT Department, the Trade Licensing Unit and the Social Security Department.</p> <p>Status: Ongoing</p> <p>This measure is not CSR relevant.</p> <p><b>ERDF funded grant schemes</b></p> <p>Currently there are 36 projects in Gozo and 403 projects in Malta that are complete with a total of over €21.9 million allocated. All these projects have been refunded and were completed by the end of 2015.</p> <p>Status: Completed</p> <p>This measure is not CSR relevant.</p> <p><b>Culture and Creative Industries</b></p> <p>An overarching Strategy for the period 2016-2020 that bridges cultural policy programmes was launched by Arts Council Malta in December 2015. Its vision is that of placing the arts and creativity at the heart of Malta’s future. The Council seeks to address creative potential being developed into professional activity, investment in artistic excellence, connecting Malta to the international artistic community, increasing opportunities for cultural engagement and capacity building for public cultural organisations. Eight 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: On Track</p> <p>This measure is not CSR relevant.</p>	<p><b>Industrial Parks</b></p> <p>The upgrading of these industrial zones will enhance Malta’s competitiveness thus contributing to Malta’s growing knowledge-based economy.</p> <p><b>Business First</b></p> <p>The services offered by Business First will benefit in particular SMEs and even more start-up companies by providing authoritative information and assistance on various business services offered under one roof.</p> <p>During 2015, around 1,000 enquiries were handled, most of which resulted in actual requests for assistance.</p> <p><b>ERDF funded grant schemes</b></p> <p>These schemes have contributed towards:</p> <ul style="list-style-type: none"> <li>- business growth by assisting start-ups;</li> <li>- enhancement of innovation by assisting businesses in launching new or improved products;</li> <li>- an increase in ICT usage in businesses;</li> <li>- an increase in the adoption of environmentally-sensitive technologies by providing aid to SMEs.</li> </ul> <p><b>Culture and Creative Industries</b></p> <p>Based on research carried out in 2014 by the Economic Policy Department within the Ministry for Finance (MFIN), in collaboration with the Creative Economy Working Group, findings show that the cultural and creative industries contribute 5% to GDP, which is a larger contribution than the construction industry (4% of GDP) and close in size of output to the financial and insurance services industry (7% of GDP). 3,308 enterprises are registered as engaged in activities related to the cultural and creative sector while around 10,378 people are economically active in the sector (full/part-time and self-employed). Following the 2016 Government budget, the following outcomes for the cultural and creative sector can be confirmed:</p> <ul style="list-style-type: none"> <li>• A total of €52.5 million will be invested by the Government in the sector, an increase of 100% (or €26 million) over that for 2012. This translates to €122 per head, being €35 more than that allocated for 2015 and €48 over that of 2014. From this total, €33 million or 63% falls under the responsibility of the Ministry responsible for culture. The total cumulative Government investment in the sector since 2013 has now reached €149 million.</li> <li>• All recurrent expenditure in the four areas of the cultural and creative sector (heritage, arts, media and interdisciplinary) will experience increases over the 2015 budget amounting to €5.7 million. The total</li> </ul>

		<p>recurrent expenditure will amount to €32.2 million.</p> <ul style="list-style-type: none"> <li>Capital expenditure has almost doubled to €20.3 million over that budgeted for 2015 with heritage, arts and media all experiencing major increases. A total of €1.8 million will be allocated for new initiatives including the participation of Malta in the Venice Art Biennale 2017, a scholarship in book and paper conservation and an initial investment for the setting up of Teatru Malta – a professional structure for the development of theatre through productions and co-productions with Maltese and international artists and companies. In the arts sector, all public cultural organisations falling under the remit of Arts Council Malta saw increases in their funds with an overall rise of 37% over the 2015 budget with a total of almost €11 million. Additional funds have been provided in 2016 to the Malta Philharmonic Orchestra (+ €220,000), the Manoel Theatre Management Committee (+ €16,000), the Malta Dance Company (+ €106,000), St. James Centre for Creativity (+ €44,000), and the Valletta 2018 Foundation (+ €1,604,000). The Grand Salon for Costume Fashion and Film, the Valletta Design Cluster, the MUŻA – Museum of Art, and the regeneration of Strait Street and of the Old Market, all in Valletta, have been reconfirmed as priority projects for Government.</li> <li>In addition to this, a number of existing arts programmes and initiatives have been strengthened, with additional funds being provided for the Malta Arts Fund (+ €20,000), the Cultural Partnership Agreement (+ €130,000), Żiguzajg Children and Young People Arts Festival (+ €20,000), and programming support for arts and culture on broadcast media to complement the current allocation for the public service obligation in broadcasting (+ €300,000).</li> <li>A measure aimed towards incentivising the private sector to make donations towards the arts includes a tax deduction of 150% of the value of donations made to arts organisations.</li> </ul> <p>In the heritage sector, the Government will also be concentrating on the conclusion of the Hypogeum project and work on new initiatives under the ERDF 2014-2020 fund programme will be undertaken. The central initiative will be the application for the rehabilitation and modernisation of the Notarial Archives while ensuring its accessibility across all segments of society as well as to visitors coming from overseas. Additional allocations have been provided to Heritage Malta (+ €870,000) to enhance its capacity and continue with its work on improvements in museums and historical sites, including restoration works at Fort St. Angelo. Investment in the restoration of forts and fortifications is also on the increase (+ €250,000).</p>
	<p><b>Strengthening Financial Stability</b></p> <p>Transposition and adoption of the macro-prudential provisions under the Capital Requirements Directive IV (CRDIV) and the Capital Requirements Regulation (CRR) have already been adopted or are being adopted in line with the provisions of this framework.</p> <p>In connection with the requirements for the setting up of a national backstop mechanism, Malta has also completed work on the Local Loans (Registered Stock and Securities) Ordinance (Amendment) Act 2014. The object of this Act is to enable the Minister for Finance to raise money by way of loan for the purpose of providing financial support to credit institutions in the context of a financial crisis in view of preserving financial stability in terms of Directive 2014/59/EU of the European Parliament and of the Council of 15th May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (BRRD), and the Communication from the Commission on the application, from 1st August 2013, of State Aid rules to support measures in favour of banks in the context of the financial crisis ('Banking Communication' 2013/C 216/01). This Act has entered into effect on 19th December 2014. Furthermore, in regard to providing financial support in the aforementioned contexts, the Government is also working on a further new legislation that will also enable the Government to raise funds on international markets.</p> <p>The transposition of Directive 2014/59/EU has also been completed and introduced locally via a Legal Notice on 18 September 2015. Moreover, the necessary legislative changes were also carried out in 2015, thus establishing the national Resolution Authority and a national Resolution Committee.</p> <p>Work on the transposition of Directive 2014/49/EU (Deposit Guarantee Scheme Directive) has also been completed and introduced by way of Legal Notice on 4 December 2015.</p> <p>Moreover, on the 27 of November 2015, an Act was passed to authorise the Government of Malta to enter into the agreement on the transfer and mutualisation of contributions to the Single Resolution Fund.</p> <p>The aforementioned initiatives also form part of a wider context which includes the implementation of a full Banking Union within the European Union with direct supervision by the European Central Bank (ECB) (together with national authorities) of all banks in the Union applying a Single Rulebook, a Single Supervisory Mechanism (SSM), a Single Resolution Mechanism (SRM) and with a common system of Deposit Guarantee Schemes (DGS).</p> <p>Status: On Track</p> <p>This measure is not CSR relevant.</p>	<p>These measures are intended to bring Malta in line with the initiatives pertaining to the legal requirements for implementing a Banking Union. These measures therefore have an important qualitative impact on the overall stability of the local financial sector, thus benefiting both institutions as well as depositors. An additional impact on institutions is also expected in view of funding allocations for the relevant contributions to resolution and deposit guarantee scheme funding, as well as in view of regulatory and capital requirements which, depending on the capital position, could also have an effect on banks' operations. Moreover, the Government is also expected to benefit in view of the fact that the initiatives also pertain to the prevention of negative feedback loops between the sovereign and the banking sector, thus also having a positive bearing on the stability of Government finances. At the same time, the legal requirements of Directive 2014/59/EU and Directive 2014/49/EU also introduce limits on the amount of sovereign bonds that can be utilised in lieu of cash contributions to resolution and deposit guarantee scheme funding. Whilst this therefore could potentially have a bearing on the overall demand for local sovereign bonds, the combined effect of permissible usage of local sovereign bonds for resolution and deposit guarantee scheme funding also needs to be taken into consideration.</p> <p>At the same time, the initiatives also provide for the possibility of Government intervention, in certain cases, via the provision of financial support. In such instances, and depending on the case/s, the effect on Government finances would be pursuant to an increase in Government debt which in turn would be dependent on the amount of money to be raised (by way of a loan) upon approval by the Minister for Finance and not exceeding any amount which the House of Representatives may from time to time authorise by resolution.</p> <p>Given the degree of interdependence 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><b>Palazzini – Luxury Heritage Tourism Accommodation – Pilot Project</b></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>The main focus of the scheme is to ensure the conservation of such properties, therefore proposals needed to provide high emphasis on the restoration aspect of the project within their adaptation of the site for tourism purposes. The cultural fabric of the property was crucial to the initiative because of the experience it provided to this niche market. The initiative received 23 applications and 12 were accepted. 7 of these approved projects began the process with MEPA. From the 7 projects at MEPA, one is currently still pending MEPA approval but it is expected that the permitting process will be finalised soon,</p> <p>Status: On Track</p> <p>This measure is not CSR relevant.</p>	<p>The expected impact will be an increase in direct investment by the private sector in urban conservation areas. The refurbished properties will attract high-value tourists. The conversion of the Palazzini for this use will revive properties in dire need of restoration. The project also provides expert guidance to investors, which in future can be utilised in other similar projects.</p> <p>As a result of the lessons learnt in the above scheme, the MTA has commenced the process of creating a license category for Palazzini that will be entrenched in the new MTA legislative reform. Discussions on the development of this category are being considered by the committee handling the legislative reform. The new legislative document was issued for public consultation on Friday 19th February 2016.</p>
	<p><b>Development of a Digital Hub</b></p> <p>The Digital Hub structure situated in San Ġwann is now ready while the EU funded project is now completed.</p> <p>Status: Completed</p> <p>This measure is not CSR relevant.</p>	<p>The development of a central hub is intended to provide the physical environment which will serve as a catalyst for collaborative and possibly clustering activities.</p>
	<p><b>Business Promotion and Incentive Framework</b></p> <p>The Ministry for Gozo has identified three main sectors and is working on them: (a) youth employment; (b) the agricultural-artisanal sector; and (c) supporting businesses to develop new skills.</p> <p>With regard to the first sector, the Ministry for Gozo has partnered with the Young Business Entrepreneurs (an NGO) to collaborate in the organisation of the Youth Start-Up framework project. This consisted of a research study with 1,000 young adults on their interest in entrepreneurship. The study, with 300 interviewees, focused specifically on Gozo. The results of the study were presented on 27th June 2015. These can be accessed through the following link: <a href="http://issuu.com/eucharsultana/docs/ybe_report-final?e=2940289/13819201">http://issuu.com/eucharsultana/docs/ybe_report-final?e=2940289/13819201</a>.</p> <p>During 2015, the Ministry for Gozo also assisted two young entrepreneurs involved in the development of high tech and software products and in internet technology to attend the Web Summit 2015 in Dublin. The Ministry intends to launch this scheme again in 2016 for the Web Summit that will be organised in Lisbon.</p> <p>Youth employment: During 2015 the Ministry for Gozo launched the Gozo Vocational Fund, in collaboration with Rotary Gozo and with the Malta College of Arts, Science and Technology (MCAST) as the educational partner in the managing of the Fund. This Fund aims to assist young people in accessing training in various skills that would be needed to finalise their preparation to enter the job market. The Fund complements other national schemes but is specifically designed to target young people who fail due to various circumstances in the very local environments.</p> <p>Within the agricultural-artisanal sector, the Ministry for Gozo commissioned consultancy services on how this sector could be incentivised. A site visit followed by a report was completed by a specialised consultant targeting micro-businesses. Following the November 2014 workshop discussions are ongoing in order to translate some of these recommendations into concrete actions which could benefit further these sectors. One of these actions includes the development of a quality mark for Gozitan entrepreneurs involved in this sector. The Ministry for Gozo has also assisted two artisans to participate in this year's edition of 'L'Artigiano in Fiera' in Milan.</p> <p>During 2015 the Ministry for Gozo also widened the scope of the Business Promotion and Incentive Framework. In fact, the Ministry launched a scheme for dive centres located in Gozo to further promote their activities abroad. 5 dive centres participated in the scheme. The Ministry intends to launch this scheme again in 2016, and to launch another scheme targeted at tourism operators to develop new niche markets for Gozo.</p> <p>After the successful uptake in 2015, the Ministry for Gozo will once again be supporting Gozitan businesses to attend an e-marketing course in Gozo.</p> <p>Status: On Track</p> <p>This measure is not CSR relevant.</p>	<p>Through this measure, the Government intends to incentivise business opportunities in Gozo.</p> <p>The impact of the measures outlined should form the basis for the formulation of schemes and actions targeted towards these specific sectors.</p>
	<p><b>Modernising Public Administration – Using ICT in the Achievement of Government's Simplification and Reduction of Bureaucracy Agenda</b></p> <p>Government will be 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).</p> <p>Government will also focus on the simplification of social security online services and Courts online services.</p>	<p>The modernising of public administration will improve the accuracy and timeliness of the data capture and reduce the visits to the Social Security Department and area offices. Furthermore, various real time services will be offered by the Courts to the citizens and to the legal profession that will increase the case clearance rate and decrease the disposition time.</p>

	<p>e-Government services:</p> <ul style="list-style-type: none"> <li>• Rolling out new electronic forms (between January and December 2015): <ul style="list-style-type: none"> <li>○ Deployed the following e-Forms: ‘Student Placement Programme 2015 (Employer and Student forms)’, ‘Application to Request Statistical Information from the National Statistics Office’, ‘Application for Aid from the Malta Community Chest Fund’, ‘Application for a European Health Insurance Card (EHIC)’, ‘Application for Assistance by the Malta Community Chest Fund’, ‘Application for a Marriage Grant’, ‘Pharmacy of Your Choice (Viewing of Patient’s Medicine)’, ‘Ticket of Referral of a Patient to Mater Dei Hospital’, ‘Breast Care Referral Form and Breast Clinic Assessment Form’, ‘Fast-Track Colorectal Clinic Referral Form’, ‘Application to apply for myScholarship’, ‘Application for Sponsoring Trees under the Tree 4 U Campaign’, ‘Widows Pension Notification’, ‘Invalidity Pension Notification’, ‘Application for Immunisation Report’, ‘Application Request for Entitlement to remain insured in Malta (Form A1)’, ‘Application for Co-Financing Funds For NGOs’, ‘Application Request for Public Spatial Dataset Download’, ‘Application for Injury Benefit’, ‘Microsoft Teachers Advantage Scheme’, ‘Application for the courses offered by the Higher Secondary’, ‘Enhancements on the Application for SEC Revision Classes’, ‘Application for Public Health forms’, ‘Appointment for collection of eResidence Permit’, ‘Application for Maternity/Adoption Leave Benefit’, ‘Application for an Administrative Appeal’, ‘Application for Worker of the Year’ and ‘Application for a Police Conduct Certificate’.</li> <li>○ Developing the following e-Forms: ‘Registration of a Business as a Self-Employed (Notification form)’, ‘Application of Services from the Civil Protection Department’, ‘Application for Traceability for the Agriculture Department’, ‘Application for a Police Conduct Certificate’, ‘Deregistration of a Self-Employed Business’, and ‘Application of the U1 form (Coordination of Social Security Systems).’</li> </ul> </li> </ul> <p>Social Security online services:</p> <ul style="list-style-type: none"> <li>• Completed the following projects: Retirement Pension Notification Process, Widows Pensions Notification, Invalidity Pension e-forms and integration services, Injury Benefit e-form and integration services, the Maternity Benefit and Maternity Leave Benefit have been integrated into a single simplified form.</li> <li>• As at end of December 2015, the Malta Information Technology Agency (MITA) together with the client is working on the Maternity Leave Trust funding e-form. This is currently under development.</li> </ul> <p>Courts online services:</p> <ul style="list-style-type: none"> <li>• Completed the following projects: SMS Notification, eMailer of Transcripts and Decrees, Merger of Gozo and Malta registries, Notification system for service of Acts by Court Marshals and Online Submission for Administrative Tribunal.</li> <li>• Project eFees: A Business Process Re-Engineering study was conducted between MITA and MEU and the recommendations were presented to the Courts. Work on the Requirements document has been completed and the maintenance module, reporting functions and migration module have been developed. User Acceptance Testing (UATs) has been conducted and training of users is now completed. The core system was implemented in the first week of January 2016.</li> <li>• Furthermore, the following projects have also been completed and made accessible on mobile devices: e-services to the legal profession and an e-form allowing for the instigation of a Court case under the 1st Instance of the Administrative Courts.</li> <li>• The LECAM computerised case management online system was also extended to the citizen with the first phase being the access to Court Acts. The services were formally launched by the Minister for Justice, Culture and Local Government on 30th July 2015. Work on the citizen facing web is at a very advanced stage and prototyping sessions have been held with key players. This second phase will be implemented as a natural follow-through to the first phase.</li> </ul> <p>Status: On Track</p> <p>This measure is not CSR relevant but it is aimed to address one of the three pillars of the Annual Growth Survey – ‘Pursuing structural reforms to modernise our economies’, sub-section ‘Further improve product and service markets and business environment’.</p>	
	<p><b>Aviation Malta</b></p> <p>Aviation Malta aims to be a catalyst for the Government in serving the aviation industry holistically; hence, work will proceed on an aviation strategy which continuously identifies and supports the synergies emanating from the legal, economic, financial and educational aspects of the aviation sector. The effective implementation of the strategy depends on the joint work of different entities, cutting across Ministries, respective stakeholders and the private sector. For the time being, the Civil</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>Aviation Act has been postponed as the Civil Aviation Directorate will remain within Transport Malta.</p> <p>Status: On Track</p> <p>This measure is not CSR relevant.</p>	
	<p><b>Setting up of the National Aerospace Centre</b></p> <p>Following its presentation to Parliament on 5th March 2014, Legal Notice 68 of 2014 was issued under Cap 497, Public Administration Act, whereby the National Aerospace Centre has been established as an Agency.</p> <p>Following approval of the Temara proposal under Horizon 2020, the Ministry for Tourism has signed the grant agreement and has started working on the business plan together with its partners, i.e. MCST and the National Aerospace Laboratory (NLR). The Business Plan will be submitted by the second quarter of 2016.</p> <p>Status: On Track</p> <p>This measure is not CSR relevant.</p>	<p>The expected impact will be higher income in the aviation sector, higher international reputation, graduate retention and industry growth.</p>
	<p><b>Revision of Tax Bands</b></p> <p>The rate of personal income tax of 29% applicable to those who earn €60,000 or less has been reduced to 25% in 2015. This applies to every computation: single, married and parental. Income from dividends received by individuals has remained taxable at the same rate as that incurred in 2012.</p> <p>This measure came into force as of 1<sup>st</sup> January 2015.</p> <p>Status: Completed</p> <p>This measure is not CSR relevant.</p>	<p>Persons within the said tax bands are benefitting from a higher disposable income. This will be done in a way that ensures that the financial targets of Government are not prejudiced.</p> <p>Based on a model processed on July 2015, circa 47,000 taxpayers will be impacted with this measure. The Department will be in a position to quantify the impact of this measure later on this year (around end November 2016).</p>
	<p><b>Repeal of Legislation</b></p> <p>The objective behind this measure is to repeal and consolidate laws, both principal and subsidiary, that are deemed to be outdated or no longer relevant or laws that have been found to be duplicated, thereby ensuring simpler and updated Laws of Malta as well as the elimination of unnecessary bureaucracy that such outdated and irrelevant laws may have been creating. This year this initiative was entrusted to the Ministry for Justice, Culture and Local Government, with the collaboration of the Office of the Prime Minister (OPM) and the Law Commission. The Repeals Day 2015 Bill, Bill no.132 of 2015 "Various Laws (Amendment and Repeal) Act 2015" was published on 27th November 2015. This Bill proposes the repeal of one primary law and thirty-five subsidiary laws which have been deemed to be outdated or no longer necessary. Moreover, four subsidiary laws are proposed for consolidation in one primary law. Bill no. 132 of 2015 is currently at second reading stage in Parliament.</p> <p>Status: On Track.</p> <p>This measure is not CSR relevant but it is aimed to address one of the three pillars of the Annual Growth Survey – Pursuing structural reforms to modernise our economies, sub-section 'Further improve product and service markets and business environment'.</p>	<p>This measure will ensure that outdated and unnecessary laws are repealed from Malta's statute book, thus eliminating any needless bureaucracy and complex processes which such laws may have created. The end result will be more streamlined and up to date Laws of Malta.</p> <p>By means of this measure, any residual outdated laws which were left out from last year's exercise will be repealed when the said Bill becomes law, thereby ensuring a simpler and updated Laws of Malta as well as the removal of unnecessary bureaucracy.</p>
	<p><b>Upgrading and development of the fisheries infrastructure in Marsalforn</b></p> <p>All infrastructural works were concluded in December 2015 and they consisted of the following interventions:</p> <ul style="list-style-type: none"> <li>- upgrading of the dry standing area including the installation of four service pillars, new lighting fixtures and a CCTV system;</li> <li>- extensive repairs on both arms of the Menqa sea wall as the latter suffered significant damage in the interim period and it was in danger of collapsing;</li> <li>- construction of a new slipway as well as the procurement and installation of a new more energy-efficient electric winch to facilitate the hoisting and lowering of fishing vessels;</li> <li>- establishment of a Landings Office to provide the competent authorities with adequate premises to enable them to perform their inspections;</li> <li>- installation of navigational lights.</li> </ul> <p>The above interventions were part-financed by the European Union under the European Fisheries Fund (2007-2013) Programme.</p> <p>Meanwhile, after holding several consultation meetings with the fishers in the area and other stakeholders, the Ministry has decided to install another service pillar to service moored fishing craft. The pillar shall be procured through national funds. The related call was published on 22nd January 2016 and closed on 19th February 2016 and is currently at adjudicating stage.</p> <p>Status: On Track</p> <p>This measure is not CSR relevant.</p>	<p>The project will support the introduction of fisheries infrastructural facilities that are currently lacking and achieve improvements to the existing infrastructure. In the process, it will also achieve a better organisation of the area.</p>
	<p><b>Increase the efficiency of the judicial system by ensuring a timely and efficient implementation of the planned judicial</b></p>	

## reform

### Extension and renovation of judicial facilities

The Government invested in the total refurbishment of an adjacent multi-storey building in Valletta and in October 2014 the Sir Thomas More Judiciary Building was inaugurated. Moreover, the Government is in the process of issuing tenders for three new Halls so as to increase court sittings, along with renovations to the court's library and training room.

### 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 draft legislation has been finalised by the working group tasked with the drafting.

The draft document is in the process of being transmitted to the Minister for Justice (political vetting) and to the Attorney General's office, for Cabinet approval in the coming weeks. The said Bill will be tabled to Parliament in 2016, at its first and second readings, with brief and short intervals for public consultation, until it will become law through the House of Representatives at its third reading. The target is that it will become law in 2016. The Government is committed to expand the Mediation Centre, and remains committed to see such mediations a success. In fact, the fees to such mediations have remained at minimal cost and a mediation process can be lodged with the mediation centre for the sum of €50. Lawyers and advocates shall also be entitled to their professional fees according to the taxed bill of costs so this will also encourage members of the legal profession to incentivise their clients to seek mediation redress when this is possible. Furthermore, expenses incurred by the public in mediations may be reimbursed in part, so as to further bolster the system.

*Arbitrations:* Registered arbitrations, both domestic and international, increased between January 2014 and October 2015. There has been an improvement of 18% introduced cases of domestic voluntary arbitrations and a quasi 50% increase of international arbitrations. To date, arbitration legislation has not been altered or amended, as it has been working efficiently especially with internal audits on arbitrators being verified. Nonetheless, Government is committed to bolster and improve the Arbitration Centre and has issued a call for a strategic partner to convert the Malta Arbitration Centre into a more efficient and effective hub for dispute resolution, both locally and internationally.

### Extensive use of ICT Technologies

A number of new technological and procedural systems have been introduced to cut down on bureaucracy and delays in the Civil Courts. These include:

- information sent to lawyers and clients via free SMS in case of postponements in the Civil Courts;
- sending of emails to lawyers containing decrees from the Civil Courts for free;
- sending of emails to lawyers containing transcripts of witnesses' statements for free;
- sending of emails to lawyers and legal procurators with information whether summons to witnesses have been duly served or not for free;
- online access of acts, warrants and court case information available to legal professionals in the civil sphere for free;
- online access granted to citizens to view acts related to their case for free;
- video-conferencing set-up now up and running in a particular Hall of the Law Courts for the taking of evidence when this is so required;
- FAQs on the web portal of the Ministry for Justice, Culture and Local Government have started to be introduced for the public.

### 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.

Service of documents – Bill 124 of 2015 – Article 187(1) COCP: Service shall be affected by the delivery of a copy of the pleading to the person on whom the pleading is to be served, wherever such person may be found. Service may also be affected by leaving such copy at the place of residence or business or place of work or postal address of such person with a member of his family or household or with a person in his service or with his attorney or person authorised to receive his mail. If service is not affected on a first attempt, the officer charged with the service shall make two other attempts to serve the copy of the pleading without further authorisations by the court and such attempts shall be made at different times of the day with the last attempt at service to be made after judicial hours. Each attempt of service is to be made after the payment of the appropriate fee due to the registry. The officer charged with the service shall file a separate certificate of service for each attempt made in the acts of the proceedings.

### Increasing the number of Judges and Judicial Staff

Over the past months, each judge in the Civil Courts has been assigned with 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 three different judgements per week); writing memoranda on pending lawsuits, and assisting the judge in the drafting of court orders.

Moreover, the Ministry is in the process of engaging 23 new court assistants whose task would involve the transcription of

The planned judicial reform will have the following benefits:

- more efficiency in time to decide court cases;
- reduction of time wastage and man hours absenteeism from place of work; thus increasing productivity;
- more trust in the justice system;
- more efficiency in court management;
- more motivated court employees.

evidence and the typing of court judgements. A call for the engagement of fifteen part-time judicial assistants to hear evidence will be issued in the very near future.

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 presented to Parliament Bill 145 entitled 'Constitutional Reforms (Justice Sector) Bill' to deal with the manner in which members of the judiciary are appointed, disciplined and dismissed.

#### **Dealing with backlogs**

After consultation with various stakeholders, it was decided that:

1. Firstly, an accurate review of the clearance rate, disposition time and pending cases of each individual judge or magistrate in both the civil/commercial and criminal sphere was undertaken.
2. Secondly, through the orders of the Chief Justice, a redistribution of duties within the judiciary was carried out. In particular, two members of the judiciary were tasked to tackle pending case load without being assigned new cases until the pending case load was tackled according to timeframes and performance indicators.
3. Thirdly, each judge in the civil sphere was assigned a full-time experienced lawyer (court attorney) who has pre-defined performance indicators. The court attorneys are engaged on a definite contract, renewable only if performance indicators are met.
4. Fourthly, with the opening of the new judiciary's building, physical space was created for capacity building both in terms of new members of the judiciary and new court employees.

#### **Simplification and Modernisation of Procedures**

*Civil Law:* Bill 124 of 2015 entitled 'Various Laws (Justice Reform) (Civil Procedure)' passed through Parliament on 12th January 2016. This bill includes the following measures:

- Increases in the competence of the Small Claims Tribunal from €3,494.50 to €5,000. The Small Claims Tribunal enjoys a very good clearance rate and this will lead to a faster resolution of cases.
- Increases in the competence of the Court of Magistrates (Civil Jurisdiction) from €11,646.87 to €15,000.
- Increases in the competence in cases of fast-track, uncontested debt which is certain, liquid and due by judicial letter from €23,293.73 to €25,000.
- Facilitates notification of judicial acts – no need to seek authorisation of the Courts in the case of unsuccessful notification.
- Provides new powers to the Court of Appeal (Civil Jurisdiction) to effect corrections in judicial acts without the need to send back the case to the Court of First Instance; to dismiss an appeal during first hearing when from the writing pleadings such appeal is held to be frivolous and vexatious and to give the option to parties to restrict the submission of their pleas and counter-pleas by means of written submissions and thus fast-track proceedings.
- Facilitates judicial sales by auction, process of interdiction and incapacitation and cancellation of existing powers of attorneys.
- Introduces the concept of *ex tempore* judgement in the Small Claims Tribunals and warrants of prohibitory injunction.

*Commercial Law:* The Budget for the year 2016 committed the Government to move forward legislation during 2016 to expedite procedures and clearance rates in this regard vis-à-vis companies. This legislation introduces 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 shall facilitate company restructures.

*Criminal Law:* During 2016, the Government is committed to further the right of legal assistance during arrest. Moreover, a pilot project is currently being conducted whereby prosecution in one hall of the Court of Magistrates is being conducted with the active involvement of a lawyer as opposed to prosecution being conducted by police officers as was the practice for a number of years.

#### **Legal Aid System**

The Legal Aid Agency (Establishment) Order (Legal Notice 414 of 2014) which was enacted on 28th November 2014, established for the first time a Legal Aid Agency (Legal Aid Malta) to be responsible for and to administer the provision of the service of legal aid in all areas where this is required.

During 2015, the necessary arrangements were made to give the necessary resources for the effective and efficient management of the Legal Aid Agency. The necessary administrative structures have been put in place and new operational procedures are expected to start as of 2016.

	<p>The major development is the establishment of a one-stop shop for any person wishing to apply for legal aid. The Legal Aid Agency will, also be responsible for the management of the legal aid advocates and legal procurators operating in Malta and Gozo, including the payment of their allowances (previously paid by the Attorney General's Office).</p> <p><b>Upgrade of the Web Portal</b></p> <p>The www.justiceservices.gov.mt website offers a compilation of all main and subsidiary legislation as well as a free civil case management, court statistics and civil and criminal judgments. As has been already explained above a whole plethora of ICT solutions have been given to practitioners and the general public for free during 2014 and 2015.</p> <p>Still, the Government is intent on upgrading further this website on two counts. Firstly, an intranet within the website which would serve as a platform for the so-called eFees project was finalised in January 2016. This project aims 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 will expedite procedures immensely since the computation of the taxed bill of costs is currently being done manually for each civil case. Secondly, the eFees project will be improved by giving the facility to the general public to view their bill of costs online and effect payment online. Thirdly, there will be the facility for judicial acts to be submitted electronically and related fees to be paid online.</p> <p><b>Improvement of Data Collection and Data Analysis</b></p> <p>Since the beginning of 2015, the Government has given particular attention to the analysis of court data and the generation of statistics as a means to understand trends and also guide policy. This has led to a major shift in the way that data is being utilised and there are ongoing efforts at fine-tuning current data collection practices, as well as identifying data-gaps.</p> <p>For the first time in 2015, the clearance rate and disposition time of the civil and criminal courts have been computed since 2011, and in the case of the civil courts, have been made available online. Additionally, efficiency parameters are now being studied on a quarterly basis in order to ensure early detection of potential negative trends. Internal analysis of such data has helped identify areas in which more resources were needed. It has also helped to highlight areas in which legal amendments were needed in order to make the judicial process more efficient.</p> <p>Status: On Track</p> <p>This measure is not CSR relevant but it is aimed to address one of the three pillars of the Annual Growth Survey – Pursuing structural reforms to modernise our economies, sub-section 'Further improve product and service markets and business environment'.</p>	
	<p><b>New Law Court in Gozo</b></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. The amended designs have been submitted for MEPA assessment and are currently waiting MEPA ruling.</p> <p>Status: On Track</p> <p>This measure is not CSR relevant.</p>	<p>Currently, the three halls available are not enough to cater for the present and future needs, especially if the recommendations of the Justice Reform Commission are abided by and a judge is assigned in Gozo to take cognisance of Gozo cases. This would, with the present situation, create a serious logistical problem.</p> <p>Furthermore, the building is small for Gozo's purposes. For example, sittings of the Mediator with couples discussing their family problems do not have the appropriate discrete area where they can discuss their issues in a more confidential manner.</p> <p>The multitude of stairs around the whole building exacerbates the accessibility problem especially for the elderly and persons with a disability. Also, the surrounding areas, in particular, a very steep hill and limited parking space, aggravate access to the building itself.</p> <p>The present building is an old and historic one, 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><b>VAT refund for tourists</b></p> <p>During these past months, 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 the legal notice regarding this measure was issued as well.</p> <p>Currently all applications are being assessed, thus it is expected that in the coming weeks the operator that will be managing the whole system will be chosen and hence this project will come into force. Moreover, after the choice of operator, the Malta Tourism Authority will be helping in marketing this measure.</p> <p>Status: Delayed</p> <p>This measure is not CSR relevant but it is aimed to address one of the three pillars of the Annual Growth Survey – Pursuing structural reforms to modernise our economies, sub-section 'Further improve product and service markets and business</p>	<p>There are indications that those countries that embrace VAT refund systems for tourists coming from third countries generate more sales to this band of tourists.</p>

<p>environment'.</p> <p><b>Ordering Land Registry Plans Online</b></p> <p>Land Registry plans are sold at the Land Registry. At this point in time, plans can only be bought by clients who physically go to the Land Registry to indicate the location on the Registry's base map which is now outdated.</p> <p>Identity Malta Agency, Loqus and MITA have met to see how best to implement the solution. Currently, the Gate 1 document consisting of requirements such as detailed user interface specifications, licensing configurations and installation information, is being revised. Identity Malta Agency established an annual agreement with MEPA and all Land Registry software systems will be updated yearly with a recent basemap. Loqus is the supplier of the present Land Registry software and has been contracted to extend the software with an internet module to provide the sale of these maps online. Identity Malta Agency has acquired the needed licenses to host these updated maps on new MITA servers.</p> <p>Due to delays in map server deployment by MITA, the planned end date of Q1 2016 had to be postponed. Other delays are also due to unprecedented problems encountered in the testing process which are now being rectified.</p> <p>Status: Delayed</p> <p>This measure is not CSR relevant but it is aimed to address one of the three pillars of the Annual Growth Survey – Pursuing structural reforms to modernise our economies, sub-section 'Further improve product and service markets and business environment'.</p>		<p>When the system is fully implemented, this service will be offered online with an updated basemap thus saving time and ensuring an increased efficiency of this service. The public can purchase official Malta Land Registry plans online with this system module which plugs into the present system. In addition, maps will be updated to the latest version of 2015 whereas until today the Land Registry is still using outdated maps from 2008. Necessary changes and development have been carried out to the present software to accommodate the maps in a newer format and also to be able to cater for the old system and the newly designed module. Maps will be posted to the customer's residence like in the case of birth and marriage certificates. Service from the office will still remain available.</p>
<p><b>Financial Incentives for the Audio-visual Industry (formerly known as 'Cash Rebate Incentives for the Film Industry')</b></p> <p>The Malta Film Commission gives financial incentives, in the form of a cash rebate, to production companies that choose Malta as a film location. The objective of this measure is to attract more film production companies to Malta.</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>There is no capping/maximum amount that one can apply for. However, the qualifying company applying for the Financial Incentives for the Audio-visual Industry with an eligible audio-visual production must have a minimum expenditure of €100,000 for Qualifying Productions and €50,000 for Difficult Audio-visual Works in Malta to be eligible to apply for this scheme<sup>1</sup>.</p> <p>The Guidelines and application criteria for 2016 have remained the same.</p> <p>Status: Ongoing</p> <p>This measure is not CSR relevant.</p>		<p>The Film Commission succeeded in developing a new strategy that attracted a record number of film productions to Malta during 2015. In 2015, the films industry in Malta generated a record amount of economic activities that exceeded €100 million. This strategy is being developed continuously in order to remain relevant for the coming years.</p>
<p><b>Film Studios</b></p> <p>The Film Commission is currently managing the facilities on a temporary basis. On 15th October 2015 the Government officially issued an Expression of Interest (EOI) to find a strategic partner to operate these facilities. The process of the EOI came to an end in December 2015 with five international companies interested in investing in a studios project in Kalkara.</p> <p>Status: On Track</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.</p>
<p><b>Re-development of the Kappara Junction</b></p> <p>The project application for EU funding through ESI 2014-2020 has been submitted in September 2015 and the project is currently being assessed by the Project Selection Committee responsible for the selection of projects to be co-financed through the 2014-2020 Programme. The works tender for the upgrading of the junction has been awarded and the contract was signed in December 2015, with works envisioned to commence in the first half of 2016.</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><b>Consultancy Services to Determine the Technical and Financial Feasibility for the Implementation of a digital hub in Gozo</b></p> <p>The measure's objective is to commence actions aimed at addressing adequate resiliency and redundancy for inter-island data connectivity.</p> <p>A feasibility study on the setting up of a digital hub in Gozo was completed and concrete action related to the findings is being developed.</p> <p>Status: Completed</p>		<p>This measure aims to determine the economic potential as well as the technical, financial and economic feasibility of the laying and operation of a data cable between Malta and Gozo with a view to assess the possibility of replicating the proposed Malta-based digital hub in Gozo.</p> <p>The provision of a second fibre cable between the two islands will provide Gozo with a reliable international connection. Furthermore, since investment on the island of Gozo is intimately dependent upon the availability of</p>

<sup>1</sup> Minimum Spend criteria relating to the production activity in Malta, imposed by the Malta Film Commission, to the Qualifying Company cannot exceed 50% of the production budget.

	This measure is not CSR relevant.	effective and resilient telecommunication/data connectivity between Gozo and Malta, a resilient link will assist the Government's effort and intent in developing Gozo's value added services with a view to overcome its inherent insularity and augment its economic growth and well-being.
	<p><b>TENT-T Upgrade Phase II – Salina Coast Road</b></p> <p>This Trans-European Networks Transport (TEN-T) Section from NA8 up to Commonwealth Cemetery, which is located between NA11 and NA11a, is an important 7.3km road in the transport network of Malta in view of the fact that it links the centre of Malta to the northern part of the island.</p> <p>The two Coast Road construction project tenders were published on 19th February 2013 and following award, the two works contracts were signed in December 2013 collectively amounting to €53 million. Works on the Salina Coast Road have been completed with the road re-opening to traffic in October 2015. Currently roadside environment works and finishes are being undertaken, together with routine snag listing.</p> <p>Status: On Track</p> <p>This measure is not CSR relevant.</p>	The actual benefits of this project will be measured once traffic flow patterns settle down, thus enabling data collection.
	<p><b>Shop Opening Hours</b></p> <p>The scope of this measure is to provide a more flexible approach for retail outlets to open on hours and days which diverge from the standard business hours. To this end, the Trading Licensing Regulations need to be amended accordingly. These amendments are expected to stimulate the retail sector whilst facilitating shopping opportunities for both tourists and local residents.</p> <p>The amendments to the Trading Licensing Regulations have been submitted for consideration by Cabinet.</p> <p>Status: On Track</p> <p>This measure is not CSR relevant.</p>	The expected impact of this measure is an increase in the commercial activities of retail businesses and thus a growth in this vital sector of the economy.
<b>New/updated Euro Plus Pact commitments</b>		
	<p><b>Consolidate and encourage mainstream use of Single Bond procedure</b></p> <p>The use of the Single Bond procedure will be further consolidated and encouraged. A Single Bond procedure means that when an enterprise is simultaneously awarded more than one contract by the same Government department or public entity, a single guarantee may be given by the enterprise, instead of individual guarantees for each separate contract that is awarded.</p> <p>This measure is not CSR relevant.</p>	<p>This objective of this measure is to simplify the Performance Guarantee procedure whilst at the same time reducing financial burdens on Economic Operators participating in public procurement.</p> <p>Hence, further competition in public procurement will be encouraged through simpler procedures and reduced financial burdens. It would also achieve higher participation in public procurement and better value for public spending.</p>
	<p><b>Review of requested Performance Guarantee Value</b></p> <p>In line with current policy to spur further competition in public procurement, Government has reduced the required performance guarantee to be submitted by economic operators from 10% to 4% when the value of the contract does not exceed €500,000. This measure has been implemented.</p> <p>This measure is not CSR relevant.</p>	This measure is expected to encourage a gradual increase in SME participation in public procurement.
<b>New/Updated Measures to address growth bottlenecks and economic imbalances</b>		
	<p><b>Refresh of Insolvency framework in line with EU recommendations of March 2014</b></p> <p>Malta is regularly criticised (by rating agencies, the International Monetary Fund (IMF) and the EU) that it has no modern insolvency framework and this leads to difficulties in access to credit, excessive cost of such credit and high non-performing loan levels in its banking sector. This measure is intended to address such criticism and update Malta's insolvency framework in line with EU recommendations of March 2014, thus rendering Malta's insolvency framework for commercial enterprises more efficient and effective in order to save business that can be saved through re-organisation as well as to protect jobs.</p> <p>A Working Group (WG) has been set up and has been in operation since summer 2015. A presentation was delivered to the Ministers for Finance and Justice on 4th January 2016 to explain the main changes being proposed. The WG delivered its recommendations and these have been approved by Cabinet.</p> <p>A consultation document is being prepared. The consultation process is expected to be concluded in April/May and the legislative process shall subsequently be concluded.</p> <p>Subsequently, progress and the positive effect of the insolvency framework as updated will be monitored.</p> <p>This measure is relevant to CSR 4.</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.
	<b>Reduction of time for sale of inherited property</b>	



	<p>One of the major causes of vacant properties is litigation between heirs. The current position is that if 51% of heirs agree on the sale price of immovable property and the other heirs disagree, the property can only be sold after ten or five years from the opening of succession, depending on the date of such succession. Therefore, in order to minimise this phenomenon of vacant properties, this period of ten or five years will be reduced to three years with respect to all immovable property already inherited or yet to be inherited.</p> <p>The process in relation to this measure started with the publication of Bill Number 129 in the Government Gazette dated 3<sup>rd</sup> November 2015. This Bill has passed all the Parliamentary legislative process. Act XIV of 2016 came into effect on 1st April, 2016.</p> <p>This measure is not CSR relevant.</p>	<p>It is expected that with this measure in place, the high number of vacant properties will be reduced.</p>
	<p><b>Tourism in Gozo</b></p> <p>Gozo will continue to be marketed for its characteristic as a complementary yet different holiday destination to Malta, with emphasis on niche segments that have good potential to attract quality tourists in line with sustainable tourism strategy across sectors. This will be done strategically across international media.</p> <p>With this measure, schemes will be developed to assist tourism operators to market emerging niches and promotional campaigns targeted towards specific tourism niches will be developed too.</p> <p>This measure is not CSR relevant.</p>	<p>Promotional strategy aims to increase destination visibility with clear positioning as a different travel destination that offers the luxury of simple things to enjoy with loved ones. The strategy thus aims to increase quality, sustainable tourism across seasons and help move Gozo away from its current imbalance in tourists' intake, prevalently reliant on day trippers.</p>
	<p><b>Capital allowances on office premises</b></p> <p>Buildings that are eligible for capital allowances (tax depreciation) purposes currently comprise industrial buildings or structures, hotels, and car parks. This list will now be extended to also include office premises.</p> <p>This measure is not CSR relevant.</p>	<p>This measure will result in reduction of expenses.</p>
	<p><b>Rental Income</b></p> <p>The 15% final tax regime will now be extended to cover income from the rental of commercial property, but will exclude rents between related parties.</p> <p>This measure is not CSR relevant.</p>	<p>This measure will lead to an increase in tax compliance.</p>
	<p><b>Vacant Properties</b></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, will be reduced from 8% to 5%.</p> <p>A reduction in stamp duty, from 5% to 2.5%, levied on transfers of property within an UCA, will apply if the contract is executed between 1st January and 31st December 2016.</p> <p>This measure came into force as of 1st January 2016.</p> <p>This measure is not CSR relevant.</p>	<p>This measure will lead to an increase in the number of restored properties.</p>
	<p><b>Reduction in personal income tax rates</b></p> <p>Government will be further reducing income tax. Taxpayers who did not benefit from previous reductions in income tax will benefit from this measure. Furthermore, as in the previous budget, 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>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>This measure came into force as of 1st January 2016.</p> <p>This measure is not CSR relevant.</p>	<p>In line with Government's policy, this budget measure aims to continue reducing the tax burden on labour in order to encourage higher participation in the labour market. Persons within the said tax bands will benefit from a higher disposable income.</p>
	<p><b>Events Calendar</b></p> <p>Many events are held in the Maltese Islands every year. However, very little information for most of the events is reaching operators and therefore these events are poorly promoted with tourists visiting the Maltese Islands. A collective effort between the Malta Tourism Authority and the various Government and non-Government entities is being done to centralise the information of as many events as possible for the benefit of tourism operators.</p>	<p>The Events Calendar is part of the product Malta will offer to tourists as a destination. Events are a very important aspect of the experience that a guest will take back home. This project will help to bring together in one publication a substantial number of events, to be promoted well ahead before tourist arrival on the Maltese Islands.</p>

	<p>An Events Calendar with information about the events held in Malta and Gozo throughout the year will be created. The Malta Tourism Authority will promote the Events Calendar as part of the tourism product in International Tradeshows to operators in the tourism industry.</p> <p>This measure is not CSR relevant.</p>	
	<p><b>Malta-Gozo link feasibility study</b></p> <p>Through this study, Government should get a better understanding of the geological challenges of building the tunnel. It is a necessary step on the path to any final decision on a Gozo-Malta tunnel.</p> <p>This measure is not CSR relevant.</p>	<p>The result of this study will be the mapping of the geology in the proposed tunnel path, thus providing a better understanding of the risks to the business model. In turn, this would lead to the definition of the options for the way forward.</p>
	<p><b>Consultation on the National Transport Strategy and Masterplan</b></p> <p>This measure is a consultation exercise targeting stakeholders and the wider audience of the general public on the contents and formulation of the National Transport Strategy and Masterplan, with a specific focus on land transport and traffic issues.</p> <p>The aim is to obtain as much feedback as possible on both documents as these will set out the strategy, policy measures and determine future infrastructural projects for the period up to 2050 (in the case of the National Transport Strategy) and 2025 (in the case of the Masterplan).</p> <p>This measure is not CSR relevant.</p>	<p>Following the consultation process, the National Transport Strategy and Master Plan will be finalised based on the recommendations and feedback received.</p>
	<p><b>Tidal System and Smart Traffic Management System</b></p> <p>Traffic during peak hours in certain areas needs to be addressed as infrastructure has reached capacity, with no room for further infrastructural improvements. Such systems would provide a solution during peak hours.</p> <p>This measure is not CSR relevant.</p>	<p>This measure should address traffic congestion by relieving traffic in peak hours.</p>
	<p><b>New ITS Campus</b></p> <p>The objective of this measure is to construct a new campus for the Institute of Tourism Studies (ITS). The new campus will provide a better service for the tourism industry and greater opportunities, especially in continuous professional development and higher education.</p> <p>This measure is not CSR relevant.</p>	<p>The new campus will be used to upskill the tourism workforce to increase and ensure a higher quality in the services offered in the tourism sector and workforce. Additionally, the measure is intended to keep up with the demand and increase in the number of students that enrol in the tourism industry. This will also ensure an increase in the number of courses offered to the students.</p>
	<p><b>Upgrade and improvements in air navigation services</b></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. With a workforce of about 150 employees it strives to achieve and maintain the highest standards in the provision of a safe and efficient air traffic control. The company adheres to International Civil Aviation Organisation (ICAO), the EU and EUROCONTROL (the European Organisation for the Safety of Air Navigation) standards and regulations.</p> <p><b>Aeronautical Message Handling System (AMHS)</b></p> <p>MATS Ltd, in consultation with EUROCONTROL, is currently conducting a negotiated procedure with three accredited suppliers of AMHS. The new AMHS will enable air traffic controllers and support personnel to execute their duties in accordance with ICAO and EU standards regulating the handling of aeronautical messages. A contract will be signed with the preferred bidder and the AMHS will be commissioned.</p> <p><b>Air Traffic Management (ATM) System</b></p> <p>The current ATM System was commissioned in 2001 and it has now exhausted its operational lifetime. This system lacks a stand-by system and, in the event of a breakdown, the company relies on a fallback system which can only be operated for a very limited time.</p> <p>The new ATM system will provide air traffic controllers with a modern means to execute their duties in a safe and efficient manner in line with international and regional standards.</p> <p><b>Air Traffic Control Centre (ATCC)</b></p> <p>The existing ATCC was built in the early 1970s. This Centre is no longer adequate for MATS Ltd's current requirements. During the past 40 years, the building has undergone several changes and additions in order to meet the company's evolving requirements. However, it is still small and the foreseeable requirements over the next decade will render the whole complex more restrictive. Additionally, the view from the visual control room is now hampered by various developments, such as hangar facilities, undertaken within the airport perimeter over the past two decades.</p> <p>Therefore, 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.</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>Excavation works and the building of a sub-structure are expected to start towards the end of 2016. These are expected to be completed by end of 2019. An international call for tenders for the design of the ATCC was published on 1st April 2016, whilst an international call for tenders for the construction of the ATCC will be published in August 2016.</p> <p>This measure is not CSR relevant.</p>	
	<p><b>Malta Film Fund</b></p> <p>The Malta Film Commission, under the auspices of the Ministry for Tourism, is responsible for the management and administration of the Malta Film Fund which was launched in 2008. The Malta Film Fund has a total allocation of €250,000. The objective of the Malta Film Fund is to nurture and back the development and production of Maltese qualifying 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 Maltese indigenous film industry.</p> <p>The Malta Film Fund offers three funding strands, one for development, one for production and one for distribution at International Film Festivals. There are six schemes within the funding strands, which aim to provide support.</p> <p>The objective of development support is to foster a culture of script writing and proper development of Maltese productions which can eventually be taken to the market to raise finance, support and move into production. The following schemes aim to provide development support:</p> <ul style="list-style-type: none"> <li>• Writers' Grant, with a maximum grant of €5,000 (up to 100% of the budget): Projects seeking support under this scheme must have been developed to treatment stage or as a first draft script.</li> <li>• Development Grant, with a maximum grant of €30,000 (up to 60% of the budget): Projects seeking support under this scheme must be for scripts that are at an advanced stage and approaching market-readiness.</li> </ul> <p>The objective of production support is intended to stimulate the realisation of projects. Support for production may only be awarded to applicants for projects which are fully developed. The following schemes aim to provide production support:</p> <ul style="list-style-type: none"> <li>• Short Film Production for New Talent, with a maximum grant of €2,500 (up to 100% of the budget,): This grant is intended to help new talent produce short films and will provide applicants with a platform for showcasing their talent at local and international film festivals. There is no upper limit on the experience of the teams, although applicants should be aware that the intention of this grant is to develop emerging creative teams.</li> <li>• Short Film Production, with a maximum grant of €20,000 (up to 100% of the budget): This grant is intended to help creative teams produce short films and will provide the said teams with a platform for showcasing their talent at local and international film festivals.</li> <li>• Production, with a maximum grant of €120,000 and not exceeding 50% of the budget.</li> </ul> <p>The objective of distribution support is intended to help theatrical release at International Film Festivals of Maltese productions. The following scheme aims to provide distribution support:</p> <ul style="list-style-type: none"> <li>• Film Festival Distribution Grant which is a 50-50 match funding for entry fees paid to enable Maltese productions to participate in International Film Festivals.</li> </ul> <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>Applications may be submitted by an individual or through a Maltese/European independent audiovisual company and have to satisfy at least one of the following eligible criteria:</p> <ul style="list-style-type: none"> <li>- producer/s, writer/s, director/s who are Maltese citizens or hold a permanent residence status in Malta;</li> </ul> <p>as well as one of the following criteria:</p> <ul style="list-style-type: none"> <li>- content and location of story is based completely or partially in Malta; and/or language to be used is Maltese; and/or likely location of the development, production and/or post-production is Malta.</li> </ul> <p>Successful beneficiaries will be 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: Ongoing</p> <p>This measure is not CSR relevant.</p>	<p>Following the closing date for applications for Malta Film Fund 2015 (30th June 2015), 26 applications were received, of which 13 were for development projects and 13 were for production projects. Following the setting up of an independent evaluation panel of highly esteemed professionals including foreign experts from the film industry to assess and review applications and to administer awards, 11 projects were awarded grants amounting to a total of €243,000.</p> <p>Call for applications under the Malta Film Fund 2016 will open in April 2016. The closing date is 31st May 2016.</p>

**National Employment Policy**

<b>Main commitments under the National Employment Policy</b>	<b>Foreseen main measures and indication on whether they are CSR relevant</b>	<b>The estimated impacts of the measures (qualitative and/or quantitative)</b>
Training Aid Framework 2 (TAF 2)	Employers will benefit from partial subsidies on training given to their employees.	The Training Aid Framework 2 was completed in 2015 with a total of 9,000 trainees receiving training.
Work Exposure	300 young persons who are not in education, employment or training (NEETs) will benefit from work exposure for a duration of 12 weeks.	It is estimated that 40% of NEETs will manage to be in employment after the scheme ends.  During the whole project, the Employment and Training Corporation placed 346 persons on the Work Exposure Scheme (WES). Out of those 346 persons, 259 persons have completed the scheme. The remaining trainees have dropped out of the scheme because they found employment, to continue their studies or for unknown reasons. (All the remaining participants have completed the scheme in 2015.)
Work Programme	The private sector and the ETC are working together to help the long-term unemployed and inactive persons to re-enter the labour market.	Until February 2016, the number of people placed into the labour market through 3 private companies was 291. Further applications for such participants are currently being received.
Access to Employment Scheme	Employment-related subsidies will be given to employers who recruit disadvantaged, severely disadvantaged or registered disabled persons.	Until March 2016, the number of active participants in this Scheme was 206. Further applications for such participants are currently being received.