



Advisory Insights

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Bi-Annual Newsletter
Edition 4





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We are thrilled to share with you the fourth edition of our Advisory Department's newsletter. As we continue this journey together, we are excited to bring you fresh insights and expert advice that can help guide your next steps.

In this edition, we take a closer look at the process of bond issuance in Malta and emerging funding opportunities. With valuable economic forecasts from both national and European institutions, we have put together a forward-thinking outlook to help you stay ahead.

The positive feedback we have received from our previous newsletters has truly inspired us to keep delivering practical, actionable advice to help you navigate today's ever-changing business world. Together, we are confident that we are Built to Make a Difference.

A handwritten signature in black ink, appearing to be 'J. Camillieri'.

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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Economic Outlook and Projections: Forecasts' Analysis for Autumn 2024

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Economic Outlook and Projections: Forecasts' Analysis for Autumn 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-November 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, education, and health activities.

2025 Projections

		
 <div>GDP Growth (% Year-On-Year)</div>	4.3%	1.5%
 <div>Inflation (% Year-On-Year)</div>	2.2%	2.4%
 <div>Unemployment Rate (% of Labour Supply)</div>	3.1%	5.9%

(European Commission, 2024)

Autumn 2024

The European Commission's Autumn 2024 Economic Forecast outlined a cautiously optimistic outlook for the EU economy in the upcoming years, projecting a gradual acceleration in growth alongside easing inflationary pressures.

Economic Growth Projections

After a period of stagnation, the EU economy resumed growth in early 2024. Real GDP was projected to grow by 0.9% in 2024, with an anticipated increase to 1.5% in 2025 and 1.8% in 2025 and 1.8% in 2026. This upward shift is attributed to strengthening domestic demand, particularly in consumption and investment. The Euro area was expected to follow a similar pattern, with growth rates of 0.8% in 2024, 1.3% in 2025, and 1.6% in 2026.

Trends in Inflation

Inflation has been on a downward trend since late 2022. In the Euro area, headline inflation was forecasted to decrease from 5.4% in 2023 to 2.4% in 2024, and should then ease to 2.1% in 2025 and 1.9% in 2026. The EU was expected to experience a sharper decline, with inflation falling from 6.4% in 2023 to 2.6% in 2024, then to 2.4% in 2025, and reaching 2.0% in 2026. This disinflationary process is supported by the moderation in energy prices and stabilisation of costs in non-energy goods.

Labour Market Dynamics

The EU labour market has demonstrated resilience, with employment reaching a record high of 75.3% in 2023 and rising to 75.8% by mid-2024. The unemployment rate decreased to a historic low of 6.1% in 2023, a trend that continued into 2024. Employment growth is expected to slow from 0.8% in 2024 to 0.5% in 2026, with the unemployment rate stabilising at 5.9% in the EU and 6.3% in the Euro area by 2026.

Fiscal Outlook

The general government deficit in the EU is projected to decline from 3.1% of GDP in 2024 to 3.0% in 2025, and further to 2.9% in 2026. This improvement shall be driven by revenue windfalls and fiscal consolidation efforts.

However, the aggregate debt-to-GDP ratio is expected to increase slightly, from 82.1% in 2023 to 83.4% in 2026, reflecting the impact of elevated deficits and higher interest rates.

Diving into Malta's Outlook

Malta's economy is expected to sustain strong growth over the coming years, driven by robust domestic demand and expanding exports, particularly in tourism and services. Real GDP was projected to increase by 5.0% in 2024, before moderating to 4.3% in 2025 and 2026. This growth is supported by increasing private and public consumption and public consumption, increased tourist arrivals, and steady employment growth fuelled by high immigration flows. Exports, particularly in tourism, IT, financial, and professional services, are anticipated to outpace imports, contributing positively to economic expansion. Investment, after the slowdown of 2023, is expected to recover, aided by the Recovery and Resilience Fund.

The labour market remained resilient, with employment growth forecasted at 4.3% in 2024 before slightly decelerating to 3.1% in 2025 and 2.8% in 2026. Unemployment is projected to remain low, declining from 3.2% in 2024 to 3.0% by 2026. Despite this strong job growth, wages are expected to increase modestly, slightly above inflation levels, as employment remains concentrated in lower-paid sectors. Inflation is on a downward trend, averaging 2.5% in 2024 and further declining to 2.2% in 2025 and 2.0% in 2026. The reduction remains in line with global trends, while energy prices are expected to remain stable due to continued government subsidies.

Public finances are set to improve, with the government deficit decreasing from 4.0% of GDP in 2024 to 3.5% in 2025 and 3.1% in 2026. The decline is primarily driven by a reduction in subsidies and the restructuring costs of the national airline. However, the deficit is expected to remain above 3% over the forecast horizon. Meanwhile, public debt is projected to stabilise just above 50% of GDP by 2026, following an increase in 2024 due to restructuring expenses and less favourable debt dynamics.

Externally, Malta's current account surplus is expected to remain strong at 5.7% of GDP in 2024 and 2025, rising slightly to 5.9% in 2026, reflecting continued export growth.



What's On

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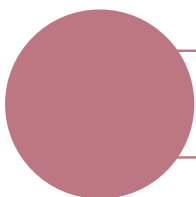
What's On

Enhance Your Investment Prospects with Micro Invest

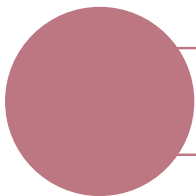
The Micro Invest Scheme administered by Malta Enterprise has been relaunched for another year, allowing self-employed individuals and companies to apply for tax credits for eligible expenditure purchased in 2024.

The Micro Invest Scheme empowers businesses to expand, enhance productivity and contribute more effectively to economic development. Undertakings benefitting from this measure are supported by a tax credit calculated at a minimum of 45% of the eligible expenditure, with further support provided to those operating from Gozo, registered with the Family Business Office and those having more than 50% of the ownership attributed to female individuals. Eligible expenditure includes refurbishing and refurnishing of business premises, investment costs, motor vehicles, certifications costs and at least 3% increase in wage costs.

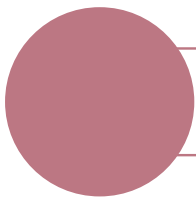
If you are planning to avail yourself of the scheme in 2025, there are three (3) main deadlines by which an application for the Micro Invest Scheme may be submitted:



Self-Employed: 26 March 2025



Companies: 28 May 2025



Late Submissions: 26 November 2025

Malta Permanent Residence Programme (MPRP) Updates

The Malta Permanent Residence Programme (MPRP) offers individuals and families a route to residency in Malta in exchange for qualifying investments. Significant revisions to the programme came into effect on 1st January 2025, introducing changes in eligibility, property requirements, and fees to align with economic trends and enhance international appeal.



Key Updates

1. Revised Asset Requirements

Applicants must now demonstrate ownership of €650,000 in assets, including a minimum of €75,000 in financial assets. This replaces the previous requirement of €500,000 in total assets, with at least €150,000 in financial assets.

2. Changes to Dependent Eligibility

- Adult children (18–29 years) of the main applicant or spouse qualify only if unmarried and financially dependent
- Children over 18 with disabilities remain eligible under Malta's Equal Opportunities (Persons with Disability) Act

3. Updated Property Requirements

Applicants must now meet uniform property criteria regardless of location in Malta or Gozo:

- Purchasing a property: Minimum value of €375,000 or
- Renting a property: Minimum annual rent of €14,000

The chosen property investment option must only be committed to by the applicant upon receiving approval in principle.

4. Adjusted Fees

Non-refundable administration fee increased from €40,000 to €50,000, payable in two instalments:

- €15,000 within one month of application submission
- €35,000 within two months of approval in principle

New dependent fees:

- €10,000 per dependent, split into €5,000 administration fee and €5,000 contribution, payable post-approval

Increased contribution fees to the Residency Malta Agency:

- Rental option: €60,000 (previously €58,000)
- Purchase option: €30,000 (previously €28,000)

Programme Enhancements

These updates aim to maintain the MPRP's competitive position, ensuring its economic relevance while upholding rigorous due diligence and expediting application processing.



Income Tax Cuts to Save Workers Between €345 and €675

In a significant move to increase disposable income, the government had announced a substantial reduction in income tax through adjustments to tax bands across the single, married, and parent categories.

Under the new structure:

- Single rate: No tax will be charged on the first €12,000 earned.
- Married rate: The first €15,000 will be tax-free.
- Parent rate: No tax will apply to the first €13,000 earned.

Additionally, the 15% tax band will now apply to:

- €12,001–€16,000 for the single rate,
- €15,001–€23,000 for the married rate, and
- €13,001–€17,500 for the parent rate.

For income up to €60,000, a 25% tax rate will apply, while income exceeding €60,000 will be taxed at 35%.

This initiative is expected to provide tangible financial relief to workers across Malta, delivering on promises to boost economic well-being.

Implementation of New Procedures for Third-Country National (TCN) Directors and Shareholders

Third-Country Nationals (TCNs) in Malta are subject to specific regulatory requirements when seeking to act as directors or shareholders of a company. These regulations ensure compliance with the conditions of their residence and work permits, limiting their ability to engage in additional business activities unless specific criteria are met.

1. A Third-Country National (TCN) residing in Malta under a single permit is not permitted to register as a director or shareholder of another company with the Malta Business Registry (MBR). The TCN is only authorised to engage in the business activity specified in their single permit.
2. A Third-Country National (TCN) who intends to serve as a company director must obtain a single permit, even if they assert that they will not be actively involved in the business operations. The issuance of the single permit in such cases is contingent upon the TCN providing proof of eligibility in accordance with the criteria outlined in point 3.2 of the ELU Guidelines.
3. A Third-Country National (TCN) residing in Malta under a single permit may apply for a secondary employment license to work part-time for up to 20 hours per week. However, they are not eligible to apply to serve as a company director or shareholder unless their primary employment is also in the capacity of a director or shareholder.

Our Trail

At CLA Malta, continuous learning and professional development serve as fundamental pillars of our Advisory Team's dedication. Throughout the year, we actively engage in various events, conferences, and webinars, demonstrating our commitment to expanding our expertise while fostering valuable industry relationships. As we reflect on our achievements and look toward the future, we are excited to embrace new opportunities that enhance our growth and collaboration. Guided by our passion for knowledge and innovation, we remain committed in our pursuit of excellence and the advancement of our expertise.

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Our Pinpoints



GITEX Global October 2024

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



Startup Festival Malta October 2024

The Startup Festival Malta, which was held between October 17-18, annually brings together entrepreneurial minds, startups, and investors. This festival featured keynote talks, panel discussions, practical workshops, and networking opportunities, along with a pitch competition called "Pitch Black".



MedTech World Malta November 2024

MedTech World Malta 2024, which happened early November between the 6 and 8, brought together global leaders and industry experts to showcase and discuss the latest advancements in medical technology. The event featured 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.



Slush November 2024

Closing off the year, the Team hailed to Finland for Slush2024 in Helsinki, between 19 and 20 November. Slush has brought together experts and stakeholders to discuss the latest advancements and challenges in the field of sustainable finance particularly for start-ups. The focus was on fostering collaboration, sharing innovative solutions, and exploring the role of finance in driving growth for enterprises globally.

On Our Radar



GITEX Europe unites visionaries and industry leaders to drive partnerships and shape a future-ready digital ecosystem across key sectors. With over 2,500 exhibitors, 1,500 start-ups, and 500+ speakers, it is set to become Europe's most global and collaborative tech event.

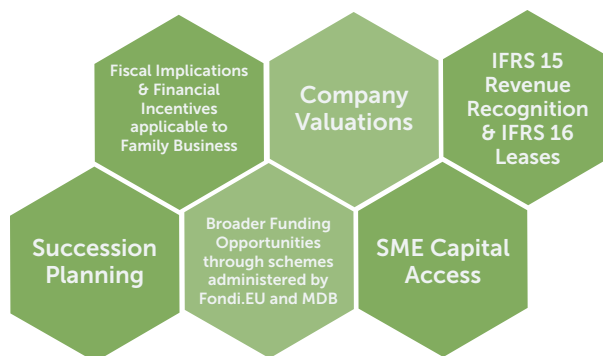


London Tech Week brings together global leaders, innovators, and investors to explore the latest advancements shaping the digital future. With world-class speakers and dynamic networking opportunities, it serves as a key platform for driving technological growth and collaboration.

Empowering Growth: Our Dedication to Continuous Growth

The Advisory Team has consistently expanded its skill set and expertise through a series of internal and external workshops and training sessions. This forward-thinking approach enables us to stay ahead of industry expectations, enhancing both the quality and value of the services we provide to our clients. Furthermore, it fosters the continuous professional development of each team member.

We have seized every opportunity to broaden our perspectives through dynamic sessions on:



Our Achievements

- Assisted in filing an application for an EMI licence as required by the local regulatory authority
- Significantly enhanced the team's technical capabilities and domain expertise through targeted investments in training, and strategic knowledge-sharing initiatives
- Strategically invested in and implemented advanced tools, enabling the team to deliver a more efficient and high-quality consultancy service
- Represented CLA Malta at key conferences in the Middle East and Nordic regions, fostering industry connections and insights
- Served as a panellist at MedTech World Malta, contributing to the discussion on "Malta's MedTech Ecosystem: Lessons from Global Leaders," and sharing insights on industry developments and best practices
- Reviewed expenditure allocations and relevant frameworks to support alignment with funding requirements for various entities
- Assisted business enterprises and self-employed individuals in successfully claiming tax credits, totalling approximately €3.8 million

Empowering Growth: Unlocking Malta's Strategic Funding and Incentive Landscape for your Venture



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Discover a range of funding opportunities designed to drive business growth, enhance workforce skills, promote sustainability, and support agricultural diversification. From the Invest Scheme, which fosters industrial and economic development, to the Skills Development Scheme aimed at strengthening human capital, these initiatives provide crucial financial assistance to businesses having different background. Additionally, the Smart and Sustainable Investment Grant encourages resource efficiency and digitalisation, while the On-Farm Productive Investments Intervention supports diversification in the agricultural sector. Explore these funding opportunities and unlock new possibilities for innovation and expansion.

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.

Invest Scheme

Through the Invest Scheme, Malta Enterprise encourages regional industrial and economic development by supporting initial investment projects. This initiative is open to businesses of all sizes, ranging from small to medium-sized enterprises, and large enterprises operating from assisted areas; and facilitates the establishment of new ventures, expansion of existing operations, and business diversification. The scheme offers financial assistance in the form of tax credits, cash grants, interest rate subsidies, and loan guarantees, with a minimum investment threshold of €10,000. Aid ranges between 10% and 30% of eligible expenses, with additional support available for investment projects located in Gozo and Comino. Eligible investments include tangible and intangible assets necessary for operational expansion, with funding capped at €100,000 per project. Applications for the scheme are open until 31 December 2026.

The Skills Development Scheme

The Skills Development Scheme, aims to support businesses in enhancing their workforce's skills and knowledge. Through this initiative, companies operating in Malta can receive financial aid, by means of cash grants or tax credits, for training that improves employees' competencies, addresses skills gaps, and fosters a knowledge-based economy. Qualifying training would include training allowing for the enhancement of business operations, the support to non-Maltese employees learn the Maltese language and culture, promotion of the acquisition and improvement of digital skills and cybersecurity and the strengthening of ESG practices. The scheme is open to registered businesses, including self-employed individuals, engaged in qualifying economic activities, provided they meet fiscal compliance and financial stability criteria. The incentive, with a budget of €10 million, covers wage costs for trainees and trainers, external expert fees, and travel expenses for training not available locally, offering companies a strategic opportunity to invest in their human capital. Applications are accepted until 30 September 2026, or until funds are exhausted.

The Smart and Sustainable Investment Grant Scheme

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, where the previously-mentioned extension may reach up to €40,000 per project. The deadline for applications is 30 November 2026.

On-Farm Productive Investments - Diversification

The On-Farm Investment Intervention supports productive investments in agricultural holdings, including non-agricultural diversification, across the entire territory of Malta. This call is open to farmers seeking to diversify into non-agricultural economic activities. Eligibility is limited to full-time, established farmers (natural persons only), with diversification activities required to be intrinsically linked to the agricultural sector, including the agricultural activity on the same holding. The intervention may also support initiatives that promote rural tourism, such as farm shops, artisanal production of high-quality local products, and the provision of services aimed at stimulating family farming. There is no specific limit on the maximum grant value that applicants may request. The intervention will finance up to 50% of eligible costs, with no capping applied under this call. However, funding remains subject to the limitations and thresholds established by applicable State aid regulations. Farmers interested in availing from this scheme have the opportunity to submit their application by 30 May 2025.

At CLA Malta, we are dedicated to empowering your business to achieve new levels of success. Whether you are in the initial stages of your venture or seeking to expand, we are here to support you in navigating the landscape of funding and growth opportunities. Our committed team will guide you through every step of the journey, working closely with you to transform your ideas into reality and lay the foundation for sustainable, long-term success. Let us collaborate to turn your business aspirations into achievements.

How can CLA Malta assist you?

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

Navigating Bond Financing in Malta: How Public Listed Companies Can Raise Capital Effectively

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Bond financing has emerged as a pivotal alternative for Maltese public listed companies seeking to diversify their capital structures beyond traditional bank loans. As bond issues on the Malta Stock Exchange continue to grow, professional guidance can transform a complex financing strategy into a successful and efficient capital-raising opportunity.

CLA Malta can play a key role in assisting public listed companies raise funds through bond issues in the Maltese market, offering comprehensive support to companies seeking to finance through alternative financing strategies beyond traditional bank loans offered by credit institutions. The involvement of us is particularly crucial given the regulatory landscape and investor expectations surrounding bond offerings listed on the Malta Stock Exchange (MSE).

The first step is understanding whether a bond issue is the right fit for your company. The assessment of the company's financial position and business model is carried out, providing clear insights into how a bond could work for you. Financial projections are compiled to estimate interest rates, repayment plans, and how attractive the bond might be to investors.

Once a bond issue is deemed feasible, further guidance in relation to the preparation of the necessary documentation is provided. CLA Malta can also take care of liaising with MFSA, legal advisors, and investment advisors to streamline the approval process. Our expertise in corporate governance, statutory compliance, and risk management will support you in meeting stringent regulatory requirements while maintaining operational focus.



Post-issuance, CLA Malta strives to continue adding value by managing ongoing compliance obligations. This includes ensuring timely publication of financial statements, maintaining the corporate register, and supporting the company in fulfilling its obligations towards bondholders, such as interest payments and redemptions.

In the Maltese context, where bond financing has seen a marked increase as companies seek to diversify their capital structures, the support of a corporate service provider like CLA Malta can be the difference between a unified, successful bond issue and a challenging, protracted process.

By working with a corporate service provider, you gain a trusted partner who can simplify the complexities of a bond issue, helping you secure the funding you need to take your business to the next level.



At CLA Malta, we are dedicated to supporting your company in achieving its financial and strategic objectives. Whether you are exploring alternative financing options for the first time or are seasoned in the capital markets, our experienced team is here to guide you through every step of the bond issuance process. By partnering with us, you gain a trusted advisor committed to simplifying complexities, mitigating risks, and unlocking new growth opportunities. If you are curious to learn more about how a bond issue could work for your company, feel free to reach out—we're here to help you reach growth seamlessly!

How can CLA Malta assist you?

- Getting Listed on the Malta Stock Exchange
- Feasibility Assessment of Bond Issue
- Assistance with FDDR Compilation
- Post-Issuance Compliance and Ongoing Support

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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