



Advisory Insights

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Bi-Annual Newsletter
Edition 3



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Head of Advisory

Welcome to our third edition of our Advisory Department's newsletter, this time with a twist as we have recently rebranded to CLA Malta forming part of the prestigious CLA Global network! We are excited to launch yet another chapter with you, bringing you fresh insights and expert guidance.

In this edition, we delve into the transformative trends that are defining 2024, with a focus on sustainability, strategic planning, and optimising efficiency for long-term success. From the impact of DORA regulations to powerful fiscal incentives, we offer fresh perspectives on the opportunities ahead. Backed by insightful economic forecasts from both national and European institutions, this issue provides a dynamic, forward-thinking outlook on the future landscape.

The positive feedback from our previous newsletters has inspired us to continue delivering actionable insights and strategic guidance to help you navigate today's dynamic business landscape.

As we embark on this journey of knowledge and exploration under the new CLA Malta brand, we invite you to join us, confident that together, we are ***Built to Make a Difference***.

A stylized, handwritten signature in black ink, likely belonging to Jessica Camillieri. The signature is fluid and cursive, with a large initial 'J' and 'C'.

CLA Global

CLA Global Limited (CLA Global) was founded on July 1, 2022, by CliftonLarsonAllen LLP and Evelyn Partners.

The organisation offers one of the largest financial outsourcing services and private client and wealth advisory platforms of any global accounting organisation. Moreover, it hosts a culture of diversity and inclusion that uses combined strengths as its greatest competitive advantage.

Professionals in its member firms support clients by speaking their language and serving as their eyes and ears from a business, regulatory, and tax perspective — so they can help them cross borders confidently and efficiently.

Our Experience

Over the last 50 years, the firm has grown from strength to strength. It has built a very sound reputation for its capabilities, knowledge, and service. It has also built very impressive goodwill even outside Malta through constant participation in conferences, presentations, fairs, government delegations, and the like.

We are currently engaged by numerous clients that operate in various industries. A selection of these industries can be summarised as follows:

- ▶ **Agriculture**
- ▶ **Consumer Markets**
- ▶ **Finance**
- ▶ **Government & the Public Sector**
- ▶ **Healthcare**
- ▶ **Manufacturing**
- ▶ **Real Estate**
- ▶ **Technology**
- ▶ **Transportation**

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An aerial photograph of a city harbor, likely in Dubai, featuring a large marina filled with yachts and a prominent tall building in the background. The image is overlaid with a semi-transparent green filter.

An Interim Economic Review for 2024

1

Regional Statistics by Sector in Malta

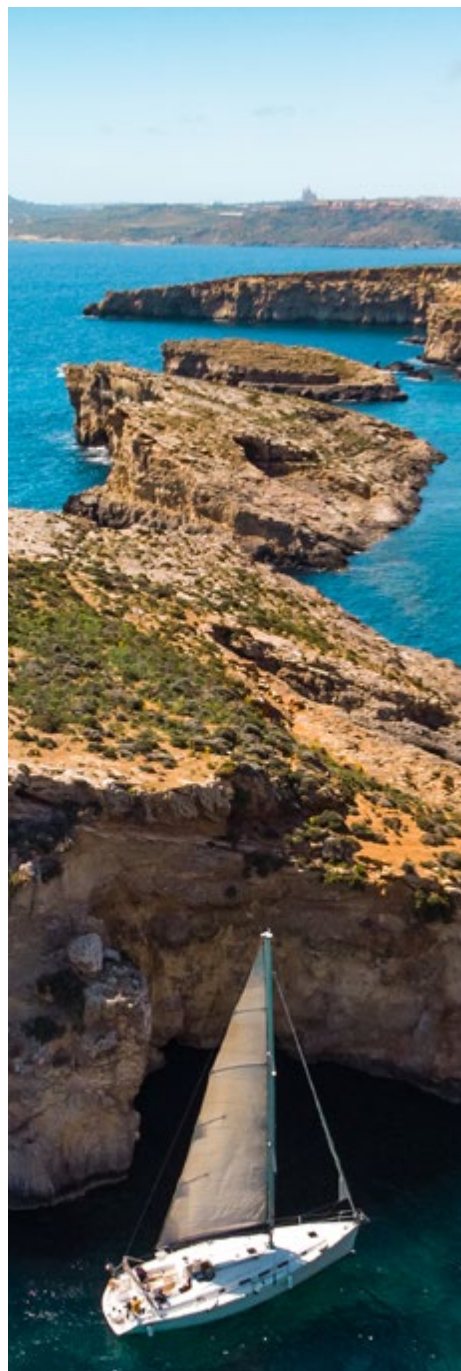
The **2024 Malta Regional Statistics** report serves as a comprehensive resource for analysing the country's socio-economic developments at a regional level. Building on previous editions, this publication sheds light on critical socio-economic and environmental shifts within Malta, Gozo, and Comino. Rigorous statistical techniques were used to mitigate the challenges met namely limitations to sample size, in ensuring high-quality data despite inherent obstacles.

Labour Market

Malta saw a notable growth in employment in 2022, with 296,110 people working full- and part-time, reflecting an increase of 7.8% from the previous year. With a combined 46.4% of the workforce, the majority of workers were focused within the wholesale, retail, and allied industries as well as public administration, education, and health activities.

Economy

In 2022, Malta's Gross Value Added (GVA) amounted to €15,454.5 million, with €658.9 million being contributed by Gozo and Comino. The largest sectoral increase was recorded by the wholesale and retail trade, transportation, lodging, and food services industries, which together had growth of 43.1%. Although the number of building permits issued in 2023 decreased by 8.4%, suggesting a minor slowdown, the construction industry remained strong.



Education

In the 2022/2023 academic year, 87,022 students were enrolled in both compulsory and non-compulsory education with 65.8% of the population being between the ages of 3 and 15. The district with the largest student population was Northern Harbour, with this district also seeing an increase in the number of students enrolled in other post-secondary and tertiary institutions from academic year 2020/2021 to academic year 2021/2022. For both primary and secondary education State schools remain most favoured over the years, followed by Church and Independent schools following such suit.

Resources

Malta's construction activities, a critical measure of resource utilisation, saw a decrease in building permits, but the demand for residential and commercial spaces remains strong. The shift towards environmental considerations and sustainable development is becoming more evident, aligning with European standards for resource management and sustainable growth.

Tourism

With 331,455 arrivals, domestic tourism to Gozo and Comino fell by 8.2% in 2022. In all, 72% of the demand for domestic travel came from Gozo. Most guests chose to stay in privately owned lodging, with an average duration of 2.7 nights. Domestic and foreign visitors differed in their spending on tourism, with foreign visitors exhibiting a preference for Malta over Gozo.

Transport




In 2023, there was a notable surge in both vehicle movements (by 4.1% and passenger travel by 15.5%) and overall traffic between Malta and Gozo. Convenience was increased with the launch of a quick ferry service in 2021 between Mgarr and Valletta, which carried close to 700,000 people by 2023. The busiest travel days from Malta were Fridays and Saturdays, and the busiest travel days from Gozo were Sundays.

Source: NSO, July 2024

Forecasts for 2024

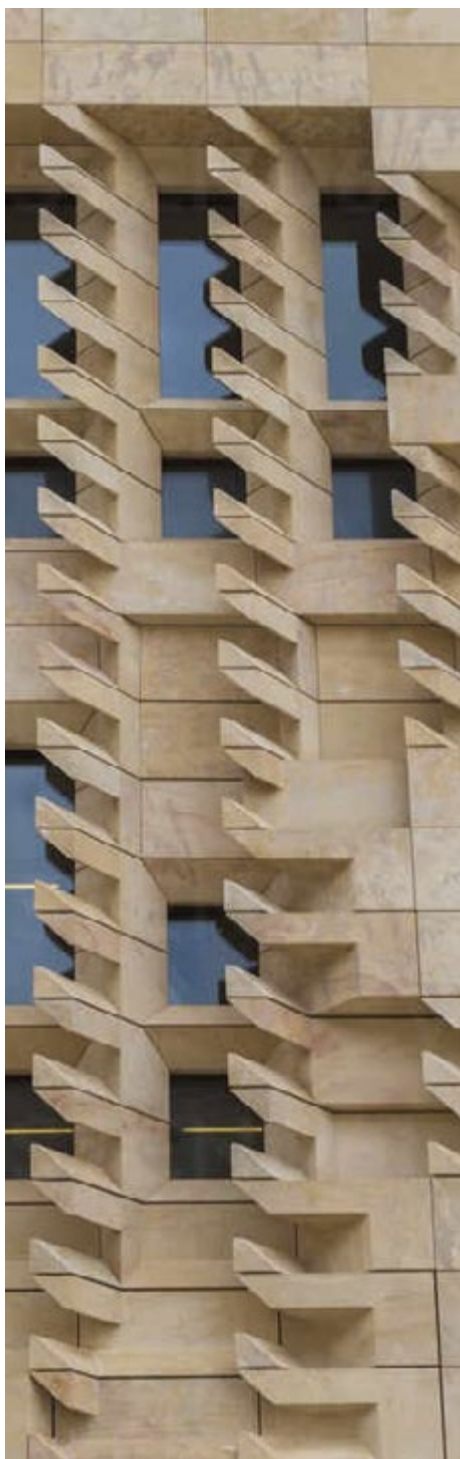
Key Figures

The European Commission’s surveillance section revised its economic projections for individual nation profiles, EU candidate countries, and the Union as a whole through the quarterly release in mid-May 2024. These projections are crucial as they offer firms, investors, and leaders the data required to make decisions on the future course of the European economy.

		
4.6%	GDP (% year-on-year)	1.0%
2.8%	Inflation (% year-on-year)	2.7%
3.0%	Unemployment Rate (% of Labour Supply)	6.1%

Source: European Commission, 2024

Forecasts' Analysis



Winter 2024

In the previous edition of our newsletter, we had already touched upon the economic forecast for Winter 2024, wherein it was forecasted that the continuation of robust economic growth was expected following the fortunes of 2023, which growth stood at 6.1%. The latter figure had surpassed the previous projections, which were driven by upward revisions of economic activity in the first two (2) quarters of the preceding year and strong growth of 2.4% in the third quarter.

While net exports and private consumption both increased dramatically in 2023, a weaker construction industry caused a fall in gross fixed capital formation. In spite of this, moderate growth continued, assisted by an increase in imports.

The growth forecast for 2024 has been updated to 4.6% due to increased investment, robust net exports, and private consumption. Public consumption was anticipated to continue to be strong. Growth is predicted to reach 4.3% in 2025, with net exports, investment, and consumption all somewhat stabilising.

Mostly due to pressures on food and services, inflation reached 5.6% in 2023; however, this is projected to decline to 2.9% in 2024 and 2.7% in 2025. It is anticipated that energy price interventions by the government would maintain inflation below previously published projections.

Spring 2024

After a stellar 2023, the Spring 2024 Economic Forecast predicts a good but slowing growth trend. 2023 saw 6.1% economic growth, above earlier projections. The construction industry's downsizing as being highly interest-rate sensitive, which resulted in a fall in gross fixed capital formation, was more than offset by the expansion in net exports and private consumption. Even with the difficulties in construction, growth was maintained by increasing imports. The projected rate of economic growth for 2024 has been lowered down to 4.6%, mostly because of anticipated improvements in investment, sustained net exports, and healthy private consumption. It is also expected that public consumption will continue to be a major driver of growth.

Growth is expected to further drop to 4.3% in 2025 as investment, consumption, and net exports stabilise. This signals to a slowdown from the strong boom that occurred in 2023, although the economy is still predicted to develop steadily. The economy is expected to expand at above-average rates during the medium-term, even if the rate of expansion will slow.

Pressures in the food and services industries were the main causes of inflation, which reached 5.6% in 2023. This is indicative of larger patterns of inflation throughout the globe, which have been impacted by interruptions in the supply chain, increased demand after the pandemic, and fluctuations in the price of energy. However, by 2024, inflation is expected to drop to 2.9%, signalling a considerable reduction of inflationary pressures. It is anticipated that inflation will drop even further to 2.7% by 2025, as a result of better supply-side circumstances and less pressure from crucial key industries such as food and hospitality and other services.



A man and a woman are smiling and looking at a laptop screen in a modern office setting. The man is standing and leaning over the desk, while the woman is sitting and typing on the laptop. The background shows a blurred office environment with large windows and modern architecture. The entire image has a reddish-pink tint.

What's On

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Built Differently

CLA Malta

As of September 1, 2024, we joined CLA Global Limited (CLA Global), becoming CLA Malta. This exciting transition marks a new chapter for our firm, as we also welcome new talent and expertise from the renowned CSA Group, a leading Maltese accounting firm. By the end of the year, our workforce will expand from 65 to 140 staff members, including three (3) partner-level professionals, significantly enhancing our capabilities and broadening our client base across various industries.

Located in Msida, CLA Malta offers comprehensive services in audit, advisory, tax, and outsourcing, catering to consumer products, education, fintech, and telecommunications sectors. With over half a century of experience, we are committed to delivering innovative, client-focused solutions rooted in our core values of flexibility, engagement, and dedication. At CLA Malta, we are dedicated to improving a collaborative environment, supporting local business growth, and helping international companies succeed in Malta.

Founded on July 1, 2022, by CliftonLarsonAllen LLP and Evelyn Partners, CLA Global provides services to clients of all sizes, focusing on fast-growing, innovative, and dynamic middle-market cross-border businesses. With over 200 offices worldwide, CLA Global has more than 14,000 personnel and 1,500 partners or equivalent positions, making it a leading force in the global accounting and advisory landscape.

Maximise Your Investment Opportunities with Micro Invest

The Micro Invest Scheme by Malta Enterprise was relaunched earlier this year, companies and self-employed individuals who have not yet applied this year for eligible 2023 expenditure, are still in time to check their eligibility and apply for by the late submission deadline of 27 November 2024. Micro Invest empowers businesses to expand, enhance productivity and contribute more effectively to economic development. Undertakings benefitting from this measure will be supported through a tax credit calculated as a percentage of eligible expenditure, which covers refurbishing and refurbishing of business premises, investment costs, motor vehicles, certification costs and also the increase in wage costs.

If you are planning to avail yourself of the scheme in 2025, there are three (3) main deadlines by which an undertaking can apply:

-  **Self-Employed: 26 March 2025**
-  **Companies: 28 May 2025**
-  **Late Submissions: 26 November 2025**

The Imperatives set out by the Digital Operational Resilience Act (DORA)

With the application of the technical standards of the Digital Operational Resilience Act (DORA) happening on 17 January 2025, stringent digital compliance requirements across the European Union (EU) will come into play. Non-compliance could result in severe financial penalties, including fines of up to 2% of annual turnover or €1,000,000 for financial institutions and up to €5,000,000 for critical third-party ICT service providers.

DORA's penalties are in fact even more stringent than GDPR. The European Supervisory Authorities (ESAs) are tasked with enforcing these penalties based on criteria, including the nature, severity, and duration of the breach, as well as the institution's responsibility and cooperation. Immediate action is required not only to avoid penalties but to safeguard the institutions' future security and resilience.

Malta Defends its Citizenship by Investment Scheme

On 17 June 2024, the European Court of Justice heard a case where the European Commission (EC) challenged Malta's Citizenship by Investment (CBI) scheme. The EC argues that such a scheme breaches EU law by treating citizenship transactionally, lacking a genuine link between applicants and Malta. It further argues that such a scheme undermines EU citizenship's integrity, as new Maltese citizens gain EU citizenship benefits without substantive ties to Malta.

Malta's defence is based on national sovereignty, historical precedent, and robust security and diligence measures. It argues that citizenship granting is a matter of national competence, with each Member State setting its criteria. Malta cites past similar programs in other countries as historical precedents. Additionally, Malta emphasises its thorough vetting and security measures in the CBI scheme to counter claims of compromising EU citizenship integrity.

The Advocate General is expected to deliver an opinion on the case on 3 October, 2024.

Adherence to CSRD: Strategic Planning for 2025 and Beyond

Following the adoption of the Corporate Social Responsibility Directive (CSRD) in November 2022, by adhering to the European Sustainability Reporting Standards (ESRS), Public Interest Entities are expected to report for the first time in 2025.

Furthermore, large companies that exceed two (2) of the following thresholds, i.e., 250 employees, €20 million balance sheet value and €40 million net turnover, shall report on 2025 data in 2026 starting from January 2025.

FONDI.EU Launches Feasibility Study Scheme

Fondi.eu under the scheme bracket of Business Enhance has introduced the “Feasibility Study Scheme” aimed at supporting enterprises in evaluating the viability and sustainability of their proposed business ideas. This scheme is available to micro, small, medium-sized, and small mid-cap enterprises engaged in economic activities, provided they do not meet the exclusion criteria.

The scheme offers a cash grant of up to €100,000 per undertaking, with the percentage of eligible costs covered determined by the size of the enterprise: 70% for micro or small enterprises, 60% for medium-sized enterprises, and 50% for small mid-caps. Eligible costs under this scheme include the cost of conducting the feasibility study, with a focus on key areas including Health and well-being, sustainable use of resources for climate change mitigation and adaptation, smart manufacturing, marine & maritime technology, aviation and aerospace, and future digital technologies. Submission of applications for this scheme can be done by 31 December 2024, for which a monthly cut-off date is set at the end of each calendar month.


Gozo Transport Grant Scheme Supporting Gozitan Manufacturers

Malta Enterprise has relaunched the Gozo Transport Scheme, which is designed to support Gozitan manufacturing companies by offsetting additional inter-island transport costs incurred for transporting materials, goods, and finished products between Malta and Gozo. With a maximum support limit of €300,000 per single undertaking over a period of three (3) consecutive years, this scheme is classified as a de minimis measure.


Eligible costs under the scheme include ferry transport expenses for owned or leased commercial vehicles, subcontracted haulage, and courier services. Undertakings can apply for costs incurred in 2024 by 31 July 2025.



Our Trail



At CLA Malta, continuous learning and professional development represent the cornerstone of our Advisory Team's commitment. We participate in several events, conferences, and webinars throughout the year. It shows our commitment to seeking improved knowledge while building meaningful relationships within the industry. Reflecting on our past accomplishments and envisioning the future, we are eager to embark on new journeys, furthering our exploration and collaboration. Driven by our passion for knowledge and innovation, we remain committed to pushing boundaries and achieving excellence.



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Our Pinpoints



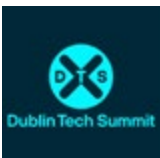
StartUp Grind April 2024

Startup Grind stands as the largest startup community globally, providing education, networking, and opportunities for growth to startups. This event attracts founders and experts from every industry, all coming together to share their advice and inspirations for early entrepreneurs.



EU-Startups Summit May 2024

The EU-Startups Summit, brought together over 1,500 founders, investors, and startup enthusiasts from across Europe on our Island following last years edition in Barcelona, Spain. The event featured keynotes, panel discussions, and a startup pitch competition, fostering collaboration and innovation in the European entrepreneurial ecosystem.



Dublin Tech Sumit May 2024

This Summit offered startups a platform to showcase innovations, connect with industry leaders, and explore opportunities in sectors like Fintech and AI. With over 200 speakers, 50+ partners, and 150 startups, it is a crucial event for networking, absorbing the latest trends, and fostering collaborations in the tech world.



London Tech Week June 2024

For the second year running, the Advisory Team followed London Tech Week, which for another year has brought together global leaders, innovators and tech enthusiasts to explore cutting-edge tehcnologies and address practices requiring attention in the tech industry.

On Our Radar

With the first half of 2024 behind us, CLA Malta's Advisory Team is now focused on participating at an exciting lineup of events and conferences for the second half of the year. We look forward to continuing our journey and connecting with you – where will we see you next?



GITEX Global 2024 will take place from October 14 to October 18 at the Dubai World Trade Centre, featuring leading tech enterprises, startups, and government representatives showcasing innovations in AI, cybersecurity, blockchain, and more. This event will also include co-located shows like Expand North Star and the Future Blockchain Summit, making it a comprehensive platform for technological advancements and networking.



The Startup Festival Malta, happening on October 17-18, is an annual event that brings together entrepreneurial minds, startups, and investors. This festival features keynote talks, panel discussions, practical workshops, and networking opportunities, along with a pitch competition called "Pitch Black".



MedTech World Malta 2024, happening from November 6-8, will bring together global leaders and industry experts to showcase and discuss the latest advancements in medical technology. The event will feature keynote speeches, panel discussions, and workshops on topics like digital health, AI in healthcare, and telemedicine, aiming to drive innovation and improve healthcare systems globally.

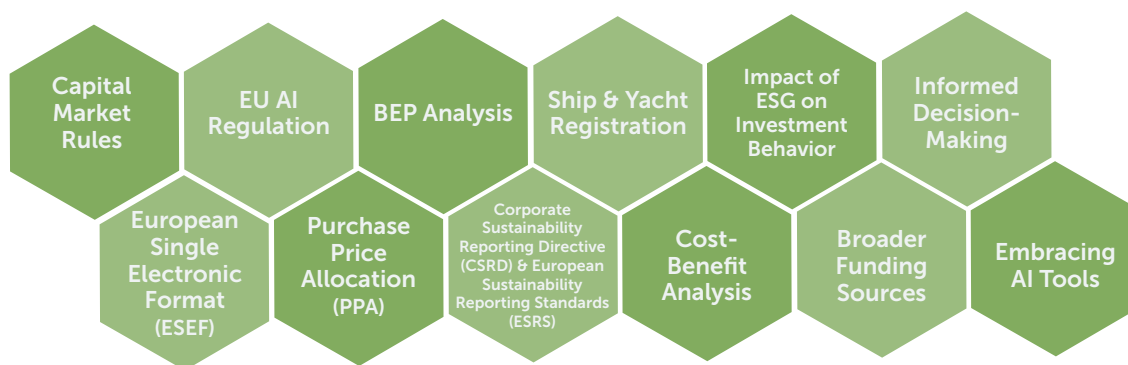


Closing off the year, the Team is set to hail to Finland for Slush 2024 in Helsinki, scheduled for 19-20 November is designed to bring together experts and stakeholders to discuss the latest advancements and challenges in the field of sustainable finance. The focus will be on fostering collaboration, sharing innovative solutions, and exploring the role of finance in driving sustainability initiatives globally.

Pursuing Mastery: Our Commitment to Lifelong Learning and Expertise

The Advisory Team has relentlessly pushed the boundaries of its skill set and expertise through a series of workshops and training sessions, conducted both internally and externally. This progressive approach ensures we are always ahead of industry expectations. Not only does this elevate the experience and value our clients gain from our services, but it also catalyses the personal growth of each team member.

We have harnessed every opportunity to expand our horizons with pioneering sessions on:



Our Achievements

- Achieved certification in Environmental, Social, and Governance (ESG) standards
- Attended the first conference outside the European continent
- Assisted in the implementation of a comprehensive client relationship management system to enhance service delivery and client engagement
- Diversified services to include comprehensive assistance with licensing procedures across various industries and purposes
- Fostered strategic alliances with key industry players across the supply chain
- Expanded geographical footprint to better serve clients in emerging markets
- Oversaw and consulted on a project to completion resulting in our offices being more sustainably designed
- Expanded the Team's technical capabilities and expertise, along with technological software know-how to deliver robust consultancy in these realms

An aerial photograph of a coastal area, likely a fjord or a bay, with steep, rocky cliffs on the left and right sides. The water is a deep blue-grey color. Several small boats are visible in the water, including a larger white boat in the lower left and several smaller boats scattered throughout. The overall scene is serene and scenic.

Surmounting Challenges: The Road to Success in CSRD Compliance

4

The CSRD marks a significant transformation in corporate sustainability reporting, enhancing transparency, accountability, and sustainable practices within corporate operations across the EU and globally. By aligning strategies with sustainability principles and advancing their reporting capabilities, companies can not only meet CSRD requirements but also emerge as leaders in sustainable development.

In the evolving landscape of corporate sustainability, the EU's Corporate Sustainability Reporting Directive (CSRD) marks a significant development, replacing the Non-Financial Reporting Directive (NFRD) and broadening the scope of sustainability reporting requirements. With the introduction of the CSRD not only there has been an increase in the number of companies obliged to disclose sustainability information but it has also extended the reach of such requirements to non-EU companies having significant operations within the EU.

Key Changes and Implications

The CSRD has introduced comprehensive changes that enhance the transparency and comparability of information in relation to sustainability. One of the central advancements is the adoption of the European Sustainability Reporting Standards (ESRS), allowing for the standardisation of reporting across the sustainability dimensions, taking into account the environmental, social and governance (ESG) aspects. Companies are required to report on both the impact of their activities on sustainability matters and how these matters affect their financial performance, which concept is referred to as double materiality. CSRD thus requires comprehensive reporting on sustainability risks and opportunities, with the objective of giving stakeholders a

transparent view of the company's progress in sustainability and how it aligns with the wider EU sustainability objectives. Reports prepared in line with the CSRD and ESRS are expected to detail the company's policies, results, and critical performance indicators that are pertinent to the company's operations.

Challenges and Strategic Considerations

While the CSRD sets new standards in sustainability reporting, it presents its challenges for corporations. The Directive demands significant data-gathering and reporting capabilities, potentially requiring additional efforts, especially for smaller companies. The requirement for detailed and standardised disclosures may also necessitate that companies to overhaul their internal systems to efficiently track and manage sustainability-related data effectively. To properly comply with the CSRD, enterprises must strategically integrate sustainability into their fundamental operations and decision-making processes. Such integration is not merely the strict adherence to reporting standards but rather an ongoing and genuine commitment to sustainable practices. Accordingly, businesses are encouraged to evaluate and adapt their business models, aligning these to achieve sustainability objectives and mitigate the risks linked to social and environmental concerns.

Navigating the New Terrain of ESRS

Navigating the corporate sustainability reporting terrain may result to be a daunting transition for enterprises. To facilitate a smooth transition and strengthen the quality of sustainability disclosures, ESMA has established a strategic course of action, providing recommendations set out by both the European Commission and the European Financial Reporting Advisory Group (EFRAG). In attaining effective sustainability reporting under the ESRS framework, ESMA highlights the following key areas;

Set Your Strategic Actions

In tackling the challenges posed by the CSRD, businesses are encouraged to adopt a series of strategic measures to streamline their compliance and enhance their

sustainability practices. In doing so, corporations are encouraged to upgrade reporting systems with the integration of digitalised systems, allowing for accurate and efficient data management. Furthermore, fostering open lines of communication with investors, customers, and regulatory bodies is key in building lasting trust and firm relations, especially in today's environmentally conscious market. Investing in comprehensive training programs for employees across the firm is essential in preparing everyone from the ground up to think and act with sustainability in mind. With this, corporations are better positioned to achieve the goals set. It goes without mentioning, the importance of a proactive stance on continuous improvement. This dynamic approach not only aids in compliance but also positions a company as a leader in sustainable practices.

The adoption of Environmental, Social, and Governance (ESG) practices confers substantial benefits to enterprises across various sectors. When companies integrate the core elements of ESG into their strategic frameworks, they improve their risk management capabilities, strengthen their public image, and lay the foundations for sustained and fruitful value creation. Our team at CLA Malta is equipped to assist and guide you in harmonising your operations with ESG standards, which will enhance your sustainability outcomes and fortify your resilience for the future.

How can CLA Malta assist you?

- Carbon Footprint Reporting
- ESG Reporting
- Design and Develop ESG Strategies
- Assist with ESG Metrics Collection
- Identify Software Solutions for Reporting and Monitoring ESG Metrics

Unleash Your Growth with State Funding Programs

5

Here we spotlight transformative funding opportunities designed to elevate your business. From the innovative Accelerate 2024 scheme to the expansive International Trade Promotion Incentive, each opportunity is crafted to support growth and sustainability for both startups and established businesses. Let's unlock your business's potential together!

We are delighted to bring you the latest insights into the funding and incentives landscape, a cornerstone of our flagship service aimed at securing state and EU funding for your business initiatives.

The Accelerate 2024 Scheme

The Accelerate 2024 scheme, administered by Malta Enterprise, targets promising enterprising with significant growth potential derived from innovative technical and scientific knowledge. This scheme is particularly beneficial for businesses in their first seven (7) years of operations, providing assistance in transitioning technological innovations to market-ready products. The financial aid includes a cash grant up to €100,000, covering costs such as accelerator participation fees, travel, corporate services, and rent for business premises in Malta, and rent of plant, machinery and equipment. Eligible sectors include manufacturing, software development, health, biotechnology, pharmaceuticals and life sciences, amongst others. The application window remains open until 31 October 2030.

The Business Development Scheme

For support to new startups and expansion of existing businesses, the Business Development Scheme is designed to enhance regional economic growth within the Maltese archipelago.

Eligible enterprises that contribute to the Maltese economic and sustainability landscape can receive cash grants and tax credits, with aid intensity of up to 75% of eligible expenses and a maximum aid of €300,000. This scheme falls under the de minimis regime and thus the grant awarded would contribute to the de minimis balance held by the undertaking. The Business Development Scheme supports a variety of projects including but not limited to environmental actions, innovative business ventures, and digital transformation initiatives. Businesses whose primary activity is involved with gambling, real estate, wholesale, retail or financial services are excluded from eligibility. Applications for this scheme shall be accepted until 30 September 2030.

The Smart and Sustainable Investment Grant

Through the Smart and Sustainable Investment Grant competitiveness is encouraged through sustainability and resource optimisation. All businesses including individuals operating as self-employed can tap into this grant, requiring a minimum investment of €10,000 directed towards sustainability improvements or digitalisation. The grant covers 50% of eligible expenses with the potential for additional tax credits if certain conditions are met, such as having the operations' basis set in Gozo, the undertaking has

been established for less than three (3) years and the proposed project achieving a minimum of 50% carbon emission savings. Eligible investments include projects driving towards waste minimisation, energy and water efficiency, sustainable materials and sustainable digitisation, with a capping of €100,000 per project here the previously-mentioned extension may reach up to €40,000 per project. The deadline for applications is 30 November 2026.

The International Trade Promotion Incentive Scheme

This Scheme is facilitated by Trade Malta, encouraging Maltese businesses to reach global market potential. Eligible for this scheme are diverse sectors from manufacturing to creative arts, provided compliance with specific regulations and are not involved in excluded activities like agriculture or financial services. The scheme is subdivided into nine key and supported actions, which include, the participation at B2B international trade events and fairs, trade missions, participation in formal networking and brokerage events, market preparedness and development, market research, digital marketing, collaborative internationalisation projects, calls for tenders, and third-party multipliers. This comprehensive support extends to various facets of international trade engagement, with application processes tailored to the nature of the event.



At CLA Malta, we are committed to empowering your business and reach new heights. Whether you are at the early stages of your business or looking to expand, we are here to support you in navigating the world of funding and growth opportunities. Our dedicated team is here to guide you every step of the way and work alongside you, turning your ideas into reality and setting the stage for long-term success. Let's collaborate to make your business goals a reality!

How can CLA Malta assist you?

- Assist with devising the right Funding Scheme for Future Projects Implementation
- Assist with the compilation and submission of an application for Funding Schemes and any supporting documentation
- Assist with the Claim for Reimbursement Process

Ensuring Digital Resilience: The Next Frontier in EU Digital Compliance

6

In today's rapidly evolving digital landscape, businesses face increasing pressure to ensure operational resilience, particularly within the financial sector. The Digital Operational Resilience Act (DORA) places a critical emphasis on understanding and securing the end-to-end business processes and the Information and Communication Technology systems that support them. As the compliance deadline of January 17, 2025, approaches, it is essential that organisations integrate DORA's requirements into their existing operations rather than treating it as a separate obligation.

The Digital Operational Resilience Act is a regulation introduced by the European Union in January 2023 to ensure that financial institutions and their digital infrastructure are well-protected from cyber threats and disruptions. With the financial sector becoming increasingly reliant on digital systems, the goal of DORA is to improve the security and resilience of financial services across Europe, mitigating risks from potential cyberattacks and other ICT failures.

Will you be affected by DORA?

DORA applies to a broad range of entities, including banks, insurance companies, investment firms, fintech companies, AIFMs, crowdfunding service providers and third-party ICT service providers namely those offering cloud computing services, software provision, and data centres. Accordingly, these entities must ensure that their digital systems are in check, and thus being secure and that their operations can recover from any form of disruption.

DORA's Five Pillar Obligations

The core principles of DORA are organised into five (5) key pillars, each targeting different aspects or domains of ICT and cybersecurity, thereby establishing a comprehensive framework for digital resilience for the relevant entities.

- ICT Risk Management and Governance
- ICT-related Incident Reporting
- Digital Operational Resilience Testing
- ICT Third-party Risk
- Information Sharing

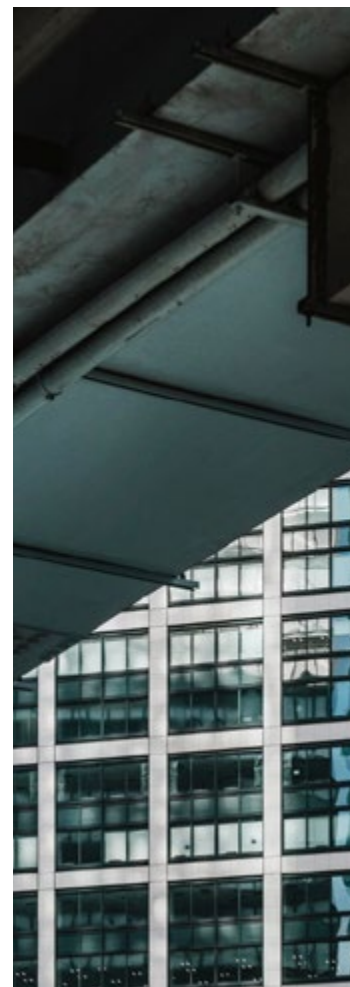
In analysing the requirements set forth by the previously-mentioned five (5) key pillars, with regards to **Pillar 1**, DORA requires the management body of a financial entity to establish, approve, supervise, and take responsibility for the implementation of all components related to the ICT risk management framework. Moving on to **Pillar 2**, DORA requires financial entities to create and implement a process for managing ICT-related incidents, which includes detecting, handling, and reporting such incidents, as well as establishing early warning indicators to provide alerts. In meeting **Pillar 3**, financial entities are required to develop and implement a process for managing ICT-related incidents, enabling them to detect, respond to, and report incidents, while also setting up early warning indicators to provide timely alerts. In reaching the objective of **Pillar 4**, financial entities must incorporate ICT third-party risk management as a core element of their ICT risk management framework, ensuring compliance with the key principles for managing ICT third-party risks as outlined by the regulatory authority. In reaching **Pillar 5**, as outlined by DORA, financial entities are permitted

to share cyber threat information and intelligence with each other, including indicators of compromise, tactics, techniques, procedures, cybersecurity alerts, and configuration tools.

Getting Ready for DORA

As DORA came into effect in January 2023, organisations have until 17 January 2025 to achieve full compliance. As one may appreciate, the transitional period is a complex and time-consuming one; and failure to comply with DORA can lead to severe penalties. In getting ready for DORA, enterprises should start conducting a maturity assessment to understand their current readiness against DORA's requirements. Such exercise will involve the identification of any gaps in ICT risk management, incident reporting, and third-party oversight. Furthermore, institutions should commence scenario planning, especially for the required large-scale penetration testing. Building a comprehensive Register of Information for all ICT third-party providers is also essential.

It is crucial for management to take ownership of DORA compliance, where seniors must be responsible for the risk management framework, ensuring that it aligns with DORA's requirements and integrates smoothly into daily operations. Regular reporting and updates on progress will also be necessary to meet the January 2025 deadline.



By embedding these requirements into current controls, processes, and technology, DORA can strengthen relationships with customers, helping to deliver more resilient products and services. With technological risks at the core of DORA, organisations must proactively address compliance gaps and adopt advanced tools, such as AI, to meet these challenges. At CLA Malta, we are here to guide you through your DORA transformation, ensuring that your business is ready and compliant by 2025!

How can CLA Malta assist you?

- Assist with conducting Risk Assessments and Gap Analysis
- Assist with the Development and Implementation of Incident Management and Business Continuity Plans
- Provide Ongoing Support and Monitoring with regards to DORA Compliance

Expanding Business Horizons through Public Procurement

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Why stop at private? We believe in thinking locally in a broader sense, exploring tenders in emerging markets and transformative economies. From the local online public procurement platform to the European Bank for Reconstruction and Development to the United Nations Office for Project Services, we help you unlock local and international opportunities that propel your business into new dimensions.

Each day, numerous tenders are issued for the procurement of goods and services by various government contracting authorities. These tenders are essential in the day-to-day operations and the implementation of larger-scale projects. Regardless of whether your profession lies in architecture, law, healthcare, or manufacturing, the government's e-procurement platform offers a wealth of opportunities for you to explore, select, prepare, and submit tenders that align with your business interests.

Award Criteria for Tender Applications

At CLA Malta we are equipped to support you throughout the entire tendering process. From setting up your account on the Government's central e-tendering platform to identifying relevant tenders, we can assist in reviewing and preparing the necessary documentation to ensure compliance with all technical requirements.

In analysing the tender dossier, the main differentiating criteria impacting the documentation being submitted for the tender response is the criteria for award, that is, whether this is based solely on price or on best price-quality ratio (BPQR). As the name suggests for tenders awarded based solely on a price criteria, the cheapest bid, given compliance on all other technicalities required by the entity,

will be the contractor engaged on the project.

On the other hand, should the tender be awarded on a BPQR basis, each technical offer will be evaluated in accordance with the award criteria and the associated weighting as detailed in the evaluation grid of the tender document which is published online.

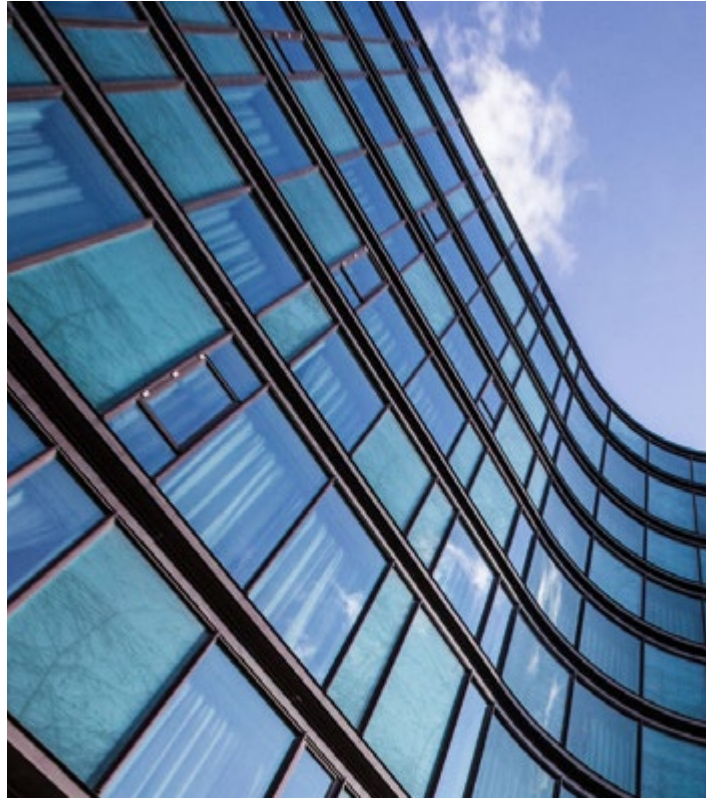
Therefore, one should note that essentially there are no other award criteria which will be considered, where the award criteria will be examined in accordance with the requirements as indicated within the technical specifications. The weighting for technical quality against price varies depending on the type of project and also as outlined by the contracting authority.

Tenders being awarded on a BPQR basis will be awarded to the offer that has obtained the highest score after considering the respective technical and financial scores, and thus deriving the overall best BPQR.

Submissions of Tender Applications

In compiling the documentation requested for the tender submission bid, bidders should ensure that all technicalities and supporting documents are in a timely manner to ensure a smooth process when uploading their bid. This will minimise the disruptions which you might encounter when uploading and submitting all documentation being requested and thus avoiding any unnecessary issues.

One should note that should the Evaluation Board finds anything unclear whilst evaluating your tender submission, requests for clarification may be sent out for which you will have a definite time period during which you are able to provide the requested explanations and documentation, if applicable.



At CLA Malta, we are pushing the boundaries of what's possible by helping businesses seize bold new opportunities through local and international tendering. We guide you through every step, from setting up your account on the government's e-procurement platform to curating tenders that align with your vision. Whether you're an architect, lawyer, healthcare professional, or manufacturer, we make the process seamless – ensuring your documentation is flawless and your business is primed to land game-changing contracts.

How can CLA Malta assist you?

- Assist with matching the right project to your line of service
- Assist with the compilation of tender-related documentation
- Assist with the set-up for submission of tender

Ancillary Services



Transaction Advisory



Risk Management
Advisory



Company Valuations



Mergers & Acquisitions
Reporting & Analysis



Financial Projections
& Analysis



Procurement & Tender
Assistance



Restructuring &
Turnaround



Financial Feasibility
Reports



Project Management

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