



2024

ANNUAL REPORT

The background features a light beige color with abstract, wavy lines in a darker beige tone that flow across the page. In the top right corner, there is a grid of small white dots. In the bottom left corner, there is a grid of larger white squares. A white rectangular frame is positioned in the lower-left area, partially overlapping a dark teal circle.

MISSION STATEMENT

Having a market
where fair trading
prevails and
consumer welfare
is enhanced

CHAIRPERSON'S ADDRESS

As I present the Malta Competition and Consumer Affairs Authority (MCCAA) Annual Report for 2024, I do so with a deep sense of pride and gratitude. This year marks not only another chapter in the Authority's journey but also the conclusion of my tenure as Chairperson. It has been a privilege to serve in this role, overseeing an institution that plays such a vital part in ensuring fairness, trust and transparency in Malta's marketplace.

Looking back at 2024, it is clear that this has been a year of continued progress, built on the strong foundations laid in previous years. The MCCAA remains a key pillar in safeguarding consumer rights, promoting competition and ensuring that businesses operate within a fair and ethical framework. These responsibilities have grown even more significantly as markets evolve, digital transformation accelerates and consumer expectations continue to rise.

Creating a balanced marketplace, one where consumers can have confidence in their protection and businesses can operate successfully within a framework of fair and competitive practices, remains a complex undertaking. It is within this dynamic environment that the Authority has continued to provide robust regulatory input through informed decisions, with a constant focus on delivering tangible outcomes. The achievements outlined in this report underscore the resilience and adaptability of our Authority as we continue to respond to the evolving needs of our society and the Maltese economy as a whole.

STRENGTHENING CONSUMER PROTECTION AND ACCESS TO JUSTICE

This year we further enhanced consumer protection mechanisms. The reforms introduced in 2023, particularly the increased claims threshold of the Consumer Claims Tribunal and the expansion of mediation services, have yielded positive results. We have built on these advancements by streamlining case resolution even further, reducing waiting times and improving accessibility. Consumers now have

more confidence than ever that their concerns will be heard and addressed efficiently.

This was not at the expense of promoting healthy relations with traders, with constant engagement in submitting Malta's positions on EU proposals and the continual transposition of EU Directives.

Our enforcement efforts have also intensified, tackling unfair commercial practices, misleading advertising and non-compliance with consumer protection laws in general. Through targeted investigations and increased collaboration with stakeholders, we have strengthened our ability to intervene when consumer rights are at risk. These actions send a clear message: ethical business practices are not just encouraged, but expected.

DRIVING FAIR COMPETITION AND MARKET INTEGRITY

A healthy market is one where competition thrives, innovation flourishes and consumers benefit from greater choice and better prices. In 2024, the MCCAA continued to fulfil its role in overseeing mergers and acquisitions in various sectors, thereby being proactive in curtailing enterprise growth that could lead to anti-competitive behaviour and ensuring that businesses operate on a level playing field.

A significant milestone was the issuance of the first ever prohibition of a concentration following a Phase II investigation. This decision highlights the Authority's commitment to rigorously evaluate transactions that could potentially harm competition and its proactive role in safeguarding the interests of consumers, businesses and the economy.

At the same time, we have continued to engage with businesses proactively, helping them understand their responsibilities and encouraging compliance with regulatory frameworks. Education and guidance have been key aspects of our approach, reinforcing our belief that regulation is not a burden but a pathway to long-term success and consumer trust.

PREPARING FOR THE FUTURE: DIGITAL AND SUSTAINABLE MARKETS

In 2024, we also turned our attention to emerging challenges and opportunities in the digital and sustainability spheres. The rise of e-commerce, AI-driven services and digital transactions have reshaped the consumer landscape, requiring regulatory adaptation.

A guidebook on influencer marketing and consumer rights was drawn up to promote transparency in digital advertising and ensure that sponsored content is clearly identifiable by consumers. The Digital Investigations Unit within the Office for Consumer Affairs actively supported this initiative by monitoring influencers' posts both prior to and following the publication of the guidelines, assessing levels of compliance and identifying misleading practices, such as undisclosed advertising. The Authority also contributes to EU-wide enforcement sweeps and engages with key

stakeholders to ensure that online traders adhere to EU consumer protection rules, reinforcing compliance across the online marketplace.

From a product safety perspective, the Authority focused on the various new legal proposals that were published at EU level and subsequently transposed into the local legislative framework. Among these were proposals on toys, chemicals, construction products and detergents. Consultations were carried out with the stakeholders to evaluate the impact of these new regulations on the Maltese market. These were crucial in assisting the Authority to put forward a solid position and propose necessary changes.



During 2024, the Authority also supported the development of two national annexes aligned with international standards on Energy Performance Certificates (EPCs). These initiatives support more transparent and environmentally responsible practices in the building sector. Furthermore, as part of a national budgetary measure, the Authority successfully established the EU Ecolabel certification scheme for detergents. This milestone was marked by the issuance of the first certification under this scheme to a UK-based organisation, reinforcing Malta's contribution to the promotion of eco-friendly products in the Single Market.

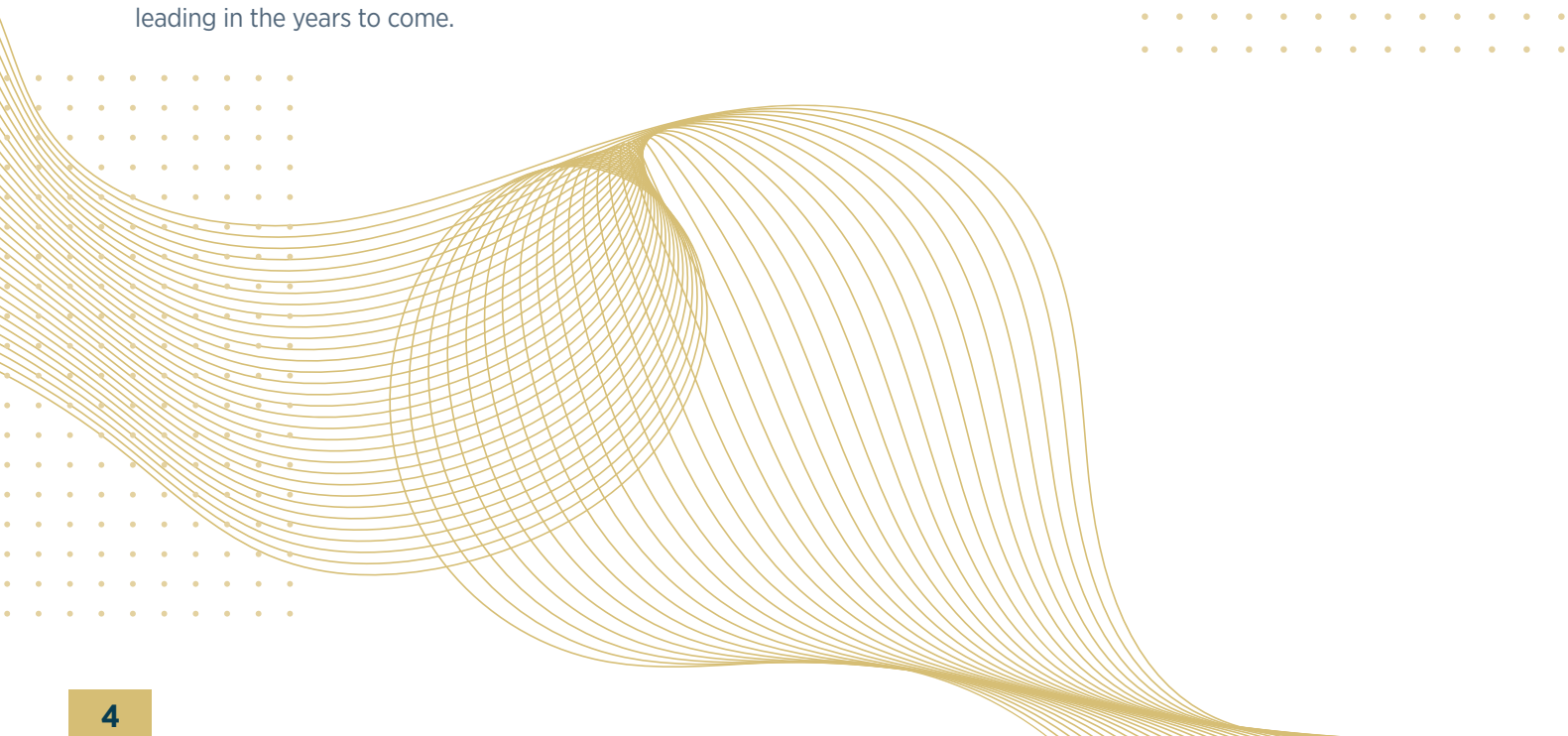
A PERSONAL REFLECTION AND GRATITUDE

As I conclude my tenure as Chairperson, I reflect on the MCCA's journey with great appreciation for the dedication and resilience of our team. The Authority's successes are the result of a collective effort – of committed professionals who work tirelessly to uphold consumer rights, supporting both consumers and businesses alike.

I also extend my sincere gratitude to the Board of Governors for its ongoing support, guidance and invaluable direction, and to all our stakeholders – government partners, industry representatives, consumer advocacy groups and the public – for their co-operation and shared commitment. Though my time as Chairperson comes to an end, my belief in the MCCA's mission remains steadfast. The Authority is well positioned to continue adapting, innovating and leading in the years to come.

Allow me also to pay tribute to the late Benny Borg Bonello, a fellow Board member and chair of the Consumers Association, whose dedication and professional contribution throughout his years on the Board of Governors ensured that consumer interests remained central to our decisions.

I leave the Authority with confidence that the dedicated individuals who make up the MCCA will carry forward its mission with the same integrity, passion and purpose that have defined its work. Thank you for your trust, collaboration and support throughout this journey. It has been an honour to serve, and I look forward to witnessing the MCCA's continued positive impact on people's lives in the future.





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FROM LEFT TO RIGHT:

Mr George Cutajar – DG Standards and Metrology Institute;

Ms Grace Stivala – DG Office for Consumer Affairs;

Inġ. Helga Pizzuto – Chairperson;

and Inġ. Rudie Vella – DG Technical Regulations Division.

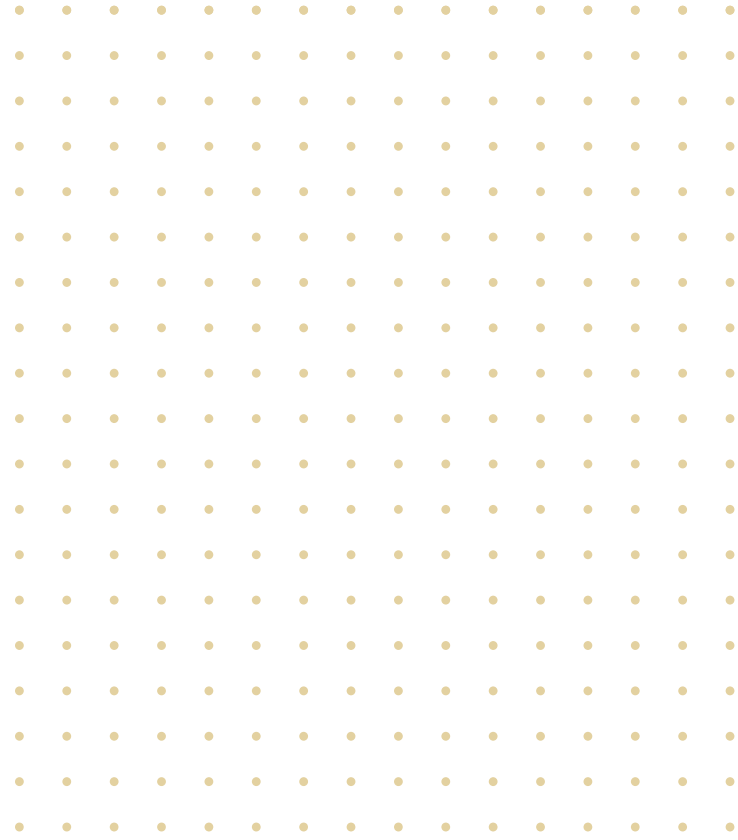


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OFFICE FOR COMPETITION



The Office for Competition (OC) holds the primary legal responsibility to promote and safeguard competition. By fostering fair and competitive practices, the OC contributes to the welfare of consumers, businesses and the economy. Its responsibilities include enforcement, advocacy and oversight of concentrations, such as mergers, acquisitions and full-function joint ventures. Furthermore, the OC actively participates in EU and international forums.

Highlights

The OC concentrated its efforts in 2024 on the thorough assessment of concentrations, including mergers, acquisitions and full-function joint ventures, to ensure compliance with competition laws and maintain fair market dynamics. Notably, the OC achieved a significant milestone by issuing its first ever prohibition of a concentration following a Phase II investigation.

This decision underscores the Office's commitment to rigorously evaluate transactions that may harm competition and highlights its proactive role in safeguarding the interests of consumers, businesses and the economy.

Throughout the year, the OC diligently tackled pending competition cases across various economic sectors, reinforcing its dedication to fostering open and competitive markets.

As the OC prepares to mark its 30th anniversary in 2025, it reflects on its achievements while setting clear priorities for the future. Key objectives include expediting the resolution of pending cases, enhancing the effectiveness of investigations and delivering timely conclusions. Additionally, the OC will prioritise investigations aimed at supporting vulnerable consumers, ensuring its efforts produce meaningful impacts and tangible benefits for the public.

Regulatory Activity

INVESTIGATIONS

The OC pursued investigations into several alleged instances of anti-competitive practices spanning various sectors of the economy, including entertainment, transport, telecommunications and health. Throughout the year, the OC conducted several meetings and sent numerous requests for information, both in the context of ongoing formal investigations and to assess the possibility of initiating new ones.

Issuance of Provisional Findings Reports

A provisional findings report is an interim document issued by the OC during investigations. It details preliminary evidence of either potential anti-competitive behaviour or findings detailing that the OC found no evidence of anti-competitive behaviour. This allows parties to respond before final decisions are made – either to initiate Court proceedings or to close an investigation on insufficient grounds to act on a complaint.

Although the OC is not bound to issue a provisional findings report, the OC considers that, in view of its current enforcement model, such a report ensures transparency and procedural fairness in enforcement.

In 2024, the Office issued two provisional findings reports on its ongoing investigations in the entertainment sector.

Warning Letters

Warning letters are an important tool to foster compliance with competition law. The OC issues warning letters to undertakings which the OC has reasonable grounds to suspect might be breaking competition law and to encourage them to comply. Receipt of a warning letter does not mean that competition law has been infringed, since only after the conclusion of the investigation by the OC and a subsequent judgment has been handed down by the Civil Court (Commercial Section) can it be determined that competition law has been infringed.

Nevertheless, the failure of undertakings to comply with the OC's warning letters is considered a serious



aggravating factor that could result in a significant increase in the amount of the penalty to be requested by the OC, should the OC institute Court proceedings after concluding its investigations.

In 2024, the OC issued a warning letter in the banking sector.

Request for interim measures

The Office assessed two requests for the issuance of interim measures in the health sector and the telecommunications sector. In both cases, the Office rejected these requests.

After a careful assessment of all the facts and evidence of the two cases, the OC concluded that the legal conditions for requesting the Court to impose interim measures had not been met. In its assessment, the OC found that there was no proven urgency to act to prevent significant and irreparable harm to competition and, thus, there was no requirement for the OC to establish whether a *prima facie* indication of an infringement of competition rules existed.

Informal investigations

Informal investigations are based on voluntary requests for information sent to businesses and other stakeholders where the OC relies on voluntary co-operation, allowing the OC at a first instance to assess concerns without resorting to formal powers to gather information. While not legally binding, informal investigations provide valuable insights into market conditions and assist the OC to determine whether to launch a formal investigation.

In situations where the OC determines that informal contact with undertakings potentially subject to a formal investigation could compromise the integrity of the investigation – such as in cases involving suspected cartels – it is unlikely that the OC would gather information informally.

The Office conducted informal investigations into various sectors of the economy in 2024, including communications, food and retail, transport, insurance, health and pharmaceuticals.



CONCENTRATIONS

A key responsibility of the OC is to assess whether a proposed concentration is likely to lead to a substantial lessening of competition (known as SLC) within the Maltese market with the goal of maintaining competition and promoting consumer welfare.

Over the past four years, the OC has taken 49 decisions spanning various sectors of the economy (refer to Figure 1). The principal concentration decisions made by the OC between 2021 and 2024 pertained to the Importation, Wholesale and Retail of Food, as well as the Maritime sector and Gaming and Information & Communications Technology, accounting for 25%, 19% and 16% of the concentrations, respectively. Concentrations in the Pharma, Healthcare and Medical Supplies sector also played a significant role during this period, constituting 14% of the total concentrations.

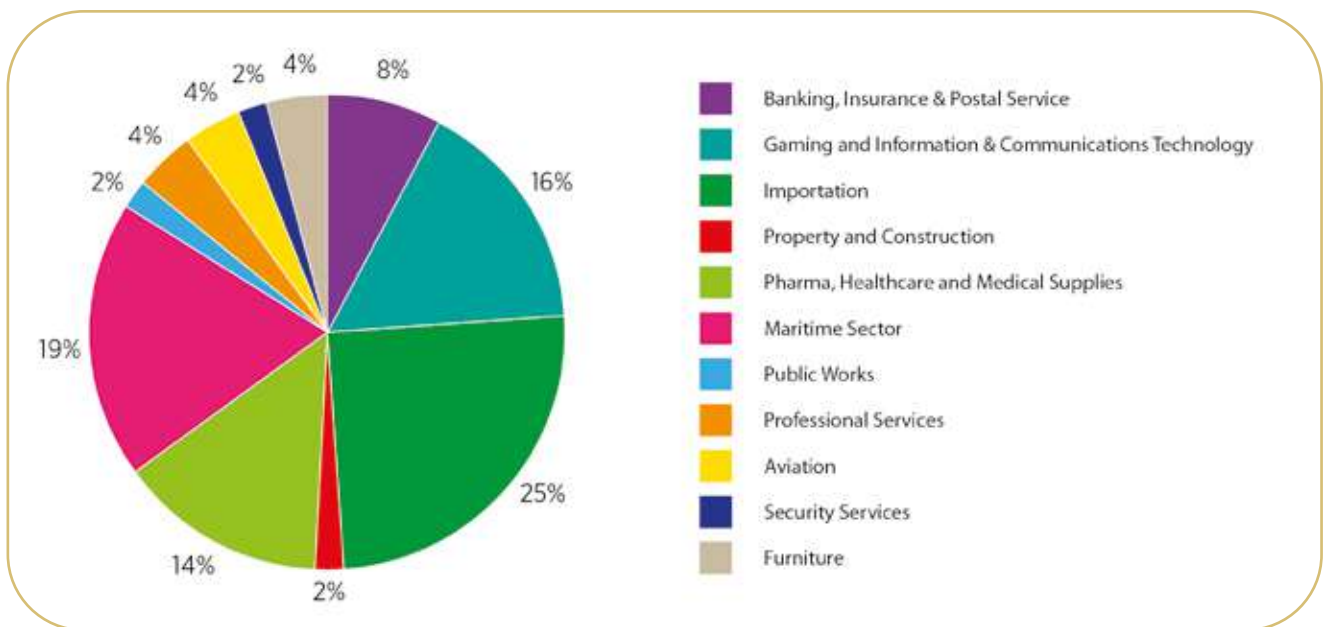


FIGURE 1: BREAKDOWN OF DECISIONS BY SECTOR FROM 2021-2024

The Office assessed eight concentrations decisions in 2024. These decisions spanned services within the Aviation sector, Pharmaceuticals, Healthcare & Medical Supplies, and food products, among others. Table 1 below provides a breakdown of the concentration decisions made by the Office.

TABLE 1: 2024 CONCENTRATIONS EXAMINED BY THE OC AND THEIR RESPECTIVE MARKETS

DECISIONS	MARKET
1 Acquisition of Advent Lifts Services Limited by Cypress Holdings S.R.L.	Lift Installation & Maintenance
2 Acquisition of Ideal Pharmacy, Central Pharmacy and Nigret Pharmacy by Health Direct Ltd	Retail Pharmacies
3 Creation of Joint Venture INV Holdings	Medical Supplies
4 Creation of a Fully Functional Joint Venture by Columbia Technology Ltd and SITA B.V.	IT Services
5 Acquisition of SR Technics Malta Limited by easyJet plc	Aircraft Maintenance
6 Acquisition by LiDL Immobiliare Malta Limited of property at Żabbar belonging to Said Investments Limited to operate LiDL Supermarket	Retail and Grocery Market
7 Acquisition of G4S Security Services Limited and G4S Security Services (Malta) Limited by KDM Investments Limited	Security Services
8 Assessment of the Proposed full-function joint venture between Francis Busuttil & Sons (Marketing) Limited, JCP Holdings Limited and Pacikka Holdings Limited to establish NewCo, and acquire the assets held by the Good Earth group	Fast Moving Consumer Goods



**Withdrawals are not counted in the total number of decisions issued by the OC*

FIGURE 2: CONCENTRATION DECISIONS BY TYPE OF PROCEDURE FROM 2021-2024

All the above concentrations were assessed within the time limits stipulated in the Control of Concentrations Regulations (hereinafter referred to as 'the Regulations'). Six out of eight merger decisions issued in 2024 were declared lawful after qualifying for the simplified procedure. In this instance, as stipulated in Regulation 12(4) of the Regulations, a decision was issued within a four-week period.

One of the eight notified concentrations qualified as a Phase 1 decision and, as stipulated in Regulation 9(1) of the Regulations, a decision was taken within six weeks of notification. The reason for this was that, although a vertical or horizontal overlap existed between the involved parties in the concentration, these concentrations did not give rise to serious doubts that they would lead to an SLC in the Maltese markets.

The OC marked a significant milestone in 2024 by issuing its first ever prohibition of a Phase II decision. The decision blocked the proposed acquisition by Lidl Immobiliare Malta Limited of a property in Żabbar owned by Said Investments Limited, intended for the operation of a Lidl supermarket. The acquisition would have bolstered Lidl's position in the grocery retail market within the southern region of Malta.

Following an in-depth assessment, the OC concluded that the commitments offered by Lidl were insufficient to address the identified concerns on an SLC. The decision issued by the OC has been appealed.

Phase I Decision

The concentration related to the proposed full-function joint venture between Francis Busuttil & Sons (Marketing) Limited ("FBSM"), JCP Holdings Limited and Pacikka Holdings Limited to establish NewCo and acquire the assets held by the Good Earth group. Since a horizontal overlap was present between the parties, the OC opened an in-depth investigation to assess whether the proposed acquisition was in line with the Regulations. In its assessment, the Office outlined three affected markets:

1. plant-based milk,
2. tea, and
3. cereal

where the parties to the proposed transaction have a combined market share that exceeds 15%. Of the three markets, the overlap between the parties was mostly significant in the plant-based milk sector, in which the Good Earth Group supplies the Alpro brand, and FBSM supplies the Valsoia and the Riso Scotti brands in the Maltese market.

Plant-based products are derived from plants rather than animal milk. While soy remains a primary ingredient, plant-based products can also be made from almonds, coconuts, hazelnuts and other plant-based sources, including cereals. Like the dairy sector, the plant-based market can be segmented by product categories, such as milk, yogurt, desserts and cream, as well as by branded and private-label offerings.

Additionally, the market can be analysed based on the context of consumption – whether products are consumed at home or in the out-of-home (OOH)

market. The OOH market includes establishments, such as restaurants, cafés, catering services and hotels. This segment is distinct from retail due to differences in pricing structures, purchasing patterns and consumer behaviour.

Initially developed for individuals with dairy intolerances, plant-based products have gained significant popularity due to advancements in taste profiles and evolving consumer eating habits.

To assess the size of the product market and gather insights from competitors operating in the plant-based milk and related sectors, such as plant-based desserts, the OC issued a request for information to businesses involved in the importation of these products.

The findings revealed that plant-based milk competes moderately with dairy-based milk. Although there is an increasing trend of consumer switching between the two, the exact extent of this shift remains unclear since plant-based consumption has risen while dairy demand has remained stable.

The OC concluded that the transaction would not lead to a significant increase in market power for the parties or a substantial lessening of competition since competition in the market will persist due to the presence of several other competing brands and private label products, the availability of parallel trade, low barriers to market entry and expansion, and the potential for new competition.

Lastly, the OC emphasised that the concentration does not raise serious doubts on its lawfulness. This is primarily because the involved parties will continue to face strong competition in all identified affected markets.

Phase II Decision

Decision declaring the proposed acquisition by Lidl Immobiliare Malta Limited of properties at Żabbar Belonging to Said Investments Limited to operate Lidl Supermarket unlawful in terms of the provisions of the Control of Concentrations Regulations. This decision has been appealed.

On 29 December 2023, the OC launched an in-depth investigation into the proposed acquisition by Lidl Immobiliare Malta Limited of properties at Scotts

(Haż-Żabbar) belonging to Said Investments Limited and leases belonging to Scotts Limited to determine whether the transaction complied with the Control of Concentrations Regulations.

An initial Phase I investigation revealed that the acquisition could significantly reduce competition in the grocery retail market, particularly at the local level, by limiting both current and future competitive constraints and potentially harming consumer welfare. To thoroughly assess the impact, the OC requested detailed market data, including the results of an exit store survey, to evaluate whether the transaction would lead to an SLC.

Stakeholder feedback highlighted concerns that the acquisition could strengthen Lidl's market position, reduce competition, threaten the viability of competitors and negatively affect consumer welfare.

In its assessment, the OC established the relevant market definition, that includes a product market and a geographical market definition. A key component was the product market analysis, which focused on grocery retail stores with a sales area of 200 m² or more. Using a Price, Quality, Range and Service (PQRS) analysis, 53 of 87 stores were identified as imposing a competitive constraint in at least two of three categories: Price, Range and Service. All stores were deemed to meet the Quality benchmark, positioning them within the relevant product market.

TECHNICAL BOX 1 – PQRS ANALYSIS

A Request for Information was sent to 153 grocery retail outlets in Malta (which include supermarket chains). From this total, 87 individual grocery retail outlets (that are owned by 34 supermarket chains) were found to have had a gross sales floor area equal to or exceeding the 200 m² threshold. A detailed PQRS analysis was then undertaken of these 87 individual grocery retail outlets.

Price: The rationale for the classification of stores based on 'Price' is that any product's price, which is approximately equal to the mean price charged by a selected group of supermarkets (including the parties involved in this concentration), imposes some competitive constraint. It was deemed that stores impose a competitive constraint on Lidl if at least 40% of their products are within one standard deviation of the average price of the select group of supermarkets. Overall, 53 out of 87 stores were deemed to have imposed some competitive constraint on the Notifying Party.

Quality: A store classification analysis was not produced when assessing 'Quality' since all the 87 stores typically sell products with similar brands. This means that the products sold by all grocery retail stores are generally regarded by customers as being of good and/or similar quality.

Range: The rationale for the classification of stores based on 'Range' is that any store belonging to the same relevant market as that of Lidl must offer a range of products that is similar to that offered by the stores owned by Lidl. Stores are considered to impose a competitive constraint if, in at least half of the product categories (e.g., oil, pasta, fresh vegetables, fresh meat, beer and ciders), they offer a product range that matches or exceeds the minimum range available in the Notifying Party's stores. Overall, 46 of 87 stores were deemed to impose some competitive constraint on the Notifying Party.

Service: Stores that fall within the same product market as that of Lidl must offer a similar 'Service'. Specifically, only stores that have at least four of a selection of eight "good service" characteristics, were deemed to impose a competitive constraint on Lidl. These good customer service characteristics included opening on Sundays, parking facilities, toilet facilities, online shopping, customer support desks, loyalty schemes, discounts and whether stores form part of a shopping mall. Overall, 52 of 87 stores were deemed to have imposed some competitive constraint on the Notifying Party.

The geographic market was then delineated. The geographic market for grocery retail in this case is considered local rather than national due to several factors. Traffic congestion, particularly during peak hours, significantly increases travel times, effectively discouraging customers from shopping outside Haż-Żabbar, despite the absence of physical barriers.

Customer behaviour further supports this localised focus since data revealed that most shoppers are unwilling to travel without limitations for their grocery needs, prioritising convenience as an important factor among others. Indeed, analysis of catchment areas, derived from both exit-store survey responses and loyalty card data, consistently showed that customers predominantly shop within their immediate vicinity, reinforcing the localised nature of grocery shopping patterns.

Based on this analysis, the Office considered that a 15-minute driving time is a true representation of reality for the willingness to travel for shoppers to do their groceries.

TECHNICAL BOX 2: ESTIMATING THE DRIVING TIME

To define the geographic market, the OC assessed driving times and customer behaviour using multiple data sources:

- **Actual Driving Time:** Travel times between Scotts (Haż-Żabbar) and other relevant stores, including nearby Lidl outlets, were recorded to understand current travel patterns. While not definitive for catchment area delineation, this data highlighted the extensive presence of certain supermarket chains in Malta.
- **Willingness to Travel:** An exit-store survey revealed that most customers were willing to travel a maximum of 15 minutes for grocery shopping, with convenience, product range, service, price and quality being the key factors influencing their decisions.
- **Main Shopping Trend:** Survey respondents identified their primary grocery store if Scotts (Haż-Żabbar) was not their main choice. The average driving time to these alternative stores was 12.2 minutes.
- **Diversion Ratios:** Customers were asked about their behaviour in two scenarios: if Scotts (Haż-Żabbar) closed (forced diversion) or if it were to become a Lidl outlet. The average driving time for these scenarios ranged from 7.7 to 12.8 minutes.
- **Loyalty Card Data:** Loyalty card usage confirmed that Scotts (Haż-Żabbar) serves a localised customer base, aligning with the broader findings.

A 15-minute driving time catchment area was deemed an accurate representation of consumers' willingness to travel for grocery shopping. Sensitivity analysis using a 12.8-minute driving time further supported the robustness of this conclusion.

The OC also assessed the potential for market entry, exit and expansion by new and existing players as part of its counterfactual analysis. The evaluation considered the likelihood, timeliness and sufficiency of such changes, requiring them to be effective and sustainable to influence the market dynamics.

The assessment found that the proposed acquisition of Scotts (Haż-Żabbar) by Lidl would have strengthened Lidl's market position, further widening the gap with competitors, and reducing competition. Given Lidl's stable market share over the years, even a small increase would reinforce its strong position and diminish competitive pressures.

The high levels of market concentration, combined with the increase expected post acquisition, indicated a substantial lessening of competition.

On 25 July 2024, the Office issued a Statement of Objections to Lidl outlining its concerns. Lidl's response on 20 August 2024, including proposed remedies, failed to adequately address these concerns or ensure lasting competition.

As a result, on 18 September 2024, the Office issued a Phase II decision prohibiting the transaction. The acquisition was found to infringe regulation 4(1) and was declared unlawful under the Control of Concentrations Regulations (LN 294 of 2002, as amended).

Advocacy

Competition advocacy is defined by the International Competition Network (ICN) as “all those activities conducted by the competition agency that have to do with the promotion of a competitive environment by means of non-enforcement mechanisms, mainly through its relationships with other governmental entities and by increasing public awareness of the benefits of competition”.

The Office is empowered by Article 14(1)(g) – (i) of the MCCAA Act to provide advocacy on competition issues.

The Office received several complaints in 2024 on the introduction of geofencing measures mandated by Transport Malta via the legislation on ride hailing platforms – Regulation 17(2) and (3) of S.L. 499.68 – Light Passenger Transport Services and Vehicle Hire Services Regulations.

Following a competitive analysis, the OC sent an advocacy report to Transport Malta in which the Office deemed that the introduction of these new regulations potentially undermine the efficiencies and innovation introduced by ride-hailing platforms.

1 ICN Advocacy Working Group (2011), Advocacy Toolkit Part I: Advocacy process and tools, https://www.internationalcompetitionnetwork.org/wp-content/uploads/2018/09/AWG_Toolkit1.pdf.

Court Litigation

GO P.L.C., FORMERLY DATASTREAM LIMITED VS CAMLINE INTERNET SERVICES LIMITED, DIRECTOR GENERAL (COMPETITION) AND ATTORNEY GENERAL

On 28 March 2024, the Court annulled a judgment delivered by the Competition and Consumer Appeals Tribunal on 29 January 2014, which had determined that GO plc (formerly Datastream Limited) abused its dominant position because of a margin squeeze practice in violation of Article 9 of the Competition Act.

The Court, in its considerations, started off by making it clear that the plaintiff’s action was one of judicial review. In its application, the plaintiff stated *inter alia* that the decision of the Tribunal went against the law: firstly, in the way the Tribunal explained the margin squeeze test, which according to the plaintiff did not comply with the jurisprudence of the Court of Justice of the European Union, and, secondly, for the fact that the Tribunal sent its decision back to the Director General when the law did not provide for this power.

As regards the question of whether the ‘margin squeeze’ as found by the Tribunal was properly assessed or not, the Court rejected the arguments of the plaintiff since the Court held that judicial review must always be performed within its precise limits and it could not turn into an appeal by re-examining the substance of the Competition Appeals Tribunal’s decision.

According to the OC, the regulations also conflict with the European Commission recommendations in the Notice on well-functioning and sustainable local passenger transport-on-demand (2022/C 62/01), which emphasise leveraging digitalisation and innovation to improve efficiency, sustainability and accessibility in local passenger transport.

The OC highlighted several potential negative consequences of the regulations, including higher costs for consumers, reduced innovation benefits, longer waiting times and increased environmental impact due to inefficient operations.

The OC advocates for a competitively neutral regulatory framework that does not favour any category of service over another. It emphasises the elimination of provisions that hinder competition or prevent efficient behaviour. Barriers to effective competition and unnecessary regulations should be removed. Regulation should be minimal, proportionate and introduced only to address market failures.

The Court's reasoning for overturning the Competition Appeals Tribunal's ruling was based on the fact that the procedure that was adopted by the Tribunal had been carried out under a legislative framework that was inapplicable to the case at hand since the Tribunal erred in law when it applied a particular provision of the law and sent its decision back to the Director General to take any measure he may deem fit.

This prompted the Court to determine that the Competition Appeals Tribunal's decision was invalid and should be revoked, and the case be reheard.

CENTRAL CIGARETTE COMPANY LIMITED V DIRECTOR OF THE OFFICE FOR FAIR COMPETITION, ADVOCATE GENERAL (TODAY KNOWN AS STATE ADVOCATE) AND INTERBRANDS LTD

On 26 March 2024, the First Hall of the Civil Court upheld the judgment delivered by the Commission for Fair Trading in October 2009, which confirmed the decision of the Director of the Office of Fair Competition (hereinafter 'the Director'), issued on 28 September 2005.

In February 2001, Interbrands Ltd (formerly Austria Tabak (Malta) Limited) lodged a complaint with the Director to draw his attention to the existence of several agreements between Central Cigarette Company Limited (hereinafter 'CCC') and retail outlets in the St Julian's and Paceville areas. It was alleged that CCC entered into agreements that had the object of preventing, distorting or restricting competition in Malta, or in any part of Malta, in breach of Article 5 of the Competition Act and that CCC was abusing its dominant position in breach of Article 9 of the Competition Act.

Back in 2000, CCC entered into a one-year agreement with several shops and other retail outlets to sell CCC-imported cigarettes from its vending machines. This agreement bound retail outlets to fill the machines and ensure that the machines were filled solely with CCC's products, hence binding them with an exclusive supply condition and thus restricting retail outlets from purchasing cigarettes from CCC's competitors, including the complainant. In 2001, a change was made to this agreement, whereby operators were to provide a space for the vending machine, whereas CCC would see to the machine's installation and maintenance.

After embarking on an investigation, the Director found that CCC had a market dominance of 82% for the sale of tobacco in St Julian's and Paceville. It also emerged that Interbrands' allegations on the existence of several agreements between CCC and various retail outlets were in fact true. It also emerged that CCC had an agreement with the retail outlets to receive a commission payment on the sale of each packet of cigarettes from CCC's vending machines, or a global prepaid sum calculated on estimates of relative sales from these machines.

The Director's decision concluded that, by that type of agreement, CCC was engaging in prohibited agreements and practices in breach of Article 5 of the Competition Act and was also abusing its dominant position in the market for the sale of tobacco products in the above-mentioned areas in breach of Article 9 of the same Act. By virtue of its Decision, the Director issued a compliance order binding CCC to inform the retail outlets that, from then on, they could place and offer for sale other distributors' cigarettes from CCC's vending machines, whereby the retail outlets could allocate 15% of the space within the vending machines to products supplied by CCC's competitors.

Moreover, the Director also bound CCC to inform retail outlets that the terms of the agreement that were in breach of competition law would be considered as no longer applicable. The Director's decision was confirmed by both the Commission for Fair Trading in October 2009 and by the First Hall of the Civil Court on 26 March 2024.

European and international participation

European and international meetings aim to enhance collaboration among competition authorities, serving as a platform to share best practices in combating anti-competitive behaviour.

These meetings facilitate the exchange of information and expertise in antitrust and merger cases among diverse competition authorities. The active engagement of the OC in these meetings allows it to continually enhance its knowledge and proficiency in applying competition law, staying abreast of the latest developments in other jurisdictions.

The OC took part in plenary meetings preceding the biannual Directors General meeting. Officers were actively involved in various expert working group meetings of the European Competition Network (ECN), addressing thematic issues, such as mergers, horizontal matters, co-operation issues, due process, vertical restraints and cartels.

Additionally, the OC took part in the Chief Economist working group meetings and various sectoral working groups covering areas like food, telecommunications, healthcare, pharmaceuticals, environment, finance, digital markets and artificial intelligence.

The OC maintained its active involvement in meetings organised by the Committee within the Organisation for Economic Co-operation and Development (OECD). Discussions encompassed thematic issues, such as the digital economy, emerging technologies, mergers, sustainability and climate change, and artificial intelligence.

In 2024, the OC also attended the European Competition Authorities (ECA) meeting. This annual gathering provided an excellent opportunity to exchange ideas, share insights and strengthen collaboration among competition agencies across Europe. The meeting addressed critical topics at the forefront of competition policy and enforcement, including dynamic mergers, the implications of AI foundation models and the use of market investigation tools.

The OC collaborates daily with other national competition authorities within the ECN by providing responses to information requests from competition authorities in other EU member states.

In partnership with the Academy of European Law, the OC hosted an advanced competition law seminar, “Dawn Raids in Practice”, on 26-27 September in Valletta. The event offered insights into dawn raids in antitrust investigations, addressing topics including legal frameworks, digital evidence and confidentiality.

Featuring expert-led workshops and role-play exercises, participants gained hands-on experience with inspection scenarios. The seminar, attended by competition law professionals, provided a valuable platform for knowledge sharing and networking.



OFFICE FOR CONSUMER AFFAIRS



With its dual approach, the Office for Consumer Affairs (OCA) seeks to ensure consumers' best interests while promoting healthy relations with all traders. It ensures the latest information on rights and obligations reaches consumers and traders. Market oversight is carried out both through on-site inspections and virtually via digital inspections of websites and e-commerce platforms.

Highlights

Consumer outreach, involving disseminating information on consumer rights through a variety of media channels complemented the direct provision of information to individual consumers. Requests for information increased by over 6%, reaching a total of 9,584.

The Office's intervention following claims against airlines, primarily related to delays and cancellations, resulted in 465 passengers obtaining €135,957 in refunds.

The Office continued to provide assistance to consumers seeking redress from local sellers due to disputes over products and services they bought. In 2024, the Office assisted 1,234 consumers, resolving 39% of complaints amicably, while 26% were withdrawn, discontinued by the consumer or closed following the provision of the necessary information.

Inspections in retail outlets totalled 19,118. These inspections, primarily linked to specific exercises, such as price indication checks, played a crucial role in ensuring that traders adhere to their obligations, with action taken against those found in default. Online inspections were also carried out in collaboration with the EU Lab and the Digital Investigations Unit, further enhancing oversight and compliance. Overall, more than 38,000 inspections and monitoring activities were completed throughout the year.

The Office participated in the annual EU online sweep, conducted as part of its role as competent authority under the Consumer Protection Co-operation (CPC) Regulation. This year's sweep focused on online second-hand goods, with Malta's results aligning closely with the overall EU findings, mainly that flagged traders failed to provide information on the legal and commercial guarantee, and the right of withdrawal.

The Office's legal team was mainly engaged in several enforcement actions in relation to breaches to consumer protection legislation and the preliminary transposition work of four Directives.

Another key contribution was the regular submission of Malta positions on EU proposals. In 2024, these included positions on the proposals on the revision

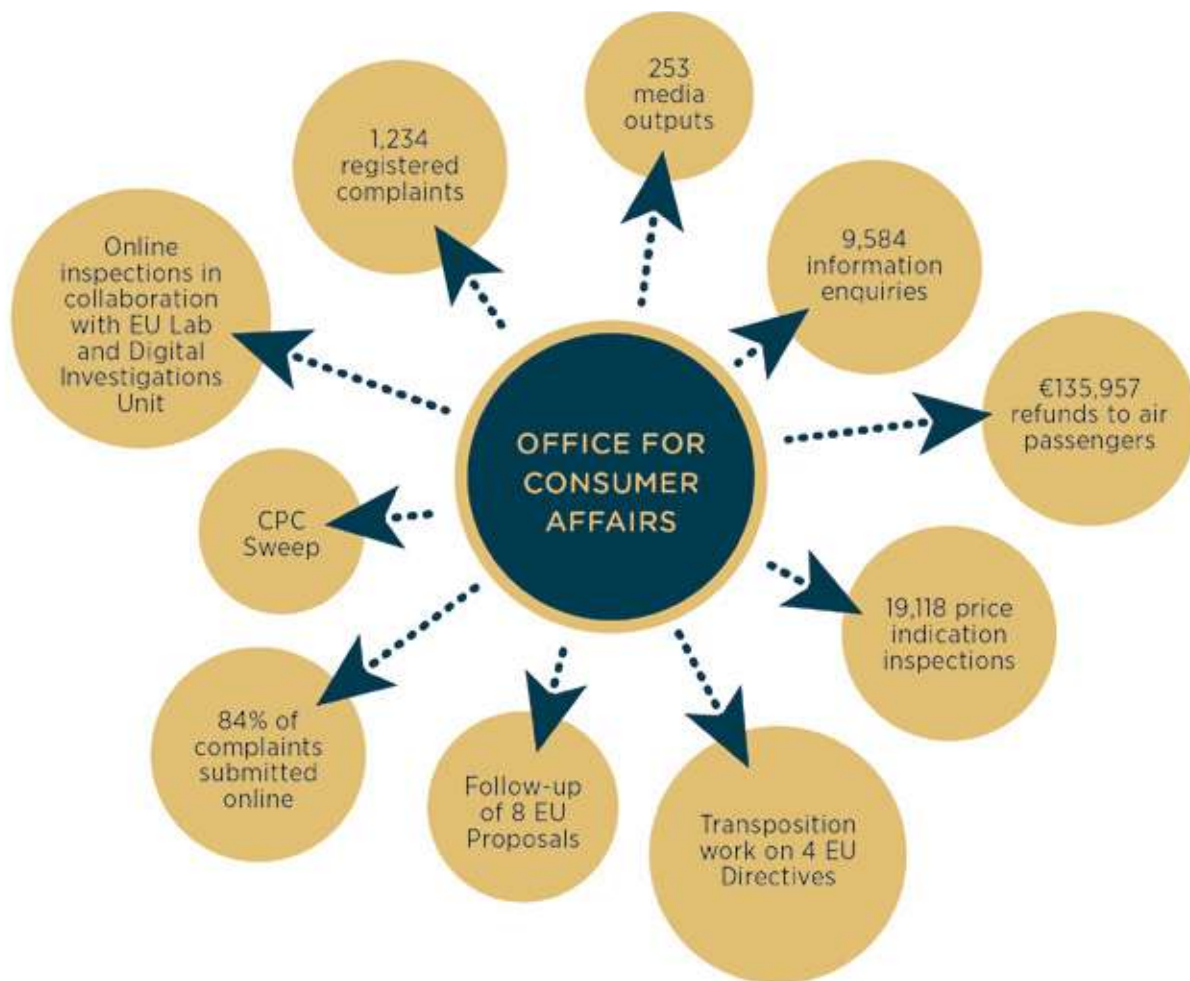
of the Regulations on Passenger Rights, addressing passenger rights in the context of multimodal journeys, amending the Alternative Dispute Resolution Directive and the repeal of the Online Dispute Resolution Regulation. Comprehensive feedback was also provided on several other EU proposals, including the Package Travel Directive.

A consumer dialogue with stakeholders at a national level was held in February, in collaboration with the European Commission, to discuss the implementation of The New Consumer Agenda. This was aimed at strengthening close collaboration and partnerships at both EU and national levels, which can bring swifter, more enduring outcomes.

The Digital Investigations Unit conducted extensive monitoring of unfair commercial practices and unfair terms in transactions between traders and consumers. It oversaw e-commerce websites, gathering critical evidence to support investigations into traders found in violation of consumer protection legislation.

Additionally, the unit contributed to product safety-related inspections, in close co-ordination with the Technical Regulations Division, thereby enhancing the detection and reporting of unsafe products within the EU's rapid alert system. This proactive approach reinforced compliance and safeguarded consumer rights in the digital marketplace.

Office for Consumer Affairs at a glance



RAISING AWARENESS AMONG CONSUMERS THROUGH INFORMATION DISSEMINATION

Consumer education and enquiries received by the Office are analysed for the most relevant topics of interest. These are then covered throughout the year in articles in the print media and participation in TV and radio programmes aired on the main local stations.

The main topics covered were:

- product guarantees;
- air passenger rights;
- package holidays;
- purchases from individuals as opposed to professional sellers;
- purchases of second-hand goods;
- price indication;
- unfair contract terms and non-refundable deposits;
- online shopping tips;
- misleading commercial practices;
- consumer rights during sales; and
- influencer marketing.

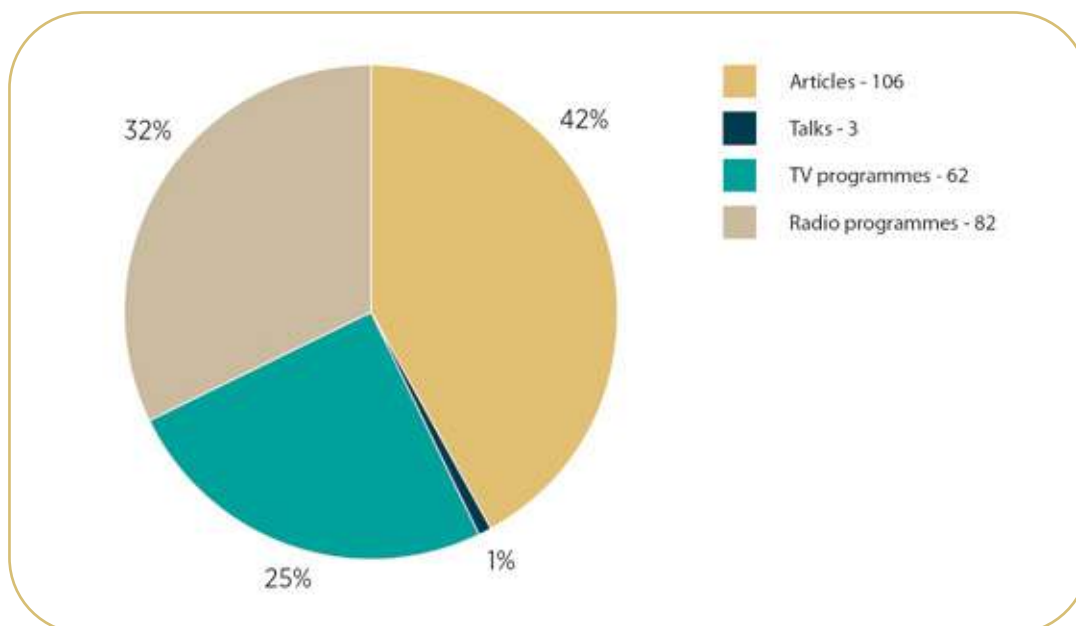


FIGURE 3: MEDIA OUTPUT (2024)

There were 9,584 requests for information in 2024. These queries were received through multiple communication channels, with the Authority’s Freephone service handling the majority of enquiries at 7,565 calls. Other channels included standard telephone lines, e-mail, in-person visits, the MCCA’s website (via the Contact Us form and Flag a Concern feature) and its social media platforms.

World Consumer Rights Day

The theme selected by the Authority to mark this year’s World Consumer Rights Day was ‘Fair and Responsible AI for Consumers’, aligning with the theme chosen by Consumers International. This topic was discussed during the TV programme *Illum ma’ Steph*, featuring a representative from the Department of AI at the University of Malta and a representative from the Malta Digital Innovation Authority.

Additionally, an informative article on the theme was published in *The Sunday Times of Malta*, and several social media posts were created and shared on the MCCA’s social media platforms to raise public awareness.

Premju Servizz bi Tbissima

In July 2024, the 9th edition of *Premju Servizz bi Tbissima* was launched. A record-breaking 23,400 votes, via two-factor authentication, were cast by consumers for their favourite traders in six categories: online local sellers, travel and transport services, electronic products and household goods, supermarkets and mini markets, fashion and beauty, and pet shops and

gardening products. The winners were announced on 27 November.

Trust You Scheme

The Trust You Scheme signifies reliability and responsible business practices, giving consumers greater confidence in their choices. Traders displaying the label commit to a strict ten-point code of conduct, ensuring transparency, clear pricing, regulatory compliance and quality customer service. This fosters a safer marketplace in which consumer rights are protected, disputes are handled fairly and after-sales support is assured. With nearly 150 traders participating, the label serves as a trusted mark of commitment to consumer interests and accountability.

In 2024, new marketing material was designed to promote the Trust You Scheme targeting both consumers and traders. The marketing material was mainly composed of social media posts highlighting the benefits for businesses of joining the Trust You Scheme.

The social media campaign will be implemented in the second quarter of 2025.

Malta Consumer Dialogue on The New Consumer Agenda

In February 2024, the MCCAA, in collaboration with the European Commission, organised the second consumer dialogue (the first was held in 2018) to discuss the implementation of The New Consumer Agenda with stakeholders at a national level.

The dialogue formed part of a series of consumer dialogues which the Commission hosted in all EU member states with a view to strengthening close collaboration and partnerships at both EU and national levels, and which can bring swifter and more enduring outcomes.

European Commissioner for Justice Didier Reynders praised Malta's high consumer confidence, attributing it to the Authority's dedication to enforcing consumer protection laws. He acknowledged the challenges of protecting consumers in the digital age, such as addressing dark patterns and influencer marketing, and noted ongoing EU efforts to assess and update consumer laws.

On the green transition, he highlighted new EU rules on the right to repair, green claims and product eco-design, emphasising the need to make sustainable choices easy and affordable.

During the dialogue, expert panellists discussed the transformative impact of digitisation on consumers and how consumer rights can be safeguarded in the transition to sustainability. The panel included representatives from traders' and consumers' associations, the MCCAA, the European Consumer Centre Malta, Circular Economy Malta and the European Commission Director within the Directorate-General for Justice and Consumers.

Influencer Marketing information session

In November, an informative session, titled 'Building Trust: Influencer Marketing and Consumer Rights', was held for the local influencer marketing industry. The session was designed to provide influencers and marketing agencies with essential insights into consumer protection laws and regulations.

Additionally, the interactive format served as a platform to address common challenges faced by influencers and agencies in creating or disclosing commercial content on social media. Practical solutions and guidance were offered to help ensure compliance with consumer laws.



MARKET OVERSIGHT

Pricing and commercial practices

Inspectors carried out 19,118 inspections in retail outlets across Malta and Gozo to ensure that they complied with the Price Indication Regulations. The average number of inspections has remained consistent over the past three years, with 19,005 conducted in 2022 and 19,691 in 2023.

There was a focus on the main shopping areas – Valletta, Birkirkara, Paola, Hamrun, Sliema, Mosta, St Julian’s and Victoria (Gozo). Inspections were also carried out on fruit and vegetable hawkers, and open-air market stalls and beach kiosks.

The number of outlets found to be non-compliant was 269, representing 1.4% of the total inspections carried out. This figure represents an increase in non-compliance when compared to non-compliance of 1.37% in 2022 and 0.91% in



2023.

FIGURE 4: TOTAL NUMBER OF PRICE INDICATION INSPECTIONS AND NON-COMPLIANT OUTLETS

Inspections in open-air markets decreased slightly in 2024, totalling 3,264 (down 7.3%). Inspections continued on 771 vegetable hawkers, including at the Ta’ Qali Farmers’ Market. Thanks to the regular inspections being carried out, more traders were found to be compliant.

Inspections were also conducted at the book fair in June and November, and the June trade fairs. Additionally, 210 inspections were carried out on village feast kiosks during the summer festive season.

The Office conducted 146 primary inspections (up 11.5%) as part of cross government co-ordinated inspections. Sectors covered were ironmongeries, stationaries, detergents, children’s clothing and household goods. The Office also received 1,045 reports on price indications in retail outlets from other government entities in their role as primary inspectorates. Of these, 969 were compliant, 62 non-compliant and 14 not applicable².

² These figures are separate from the total number of inspections featuring in Figure 3.

Specific market exercises

As in previous years, specific market exercises were undertaken to monitor the January Sales and the July Summer Sales. These two exercises covered the clothing, footwear and costume jewellery sectors. The criteria considered were:

1. the presentation of the discounted price as the final price; and
2. a clear indication of the original price.

Locality	No. of outlets visited	Final discounted price		Items on Sale clearly marked	
		Yes	No	Yes	No
Valetta	93	92	1	105	1
Birkirkara	68	68	0	68	0
Hamrun	48	48	0	48	0
Sliema	178	178	0	178	0
Mosta	69	69	0	69	0
Paola	88	88	0	88	0
Bay Street	31	31	0	31	0
Victoria (Gozo)	98	96	2	96	2
Total	673	670	3	670	3

TABLE 2: MARKET EXERCISES ON SALES IN 2024

Just three of the 670 outlets inspected were found to be non-compliant with either one or both criteria (2022 – 620 inspections with 10 non-compliant and 2023 – 705 inspections and 3 non-complaint). These outlets were found to have regularised their position by the second unannounced inspection.

Four exercises relative to price indication or price monitoring of retail outlets within hotels, and on eggs, female sanitary products and pharmacies were also carried out between March and December involving 224 inspections.

As part of ongoing efforts to address and mitigate complaints lodged on price discrepancies between shelf prices and cash point prices in supermarkets and mini markets, 39 random inspections were conducted. A basket of goods was collected during each inspection, and shelf prices were compared with those charged at the cash point. This exercise resulted in two cases being flagged for further enforcement action.

The Digital Investigations Unit (DIU) carried out price monitoring exercises to check for compliance with the price reduction obligations. This involves ensuring that any announcement of a price reduction must clearly indicate the prior price previously applied by the trader so that the prior price means the lowest price applied by the trader during a period of time not shorter than 30 days prior to the application of the price reduction.

These exercises were held during the summer sales, Black Friday and in preparation for the January 2025 sales commencing from December 2024, where in total 87 websites were monitored, capturing 2,738 products that resulted in 130 non-compliant products.

Additionally, the DIU carried out a total of 7,848 inspections on multiple posts by local influencers, resulting in 456 compliant posts, 3,000 non-compliant posts and 4,392 posts that, on examination, were not related to advertising. Efforts were made for the non-compliant posts to be brought in line.

The DIU also conducted 4,074 Safegate inspections and 3,658 Kibana inspections, identifying a total of 296 instances of non-compliance, which were handled by another directorate.

Online supermarket prices were monitored, with 254 inspections collecting data on a basket of goods of over 400 commodities. Online prices of household appliances and electronics websites were also monitored, involving 38 inspections. Physical price monitoring of supermarkets and mini markets was also carried out in 2024 via 186 inspections.



FIGURE 5: ONLINE OUTLETS INSPECTED

Consumer Protection Co-operation Regulation

In accordance with EC Regulation 2006/2004 of the European Parliament and of the Council of 27 October 2004, the OCA is the competent authority implementing the Consumer Protection Co-operation (CPC) Regulation. As such, it co-ordinates the co-operation between authorities responsible for the enforcement of consumer protection laws in line with a framework.

This enables national enforcement authorities to ensure laws on consumer rights are enforced equally across the European internal market, creating a level playing field for businesses operating both locally and transnationally.

The OCA is the Single Liaison Office for this Regulation, co-ordinating its application with national competent authorities. It receives requests through the Internal Market Information (IMI) system and has notification obligations.

The Office received one enforcement request and two information requests from two EU member states on infringements of consumer protection rules by a trader registered in Malta. The enforcement request involved

a company operating an online platform for digital games, which was flagged for further action. One information request was closed after the requested information was supplied.

Twenty-two alerts were received linked to potential widespread infringements by traders operating in other member states. These breaches were followed up but were not identified at national level.

The Office also participated and followed up on a number of co-ordinated actions on potential green washing practices, and misleading practices in the digital environment. Additionally, it actively participated in two CPC Peer-to-Peer meetings in the Czech Republic and Norway. These meetings provide a valuable platform for national consumer protection authorities to share best practices, discuss emerging challenges, facilitate open dialogue and ensure a more consistent application of consumer protection laws across the EU.

CPC ONLINE SWEEP ON SALES OF SECOND-HAND GOODS

CPC authorities from 25 member states and two EEA countries took part in a sweep of 356 traders to ensure compliance with EU consumer law, particularly the Consumer Rights, Sale of Goods and Unfair Commercial Practices Directives. The primary objective was to identify illegal practices among traders selling second-hand goods online.

The sweep found that 45% of online traders do not adequately inform consumers about their legal rights regarding second-hand goods, including the right to return items that are faulty or do not meet the advertised description. The sweep also revealed that 40% of the traders failed to clearly and transparently inform consumers about their right of withdrawal. Additionally, 34% displayed environmental claims on their websites that were either insufficiently substantiated or deemed false or misleading. As a result, 185 traders were flagged for further investigation.

The OCA checked the practices of 11 traders, assessing over 100 items. As a result, 10 traders were flagged for further investigation due to concerns primarily related to the clarity and availability of the legal and commercial guarantees, and the consumer's right of withdrawal.

Judicial proceedings and investigations

With regard to the two investigations that had been initiated in 2023 in terms of Article 12(2) of the Consumer Affairs Act, and followed by the institution by the Director General (Consumer Affairs) of judicial proceedings in one case before the Civil Court (Commercial Section) in terms of Article 12(5) of the same Act, the latter is being heard by the Court. The other investigation is pending since the Director General (Consumer Affairs) is seeking the application of a commitments procedure in terms of article 12A of the Act.

With reference to the four cases initiated in 2023 under the Price Indication Regulations before the Courts of Magistrates (Malta) as a Court of Criminal Judicature, two have been decided wherein in one court case the company concerned was found guilty. The other court cases are pending and are being heard by the Court.

In 2024 a new investigation was initiated against a company in the communication sector. The trader's submissions have been considered with a view to process the case further in line with the law.

A number of without-prejudice correspondence and meetings were held with traders found to be infringing consumer protection legislation, followed by and in conjunction with other correspondence to reach voluntary compliance prior to taking any legal action. This included 32 traders/operators regularising their position in cases related to unfair contract terms, unfair commercial practices and pre-contractual information when selling online; and 269 cases related to non-compliance with the Price Indication Regulations.

EU PARTICIPATION

Participation at EU level remained high with attendance in:

- Consumer Protection Co-operation (CPC) Committee meetings;
- the E-Enforcement Group;
- the CPC Priorities Working Group;
- CPC workshops;
- Consumer Financial Programme Committee;
- Consumer Policy Network meetings;
- National Enforcement Body meetings on passenger rights;
- Expert Group meetings on the transposition of the Right to Repair and Green Transition Directives;
- European Consumer Summit; and
- informal meetings of Consumer Protection Ministers.

MEDICINE PRICING

In 2024, the pharmaceutical sector continued to grapple with supply chain disruptions, rising costs of active pharmaceutical ingredients and increased demand for critical medicines, particularly for non-communicable diseases. These challenges, combined with stricter international regulatory standards, have driven up production costs, further straining the affordability and accessibility of medicines.

In response, the OCA has focused on finding solutions to mitigate rising prices and ensure that medicines remain accessible and affordable to the Maltese population. Amid prevailing economic conditions and within the scope of existing operational constraints and regulatory frameworks, the Office maintained continuous, transparent dialogue with pharmaceutical stakeholders. While maintaining price stability was a primary focus, efforts also targeted reducing escalating prices where feasible, particularly for critical medications.

Throughout the year, the Office closely monitored the retail prices of over 900 pharmaceutical products in the local market. Drawing comparisons with a basket of

prices from 12 European reference countries, the Office used these benchmarks to inform its interventions.

While retail price fluctuations are closely monitored to ensure transparency and address immediate concerns, the primary emphasis remained on upstream manufacturer pricing. By targeting price increases at source, the OCA aims to create a trickle-down effect that benefits wholesalers, retailers and, ultimately, consumers.

Consumer queries and complaints continue to be a constant, with 2024 being no exception. As in previous years, the Office was made aware of various issues related to the increasing cost of specific pharmaceutical preparations. In response, the Office continued to address particular concerns, primarily by identifying cost-effective alternatives to alleviate the financial burden on consumers.

A key aspect of this approach was advocating for the use of generic bioequivalents, which provide substantial savings compared to branded medications with the same chemical composition. While respecting prescriber discretion, the Office actively encouraged consumers to consider these alternatives, providing them with comprehensive information on price differences and ensuring access to affordable options without compromising efficacy or quality.

The OCA also contributed to public procurement processes, conducted in collaboration with the Department of Pharmaceutical Affairs within the

Ministry for Health, to ensure that public funds are efficiently allocated to secure cost-effective medication options. Concurrently, ongoing co-operation with the Malta Community Chest Fund Foundation supported vulnerable populations in accessing otherwise unaffordable life-saving therapies.

Additionally, the Office maintained its active role on the Ministry for Health's Advisory Committee for Healthcare Benefits. By bringing the consumer perspective to the table, the Office influenced policies and decisions that reflected the healthcare needs of the Maltese public, impacting both the affordability and overall sustainability of the healthcare system.

In conclusion, the Office remained steadfast in addressing the challenges of rising pharmaceutical costs. By focusing on price stability, monitoring retail prices and targeting upstream manufacturer pricing, the OCA worked to reduce the financial burden on consumers and ensure access to essential medications. Through collaboration with key stakeholders and active participation in policy development, the Office contributed to a more sustainable and accessible healthcare system, helping to safeguard the health and well-being of the Maltese population. The Office's proactive stance and commitment to collaboration underscore its dedication to overcoming the multifaceted challenges within the pharmaceutical sector.

ASSISTANCE TO CONSUMERS

National

In 2024, the Complaints and Conciliation Directorate (CCD) handled 1,234 official complaints through its conciliation procedure, maintaining a consistent increasing trend with previous years – 1,188 complaints in 2023 and 1,187 complaints in 2022. Notably, this procedure is solely initiated by the consumer, highlighting their active role in seeking redress.

The main sectors that saw the highest number of complaints were consumer goods, general consumer services and leisure services. In the sector of general

consumer goods, the main market sectors that generated most complaints were: furnishings and houseware; large domestic household appliances; and small domestic household appliances.

In the sector of general consumer services, the main market sectors that generated most complaints were: mobile/fixed telephony; internet and television services; house maintenance and home improvements; and furnishings and houseware.

Within these categories, the majority of consumers complained about:

- the quality of the goods or service;
- delivery of the product or service;
- contract and sales issues;
- invoice and billing matters; and
- commercial or statutory guarantees.

In the category of leisure services, the three market services that generated the most complaints were:

- hotels and other holiday accommodation;
- services related to package travel; and
- general leisure services, like cultural and entertainment services.

Within this category, contract and sales issues, and quality of the provision of the service were the main causes for consumer complaints.

Four public warning statements in terms of Article 8 of the Consumer Affairs Act were issued against traders who failed to honour the Consumer Claims Tribunal's decisions. Additionally, the OCA, in line with its duty outlined in Article 25A of the Consumer Affairs Act, monitors closely on a weekly basis the decisions of the Tribunal to identify non-compliant traders, and facilitated the resolution of 65 decisions in favour of consumers, resulting in refunds totalling €48,941 to consumers, along with other remedies outlined in the decisions.

COMPLAINTS OVERVIEW

From the complaints registered and closed, an amicable settlement was obtained in 39% of the complaints handled; 33% of the cases were referred to the Consumer Claims Tribunal; 14% were withdrawn or discontinued by the consumer; and 12% of cases were closed after the necessary required information was provided to the consumer. Another 2% of cases were closed as non-actionable or inadmissible due to cases falling outside the Office's remit or due to lack of documentation.

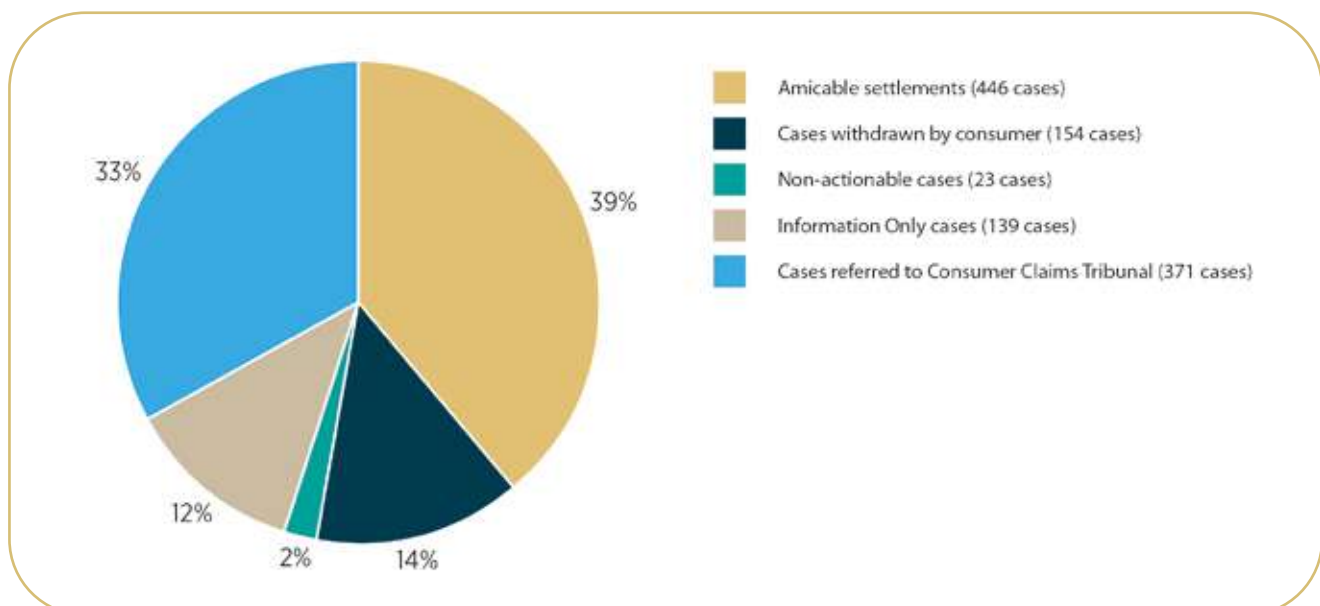


FIGURE 6: CASES PROCESSED IN 2024



Air Passenger Rights

The CCD provided guidance and assistance to consumers on refunds and compensation from airlines in its role as the National Enforcement Body (NEB) under EC Regulation 261/2004. This Regulation establishes common rules on compensation and assistance to passengers in the event of denied boarding, cancellation or long delay of flights.

The number of claims in 2024 increased to 386, with 463 passengers refunded by the airline operator involved (see table below). A total of €135,957 were recovered through this Office's intervention on behalf of the claimants.

	2022	2023	2024
No. of Claims registered	213	256	386
No. of Passengers refunded	467	521	463
Compensation	€82,560	€125,789	€135,957

TABLE 3: AIR PASSENGER RIGHTS DATA 2022-2024

The majority of the claims handled in 2024 were related to refunds and/or compensation for delayed or cancelled flights that fall within the scope of the Air Passenger Rights Regulation.

ALTERNATIVE DISPUTE RESOLUTION (ADR)

The MCCA addresses both domestic and cross-border disputes in its role as a residual ADR entity. These may relate to contractual obligations emanating from sales contracts or service contracts between a trader established in the EU and a consumer resident in the EU, and where there are no sector-specific entities competent to provide redress.

The number of cases remains relatively low, partly because consumers have alternative mechanisms to seek redress that yield similar outcomes, such as the CCD's conciliation procedure. Unlike the conciliation process, where the consumer can independently initiate a claim, an ADR dispute requires the trader's voluntary agreement to participate, which may limit its use.

Twelve consumers expressed their interest in using ADR as a means of redress for disputes with economic operators in 2024. Three of these cases were concluded following the intervention of the ADR Officer, with the economic operator rejecting participation in the ADR process in six cases. The remaining three cases are ongoing.

EU-WIDE CO-OPERATION

The European Consumer Centre (ECC) Malta is part of a European network that aims to strengthen consumer confidence in the European Single Market. The role of these centres, which also exist in Norway, Iceland and the United Kingdom, is to inform consumers about cross-border shopping and to help them with complaints about businesses in other member states.

The number of complaints received by the Centre increased significantly in 2024 compared to 2023. In 2023, the Centre received 630 requests for information and 519 registered complaints. In 2024, the Centre received 677 requests for information and 768 registered complaints.

Of these 768 complaints, ECC Malta received 196 complaints from Maltese consumers against EU-based traders and 572 complaints from European consumers against Malta-based traders. In 2024, 543 complaints were closed: 303 were amicably settled, 147 were closed without an amicable settlement, 93 were unfounded and three complaints were forwarded to another body. When complaints are closed without a solution, consumers are advised to file their complaint under the European Small Claims Procedure or with an Alternative Dispute Resolution body.

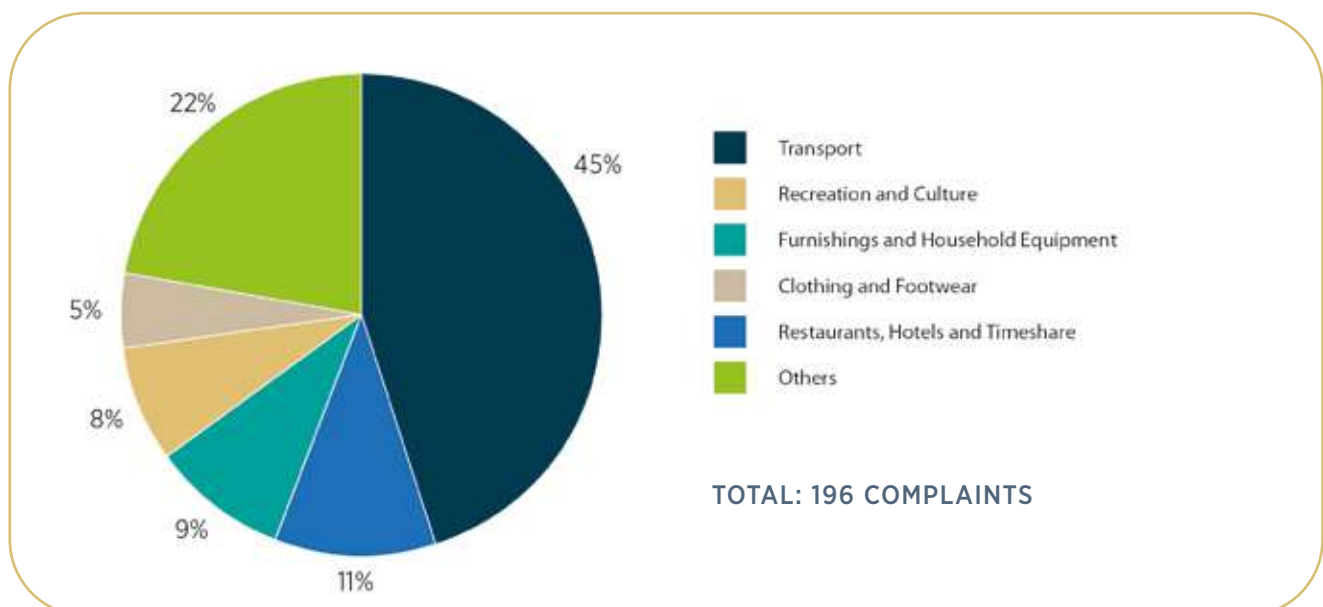


FIGURE 7: CASES BY SECTOR – MALTESE CONSUMERS AGAINST EU-BASED TRADERS

In 2024, most complaints raised by Maltese consumers against EU-based traders concerned transport services, including air travel and car rental, accounting for 45% of all cases. Other significant categories included:

- Restaurants, Hotels and Timeshare, representing 11% of the total complaints;
- Furnishings and Household Equipment (9%);
- Recreation and Culture (8%), including issues related to entertainment and leisure services;
- Clothing and Footwear (5%); and
- Other Sectors (22%).

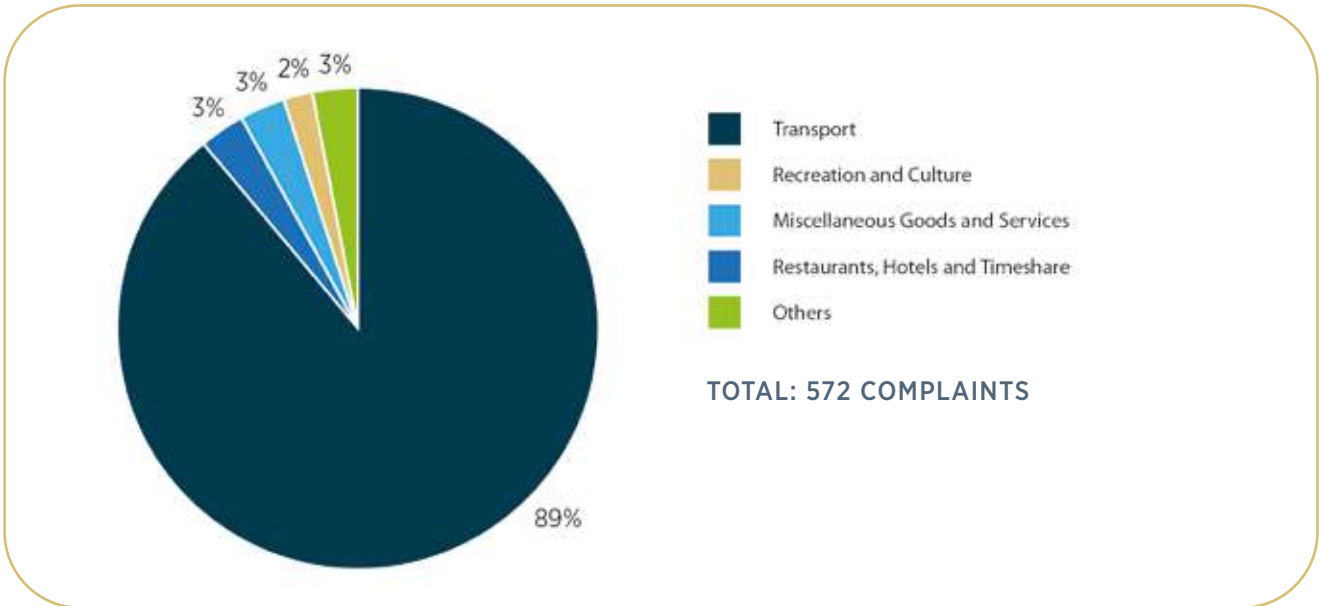


FIGURE 8: CASES BY SECTOR – EUROPEAN CONSUMERS AGAINST MALTESE-BASED TRADERS

In 2024, a significant proportion of complaints lodged by European consumers against Maltese traders centred around transport services, which includes air travel and car rental, accounting for 89% of the total complaints, mainly due to WizzAir registering in Malta. This was followed by complaints related to:

- Restaurants, Hotels and Timeshare, representing 3% of the total complaints;
- Miscellaneous Goods and Services (3%);
- Recreation and Cultural Services (2%), which includes issues related to gambling; and
- Other Sectors (3%).

The two figures below illustrate the cases by country for both Maltese and EU consumers.

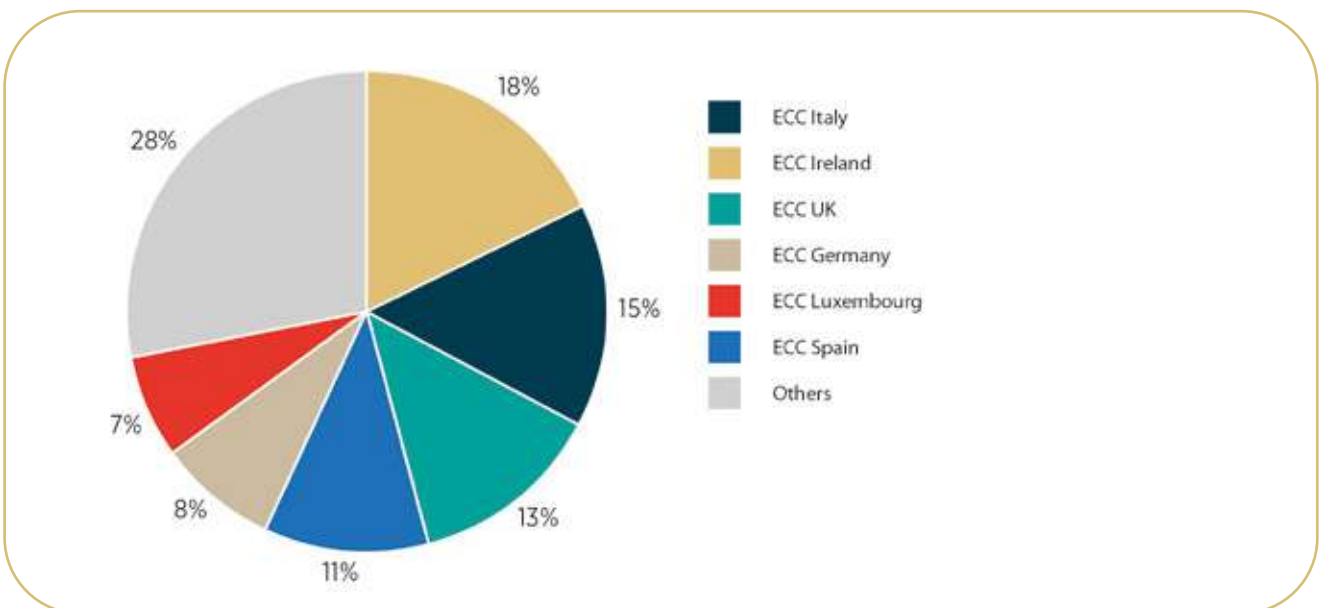


FIGURE 9: CASES BY COUNTRY – MALTESE CONSUMER COMPLAINTS AGAINST EU-BASED TRADERS

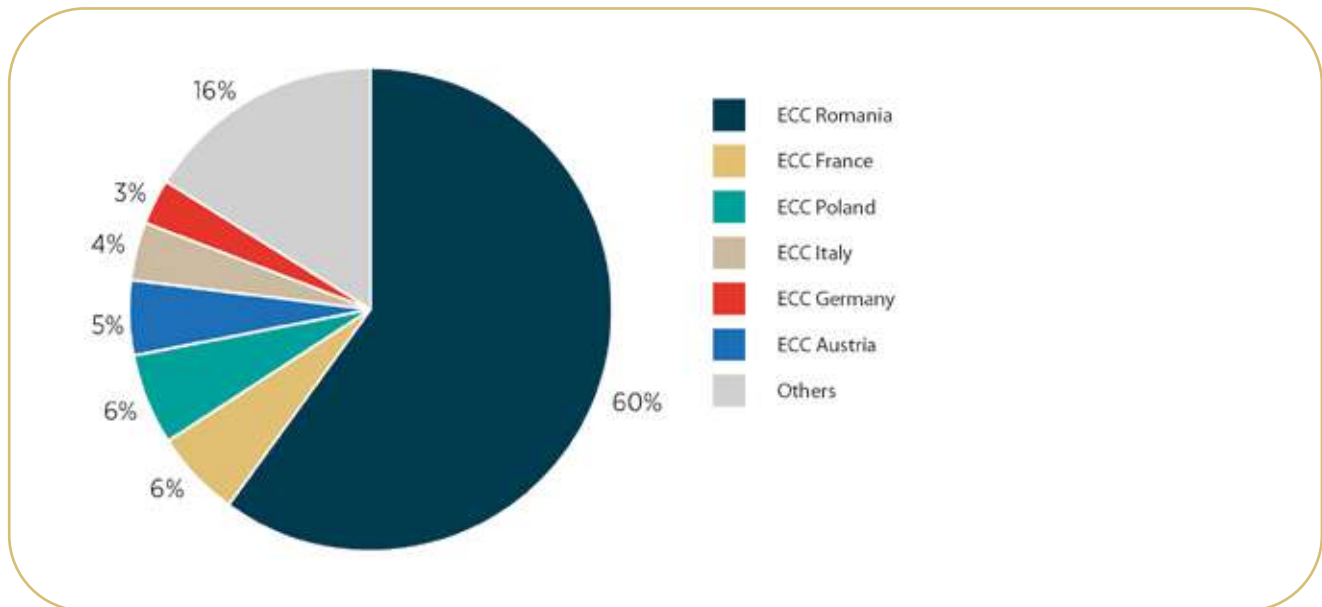


FIGURE 10: CASES BY COUNTRY - EUROPEAN CONSUMER COMPLAINTS AGAINST MALTESE-BASED TRADERS

One of the network's main objectives is to inform and raise awareness of European consumer legislation and policy. Therefore, the centre continued its focus on increasing its visibility among consumers.

ECC Malta published four e-newsletters and five newspaper articles. The e-newsletters were published on the centre's website, posted on its social media pages and distributed to its e-newsletter subscribers, including all EU information points. In addition, weekly posts were uploaded on its social media accounts, mainly on Facebook, Instagram and Twitter. ECC Malta also participated in six radio programmes.

In 2024, ECC Malta continued its involvement in meetings organised by Servizzi Ewropej f'Malta (SEM). The centre was also invited to participate in two fairs: one in Valletta and another in Victoria, Gozo, to promote the centre and the Network in collaboration with other service providers during Europe Day. Additionally, ECC Malta took part in the University of Malta's Freshers' Week and EXPO during which promotional and information material was distributed, and direct contact was made with attendees to provide further information about the Network.





In 2024, ECC Malta actively participated in all network activities, including attendance at the following key events:

- Consumer Summit in Brussels;
- Co-operation Day in Mechelen, Belgium;
- Communications Meeting in Sofia, Bulgaria; and
- Directors Meeting in Brussels.

These activities involved travel to the respective locations, ensuring ECC Malta's continued engagement within the network.

ECC Malta is also a member of the Stakeholders group within the Network, attending all meetings and giving its input during several meetings organised during the year and by drafting detailed minutes in meetings with external stakeholders. ECC Malta answered all requests within the Commission's timeframe and questions raised by the Network.

While the volume of webforms submitted through the ECC Malta website, which was revamped in 2022, was encouraging, the overall website traffic did not meet expectations. Recognising the importance of reaching more consumers, ECC Malta is actively monitoring the website's performance and remains in continuous collaboration with the developer to implement improvements aimed at increasing visitor engagement and ensuring more consumers access timely and relevant information.

ECC Malta experienced a significant increase in the number of complaints, particularly when ECC Malta is acting as a trader. Despite these challenges, ECC Malta successfully closed all complaints within the prescribed timeframe, achieving a success rate of 67.3%. This achievement is attributed to the dedication and perseverance of the ECC Malta team, who use various communication channels to engage with traders and seek resolutions. The traders' willingness to collaborate with the centre plays a significant role in achieving a positive outcome for consumers.

In 2024, ECC Malta sent 196 emails inviting consumers whose complaint was shared with other ECCs to participate in an online satisfaction survey. Apart from these consumers, anyone can access this survey via the link in our website. The customer satisfaction survey is available in Maltese and English, and consists of six questions. ECC Malta received only 32 responses in 2024, representing a response rate of 16.3%. Of the responses received, 72% were extremely satisfied, 22% were satisfied, 3% were slightly satisfied and the remaining 3% were not at all satisfied with the service offered.

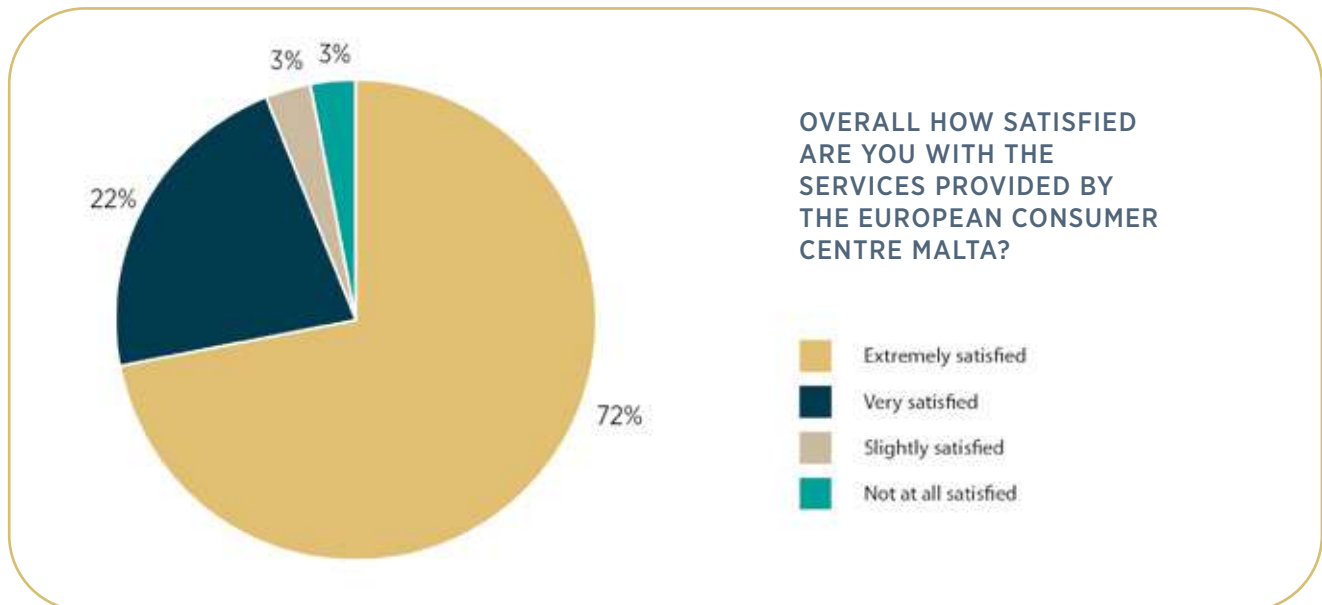


FIGURE 11: OVERALL CONSUMERS' SATISFACTION WITH THE SERVICES (ECC MALTA)

CONSUMER CLAIMS TRIBUNAL

The number of resolved cases by the CCT in 2024 continued to increase – 373 cases – compared to the previous two years (75 in 2022 and 224 in 2023). The workload remains high since 272 claims were filed and a further 219 cases were carried over from 2023.

Of the 373 cases resolved in 2024, 204 cases were concluded in favour of the consumer and 73 decided in favour of the trader. Eighty-one cases were withdrawn, three were put off *sine die* and 12 cases were dismissed outright.

Following the increase in the CCT claims threshold from €5,000 to €10,000 in July 2023, along with the introduction of virtual hearings and digital submission of cases, 2024 recorded significant developments: 31 cases fell within the €5,000 and €10,000 threshold, 51 sittings were conducted virtually, and 140 claims were submitted online.



TECHNICAL REGULATIONS DIVISION



The Technical Regulations Division (TRD) of the MCCA plays a crucial role in enhancing product safety in Malta through the national implementation of European Union legislation. The Division's work ensures that products available on the Maltese market meet stringent safety standards, thereby safeguarding public health and well-being.

Highlights

In 2024, the Division provided critical support across key sectors in Malta and contributed actively to discussions at European level, advocating for national interests. It engaged with 10 significant EU legislative proposals, addressing various areas, such as product safety and chemical regulations. The Division maintained a particularly strong focus on chemicals through participation in regulatory development and enforcement activities.

The authorisation process for plant protection products (PPPs) in Malta was also enhanced to ensure that the agricultural sector has timely access to these products while maintaining environmental and public health standards. Additionally, as part of efforts to reduce administrative burdens on farmers, reimbursement processes for compliant sample testing were streamlined.

The Division was also subject to an audit by the European Commission on its official controls and enforcement on pesticide residues in food of animal origin. The audit yielded highly positive results, with no non-conformities identified – an achievement that underscores the effectiveness of regulatory oversight.

In the area of technical harmonisation, the TRD spearheaded efforts to strengthen mutual understanding of essential regulatory principles, particularly in sectors such as lifts and construction products. These activities are critical in shaping future

regulatory frameworks, ensuring consumer safety and fostering equitable industry practices across the EU.

2024 was also marked by the extensive work carried out in respect of geographical indication, particularly the application for the protection of the traditional Maltese cheeselet, *Ġbejna tan-nagħaġ*, which reached its final stages of registration with the European Commission during the year. A dossier for *mazzit*, a unique local sweet blood pudding, was also submitted during this year. These initiatives aim to safeguard Malta's traditional products, offering local producers greater recognition and competitive advantages within the European marketplace and beyond.

Market surveillance activities were also extended in 2024, supported by EU-funded joint actions, thereby maximising the use of available EU resources. A proactive testing campaign on clothing purchased from popular non-EU-based online retailers was also undertaken, reflecting the Division's commitment to protect consumers from unsafe imports.

Compliance efforts were also further strengthened in the construction sector, particularly on concrete masonry units (commonly known as bricks). Through targeted guidance and enforcement, the Division successfully raised compliance levels among both local manufacturers and importers from non-EU countries.



Sectors

GENERAL PRODUCT SAFETY

The adoption of the General Product Safety Regulation (GPSR) in 2023 marked a major advancement in consumer product safety across the EU. Recognising the emerging risks posed by technological innovation, online sales and direct imports, the Regulation introduces forward-looking rules designed to protect consumers and strengthen market surveillance.

In 2024, a comprehensive plan to support the adoption of these regulations was drawn up. Key actions included:

- Actively engaging in EU-level discussions on the implementation of the GPSR and contributing to the creation of EU-wide guidance documents to provide industry stakeholders with clear compliance requirements; and
- Aligning the implementation of the GPSR with the Market Surveillance and Compliance of Products Regulations (S.L. 427.105 of the Laws of Malta) to ensure consistency with Malta's regulatory framework, facilitating more effective product enforcement.

These efforts aim to enhance the relevance and impact of the GPSR in Malta, improving both product safety and consumer protection. The plan also seeks to ensure that the new Regulation strengthens consumer rights by providing access to effective, timely and cost-free remedies for product recalls due to safety concerns. This provision supports a key national initiative focused on reinforcing consumer safety measures in Malta.

TOYS AND CHILDREN'S PRODUCTS

In 2023, the European Commission proposed stricter regulations to improve child safety by extending restrictions on hazardous chemicals in toys. The aim is to reduce unsafe toys on the EU market, particularly from online sales, and ensure fair competition between EU and non-EU producers while maintaining the seamless circulation of toys within the Single Market.

The Division raised concerns at EU level on the practical challenges of these measures, particularly on laboratory capacity for testing under the new

restrictions. Limited testing resources could affect both compliance and the regulation's effectiveness. The TRD also questioned the timelines for businesses to adapt to the new requirements. As a result, while the application date remains at 30 months, the compliance period was extended from 42 to 50 months for toys placed on the market during that time.

Throughout 2024, the TRD actively participated in working party meetings, inter-institutional technical sessions and trilogue discussions to support the finalisation of the Safety of Toys Regulation, which is expected to be completed in 2025. Regular consultations were also held with local stakeholders to gather input and ensure alignment with Malta's needs.

The Division maintained its commitment to safeguard Maltese consumers by ensuring the safety of toys and children's products available on the market. Specifically, checks targeted toys operating with button-cell batteries and magnetic toys containing magnetic balls. These checks revealed no non-compliances with the Toy Safety Directive.

In addition, the TRD elevated 10 samples of slime toys from the Maltese market as part of an EU Commission's project, CASP. These were tested for the presence of dangerous chemicals and three of the tested products were recalled from the market. This led to a formal undertaking under Article 29 of the Product Safety Act (Cap. 427 of the Laws of Malta).

Moreover, online inspections on slime toys revealed a locally manufactured slime toy that was not in line with the Toy Safety Directive, leading to an undertaking under the same Article described above to rectify the identified issues.

Checks on carnival costumes resulted in the withdrawal of 12 costumes from the market and to the issuing of a formal undertaking in line with the Product Safety Act.

An undertaking was issued after an economic operator was found to make available for sale several toy products that were not in line with the Toy Safety Directive.

For the first time, the TRD sampled and tested children's products being made available from the giant platforms of Shein and Temu, and ordered the recall of five children's footwear products after these were found to be non-compliant with the REACH Regulation 1907/2006 due to the presence of chemicals that exceed the legal limits.

LIFTS

At European level, the TRD has played an active role in shaping key aspects of the harmonised application of lift safety legislation. This includes setting priorities for selecting lift safety devices to be tested in an upcoming joint action and strengthening controls to detect counterfeit certifications of these devices.

The Division recorded 1,326 registrations of lifts and processed 1,584 periodic reports. The TRD also collaborated with other related authorities, including the Occupational Health and Safety Authority, to ensure comprehensive safety and compliance measures.

In addition to its proactive engagement at EU level, the Division has been diligently addressing various concerns and enforcing regulations within the lift sector domestically. The TRD received 103 complaints related to lifts, a large proportion of which were then passed on to the Office for Consumer Affairs for further action since they involved potential issues with maintenance contractors failing to deliver the service as agreed in maintenance agreements with lift owners. This demonstrates its crucial role as a regulatory body to ensure public safety and compliance.

The Division successfully completed 263 investigations, encompassing checks initiated both within the year and carried over from 2023. These investigations led to the TRD mandating corrective actions from the relevant economic operators in 56 cases, 12 of which resulted in a formal undertaking with 12 separate administrators/responsible persons after the two-way communication system of the lifts (auto-dialler – an essential health and safety requirement) was found not operational at the time of inspection. This demonstrates the Division's commitment towards further strengthening effectiveness in maintaining high safety and compliance standards.

PESTICIDES

The Pesticides Unit is responsible for assessing and approving pesticide authorisation applications on behalf of Malta, encompassing both national and European pesticide registrations. This Unit oversees the regulatory dimensions of pesticides, ensuring compliance with relevant legislation and standards.

It conducts evaluations of plant protection products and biocidal products, which are designed to protect public health by neutralising harmful organisms.

Plant Protection Products (PPPs)

PPPs are pesticides that help protect crops and useful plants from pests and diseases. They are mainly used in farming but can also be found in gardens and parks.

In 2024, 109 applications for various products were processed, of which 78 applications were associated with local authorisations and the remaining 31 with the zonal procedure, for which the Unit served as the zonal Rapporteur Member State (zRMS).

The Unit also serves as a Rapporteur Member State (RMS) for the approval of new active substances in the EU to be used in PPPs and for the technical equivalence of different active substance sources. In 2024, the Unit served as an RMS for eight technical equivalence applications of different active substance sources.

The ongoing efforts to conduct zonal and active substances evaluations are listed in the table below:

Year	Requests accepted as Reference Member State (zRMS/RMS) for plant protection product applications and their active substances
2022	43
2023	23
2024	39

TABLE 4: PESTICIDES ZONAL AND ACTIVE SUBSTANCE REQUESTS RECEIVED (2022-2024)

The Authority continued its engagement with the farming community, focusing on the constrained availability of various PPPs, while further streamlining the authorisation process. This enhanced procedure now more effectively facilitates the market introduction of PPPs that are of general interest to Malta.

Moreover, 284 professional users of PPPs were issued with certifications, required for any professional user, including operators, technicians, employers and self-employed individuals working in farming and other sectors.

Professional users, according to the relevant legislation, are any person who uses pesticides in the course of their professional activities. These professional users must undergo training to obtain their certification. Sixteen additional certifications were issued to distributors of PPPs.

The TRD organised train-the-trainer courses, which resulted in 14 new trainers specialising in the sustainable use of pesticides. A refresher course for existing trainers, attended by 17 participants, was also held.

Furthermore, on the advice of the Pesticides Control Board (PCB), the TRD oversaw the recognition process for a new advisor in the sustainable use of pesticides. An advisor is defined as a person with

adequate knowledge who provides guidance on pest management and the safe use of pesticides.

Tests for pesticide residues

The TRD oversees the proper use of pesticides, both at a national level and on food products imported into Malta, besides authorising PPPs.

A total of 177 samples were analysed for pesticide residues in 2024, 76 of which were locally grown, with the remaining imported from other countries (101). Of these 177 samples, 166 either did not contain any pesticide residues or did not exceed the maximum residue limit, indicating that 93.8% of the samples were compliant. Conversely, 11 samples identified exceeded the limit, with five being of imported origin and six being locally produced.

Farmers not adhering to these regulations were required to comply and faced penalties on financial aid received through relevant programmes.

The Division entered into a scientific co-operation agreement with the Federal Agency for the Safety of Food Chain in Belgium to analyse PPP formulations as part of the TRD's surveillance activities. Four products were included in 2024's plan to be checked in terms of their formulation and presence of impurities, and results will reach the Division in the first quarter of 2025.

To further strengthen the TRD's efforts in market surveillance for PPPs, four inspections were carried out at the border to screen for the presence of any unauthorised PPPs before entering the Maltese market. These were co-ordinated by the Food Safety Commission.

Of these four inspections, there was only one instance where an unauthorised PPP was encountered and stopped at the border. Corrective action involving the responsible economic operator was taken in line with the Pesticides Control Act (Cap. 430 of the Laws of Malta).

A total of 28 site inspections were completed in 2024. Inspections were carried out on the basis of Regulation (EC) 1107/2009 on the placing of PPPs on the market, as implemented in the Maltese legislation through

the Plant Protection Products (Implementation) Regulations (S.L. 430.07 of the Laws of Malta).

Fifty-nine individual pesticides were inspected from 28 business operators. Six non-compliances were found. The most common non-compliance remained the availability for sale of unauthorised PPPs. Other non-compliances were related to products not having the correct labelling.

Corrective action was taken in cases where non-compliances were found, with follow-up inspections being carried out on these traders. These inspections were carried out by the Inspections Co-ordination Office, as regulated by the Co-ordination of Government Inspections Act (Cap. 568 of the Laws of Malta).

Biocidal products

REGISTRATIONS

In 2024, a total of 297 Notification applications to register biocidal products in line with Article 89's transitional rules were received. This represents a 25% increase in the number of applications received over the previous year (236 in 2023) as well as an 80% increase on the number of applications received in 2022 (165).

Furthermore, 56 new applications for the authorisation of biocidal products via the EU's Mutual Recognition Procedure were received. These applications were intercepted via the European Chemicals Agency's (ECHA) electronic portals for processing and review in line with the Biocidal Product Regulation. Sixty-two new biocidal product and/or product family authorisations were issued as per this procedure.

Attendance at the European Biocidal Products Co-ordination Group meetings also allowed for Malta, in its role as Concerned Member State, to participate in the decision-taking processes relating to technical issues identified for referral within these types of applications and in line with Article 35 of the Biocidal Products Regulation.

Throughout 2024, the Unit also endeavoured to initiate and/or continued evaluation of 13 new biocidal product, product family and/or active substance applications wherein Malta assumed the role of Reference Member

State or Evaluating Competent Authority in line with the Biocidal Products Regulation.

Regulatory tasks typically involved multiple technical discussions with the appointed scientific experts and counter-debates with the applicants, other Concerned Member States and co-ordinating points at the European Chemicals Agency, together with data dissemination and communication via ECHA's Interact portals.

The procedures to authorise biocidal products notably necessitated a continued intensive review and update of the legal coverage governing conduct and scope of evaluations with both the applicants and the currently appointed scientific expert agencies. Two such procedures were finalised in the course of 2024.

The Unit's efforts focused significantly on supporting the aviation sector while advancing ongoing work in the healthcare sector. Key achievements included securing a derogation for the temporary use of an antimicrobial fuel additive in aircraft and the formalisation of a healthcare-related derogation through Commission Implementing Decision (EU) 2025/177 of 15 May 2024, which permitted the making available and use of certain biocidal products in the High Degree Isolation Unit at Mater Dei Hospital. These initiatives demonstrate the Division's proactive approach to meeting critical public health and safety needs.

The Unit is an active member of the Biocidal Products Committee within the ECHA.

CONTROL CHECKS

In 2024, 202 checks on biocidal products were carried out, which included visual, on-site checks, referrals from the Customs Department, and responses to complaints and reports. This figure excludes products screened from co-ordinated inspections. Subsequent to these inspections, 29 notifications were sent to economic operators instructing them to withdraw the products or rectify them to meet compliance standards.

The identified non-compliances predominantly pertained either to the absence of required registration for the biocidal products or discrepancies in labelling.

OZONE DEPLETING SUBSTANCES

The Division continued to monitor developments on the proposed update to the regulation on Ozone Depleting Substances (ODS). The new regulation was finalised and published on 11 March 2024.

During the year, TRD identified 33 economic operators with non-compliances in respect of reporting obligations on the use of halons in fire-fighting applications on aircraft, all of whom complied following the Division's intervention. The TRD followed up with another three economic operators to ensure they submitted all required documentation after reporting halon leaks.

F-GASES

The TRD continued to follow closely developments to revise legislation on fluorinated greenhouse gases (F-gases) which came into force on 11 March 2024.

The Commission initiated the process of updating all implementing regulations to align with the obligations outlined in the new Regulation. The TRD closely monitored these discussions and provided regular updates to stakeholders. Throughout the process, the TRD engaged with affected entities to ensure that the proposed implementations were practical and achievable within the local context.

The TRD organised an information seminar to update stakeholders on the new provisions that are coming into force. The Division disseminated information regularly through the stakeholder mailing list to update companies and personnel on any upcoming bans or new provisions that come into force.

The new F-gas Regulation has been transposed into national legislation and the TRD is currently in discussion with training institutions to update programmes for certified personnel.

The TRD continued its collaboration with the Customs Department, focusing on monitoring the compliance of F-gases imported from non-EU countries. The scrutiny at the border intensified, with 397 shipments inspected, a 16% increase on the previous year.

A sharp decrease in one-time importers has been recorded with only five shipments reported in 2024

in contrast with the 35 cases reported in 2023. This is likely attributed to the new legislation, which came into effect in the first quarter of 2024 and in which the annual threshold has been reduced from 100 tonnes of CO₂ equivalent to only 10 tonnes.

In total, throughout 2024 five shipments containing equipment pre-filled with F-gases, which amounted to 2,206 tonnes of CO₂ equivalent, was withheld due to issues, such as insufficient authorised quotas or unresolved compliance matters. All concerned importers later regularised their position to meet the regulatory requirements, enabling the subsequent recommended release of their products onto the market.

On the other hand, the TRD recommended the release into free circulation of 43,049 tonnes of CO₂ equivalent F-gas for pre-filled equipment in 2024 compared to 49,539.2 tonnes in 2023. Additionally, the Division verified the reporting compliance of 30 economic operators, all of whom met the applicable obligation.

Market surveillance checks were also undertaken in respect of the new requirements of the 2024 F-gas regulation, which also prohibits the storage of non-refillable containers. Several inspections were carried out, leading to the withdrawal of 19 containers from the market.

The TRD collaborated with the then Malta Resources Authority and the Ministry for the Environment, Energy and Regeneration of the Grand Harbour to update the model for F-gas use and emissions. The model was extended until 2050, inputting the historical data gathered from the Division's work in the past few years. Bans that are to come into effect in 2035, as stipulated in the new F-gas regulation, have been implemented in the new extended model. This is because, from the historical data, the Maltese importers have largely followed bans and trends set by the legislation.

MACHINERY

Following the publication of the new Machinery Regulation on 29 June 2023, the TRD continued with the planning related to the national implementing legislation to adopt the Regulation into Maltese law.

The emphasis of the activities was on lifting machinery, particularly apparatus designed to elevate persons, along with machinery employed in the construction industry, encompassing heavy equipment, such as bulldozers, concrete pumping vehicles, pile drivers and excavators.

The strong partnership between the TRD and the Customs Department was key in augmenting surveillance on these categories of machinery imported into Malta from non-EU countries, enabling the Authority to detect and intercept non-compliant machinery before its integration into the local market, safeguarding consumers.

Through ongoing efforts in 2024, the Authority implemented the Machinery Regulation published in 2023 and successfully inspected 197 cases of machinery from third countries, demonstrating consistency in maintaining these efforts.

RADIO EQUIPMENT

In 2024, the transposition of Directive (EU) 2022/2380 was published under L.N. 7 of 2024, which mandates the adoption of uniform regulations for a common charger for mobile phones, laptops and other compact portable devices. This Directive stipulates that these devices must be fitted with a USB Type-C port, must support the USB Power Delivery communication protocol and that the charger must be unbundled from these portable devices on being offered for sale.

TRD sent out information through online correspondence to multiple stakeholders to prepare them for the upcoming application date of 28 December 2024, applicable for most of these portable devices, with these regulations applying to laptops from April 2026.

PRESSURE EQUIPMENT

Market surveillance checks on liquid petroleum gas (LPG) cylinders, which are widely used in households, continued throughout 2024 to ensure their compliance with regulatory standards at the point of their initial availability to consumers.

Eight LPG cylinders of varying capacities (12 kg, 15 kg and 25 kg) from the two main suppliers were tested in 2024 for leaks, pressure and valves, among other tests. These tests revealed no instances of non-compliance, except for some labelling issues, which can be rectified through the necessary corrective action.

MOTOR VEHICLES

The TRD continued to review and provide insights on the proposed Euro 7 emissions legislation and the non-road mobile machinery proposal. The TRD has also provided input to the authorities on the proposal for a Regulation on the circularity requirements for vehicle design and on the management of end-of-life vehicles.

This regulation lays down circularity requirements on vehicle design and production related to reusability, recyclability and recoverability, and the use of recycled content, which are to be verified at type-approval of vehicles, and on information and labelling requirements on parts, components and materials in vehicles.

To fulfil its market surveillance responsibilities, as mandated by Article 8 of Regulation (EC) 2018/858, the TRD collaborated with the European Commission to ensure the selected vehicle sample for testing was representative of the Maltese consumer market. Following productive negotiations, a sampling plan was established, allowing the Division to proceed with market surveillance inspections on two motor vehicle models.

As part of a pan-European test plan, five tests were conducted on a vehicle model available locally, carried out at an accredited laboratory in France. These evaluations focused on various components, including steering equipment, daytime running lamps, tyre characteristics, like rolling sound and adhesion on wet surfaces, emissions, safety belts, restraint systems, child restraint systems, Isofix fittings and sound levels.

All tests were concluded without identifying any non-conformities. In addition to these tests, the Division conducted five documentary verification checks on another vehicle make and model available in the local market, ensuring compliance with the relevant EU regulations.

The TRD participated in five Forum for Exchange of Information on Enforcement of EU Legislation on Approval & Market Surveillance of Motor Vehicles meetings (including the Type Approval Authority and the Market Surveillance Authority subgroups), co-ordinated by the EU Commission, in 2024.

Clarification on various aspects of the type-approval legislation was provided by the Commission within the framework of the FORUM meetings. Among the topics discussed were the practical procedures for amending the data elements of the Certificate of Conformity, updates on the common risk assessment tool, access of third countries to EU type approvals and updates from TAA on revoked approvals and defeat devices.

This FORUM is also used by member states to discuss 'grey areas' in the legislation, where products are not fully harmonised by current EU legislation.

In addition, the TRD performed checks on other products that are regulated by Regulation 2018/858, namely warning triangles and tyre labelling. This resulted in the withdrawal of a non-compliant warning triangle and the issuing of an undertaking under Article 29 of the Product Safety Act.

Checks on motorcycle helmets were also carried out, with a formal undertaking issued for an economic operator who placed two non-compliant motorcycle helmets on the market that lacked the necessary type-approval mark.

ELECTRICAL PRODUCTS AND ACCESSORIES

In 2024, the TRD followed up on those economic operators who in 2022 and 2023 were required to take the necessary action pertaining to the supply of adequate electrical accessories to electrical equipment fitted with a 2-pin plug and were found to comply with the applicable electrical accessories regulation. In addition, five other economic operators were required

to take the necessary action on supplying adequate electrical accessories in 2024. Follow-ups are planned for 2025.

Ten retail outlets were physically checked for the presence of the energy label on products, such as household goods, along with their website. Four order notices were issued to four retail outlets which did not comply with the energy labelling requirements. Further checks in this area will continue throughout 2025.

Two hundred and eighty-four cases of electrical products were handled after these were referred to the MSD by the Customs Department. These included products related to electromagnetic capability, low voltage and radio equipment.

RECREATIONAL CRAFT

Following the testing on recreational craft in 2022 through JAHARP2018, follow-ups of the enforcement actions taken on the non-compliant recreational craft ensued in 2023. This involved communication with Transport Malta on the models withdrawn so that it would refrain from registering them under the small craft registry. These follow-ups continued throughout 2024, with no red flags received by Transport Malta and no such product being encountered during the 194 proactive inspection checks carried out in 2024.



CHEMICALS

In 2024, the TRD continued to prioritise legislative developments in the chemical sector, providing technical feedback on key proposals. These included updates to regulations on the classification, labelling, and packaging (CLP) of chemicals, EU fertilising products, detergents and mercury use, as well as the 'One Substance, One Assessment' (OSOA) package. Efforts focused on modernising regulatory frameworks, including measures such as digital labelling and product passports, to improve communication of chemical hazards in line with the European Chemical Strategy.

The Division's input in Council meetings, as well as in REACH Committee meetings and CARACAL meetings, was instrumental in advocating for balanced measures that consider technological advancements, the need for clear information and the practicalities of regulatory compliance, ensuring that any proposed changes would serve both the industry's and consumers' best interests.

Additionally, Malta continued to support the harmonised phase-out of mercury usage in dental amalgam by 2025, ensuring that exemptions for specific medical needs are maintained and that manufacturing and import provisions align with the practical usage needs post phase-out.

2024 also saw the Commission proposal of the 'one substance, one assessment' (OSOA) chemicals assessment reform for faster, simplified and transparent processes. This legislative package involved three legislative proposals:

1. streamlining assessments of chemicals across EU legislation;
2. strengthening the knowledge base on chemicals; and
3. ensuring early detection and action on emerging chemical risks.

Under this OSOA package, a key deliverable of the Chemicals Strategy for Sustainability, significant tasks will be reallocated between four EU agencies, ensuring coherent and transparent safety assessments of chemicals used in products, such as medical devices, toys, food, pesticides and biocides.

Among the key activities in the field of chemicals, including the requirements of the REACH Regulation, CLP Regulation, Detergents Regulation, Cosmetics Regulation, EU Fertilising Products Regulation and Explosive Precursors Regulation (with respect to placing on the market), were inspections, online monitoring, checking of chemicals referred to the TRD by the Customs Department, communication with the economic operators and participation in meetings seeking to harmonise the implementation of chemical regulations across the EU.

Through inspections and online monitoring, checks at the border and follow-ups on complaints, the TRD carried out 5,642 checks.

Priority was given to checks for products containing the ingredient 2-(4-tert-butylbenzyl) propionaldehyde (BMHCA), which started in 2023 and continued throughout 2024. One hundred and fifty-one products were inspected specifically for this ingredient. None were found to contain BMHCA.

In addition, the TRD scoured the market for the banned chemicals cyclotetrasiloxane (D4) and cyclopentasiloxane (D5) as part of an EU project coordinated by the ECHA. An inspection of 127 cosmetic products found no banned chemicals of D4 and D5.

The products inspected were wash-off cosmetics, including face gels, shower gels, shampoos and conditioners. The TRD kickstarted an exercise on skin whitening and hair products that could possibly contain banned or restricted ingredients, such as hydroquinone, kojic acid and minoxidil, in 2024. From this exercise, a total of four products were found non-compliant and were withdrawn from the market.

CONSTRUCTION PRODUCTS

In 2024, significant progress was made on the revision of the Construction Products Regulation (CPR), following earlier evaluations by the European Commission to address deficiencies in the existing framework. The proposed regulation, which incorporates goals related to the green and digital transitions, was adopted by the Council on 5 November 2024 and published in the Official Journal on 18 December 2024.

The revised CPR aims to enhance technical harmonisation, reduce national trade barriers, improve enforcement and market surveillance, and simplify regulatory processes. Key improvements include clarifying overlaps with other legislation, streamlining administrative procedures, and integrating digital solutions, such as Digital Product Passports, to promote product safety and sustainability while minimising environmental impacts.

The TRD played an active role in shaping the revised Regulation during 2023 and 2024 by contributing expert feedback through Working Party discussions and written submissions. In 2024, efforts shifted towards developing strategies for implementation and planning national information campaigns to raise awareness among stakeholders.

Particular attention was given to addressing the regulatory impact on SMEs and microbusinesses, ensuring that these entities are adequately supported during the transition to the new framework.

Checks were carried out in 2024 on the following products: whirlpool baths, fire doors, road signs and continued checks on the local manufacturers of aggregate concrete masonry units.

By the end of 2024, from a total of 19 local manufacturers of aggregate concrete masonry units that are on the MCCAAs radar, two manufacturers did not submit the Declaration of Performance and CE marking documentation. This resulted in the TRD requesting these two manufacturers to refrain from placing these products on the market until the requested documentation is made available to the MCCAAs in line with the requirements of the Construction Products Regulation and the relevant harmonised standards.

Checks on whirlpool baths resulted in an order notice requesting the withdrawal of a whirlpool bath from the market after the documentation submitted was not in line with the requirements of the Construction Products Regulation. As the outcome of checks on whirlpool baths is not conclusive yet, due to newly emerged information in this field, the TRD will continue its exercise on market surveillance of whirlpool baths throughout 2025. The same applies to checks that were carried out on road signs.

The TRD also performed checks on fire doors. Since only fire doors intended for exterior use are harmonised construction products and would therefore require to be CE-marked, only two economic operators indicated the making available of fire doors for exterior use and which therefore were within the scope of these checks. Both local operators happened to supply their product from the same economic operator which is situated in another member state. Investigation by the TRD is still ongoing.

The TRD was also requested to assist Customs with four construction products flagged at the border. Types of products included autoclaved aerated concrete masonry units, steel hollow sections and terrazzo tiles.

Throughout the market surveillance exercises, all economic operators were provided with comprehensive information on the CPR to continue raising awareness about their obligations under that Regulation.



PRODUCT ECODESIGN

The European Commission's Regulation on Ecodesign for Sustainable Products aims to improve product sustainability by enhancing durability, reusability, reparability and recyclability, while also combating premature obsolescence. It introduces Digital Product Passports to provide consumers with detailed product information, promoting more informed choices.

The TRD contributed feedback that influenced Malta's position on the regulation, securing exemptions for micro and small enterprises, and advocating for a phased approach to new requirements. These efforts aimed to balance sustainability goals with the need to minimise regulatory burdens on businesses, particularly SMEs.

The regulation introduces significant new responsibilities for economic operators, including compliance with circular economy standards and Digital Product Passports. Its full impact will depend on forthcoming delegated acts that will define specific obligations for various product categories.

The Regulation on Ecodesign for Sustainable Products, Regulation (EU) 2024/1781 had been published and came into force in July 2024. Studies on a number of electrical and electronic products had already started and are being followed by the TRD. A number of local stakeholders had been roped in to follow the studies on the products that concern them.

TRD is also following the discussions and work on new or reviewed implementing Regulations under the current Ecodesign Directive for energy-related products.

FOOD SAFETY

EFSA Focal Point

The role of the Focal Point (FP) is to act as a collaborative contact point in Malta, primarily to support the Maltese representative of the Advisory Forum in gathering data and transferring information between the European Food Safety Authority (EFSA) and relevant bodies in Malta.

These entities include risk managers, national authorities, stakeholders and research institutes in

the fields of risk assessment on food and feed safety, animal and plant health, animal welfare and nutrition, and in communications in these areas.

In 2024, the FP maintained constant communication with the national data providers, EFSA network representatives and Article 36 organisations to continue improving national data quality and identify their areas of concern where additional training is required.

The FP also worked on the organisation of an online information session on the Dietary Reference Values (DRV) Finder tool developed by EFSA and the Knowledge Junction, which is scheduled for February 2025, as well as a conference on EFSA and its funding opportunities, which is scheduled for the first quarter of 2025.

The FP worked as a knowledge broker between the scientific community and policy makers through the Food Safety Commission (FSC). The FP supported incoming requests from EFSA for partner search, liaised with relevant national organisations and disseminated relevant information, including funding news and upcoming calls related to EFSA.

The FP participated in Freshers' Week, organised by the University of Malta, to promote and disseminate information on EFSA's work and the role of the EFSA FP within the FP network.

Food risk assessment

The TRD is designated as the entity responsible for food risk assessment as stipulated in Article 7(2)(c) of the Food Safety Act (Cap. 449 of the Laws of Malta) and is represented by an MCCA officer, fulfilling the risk assessment role by also being a member of Malta's Food Safety Commission (FSC).

The risk assessment function also means that the Directorate is the entity nominated to represent Malta on issues related to the EFSA. In fact, TRD officers represent Malta on various networks, including the Advisory Forum, the Focal Point Network and on the EFSA Management Board.

As a result, the MCCA is in constant liaison with the FSC on a number of food safety issues in line with local legislation.

The TRD also participates in European meetings at various levels, including European Commission working group meetings on proposed legal measures and interpretation of current EU legislation dealing with food additives, fortified food, food labelling, food supplements, food for special medical purposes, nutrition and health claims on food, novel foods, food enzymes, food flavourings, food contact materials and natural mineral waters.

The Division performed risk assessments and provided opinions on several Commission draft proposals, including draft proposals authorising the placing on the market of several novel foods, and draft proposals on the use of several food additives and flavouring substances.

FOOD QUALITY AND MARKETING STANDARDS

Food quality schemes

In July 2024, the MCCAA submitted an application to the European Commission for the protection of the 'mazzit' – the unique local delicacy that is a sweet blood-pudding – and engaged in discussion with the Commission to ensure its smooth processing.

The TRD is also in the process of evaluating a Protected Designation of Origin (PDO) application for an extra virgin olive oil – *Bidni* – and a PGI extra virgin olive oil – *Żejt ta' Malta* – as well as a PDO application for locally produced honey – *Għasel Malti*. The Division received advice and assistance from the appointed Standing Committee on geographical indications and designations.

Control checks continued to be strengthened in the area of labelling of protected designations of origin, protected geographical indications and traditional specialities. In 2024, 186 official control checks were carried out on products within the scope of EU Food Quality Schemes at conventional markets and via e-commerce.

The product types targeted were beer, mustard paste, cakes and whiskeys. Twelve different operators were inspected. Through these controls, no infringements were identified.

Moreover, the TRD investigated complaints received on the misuse of 'Prosciutto di Parma' PDO in line with Regulation 2024/1143 on geographical indications of agricultural products, which resulted in issuing six formal undertakings to the economic operators who were responsible for the misuse of packaged Parma ham.

Olive oil

Two samples were selected in 2024 on the basis of a risk assessment and in Q4 of 2024 sent to an accredited laboratory that is recognised by the International Olive Council for testing against the requirements of Commission Delegated Regulation (EU) 2022/2104 on marketing standards for olive oil.

The local sample was found to be compliant, except for some labelling aspects and for which the TRD has already communicated the corrective actions to the responsible economic operator. The other sample tested, which was not of local origin, is still under investigation.

The results of these tests are reported to the European Commission.

PRODUCT ENERGY LABELS

The TRD has been following the discussions and work on new or reviewed delegated regulations under the Energy Labelling Regulation for energy-related products.

Products that require the EU Energy Labels must be registered in the European Product Registry for Energy Labelling (EPREL). The operational details for this database were discussed during a number of meetings prior to the publication of the Implementing Regulation in April 2024.

The TRD followed and contributed to the discussions. Local stakeholders were notified and invited to a webinar on the regulations that became applicable in October 2024.

CIVIL EXPLOSIVES AND PYROTECHNICS

The TRD participated in a series of European Commission studies evaluating the effectiveness of the directive, which is expected to serve as a precursor to the revision of both legislative frameworks.

EXPLOSIVE PRECURSORS

The TRD submitted the Monitoring Programme Statistics towards the beginning of 2024 and actively participated in several standing committees held throughout the year. In November 2024, the TRD voiced its concerns about the validity of the licencing regime since it seemed only relevant for nitromethane.

Given that several other member states shared this view, the TRD launched an information campaign on nitromethane, informing stakeholders and the public alike. The scope of the campaign was to both gauge the necessity of a licencing regime for the public, and to make them aware that the chemical is not meant for use by the public.

MUTUAL RECOGNITION & PRODUCT CONTACT POINTS

The TRD maintained its Product Contact Point helpdesks, processing several queries across various sectors. Most notably, 2024 saw a rise in queries on motor vehicles, the principle of mutual recognition, and food and food supplements.

The number of queries related to construction products has significantly decreased, likely because the industry is aware of the entry into force of the new Regulation.



Market monitoring and enforcement

For the second year in succession, more than 13,000 checks were performed, including online screening of products, inspections co-ordinated by the Inspections Co-ordination Office (these amount to 2,213 of the total number of checks performed, equivalent to 16% of the total), automated compliance cross-checks and screening of operators' documentary-based obligations.

The breakdown of these checks, excluding co-ordinated inspections, can be found in Table 5 below. These are inclusive of 7,727 checks carried out digitally. These figures vary from year to year since the prioritisation each year may differ.

Main Product Type	No. of Checks (2024)
Toys	588
Lifts	263
Construction products	16*
F-gas	539
Electrical appliances and electronics	837
Chemicals, including cosmetics, detergents, consumer pyrotechnics and explosive precursors	5,642
Pressure equipment	24
Textiles and footwear	48
Recreational craft	194
Other product groups (including machinery, gaseous appliances, personal protective equipment, motor vehicles, marine equipment and products falling under the General Product Safety Directive)	2,474
PPPs	247
Biocidal products	202
Total	11,274

TABLE 5: MARKET SURVEILLANCE - CHECKS IN 2024

**This number excludes checks on local manufacturers of aggregate concrete masonry units who have submitted the required documentation and who have been assisted on several occasions by the TRD to meet the requirements of the Construction Products Regulation, as well as other construction products that are still under investigation, as outlined further above.*

These checks do not only ensure that compliant goods are available for sale, but provide an assessment of the state of play in areas falling under the responsibility of the TRD, enabling the entity to adopt an evidence-driven approach in devising its regulatory and market surveillance programmes in the following years.

Co-operation with the Customs Department also continued to be strengthened through the provision of technical assistance on product safety legislation and the effective implementation of measures on products imported from third countries found to be non-compliant.

The MSD received and responded to 1,922 requests from the Customs Department in 2024, an almost 40% increase when compared to 2023. Further collaboration took place on the confiscation of non-refillable fluorinated greenhouse gas containers, and the prohibition on the importation of models of unsafe recreational craft and non-compliant construction products.

	2022	2023	2024
Customs cases	441	1,392	1,922
Checks	12,010	13,181	13,487

TABLE 6: MARKET SURVEILLANCE – CUSTOMS CASES; PRODUCTS CHECKED (2022-2024)

JOINT ACTIONS

Market surveillance was also undertaken in collaboration with other EU member states through participation in the Co-ordinated Activities on the Safety of Products (CASP) project and JACOP. These actions were funded by the EU Commission’s Directorates-General.

The general aim of these joint actions is to promote compliance, identify non-compliances, raise awareness and provide guidance on Union harmonisation legislation. The TRD has also enrolled in EEPLIANT 4 on refrigerating appliances, which is still in its initial phase.

Table 7 below provides information on these joint actions.

Project reference	Information and findings
CASP 2024: Baby soothers	A total of 5 soothers and 5 soother holders (2 of which with play valve) were tested in an accredited lab as part of the Joint Action. The soothers were all compliant to the applicable standards. One soother holder was not compliant with the applicable standard because of breakage. However, after a risk assessment was carried out and following discussions within the team leading this project, it was concluded there was no need to withdraw the product from the market. However, the competent authority of the country of manufacture (an EU country) was notified via ICSMS so as to inform and take the necessary actions with the manufacturer.
CASP 2024: Highchairs	A total of 6 highchairs were sampled and tested. Tests carried out were both mechanical and chemical, apart from checks on markings (required information and warnings). Of the products sampled locally, 2 products failed mechanical tests and markings/warnings, and investigation is still ongoing. Three samples had marking issues on warnings and/or information. All the economic operators have been required to address these labelling issues.
CASP 2024: Lighting chains	The type of products tested were mainly used for decoration, similar but not limited to Christmas lights. Of the 5 samples tested under the Low Voltage Directive at an accredited laboratory, 2 were found to pose a serious risk and were recalled from the market.
CASP 2024: Bicycles for children	Children’s bicycles were tested to assess structural safety and mechanical performance, ensuring compliance with ISO 8098. Four bicycles were sampled from the local market and tested at an accredited laboratory. The results revealed that all 4 bicycles failed to meet the required standards due to issues, such as inadequate braking systems, sharp edges and structural weaknesses. One bicycle has had to be recalled from the market and the three other bicycles are still under investigation.

Project reference	Information and findings
CASP 2024: Toys	Slime toys were tested for compliance with Directive 2009/48/EC, focusing on chemical testing to ensure consumer safety. Ten slime toys from the local market were sampled and tested at an accredited laboratory. Laboratory analysis revealed that 3 of these toys contained boron levels exceeding the legal limit. Following these results, these 3 non-compliant products were recalled from the market.
CASP 2024: Electric heaters	Five products tested included portable stand-alone electric fan heaters. The tests were conducted at an accredited laboratory under the Low Voltage Directive. The non-compliances encountered were of an administrative nature, with lack of markings or documentation for which the necessary corrective actions were taken by the respective economic operators.
CASP 2024: E-cigarettes (jointly with the EHD)	This project was originally intended to test e-cigarettes for mechanical and electrical properties but ended up focusing on nicotine content, which falls out of the remit of the TRD and hence the project was eventually dealt with by the EHD.
JACOP 2024: Gas cartridges	<p>This project addressed small receptacles, such as camping gas canisters and other smaller-sized pressure receptacles. A total of 5 cylinders were tested according to the ADR 2015 6.2.6 standard and EN 417:2012. The testing procedures included the following assessments:</p> <ul style="list-style-type: none"> ● Verification of compliance for pierceable cartridges; ● Verification of compliance for cartridges with valves; ● Cross-checking mandatory labelling requirements; ● Identifying missing mandatory sentences; ● Pressure testing; ● Volume and net capacity testing; ● Wall thickness checks; and ● Leak testing. <p>The results of the tests indicated no serious risks. However, 2 minor non-conformities were identified, both related to labelling issues. The TRD has addressed these concerns by notifying the relevant economic operators, and the issues have since been resolved.</p>
JACOP 2024: Receptacles for domestic use	<p>This project focused on testing steel and composite LPG pressure receptacles primarily used for domestic purposes in Malta, in accordance with EN 1440:2016+A1:2018+A2:2020 standards. The tested samples included receptacles of varying capacities – 12 kg, 15 kg and 25 kg. Eight samples were examined to ensure compliance with the relevant safety regulations.</p> <p>The testing process involved several key inspections, including:</p> <ul style="list-style-type: none"> ● External visual inspection; ● Pressure test; ● Internal condition assessment; ● Leak test; ● Thread inspection; ● Valve inspection; and ● Labelling check. <p>The results of the tests confirmed that the LPG cylinders met the required safety and regulatory standards, with no significant risks detected. However, a minor issue related to labelling was identified, which is currently being addressed by the TRD.</p>

Project reference	Information and findings
JACOP 2024: Toys – indoor swings and activity towers	Indoor swings and activity towers were tested to verify their structural stability, safety features, and compliance of indoor swings and activity towers with the Toy Safety Directive. Five indoor swings and activity towers were sampled from the local market and tested at an accredited laboratory. Laboratory results were received, but investigations are still ongoing to assess the full scope of compliance and determine necessary actions.
JACOP 2024: Air cooling (ecodesign and energy labelling) JACOP 2024: Child safety equipment JACOP 2024: Installation cables JACOP 2024: LED replacement tubes	Projects are still in their initial phase.

TABLE 7: MARKET SURVEILLANCE - UPDATE TO THE JOINT ACTIONS WHICH WERE OR ARE ONGOING AND FINDINGS

European-wide Administrative Co-operation Groups (ADCOs) were also followed in 2024. These relate to:

- Construction products;
- Ecodesign;
- Energy labelling;
- Gas appliances;
- Labelling of tyres;
- Lifts and safety components of lifts;
- Low voltage;
- Machinery;
- Marine equipment;
- Personal protective equipment;
- Pressure equipment;
- Radio equipment;
- Recreational craft and personal watercraft;
- Restriction of the use of certain hazardous substances;
- Toys; and
- Transportable Pressure Equipment.

Other meetings in which the MSD also participated in 2024 included the Consumer Safety Network, the European Union Product Compliance Network, the ECHA Forum, the Biocidal Products Regulation Subgroup of the ECHA Forum, the Forum for Exchange of Information on Enforcement on motor vehicles and other meetings organised by EFSA on the transmission of pesticides occurrence data.

During these meetings, officers representing Malta seek to put on the agenda enforcement matters encountered during the activities performed by the Directorate to promote harmonised procedures across the EU to enhance consumer protection and ensure a level playing field.

RAPID PUBLIC ALERTS

As part of the effort to sustain robust co-ordination with the market surveillance authorities in the EU, a focal point of contact for Malta on the rapid alert system for dangerous non-food products (Safety Gate) was established. Notifications of dangerous consumer products are issued on this rapid alert system to support the effective, speedy and accurate exchange of information among member states.

In 2024, 23 new notifications were issued for products found on the local market that were recalled or withdrawn. A further 13 follow-up actions on products found in Malta were taken after notifications were received from other member states. Additional products were withdrawn from the local market. However, not all products withdrawn would satisfy all the criteria required for publication on the Safety Gate platform.

Malta has been recognised as the 7th country out of all EU member states with the highest increase in registered cases inputted into the ICSMS in 2024 compared to 2023. The ICSMS (Information and Communication System for Market Surveillance) is the comprehensive communication platform for the exchange of information on the market surveillance of non-food products among EU member states. This demonstrates Malta's commitment towards ensuring effective communication on products investigated in the Maltese market that could also be of relevance to other member states.

There were 124 complaints on product safety-related concerns that reached the MSD, which were investigated and actioned. Most complaints related to lifts, followed by other consumer products under the GPSR and cosmetics.

All complaints are investigated, and a structured approach is established to determine the nature of the follow-up action required. The approach is risk-based and takes into consideration the product type involved, the severity of the case and the facts established during the investigation.

Communication with the importers, manufacturers and consumers is considered to be a key element of an effective market surveillance system in a supportive

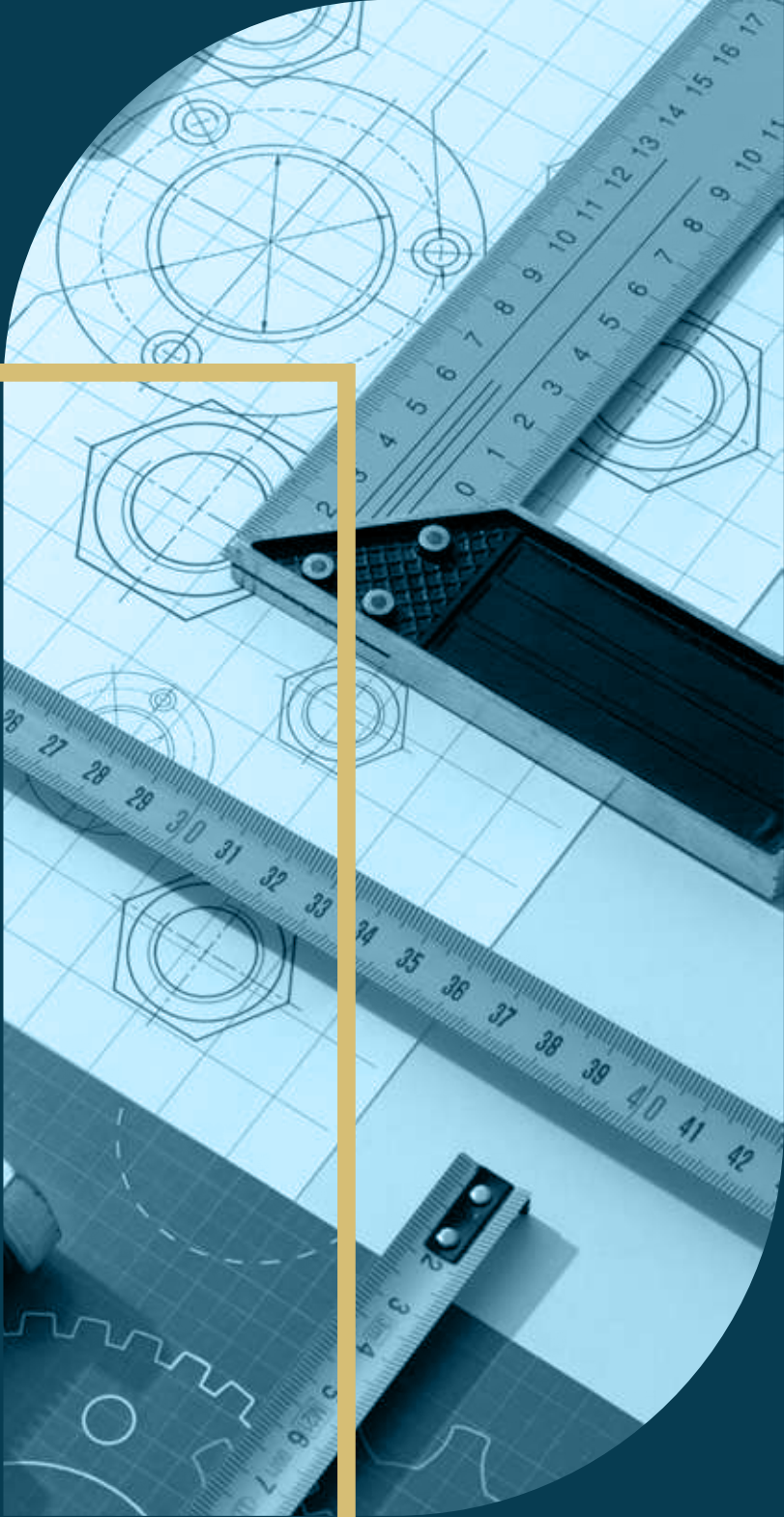
and forward-driven regulatory environment. Last year, more than 275 instances of communication with important market players took place and, on some 50 occasions, the Authority reached out to the public with the latest notifications through the MCCAA's social media posts.

Single Market Emergency Instrument

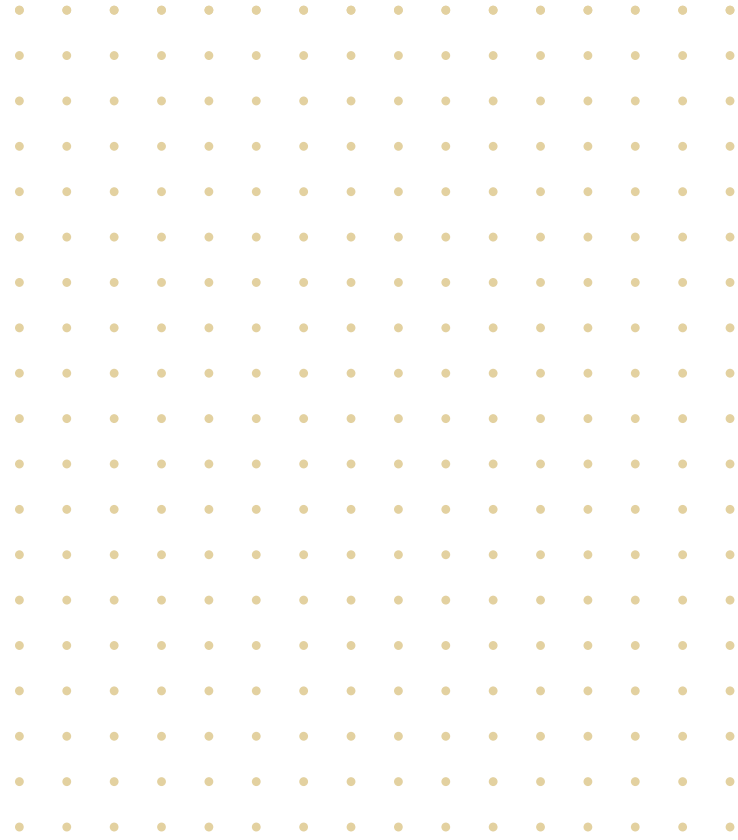
In 2024, the TRD continued to actively monitor and provide feedback on two legislative proposals aimed at improving emergency procedures for conformity assessment, the adoption of common specifications and enhanced market surveillance during single market emergencies involving products subject to conformity assessment.

These measures are designed to safeguard the smooth functioning of the single market by ensuring the continuous availability of strategically important products during crises – a critical priority for citizens, businesses and public authorities. The need for these legislative updates became evident during past crises, particularly the Covid-19 pandemic, which exposed the inadequacy of existing sectoral procedures to handle emergency situations due to a lack of regulatory flexibility.

The proposed revisions target specific EU directives and regulations to strengthen crisis preparedness for essential products. The Division's ongoing contributions helped shape Malta's position, influencing key aspects of the legislation. A significant achievement was the successful inclusion of a provision allowing member states to recognise national authorisations from other member states during crises. This provision aims to promote a co-ordinated, cross-border approach and ensures efficient, unified responses to emergencies.



STANDARDS AND METROLOGY INSTITUTE



The Standards and Metrology Institute (SMI) promotes technical standards development and adoption, regulates legal metrology, offers calibration and laboratory testing, and Goldsmiths and Silversmiths services. Organisations – both local entities and public service bodies – can obtain certification according to European and international standards. All these specialised services are geared to support a quality infrastructure in the Maltese Islands.

Highlights

The most important development within SMI in 2024 was the progress made in human resourcing, which has allowed the entity to strengthen its market oversight in the area of gold and silversmith activity and legal metrology.

Laboratory Services has eliminated its long-standing backlog and the unit of Goldsmiths and Silversmiths increased the number of inspections – both those carried out internally and jointly with the OPM. Two major enforcement actions led to court action.

Two major highlights in Metrology were the extension to scope in masses and the application for further accreditation in metrology. The inspection plan approved at the beginning of 2024 on legal metrology was fully implemented and there are new proposals on the Measuring Instruments Directive.

Accreditation to the ISO 17025 standard for mass metrology was practically confirmed and preparations were made for application for accreditation in the temperature area.

Standardisation

OUTREACH EVENTS

The main outreach event in 2024 was to mark World Standards Day, which was held on 9 October at the Malta Chamber of Commerce in Valletta. The event theme was ‘Shared vision for a better world – standards for the changing climate’.

The event brought together various experts from the field to discuss the role of standards in addressing climate change and featured mainly two panel discussions.

Another outreach session was held, in collaboration with MCAST, targeting engineers. The session focused primarily on the development of standards, which is quite valuable to the industry.

EU AND INTERNATIONAL STANDARDISATION

The Standards Directorate has continued to actively participate in the three main European standardisation bodies, CEN, CENELEC and ETSI (*see table on the opposite page*), along with the international standardisation body, ISO. The Institute also continued to fulfil its obligations to transpose all European standards into national standards.

Representatives from industry, government, the academic sector and other stakeholders continued to give their input to ensure a focus on the national interest is maintained in the approval of new standards that are acceptable to all interested parties.

Malta actively participated in technical committees working on new standards for lifts, cultural heritage, sustainability of construction work, ICT for learning, education and training, artificial intelligence, green financing, e-competences, e-procurement, online gambling, blockchain technology, Eurocodes and national Annexes for Energy Performance of Building Standards.

** National mirror technical committees were active in the areas of lifts, cultural heritage, AI and quantum technologies.*

NATIONAL ADOPTION OF EUROPEAN STANDARDS

The table below shows the number of European/international standards that have been adopted as national standards during the past four years.

European standardisation bodies	Number of European standards adopted (2021)	Number of European standards adopted (2022)	Number of European standards adopted (2023)	Number of European standards adopted (2024)
CEN – European Committee for Standardisation; CENELEC – European Committee for Electrotechnical Standardisation	1,542	1,619	1,448	1,521
ETSI – European Telecommunications Standards Institute	59	43	22	91

TABLE 8: EUROPEAN STANDARDS ADOPTED AS NATIONAL STANDARDS IN 2024 COMPARED TO THE PREVIOUS THREE YEARS

PROPOSALS FOR NEW NATIONAL STANDARDS

During 2024, there were two new standard proposals for which technical committees are being set up. The development of these new standards will start in 2025. The development of the below standards is still ongoing.

Proposal	Requesting Entity	Timeframe
Methods for the construction and installation of manholes	Infrastructure Malta	1 year
Classification of Recycled Aggregates	University of Malta	1 year

TABLE 9: DEVELOPMENT OF NEW NATIONAL STANDARDS

Certification

There was once again an increase in the client base for international certification, especially from those seeking ISO 45001 certification, the Occupational Health and Safety Standard. One of the factors that may have caused the increased interest in this certification was a clause in government tenders stipulating that certain industries should go beyond the quality management system certification, ISO 9001 and ISO 14001.

INTERNATIONAL CERTIFICATION

A first application for the EU Ecolabel was received from a UK company for detergent products to enable them to be marketed across the EU market. A further application for an EU Ecolabel was received from a company in South Africa. Both requests are currently being processed.

The table below lists the certification and inspection services that were carried out in 2024.

Certification and Inspection Services	Total number of certified entities 2022	New Certificates in 2022	Total number of certified entities 2023	New Certificates in 2023	Total number of certified entities 2024	New Certificates in 2024
SM EN ISO9001:2015 – Quality Management Systems	101	1	94	7	95	5
SM EN ISO14001:2015 – Environmental Management Systems	33	7	33	3	33	1
SM EN ISO45001 – Occupational Health and Safety Management Systems	4	0	6	2	6	1
Regulation (EU) 2018/848 – Organic production and labelling of organic products	107	3	110	13	114	6
SM 1400:2013 – Motor Vehicle Repair Garage Management Systems	430	17	432	13	433	5
SM 3500:2010 – Public Playgrounds – Requirements for Public Playground Safety and their Management	7	7	16	16	21	3
EU ECOLABEL – Tourist Accommodation Services	5	0	5	5	5	0

Certification and Inspection Services	Total number of certified entities 2022	New Certificates in 2022	Total number of certified entities 2023	New Certificates in 2023	Total number of certified entities 2024	New Certificates in 2024
EU ECOLABEL - Detergents	0	0	0	0	1	16
Industrial Security Screening of personnel	760	131	504	143	533	120





TABLE 10: CERTIFICATION AND INSPECTION SERVICES OFFERED IN 2023

Metrology and accurate measurement

The MCCA maintains national measurement standards for scientific metrology. These are linked to international standards and are maintained to ensure the highest level of accuracy on which the majority of technical activities depend.

Measurement standards cover mass, temperature, length, volume, electrical quantities, pressure and humidity, temperature, and time and frequency – which helped provide traceability to the SI units, the globally agreed system of units at the centre of all modern science and technology.

PHYSICAL QUANTITY – HIGHEST NATIONAL MEASUREMENT STANDARD

MASS		<ul style="list-style-type: none"> ▶ Set of 29 OIML R111 class E1 mass standards, ranging from 1 mg to 10 kg nominal value ▶ Set of 5 OIML class E2 mass standards of 10 kg nominal value ▶ Set of 10 OIML R111 class F1 mass standards of 50 kg nominal value ▶ Set of 2 OIML R111 class F2 mass standards of 500 kg nominal value ▶ Set of 30 OIML R111 class M1 mass standards of 1,000 kg nominal value
VOLUME		<ul style="list-style-type: none"> ▶ Set of 4 volume standards, 2 L, 5 L, 10 L and 20 L nominal value
TEMPERATURE		<ul style="list-style-type: none"> ▶ Triple-Point-of-Water Cell ▶ Melting Point of Gallium Cell ▶ Set of 3 ITS 90-compliant Standard Platinum Resistance Thermometers
HUMIDITY		<ul style="list-style-type: none"> ▶ Humidity Generator ranging from 10% RH to 95% RH ▶ Dew-point Mirror Hygrometer ranging from -40°C dp to 70°C dp
TIME AND FREQUENCY		<ul style="list-style-type: none"> ▶ Rubidium Atomic Clock

APPLIED METROLOGY

The main service to the local business community is the calibration of equipment using the three main physical quantities – mass, temperature and volume.

The National Accreditation Board (NAB-Malta) reconfirmed accreditation of the calibration services in 2024.

A total of 399 calibrations were carried out in 2024 (see Table 11 below).

Physical Quantity	Metrological Application	Calibration of instruments carried out				
		2024	2023	2022	2021	2020
Mass	Calibration of non-automatic weighing instruments	101 (91, 10)	55	48	44	85
	Calibration of weights and mass standards	168 (120, 48)	148	140	176	496
Temperature	Calibration of thermometers and temperature-measuring instruments	108 (22, 86)	82	125	24	88
	Mapping of temperature/ climatic controlled rooms/ enclosures	16 (10, 6)	85	12	21	45
Volume	Calibration of volumetric standards for verification of fuel dispensers	6 (4, 2)	4	2	2	16
Total		399	374	327	267	730

TABLE 11: APPLIED METROLOGY DATA 2020-2024

LEGAL METROLOGY

A review on the possible revision of local legislation to transpose the EU Directive on Measuring Instruments was resumed in 2024. A campaign was launched to collect feedback from a number of local government ministries involved in the legislation. This was concluded by the end of the year and will be analysed in the first quarter of 2025.

A monitoring plan was drawn up for legal metrology inspections on a risk-based approach. This programme covers measuring instruments, product quantities and pre-packages for trade purposes. The monitoring programme is aimed at ensuring correctness and equity in commercial transactions, protecting consumers and traders alike.

A particular focus was given to inspections in respect of the e mark on packaging.

There were 530 inspections in 2024 at 129 operators on:

- non-automatic weighing instruments in retail shops, supermarkets and open markets, jewellers, construction sites and waste processing plants, including the periodical verification of weighbridges and industrial weighing instruments for compliance with SOLAS (Safety Of Life At Sea)/Transport Malta requirements;
- fuel dispensers in petrol stations; and
- pre-packed products by weight or by volume.

Laboratory testing services

ENGINEERING ENTITY

The major job in 2024 for the Engineering Entity, similar to the previous year, was the conclusion of the Energy Performance Certificate Audit for the BCA covering the previous calendar year. This involved the sampling and auditing of the EPCs that were issued in 2023 to check for authenticity and correctness.

TESTING OF MEDICAL GAS POINTS

Medical gas testing was maintained for medical air, surgical air, dental air, compressed air, nitrous oxide and partial testing mainly for particulate matter. The number of tests provided is shown in Figure 12.

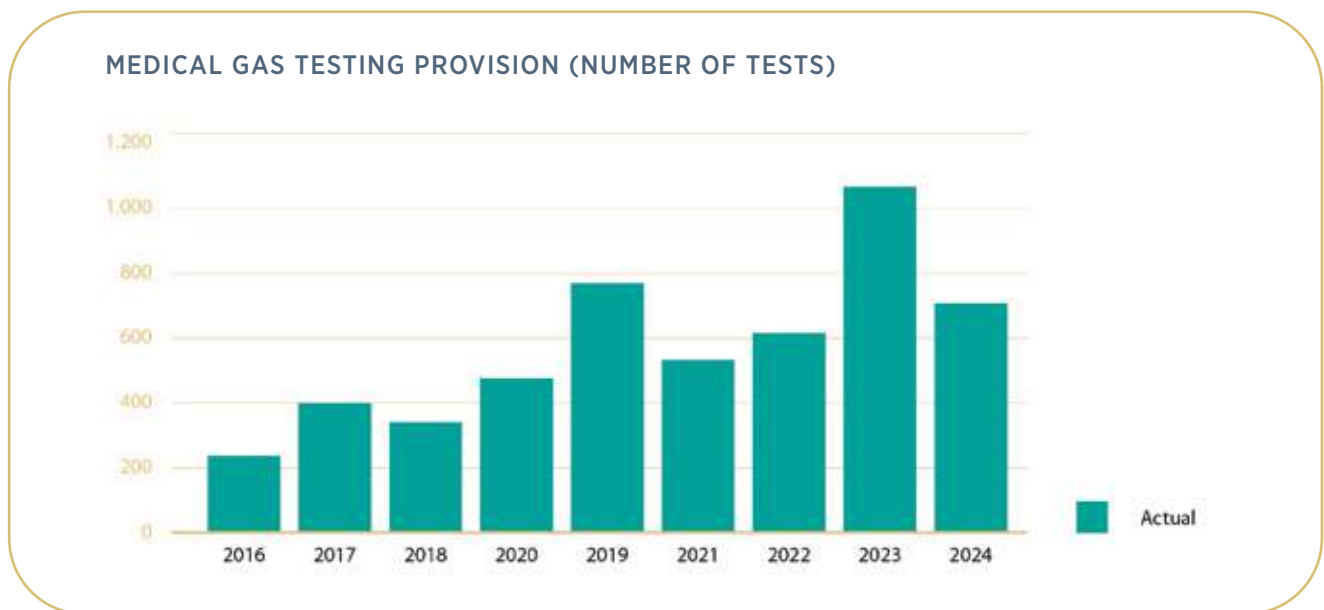


FIGURE 12: THE NUMBER OF MEDICAL GAS POINTS TESTED IN 2024 COMPARED TO THE PREVIOUS EIGHT YEARS

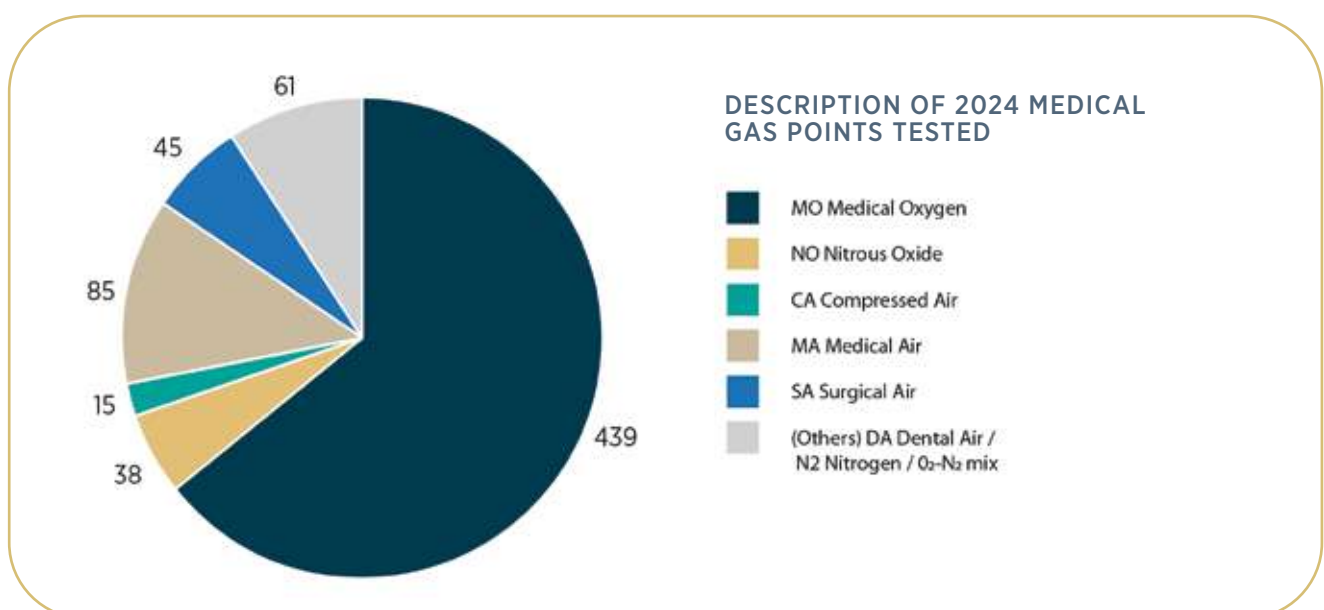


FIGURE 13: MEDICAL GASES DATA

CONSTRUCTION MATERIAL TESTING

The Construction Material Testing service maintained its accreditation scope with NAB-Malta for its 37 construction material tests. It attended to 1,778 requests in 2024.

IM made 75% of the requests (1,347), with the remaining tests rendered to EneMalta Corporation, the Water Services Corporation, the Grand Harbour Regeneration Project, WasteServ Corporation, the Valletta Gateway Terminal and three new clients, INDIS, the Energy and Water Agency, and the Ministry for Gozo and Planning.

The key projects in which the largest number of tests were undertaken were:

- IM – testing of concrete and asphalt for several projects, including the upgrading and extension of Lascaris Wharf (Valletta), the regeneration of the Chadwick Lakes road, Bugibba quay, Fleur-de-Lys works, the Ғal FerҒ project and initiation of the Msida Creek project;
- IM – testing of construction material used during the reconstruction of main roads, such as GҒajn TuffieҒa Road, Marfa Road, Kappara/San Gwann Road and Sliema Road;
- IM – testing of construction material used during the reconstruction and upgrading of several country roads;
- TM Maritime – testing of construction material used for quays at Pinto Wharf, Ćirkewwa, St Paul’s Bay, BirzebbuҒa, the North Quay at Marsascala and slipways in St Thomas Bay, Marsascala;
- IM & TM Maritime – Grand Harbour Clean Air Project, consisting of a €49.9 million shoreside electricity project to cut over 90% of the air pollution that cruise liners and Ro-Ro ships produce when moored to the Deep Water Quay in Grand Harbour;
- EneMalta – testing of construction material for works in various roads, ranging from fresh concrete, fresh asphalt, concrete cores and asphalt cores;
- WasteServ – fresh concrete tests in MagҒtab and plate bearing tests at the MagҒtab landfill area;
- Water Services Corporation – testing of construction material related to works to improve the water and drainage systems in various country roads, including fresh concrete, concrete cores, asphalt cores and fresh bitumen laying tests;
- Grand Harbour Regeneration Corporation – testing of construction material used during the renovation of housing blocks and open spaces in Senglea, Peacock Gardens lift (Valletta), the Piazzetta Mitrovic area, the Kalkara regeneration project and the Pietà promenade regeneration;
- Ministry for Gozo and Planning – testing of construction material used in the Victoria-Marsalforn link project;
- INDIS – testing of construction material used in the building of factories in Marsa;
- Project Green – testing of skid resistance at the Bugibba Water Park; and
- Energy and Water Agency – testing of vertical road traffic signs.

During 2024, the total number of onsite tests and those conducted at the CMT Laboratories in Mosta exceeded 20,000 for the fourth consecutive year.

More than 15,900 tests were carried out on fresh and hard concrete, and 4,788 tests were conducted on bituminous mixtures and asphalt cores – an all-time high. Although requests for tests on aggregates and soils are on the decline, the laboratory has seen an increase in performance-based tests, such as those on road markings (Luminance and Retro reflectivity), surface regularity tests and those on traffic signs (see Table 12).

TESTS	2024	2023	2022	2021	2020
Aggregates	8	13	17	18	222
Soils	3	5	6	5	86
Plate bearing	98	133	48	190	-
Bituminous material	4,788	4,176	3,901	4,208	4,368
Fresh concrete	15,968	19,232	17,936	17,376	11,135
Concrete cores	274	269	386	207	828
Others (road markings, stone weathering, absorption, friability, earthworks)	40	34	23	38	51
	21,179	23,862	22,317	22,042	16,690

TABLE 12: TESTS CONDUCTED BY THE CONSTRUCTION MATERIAL TESTING ENTITY IN 2020-2024

Office of the Consul for Goldsmiths and Silversmiths

The inspections of the Goldsmiths and Silversmiths unit continued to increase in 2024, as can be seen from the table below.

	2024	2023	2022
Valuation of gold items	686	475	127
Valuation of silver items	44	16	4
Assaying of gold items	100	76	59
Assaying of silver items	68	62	52
Number of articles hallmarked	51	56	73
Number of Data collecting Inspections	277	257	144
Number of Joint Inspections	70*	36	62

TABLE 13: GOLDSMITHS AND SILVERSMITHS OUTPUT IN 2022 AND 2024

* The total entry of the Number of Joint Inspections on the 2024 Monthly Performance Report is 68 because two of the outlets visited did not have precious metal items at the time of the inspection. However, 70 tickets were opened and the two extra inspections were performed to confirm that these two outlets had no precious metal items on sale.



CORPORATE



At a Corporate level, the Authority is focused on six key areas: developing strategy, measuring performance, implementing its quality management system, keeping finance in sharp focus, providing excellent human resource support, and overseeing communication and outreach.

2024-2028 Strategy

2024 marked the first full year of implementing the MCCA's four-year strategic plan, developed in 2022-2023. Guided by the foundational themes established in 2023, the MCCA continued its commitment to create a transparent, fair and dynamic marketplace that serves both consumers and businesses. These are the four strategic themes:

1. Awareness, Trust and Customer Satisfaction;
2. Compliance and Enforcement;
3. Proactive, Evidence-Based Management; and
4. Organisational Excellence.

The Authority's focus on building robust partnerships with consumer associations, business chambers and its international counterparts lies at the heart of this strategy. By nurturing these collaborations, the MCCA aims to create a resilient ecosystem that ensures fair competition, safeguards consumer interests and promotes sustainable growth for businesses in Malta and Gozo.

KEY FOCUS AREAS IN 2024

Under the first strategic theme – enhancing consumer awareness, trust and customer satisfaction – a number of public awareness campaigns were organised. The MCCA intensified its outreach efforts to educate consumers and businesses about their rights and responsibilities, using digital platforms, workshops and community engagements.

Under the second strategic theme – strengthened compliance and enforcement – digital enforcement tools were implemented. The MCCA adopted new technology-driven approaches to improve compliance monitoring and enforcement, enabling more efficient and transparent operations. It also focused on enhanced market surveillance strategies following a risk-based approach. This ensured that unsafe or non-compliant products were identified and removed swiftly, protecting both consumers and businesses.

Under the third strategic theme – evidence-based decision-making – it adopted data-driven insights. Investments in analytical tools and market intelligence allowed the MCCA to address emerging challenges with informed, timely decisions.

Under the fourth strategic theme – organisational excellence and Innovation – it focused on capacity building. Continuous training and development for MCCA staff ensured the Authority remained agile and prepared to meet evolving demands.

In the area of operational efficiency, process improvements and the adoption of innovative practices helped streamline workflows and enhance service delivery.

The MCCA remains steadfast in its mission to foster a marketplace defined by integrity, transparency and fairness. In the coming years, the Authority will continue to focus on:

- expanding its digital capabilities to ensure consumers have access to real-time information and support; and
- strengthening its collaboration with stakeholders to address cross-border challenges in the globalised marketplace.

Through these strategic initiatives, the MCCA reaffirms its commitment to sustainable economic development, consumer protection and business excellence, ensuring Malta's marketplace remains resilient and competitive in an ever-changing environment.



Communications and Outreach

Among the community outreach events the Authority participated in throughout 2024 were the Public Service Week – Expo 2024, *Ġenna ta' Ġonna*, organised by the Floriana Local Council, and KSU Freshers' Week.

Information sessions were organised for specific stakeholders, including the second edition of the World Standards Day Conference, attended by people in the industry. In collaboration with the European Commission, the MCCAA organised a Consumer Dialogue to discuss the implementation of The New Consumer Agenda with stakeholders, which was held on 14 February, and the *Servizz bi Tbissima* award ceremony on 27 November.

There was continued growth in communications received through social media platforms, where every effort is made to reply to each message within 24 hours.

The table below shows the number of followers of the MCCAA's social media platforms:

Year	Facebook	Instagram	X (previously Twitter)	LinkedIn
2022	6.7K	668	245	514
2023	7.1K	782	254	583
2024	7.5K	872	270	665

TABLE 14: THE NUMBER OF FOLLOWERS OF THE MCCAA'S SOCIAL MEDIA PLATFORMS (2022-2024)

Facebook continues to be the go-to social media page for consumers who wish to communicate with the Authority. There was a growth of around 400 followers, gained organically through various social media campaigns targeted at different audiences.

In 2024, the Authority uploaded over 1,080 posts on its social media pages, with the majority of the designs and videos created in-house.

In collaboration with the Chamber of Engineers, three articles are published annually in their *Engineering Today* publication. Another article was published in the Malta Police Force magazine *INFORM* and, in commemoration of World Standards Day, another article was published in the *The Malta Business Weekly*.

Performance Measurement

In 2024, Performance Measurement continued its dedication to advance organisational effectiveness through refined metrics and collaborative efforts, thereby providing management with the necessary information needed to ensure effective management of operations and ultimately value for stakeholders.

ENHANCED PERFORMANCE METRICS

One of the improvements consists of the enhancement of performance measurement by presenting trend analyses for key processes over past years. While previous metrics were retained, updates and expansions were made where required.

This approach provided greater insight into the progression and impact of critical activities, enabling data-driven decision-making and fostering transparency within the organisation.

STUDIES ON ADMINISTRATIVE PROCESSES

Performance Measurement also conducted in-depth studies on various administrative processes to identify areas for streamlining and efficiency improvements. These studies yielded actionable recommendations, ensuring a more effective administrative framework.

COLLABORATION WITH QUALITY AND IMPROVEMENT

By aligning performance measurement objectives with quality assurance practices, the Authority strengthened its commitment to maintain high standards across all functions. This collaboration facilitated the integration of performance insights into quality improvement efforts, creating a cohesive approach to organisational excellence.

QUALITY MANAGEMENT SYSTEM

In 2024, the MCCA Quality Management System once again retained compliance with ISO9001:2015, as confirmed by the internationally recognised certification body, the British Standards Institute. This certification underscores the consistent delivery of the Authority's key services, highlighting its commitment to excellence.

The primary objective of this ISO certification is to ensure customer satisfaction. A surveillance audit conducted on-site in March yielded outstanding results, identifying only one opportunity for improvement and no non-conformities. This achievement reflects the Authority's dedication to maintain high standards in its processes and service delivery.

INTERNAL AUDITS

The MCCA continued to rigorously implement its internal audit programme in 2024, completing a total of 19 internal audits. These audits, based on a risk-based approach, were meticulously planned by considering the significance of the processes, any recent changes and outcomes of prior audits.

The process-focused audits evaluated the conformity, compliance and effectiveness of the Authority's operations. They also identified areas for improvement, ensuring that the MCCA consistently enhances its

ability to meet customer expectations and improve service delivery.

Additionally, the Authority provided internal awareness training on the Quality Service Charter. This initiative aimed to strengthen communication between the MCCA and its stakeholders, fostering better understanding and engagement.

More customer centric

In its continued efforts to prioritise stakeholders, the MCCA proactively maintained close contact with consumers and economic operators to refine its services. Feedback and complaints received on the Authority's processes were thoroughly investigated and addressed promptly, ensuring that the necessary improvements were integrated into its operational framework.

Throughout 2024, the Authority conducted two comprehensive surveys targeting consumers and economic operators. These surveys provided valuable insights into the needs of various stakeholders, enabling the MCCA to identify and prioritise critical areas for action in 2025.

The MCCA also implemented an immediate feedback mechanism. This system allows stakeholders to provide real-time feedback on the Authority's operations and processes, fostering a culture of continuous improvement and responsiveness.

By actively seeking stakeholder input and focusing on customer satisfaction, the MCCA reaffirms its commitment to deliver high-quality, efficient and customer-focused services.

Human Resources

The Human Resources (HR) department is dedicated to developing a resilient, future-ready workforce that drives operational excellence. Aligned with the MCCAAs core values, HR strategies are designed to reinforce the Authority’s mission of upholding market integrity and consumer protection through effective people management practices.

The HR department focused on key areas, including recruitment, employee engagement and operational efficiency, while striving to create a dynamic, supportive work environment.

A significant area of achievement was recruitment, where a capacity building exercise was carried out, which resulted in a substantial increase in the number of skilled professionals joining the Authority, ensuring that its teams are equipped to deliver sustainable, client-centred regulatory services.

The Authority prioritised continuous improvement in operational excellence, as well as the strengthening of well-being initiatives, which are key to promoting employee satisfaction and supporting work-life balance.

Investing in the development of the workforce remained a central focus, with an increase in both the provision and uptake of training and development opportunities. In-house training programmes expanded, further fostering a culture of learning and growth within the Authority.

Looking ahead to the expiration of the Collective Agreement in 2025, the HR team has proactively engaged in addressing potential gaps and identifying areas for improvement, ensuring that the future collective agreement meets the needs of both employees and the MCCAAs.

HR at a glance

DEMOGRAPHICS AND DIVERSITY

Workforce Composition

The following is a breakdown of the MCCAAs complement, as split between Managerial, Professional & Technical, and Administrative Support staff:



FIGURE 14: WORKFORCE COMPOSITION

Generations in the Workplace

1960-2002 from Baby Boomers to Gen Z



Diversity and Inclusion

The MCCA A is committed to fostering a culture of diversity, equity and inclusion, ensuring that its services and workplace remain accessible and welcoming to all. As an Equal Opportunities Employer, the Authority provides fair and equal opportunities for employment and professional development across all levels.

Within this context the MCCA A goes beyond mere legal compliance, actively cultivating an environment that embraces individuals from all backgrounds and abilities.

In line with this commitment, the MCCA A actively caters for persons with disabilities, ensuring that its services remain accessible to everyone. The Authority recognises that diverse perspectives enrich its mission and contribute to its success.

Whether overseeing consumer rights, ensuring fair competition or delivering other essential services, the Authority strives to remove barriers and enhance accessibility so that all individuals can engage fully and equally.

Gender Balance

The MCCA A remains committed to promoting gender equity across all levels of its operations and decision-making processes.

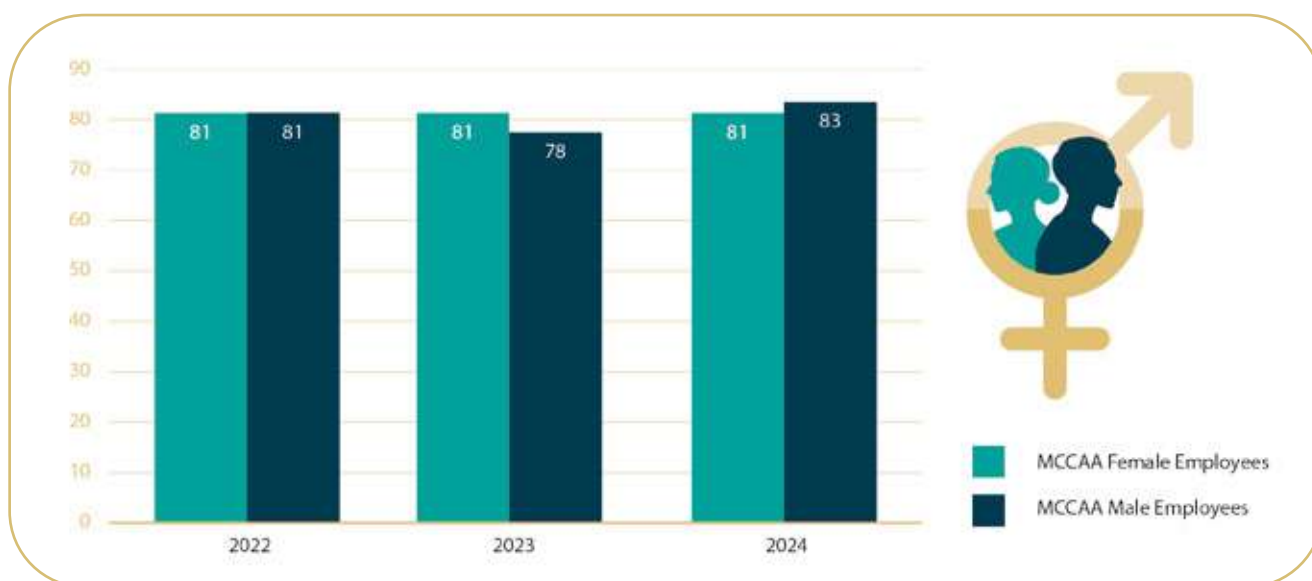


FIGURE 15: EMPLOYEES BY GENDER (2022-2024)

RECRUITMENT

Initiatives in 2024 included a comprehensive evaluation of workforce requirements, focusing especially on critical middle management positions to lay the groundwork for a more efficient workforce planning process. In the area of talent acquisition, to attract a broader, more diverse pool of candidates, the Authority set up strategic collaboration with student councils and tertiary government institutions.

Recognising the critical importance of timely recruitment, the Authority streamlined its selection process, reducing the time-to-hire percentage. A guidance document on the nomination of selection boards was also introduced.

HR optimisation

In line with its commitment to enhance operational efficiency and legal compliance, the HR department worked on developing a number of key policies and procedures. These included:

- Time and Attendance Policy;
- Telephone Communications Policy;
- Electronic Mail Communications Policy;
- Internal Conflict of Interest Policy – to ensure that there is no form of conflict of interest in relation to MCCAA employees in conformity with Directive No. 16;
- Training Procedure;
- Draft Remote Working Policy; and
- Draft Sick Leave Procedure.

These policies and procedures reflect the Authority's commitment to continuous improvement and adherence to best practices, ensuring a well-structured and legally compliant HR framework. The HR department remains dedicated to refining these initiatives to align with evolving workforce needs and regulatory requirements.



Training and Development

In line with the MCCAAs commitment to foster a culture of continuous learning and professional growth, a comprehensive training needs analysis was conducted across all entities and directorates within the Authority during 2024. This analysis was aligned with the financial vote allocated for training and in accordance with the Authority's strategic priorities. The goal was to ensure that training initiatives were targeted, effective and contributed to the overall Authority's objectives.

Each employee participated in an average of six hours of training, covering a range of topics designed to enhance skills, knowledge and performance. Notable training initiatives included:

Quality Service Charter Awareness: Following the launch of the MCCAAs Quality Service Charter earlier in the year, awareness sessions were organised for all employees. These sessions ensured that everyone understood the Charter's objectives and their role in upholding its principles, aligning the workforce with the Authority's commitment to service excellence.

Specialised Training: Tailored training sessions were conducted for various entities and directorates. These sessions focused on addressing the specific needs of each team, ensuring that all training efforts were aligned with the MCCAAs priorities and operational goals.

Upskilling of the HR Team: Recognising the dynamic nature of human resources management, the Authority invested in HR-specific training, particularly in areas such as employment law and HR trends. In addition, HR personnel had the opportunity to participate in the annual HR conference, gaining valuable insights and networking opportunities for professional growth.

Remote Leadership Training: With the impending implementation of the new remote working policy, a Remote Leadership Training session was organised for the Management team. This training prepared leaders to manage and support remote teams effectively, ensuring smooth transitions and ongoing productivity in a changing work environment.

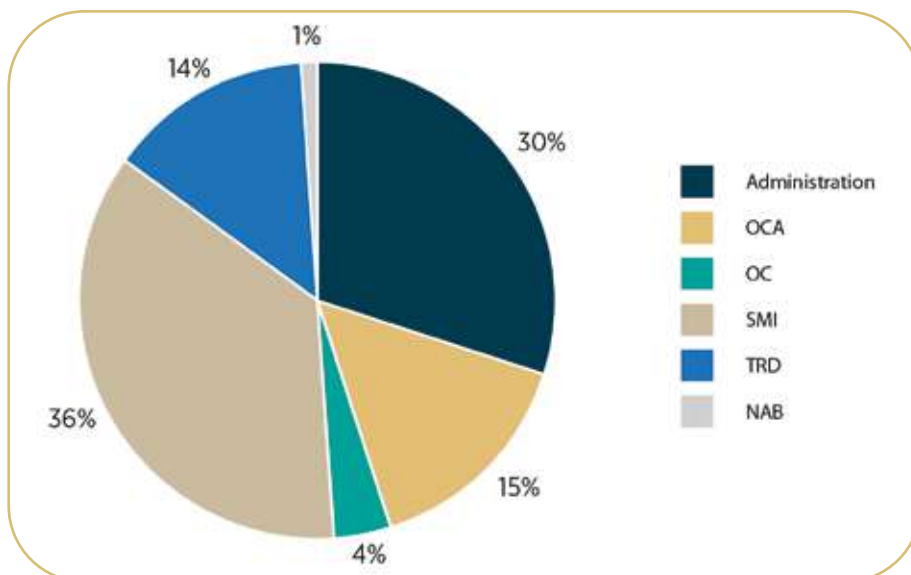


FIGURE 16:
TRAINING DONE IN 2024



CAREER EXPOSURE AND STUDENT INITIATIVES

The MCCAA actively engages in a variety of student initiatives aimed at addressing skill shortages in critical sectors, such as IT, engineering, law and communications. These initiatives offer students valuable opportunities to acquire practical knowledge and hands-on experience within a regulatory context while gaining exposure to diverse industries that align with the MCCAA's mission.

The MCCAA continued its active participation in several key programmes designed to foster student development and career exposure, including the Institute for the Public Services (IPS) Traineeship Scheme, the Apprenticeship Programme and the Student Summer Work Opportunities. These programmes provided students with structured learning environments, enabling them to apply their academic knowledge in real-world regulatory environments, enhancing their career readiness.

To further boost its visibility and attract future talent, the MCCAA continued to participate actively in a range of career exposure activities, including the Public Service Week Expo and KSU Freshers' Week. By engaging in these activities, the MCCAA strengthens its presence in the academic community and showcases the broad spectrum of career opportunities available within the organisation.

Following an internal assessment of staff shortages, the HR department, in collaboration with PR, compiled dedicated student-focused material capturing the diverse career opportunities available within the Authority. These efforts are a part of the MCCAA's ongoing commitment to build a talent pipeline and ensure a robust, skilled workforce for the future.

EMPLOYEE RELATIONS

The HR department remained dedicated to cultivating a positive and collaborative work environment through initiatives designed to enhance workplace cohesion, support employee engagement and ensure effective discipline management when necessary.

This year, special emphasis was placed on the Authority's induction programme helping employees, especially new recruits, gain a better understanding of the various functions of the different directorates and departments across the Authority.

The HR department continued its role in managing disciplinary cases by offering ongoing support and guidance to various departments and directorates within the Authority. This included providing advice on best practices, interpretation of policies and proper case management. By working closely with the respective management, the department ensured that disciplinary processes were handled fairly, transparently and in accordance with established procedures.

Through these efforts, the HR department reinforced a culture of collaboration, accountability and mutual respect within the Authority, contributing to a more cohesive and well-informed workforce.

INDUSTRIAL RELATIONS

The HR department continued to cultivate the good relations that exist between the MCCA, in its capacity as an employer, and the two Unions representing different categories of employees employed with the Authority through open communication and proactive follow-ups. This approach ensured that both management and employees remained aligned, with mutual respect and understanding at the core of their interactions. The Authority is now preparing for the impending negotiations for the Collective Agreement 2026-2030, scheduled for 2025,

FAMILY-FRIENDLY MEASURES

In 2024, the Authority continued to provide a wide range of family-friendly measures to support the work-life balance and well-being of its employees. These initiatives aim to create a flexible, supportive work environment, recognising the diverse needs of employees and their families.

These measures were particularly important to foster a balanced and productive workplace, allowing employees to manage personal and family commitments while continuing to contribute effectively to the Authority.

These initiatives reflect the MCCA's continued commitment to fostering a supportive work environment, ensuring that employees have the flexibility they need to balance their professional and personal lives effectively.

DIGITALISATION OF HR PROCESSES

Significant strides continued to be made in the digitalisation of HR processes, focusing on enhancing efficiency, streamlining operations and improving employee experience. Of particular significance was the introduction of enhancements to the Authority:

- **Performance Management System**, and
- **Training Module Development.**

Through these initiatives, the department is reinforcing its commitment to improve HR processes, ensuring they are both innovative and aligned with the needs of the workforce in the digital age.

NEXT YEAR'S HR STRATEGY AND GOALS

A key goal for 2025 is to further strengthen workforce planning, with a particular focus on attaining the necessary headcount to fill critical positions, especially within middle management. The department understands the importance of robust leadership at all levels, and will prioritise the recruitment and development of talent

Additionally, attention will turn to the negotiation and implementation of the new collective agreement for 2026-2030. The goal is to ensure that competitive compensation and benefits packages can be offered that not only attract top talent but also retain and reward its valued employees for their contributions to the organisation's success.

Another key area of focus will be completing the necessary customisations required on the digital processes that were recently introduced


Employee well-being remains a top priority for HR in the year ahead, with a particular focus on mental health. The department will work to create a supportive environment around mental health. Additionally, it will continue to prioritise financial well-being, building on this year's successful seminars on pensions, sessions will be offered on financial literacy in the coming year to equip employees with the knowledge and tools to manage their finances effectively. This comprehensive approach will be part of a broader commitment to foster a healthier, more productive workplace.

HR will continue to enhance the employee experience, optimise processes and drive organisational success. By focusing on these strategic initiatives, the department is confident that it will create a work environment that fosters growth, engagement and sustained success for the Authority and its people.





FINANCIAL STATEMENTS



FOR THE YEAR ENDED
31 DECEMBER 2024

Governors' Report

The Board presents their report and the audited financial statements of the Malta Competition and Consumer Affairs Authority "the Authority" for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The Malta Competition and Consumer Affairs Authority was established on 23 May 2011 with the coming into force of Malta Competition and Consumer Affairs Authority Act, Chapter 510 of the Laws of Malta.

The said Act provides for the establishment of an Authority to promote, maintain and encourage competition, to safeguard the interests of consumers and enhance their welfare, to promote sound business practices, to adopt and co-ordinate standards in relation to products or services, to regulate such activities and to provide for such matters ancillary or incidental thereto or connected therewith.

PERFORMANCE REVIEW

The Authority's primary income source are the subventions received from the Government of Malta, which fund both recurrent and capital expenditure. Recurrent subventions increased to €7,100,000 (2023: €6,100,000), while income related to capital subventions decreased to €111,416 (2023: €116,220).

Additionally, the Authority earns income from its commercial operations, which increased to €1,366,481 (2023: €1,350,849). Administrative and other expenses increased to €8,574,978 (2023: €8,108,561) due to an increase in payroll costs. As a result, the Authority registered a deficit before tax of €7,176 (2023: €541,533). After deferred taxation benefit, the Authority recorded a surplus of €43,784 (2023: deficit of €356,203).

EVENTS AFTER BALANCE SHEET DATE

No significant events have occurred after the balance sheet date which require mention in this report.

FUTURE DEVELOPMENTS

The Authority is not envisaging any changes in the operating activities for the forthcoming year.

GOVERNORS

The following are the details of individuals who have served as Governors of the Authority during the year under review and up to date of authorisation of these financial statements:

- Ms Carmela Ciantar
(Appointed on 01 April 2025)
- Ing. Helga Pizzuto
(Resigned on 01 April 2025)
- Mr Kevin Farrugia
- Ms Taryn Darmanin
- Mr Benny Borg Bonello
- Mr Christian Buttigieg
- Ing. Mark Anthony Gullaumier
- Mr Reginald Fava
- Ms Graziella Galdes
- Mr Kris Grech
- Dr Lynn Faure

The Board of Governors is appointed for a three-year period by the Minister responsible for competition, consumer affairs, standardisation, metrology and technical regulations.

Auditors

Capstone Assurance Ltd, Registered Auditors, have expressed their willingness to continue in office and a resolution for their reappointment will be proposed at the Annual General Meeting.

Approved by the Board on 20 May 2025



Ms Carmela Ciantar
Chairperson



Mr Kevin Farrugia
Deputy Chairperson

Registered address:

National Road, Il-Hamrun, HMR 9010, Malta

Statement of Governors' Responsibilities

In accordance with the Article 11(1)(e) and (f) of Chapter 510, the Malta Competition and Consumer Affairs Authority Act ('the Act'), the Board of Governors is responsible amongst other things to publish an annual report on the work of the Authority during the preceding year. This entails responsibility to ensure that, through the office of the Chairperson:

- Proper accounting records are kept of all transactions entered into by the Authority and of its assets and liabilities in terms of Article 55(1) of the Act;
- Adequate controls and procedures are in place for safeguarding the assets of the Authority, and prevention and detection of fraud and other irregularities.

In preparing the financial statements which give true and fair view of the state of affairs as at the end of each financial year and of its surplus or deficit for that year, the Board of Governors, through the office of the Chairperson:

- Selects suitable accounting policies and then applies them consistently;
- Makes judgements and estimates that are reasonable and prudent;
- Complies with International Financial Reporting Standards as adopted by the EU; and
- Prepares the annual financial statements on a going concern basis unless it is considered inappropriate.

The Authority is required to present its audited financial statements and a copy of the report made by the auditor in those statements which will be incorporated in the Authority's annual report as required in terms of Article 58 of the Malta Competition and Consumer Affairs Authority Act.





Statement of Comprehensive Income

	Notes	2024 €	2023 €
Government subventions		7,100,000	6,100,000
Grants		111,416	116,220
Total government contributions		7,211,416	6,216,220
Administrative and other expenses		(8,574,978)	(8,108,561)
Finance costs		(10,095)	(41)
Income from other activities	4	1,366,481	1,350,849
(Deficit)/surplus before taxation	6	(7,176)	(541,533)
Taxation	7	50,960	185,330
(Deficit)/surplus for the year		43,784	(356,203)

There were no transactions to be reported as 'Other Comprehensive Income' during the year. The notes on pages 92 to 115 form an integral part of these financial statements.

Statement of Financial Position

	Note	2024 €	2023 €
ASSETS			
Non-current assets			
Property, plant and equipment	8	1,660,854	472,508
Intangible assets	9	15,560	15,560
Deferred tax	10	236,368	185,369
Total non-current assets		1,912,782	673,437
Current assets			
Trade and other receivables	11	391,692	686,229
Current tax receivable		4,456	4,456
Cash and cash equivalents	12	3,325,723	3,281,404
Total current assets		3,721,871	3,972,089
TOTAL ASSETS		5,634,653	4,645,526
EQUITY AND LIABILITIES			
Equity			
Capital reserve		11,493	11,493
Retained earnings		2,590,526	2,546,742
Total equity		2,602,019	2,558,235
Liabilities			
Non-current liabilities			
Lease liability	13	408,881	8,229
Deferred government grants	14	1,026,790	437,499
Total non-current liabilities		445,608	445,728
Current liabilities			
Lease liability	13	-	-
Trade and other payables	15	1,094,791	1,292,889
Provisions	16	465,445	348,674
Total current liabilities		2,005,844	1,641,563
Total liabilities		3,032,634	2,087,291
TOTAL EQUITY AND LIABILITIES		5,634,653	4,645,526

The notes on pages 92 to 115 are an integral part of these financial statements.

These financial statements on pages 88 to 115 were approved by the Board of Governors on 20 May 2025:



Ms. Carmela Ciantar | Chairperson



Mr. Kevin Farrugia | Deputy Chairperson

Statement of Changes in Equity

	Capital	Retained	Total equity
	€	€	€
Balance as at 01 January 2023	11,493	2,902,945	2,914,438
Deficit for the year	-	(356,203)	(356,203)
Balance as at 31 December 2023	11,493	2,546,742	2,558,235
Surplus for the year	-	43,784	43,784
Balance as at 31 December 2024	11,493	2,590,526	2,602,019

The notes on pages 92 to 115 form an integral part of these financial statements.

Statement of Cash Flows

	Note	2024 €	2023 €
Cash flows from operating activities			
Deficit before taxation		(7,176)	(541,572)
Adjustments for:			
Interest expense of lease liability		10,095	-
Gain on disposal of property, plant and equipment		-	(2,536)
Depreciation		437,362	136,131
Decrease in allowance for doubtful debts		(12,606)	(35,687)
Government grants transferred to the statement of comprehensive income		(111,416)	(116,220)
(Deficit)/surplus from operations		316,259	(559,884)
Movement in trade and other receivables		307,143	(130,766)
Movement in trade and other payables		(81,327)	(709,361)
Income tax paid		(39)	(115,688)
Income tax refund received		-	166,661
Net cash flows (used in)/from operating activities		542,036	(1,349,038)
Cash flows from investing activities			
Payments to acquire plant, property and equipment		(117,910)	(64,482)
Payments to acquire intangible assets		-	(15,560)
Proceeds from disposal of property, plant and equipment		-	2,536
Net cash flows from/(used in) investing activities		(117,910)	(77,506)
Cash flows from financing activities			
Lease liability payments		(462,605)	(770)
Capital grants received		82,798	115,935
Net cash flows used in financing activities		(379,807)	115,165
Net cash used in cash and cash equivalents			
Cash and cash equivalents at beginning of year		3,281,404	4,592,783
	12		
Cash and cash equivalents at end of year		3,325,723	3,281,404

The notes on pages 92 to 115 form an integral part of these financial statements.

Notes to the Financial Statements

1. GENERAL INFORMATION

The Malta Competition and Consumer Affairs Authority ('the Authority') was established on 23 May 2011 with the coming into force of the Malta Competition and Consumer Affairs Authority Act, Chapter 510 of the Laws of Malta. Section 3(6) of the said Act states that the Authority shall assume the persona previously vested in the Consumer and Competition Department, the Malta Standards Authority and the Malta National Laboratory Company Limited and, from the entry into force of this Act, shall assume responsibility for all assets, liabilities and obligations previously entered into by the said Department, Authority and Company or by other bodies on their behalf.

2. BASIS OF PREPARATION

2.1 Basis of measurement

The financial statements have been prepared on the historical cost basis.

The Governors have, at the time of approving the financial statements, a reasonable expectation that the Authority has adequate resources to continue in operational existence for the foreseeable future. Thus, the Governors continue to adopt the going concern basis of accounting in preparing the financial statements.

The material accounting policy information is set out below.

2.2 Statement of compliance

The financial statements have been prepared and presented in accordance with the requirements of the International Financial Reporting Standards (IFRS) as adopted by the EU and Second Schedule to the Civil Code, Chapter 16 of the Laws of Malta.

2.3 Functional and presentation currency

The financial statements are presented in Euro (€), which is the Authority's functional currency and presentation currency.

2.4 Critical accounting judgements and key sources of estimation uncertainty

In applying the Authority's accounting policies, which are described in Note 3, the Governors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2.4.1 KEY SOURCES OF ESTIMATION UNCERTAINTY

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

- Note 15: recognition and measurement of provisions: key assumptions about the likelihood and magnitude of an outflow of resources;

2.5 Standards, interpretations and amendments to published standards effective in 2024

In 2024, the Authority has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements

Amendments to IAS 1 Presentation of Financial Statements - Classification of liabilities as current or non-current

The Authority has adopted the amendments to IAS 1, published in January 2020, for the first time in the current year. The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

Amendments to IAS 1 Presentation of Financial Statements - Non-current liabilities with covenants

The Authority has adopted the amendments to IAS 1, published in November 2022, for the first time in the current year. The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.



2.6 Standards, interpretations and amendments to published standards that are not yet effective

At the date of authorisation of these financial statements, the Authority has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective or adopted by the EU:

- Amendments to IAS 21 – Lack of Exchangeability;
- IFRS 18 – Presentation and Disclosures in Financial Statements;
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures.

The Governors anticipate that the application of new standards may have an impact on the disclosures of the financial statements in future periods. The Authority is monitoring the EU endorsement process and will assess the potential impact on its financial statements once it is adopted by the EU.

3. MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Property, plant and equipment

Plant, machinery, fixtures and fittings are stated at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method, on the following bases:

Equipment, furniture and fixtures	6.7 years
Motor vehicles	5 years
Computer equipment	3 years
Improvements to premises	1-50 years
Air-conditioning equipment	6 years
Metrology equipment	3-10 years
Right of use asset	2-3 years

Improvements to premises held at Mizzi House, Blata l-Bajda, are depreciated over the term of the lease.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Authority expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.2 Intangible assets

3.2.1 INTERNALLY GENERATED INTANGIBLE ASSETS

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset, arising from the development (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in the profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. When the intangible asset will become available for use, it will be amortised on a straight-line basis over its estimated useful life which is assumed to be 3 years.

3.2.2 DERECOGNITION OF INTANGIBLE ASSETS

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of intangible asset, measured as the difference between the net proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.



3.3 Leases

3.3.1 AUTHORITY AS LESSEE

The Authority assesses whether a contract is, or contains, a lease, at inception of the contract. The Authority recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee except for short-term leases (defined as leases with a lease term of

12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Authority recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Authority uses its incremental borrowing rate.

The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment and a credit risk adjustment based on bond yields.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date
- The amount expected to be payable by the lessee under residual value guarantee
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Authority remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used)
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Authority incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related

right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Authority expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are included in Property, Plant and Equipment line in the statement of financial position.

The Authority applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Authority has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Authority allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.



3.4 Impairment of non-financial assets

At each reporting date, the Authority reviews the carrying amounts of its non-financial assets (other than deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss (if any).

Where the asset does not generate cash flows that are independent from other assets, the Authority estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognised in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its

recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.

3.5 Financial instruments

Financial assets and financial liabilities are recognised in the Authority's statement of financial position when the

Authority becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.6 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

► Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cashflows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL). Despite the foregoing, the Authority may make the following irrevocable election/designation at initial recognition of a financial asset:

- The Authority may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- The Authority may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.



3.6.1 AMORTISED AND EFFECTIVE INTEREST METHOD

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transactions costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Authority recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improved so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the 'finance income – interest income' line item.



3.6.2 IMPAIRMENT OF FINANCIAL ASSETS

The Authority recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Authority always recognises lifetime expected credit losses (ECL) for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Authority's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Authority recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Authority measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represent the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

► Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Authority compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Authority considers both quantitative and qualitative information that is reasonable and supportable, including historical

experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Authority's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Authority's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- An actual or expected deterioration in the financial instrument's external (if available) or internal credit rating;
- Significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- An actual or expected significant deterioration in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor;
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Authority presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Authority has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Authority assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- The financial instrument has a low risk of default;
- The debtor has a strong capacity to meet its contractual cash flow obligations in the near term;
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Authority considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there are no past due amounts.

For financial guarantee contracts, the date that the Authority becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Authority considers the changes in the risk that the specified debtor will default on the contract.

The Authority regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

► Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the issuer or the borrower;
- A breach of contract, such as a default or past due event;
- The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for that financial asset because of financial difficulties.

► Definition of default

The Authority considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the debtor;
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Authority, in full (without taking into account any collateral held by the Authority).

Irrespective of the above analysis, the Authority considers that default has occurred when a financial asset is more than 90 days past due unless the Authority has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

► Write-off policy

The Authority writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Authority's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

► Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount of guaranteed debt that has been drawn down as at the reporting date, together with any additional guaranteed amounts expected to be drawn down by the borrower in the future by default date determined based on historical trend, the Authority's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Authority in accordance with the contract and all the cash flows that the Authority expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16.

For a financial guarantee contract, as the Authority is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss

allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Authority expects to receive from the holder, the debtor or any other party.

If the Authority has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Authority measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Authority recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.



3.6.3 DERECOGNITION OF FINANCIAL ASSETS

The Authority derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Authority neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Authority recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Authority retains substantially all the risks and rewards of ownership of a transferred financial asset, the Authority continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in an equity instrument which the Authority has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

3.7 Financial liabilities and equity

► Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

► Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Authority are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Authority's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Authority's own equity instruments.

3.7.1 FINANCIAL LIABILITIES

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Authority, are measured in accordance with the specific accounting policies set out below.

► Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

3.7.2 DERECOGNITION OF FINANCIAL LIABILITIES

The Authority derecognises financial liabilities when, and only when, the Authority's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Authority exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Authority accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 percent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: the carrying amount of the liability before the modification; and the present value of the cash flows after modification is recognised in profit or loss as the modification gain or loss within other gains and losses.

3.8 Cash and cash equivalents

In the statement of financial position, cash and bank balances comprise cash (i.e. cash on hand and demand deposits) and cash equivalents. Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather for investment or other purposes.

Bank balances for which use by the Authority is subject to third party contractual restrictions are included as part of cash unless the restrictions result in a bank balance no longer meeting the definition of cash. Contractual restrictions affecting use of bank balances are disclosed in notes. If the contractual restrictions to use the cash extend beyond 12 months after the end of the reporting period, the related amounts are classified as non-current in the statement of financial position.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Authority's cash management. Such overdrafts are presented as short-term borrowings in the statement of financial position.



3.9 Revenue

3.9.1 GOVERNMENT SUBVENTION

Government subvention represents the funds allocated by the Government of Malta after the annual Central Government budget is approved by Parliament. The funds are transferred directly to the Authority's designated bank accounts at the beginning of each quarter. The funds are allocated to the Ministry for Social Inclusion and Consumer Protection (previously Ministry for Tourism and Consumer Protection), which are in turn transferred to the Authority. The Authority does not have control on the amount of this income stream or the timing of its actual transfer to the Authority's bank account. The income under this heading accounts for major income stream to the Authority and is primarily tied up to the specific expenditure headings on which the Authority is bound to allocate. The income derived from the subvention from Government is recognised as it accrues.

3.9.2 EU PROJECTS

EU project grants are recognised only when there is reasonable assurance that the Authority will comply with the conditions attached to the grant and that it will be received. Grants are accounted for on a systematic and rational basis in the Statement of Comprehensive Income over the years necessary to match them with the related costs which they are intended to compensate.

3.9.3 CAPITAL GRANTS

The Authority is funded by Central Government grants which are voted separately for recurring and capital expenditure. Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and that the Authority will comply with all conditions. Government grants relating to property, plant and equipment are included as deferred grants. Grants are credited to the Statement of Comprehensive Income on a straight-line basis over the expected useful lives of the related assets. Government grants of a capital nature are taken to the Statement of Comprehensive Income and recognised both as income and corresponding expenditure in the year when the commitment or expense becomes an obligating event.

3.9.4 INCOME FROM OTHER ACTIVITIES

Other income is recognised when the amount of revenue and the associated costs can be measured reliably. Other income represents income arising from various commercial activities carried out by the Authority which are accounted for as they arise, in line with the provision of services rendered, and the underlying contractual obligations.

Revenue from the provision of services is recognised in the period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Interest income is accrued on a time basis, by referencing to the principal outstanding and the interest rate applicable.

3.10 Provisions

Provisions are recognised when the Authority has a present obligation (legal or constructive) as a result of a past event, it is probable that the Authority will be required settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.11 Taxation

The income tax expense represents the sum of the tax currently payable and deferred tax.

3.11.1 CURRENT TAX

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Authority's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Authority supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

3.11.2 DEFERRED TAX

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Authority expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Authority intends to settle its current tax assets and liabilities on a net basis.

3.11.3 CURRENT TAX AND DEFERRED TAX FOR THE YEAR

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

4. INCOME FROM OTHER ACTIVITIES

	2024	2023
	€	€
Bank and other interest	258	257
Calibration and legal metrology	77,352	58,689
Certification services	319,723	289,430
Net income from EC type approval certifications	-	22,845
Agreement with European Food Safety Authority	73,125	81,485
General income	34,343	10,434
Net income from translations	4,693	38,912
Net income from plant protection services	243,262	225,076
Net income from active substances	600	19,908
Regulatory fees	112,049	76,045
Sale of standards	34,454	29,373
Seminars	-	6,000
Testing services	459,228	487,166
Tribunal fees	7,394	5,229
	1,366,481	1,350,849

5. WAGES AND SALARIES

Wages and salaries for the year comprise of the following:

	2024	2023
	€	€
Wages and salaries	5,994,887	5,660,699
Employer's share of social security contributions	419,114	387,846
	6,414,001	6,048,545

5.1 Average number of employees

The average number of persons employed by the Authority during the year was as follows:

	2024	2023
	NO.	NO.
Managerial	32	31
Professional and technical	76	70
Administrative	56	58
	164	159

6. DEFICIT BEFORE TAXATION

Deficit before taxation is stated after charging the following:

	2024 €	2023 €
Depreciation of property, plant and equipment	437,362	136,131
Board of Governors' remuneration	97,918	105,573
Key management personnel remuneration	323,950	471,983
Audit fee	3,600	3,600

7. TAXATION

7.1 Income tax expense

	2024 €	2023 €
Current taxation expense	39	39
Deferred taxation benefit	(50,999)	(185,369)
	(50,960)	(185,330)

7.2 Tax reconciliation

The tax on the Authority's surplus/(deficit) before tax differs from the theoretical amount that would arise using the rate applicable to profits as follows:

	2024 €	2023 €
Deficit for the year	(7,176)	(541,533)
Tax at 35%	(2,512)	(189,537)
Tax effect of:		
Expenses disallowed for tax purposes	156,710	48,988
Income not subject to tax	(43,002)	(44,820)
Other deductions	(162,156)	-
	(50,960)	(185,369)

8. PROPERTY, PLANT AND EQUIPMENT (2023)

	Equipment, furniture and fixtures	Motor vehicles	Metrology equipment	Computer equipment	Air- conditioning equipment	Improvements to premises	Right of use assets	Total
	€	€	€	€	€	€	€	€
COST								
Opening balance	893,765	297,208	2,685,563	590,240	21,384	381,603	-	4,869,763
Additions	14,125	-	37,279	13,079	-	-	9,000	73,483
Disposals	-	(19,000)	-	-	-	-	-	(19,000)
Balance at 31 December 2023	907,890	278,208	2,722,842	603,319	21,384	381,603	9,000	4,924,246
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES								
Opening balance	(861,257)	(199,711)	(2,513,517)	(546,215)	(21,384)	(192,523)	-	(4,334,607)
Disposals	-	19,000	-	-	-	-	-	19,000
Depreciation	(12,205)	(47,980)	(37,110)	(32,756)	-	(5,283)	(797)	(136,131)
Balance at 31 December 2023	(873,462)	(228,691)	(2,550,627)	(578,971)	(21,384)	(197,806)	(797)	(4,451,738)
CARRYING AMOUNT								
At 01 January 2023	32,508	97,497	172,046	44,025	-	189,080	-	535,156
At 31 December 2023	34,428	49,517	172,215	24,348	-	183,797	8,203	472,508

8. PROPERTY, PLANT AND EQUIPMENT (2024)

	Equipment, furniture and fixtures	Motor vehicles	Metrology equipment	Computer equipment	Air- conditioning equipment	Improvements to premises	Right of use assets	Total
	€	€	€	€	€	€	€	€
COST								
Opening balance	907,890	278,208	2,722,842	603,319	21,384	381,603	9,000	4,924,246
Additions	5,213	5,040	54,648	31,962	-	21,047	1,507,798	1,625,708
Disposals	-	(32,610)	-	-	-	-	-	(32,610)
Balance at 31 December 2024	913,103	250,638	2,777,490	635,281	21,384	402,650	1,516,798	6,517,344
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES								
Opening balance	(873,462)	(228,691)	(2,550,627)	(578,971)	(21,384)	(197,806)	(797)	(4,451,738)
Disposals	-	32,610	-	-	-	-	-	32,610
Depreciation	(11,965)	(42,466)	(43,360)	(30,730)	-	(5,423)	(303,418)	(437,362)
Balance at 31 December 2024	(885,427)	(238,547)	(2,593,987)	(609,701)	(21,384)	(203,229)	(304,215)	(4,856,490)
CARRYING AMOUNT								
At 01 January 2024	34,428	49,517	172,215	24,348	-	183,797	8,203	472,508
At 31 December 2024	27,676	12,091	183,503	25,580	-	199,421	1,212,583	1,660,854

9. INTANGIBLE ASSETS

COST	Software €
Additions	15,560
Balance as at 31 December 2023	15,560
Opening balance	15,560
Balance as at 31 December 2024	15,560

10. DEFERRED TAX

	2024 €	2023 €
Movement for the year in the income statement	50,999	185,369

	2024 €	2023 €
The balance at 31 December is composed of the tax effect of:		
Trading losses carried forward	133,415	134,353
Unabsorbed capital allowances carried forward	102,953	51,016
	236,368	185,369

11. TRADE AND OTHER RECEIVABLES

	2024 €	2023 €
Trade receivables	205,897	591,390
Allowance for doubtful debts	(23,916)	(36,522)
Prepayments	118,810	99,003
Indirect taxation	75,776	32,358
Accrued income	15,125	-
	391,692	686,229

12. CASH AND BANK BALANCES

Cash and bank balances for the purpose of the cash flow statement are as follows:

	2024 €	2023 €
Cash in hand and at bank resulting from operations	2,822,373	2,325,366
Cash in hand and at bank in relation to committed projects	503,350	956,038
	3,325,723	3,281,404

13. LEASE LIABILITY

Cash and bank balances for the purpose of the cash flow statement are as follows:

	2024 €	2023 €
Non-current:		
Lease liability	617,909	8,229
Current:		
Lease liability	445,608	-

The Authority leases its office at Mizzi House, Blata I-Bajda, Il-Hamrun. During the reporting period, lease agreement was extended till 31 December 2026.

14. DEFERRED GOVERNMENT GRANTS

	2024 €	2023 €
Deferred government grants	408,881	437,499

Government grants relate to capital vote allocated by the Government of Malta in terms of annual Central Government Budget and European Commission grant awarded for the action 'Establishing a Digital Investigations Unit'.

15. TRADE AND OTHER PAYABLES

	2024	2023
	€	€
Trade payables	97,925	214,588
Accruals	326,452	376,726
Deferred income	580,695	610,073
Other payables	89,719	91,502
	1,094,791	1,292,889

16. PROVISIONS

	2024	2023
	€	€
As at 1 January	348,674	708,213
Additional provisions	465,445	348,674
Provisions utilised	(348,674)	(708,213)
As at 31 December	465,445	348,674

During the year ended 31 December 2024, the Authority recognised a provision related to employee performance bonuses. Estimate was based on the collective agreement provisions. At the authorisation date of these financial statements, performance appraisals were not yet completed.

17 FINANCIAL RISK MANAGEMENT

The Authority's risk management is coordinated by the Board of Governors and focuses on actively securing the Authority's short to medium term cash flow by minimising exposure to financial risks.

The most significant financial risks to which the Authority is exposed are described below.

17.1 Market risk

17.1.1 CURRENCY RISK

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Authority is not exposed to currency risk.

17.1.2 INTEREST RATE RISK

The Authority is not exposed to interest rate risk since it has no significant interest-bearing assets.

17.2 Credit risk

The Authority monitors credit risk closely and the policy is that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivables balances are monitored on an on-going basis. The necessary allowances are provided for and reviewed on an ongoing basis.

The Authority has no other significant concentration of credit risk. Amounts in the statement of financial position best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments as summarised below:

	2024 €	2023 €
Trade and other receivables	391,692	686,229
Cash and cash equivalents	3,325,723	3,281,404
	3,717,415	3,967,633

The Authority continuously monitors defaults of counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. The Authority's policy is to deal with only creditworthy counterparties. The Authority considers that the above financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due. Neither of the Authority's financial assets are secured by collateral or other credit enhancements. The credit risk for liquid funds is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

17.3 Liquidity risk

The Authority's exposure to liquidity risk arises from its obligations to meet its financial liabilities which comprise payables. Prudent liquidity risk management includes maintaining sufficient cash and committed credit facilities to ensure the availability of an adequate funds to meet the Authority's obligations when they become due. It is the Authority's policy to ensure that resources are available at all times to enable the Authority to meet its liquidity risk obligations. Specific projects funding is kept for the purpose of the projects.

17.4 Capital risk management

The Authority's objectives when managing capital are to safeguard the Authority's ability to continue as a going concern so that it can continue to provide a service to the public by maintaining an optimal capital structure to reduce cost of capital. The Authority's capital structure is monitored by the Board with appropriate reference to its financial obligations and commitments arising from operational requirements

17.5 Fair value estimation

At 31 December 2024 and 31 December 2023, the carrying amounts of receivables and payables reflected in the financial statements are reasonable estimates of fair value in view of the nature of these instruments or the relatively short period time between the origination of the instruments and their expected realisation.

Independent Auditors' Report to the Board of Governors of Malta Competition and Consumer Affairs Authority

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Malta Competition and Consumer Affairs Authority set out on pages 7 - 27 which comprise the statement of financial position as at 31 December 2024, the statement of comprehensive income, statement of changes in equity and cash flows statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the balance sheet of the Authority as at 31 December 2024, and of its financial performance for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and have been properly prepared in accordance with the requirements of the Malta Competition and Consumer Affairs Authority Act, 2011 of the Laws of Malta.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Authority in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) in Malta, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Governors are responsible for the other information. The other information comprises the Governors Report. Our opinion on the financial statements does not cover this information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, We are required to report that fact.

In addition, in light of the knowledge and understanding of the Authority and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Governors' report and other information. We have nothing to report in this regard.

Responsibilities of the Governors

The Governors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governors are responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Governors.
- Conclude on the appropriateness of the Governors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors'

report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the Authority to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Governors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

We are required to report to you if, in our opinion:

- We have not received all the information and explanations we require for our audit.
- Adequate accounting records have not been kept, or that returns adequate for our audit have not been received from branches not visited by us.
- The financial statements are not in agreement with the accounting records and returns. We have nothing to report to you in respect of these responsibilities.



KRIS BARON

for and on behalf of **Capstone Assurance Ltd**
Registered Auditors

20 May 2025



SCHEDULES

Schedule of Income from Other Activities

	2024	2023
	€	€
Bank and other interest	258	257
Calibration and legal metrology	77,352	58,689
Certification services	319,723	289,430
Net income from EC type approval certification	-	46,485
Agreement with European Food Safety Authority	73,125	81,485
General income	34,343	(13,206)
Net income from translations	4,693	38,912
Net income from plant protection services	243,262	225,076
Net income from active substances	600	19,908
Regulatory fees	112,049	76,045
Sale of standards	34,454	29,373
Seminars	-	6,000
Testing services	459,228	487,166
Tribunal fees	7,394	5,229
	1,366,481	1,350,849

Schedule of Administrative Expenses

	2024	2023
	€	€
ADMINISTRATIVE EXPENSES		
Accreditation costs	45,038	40,540
Advertising	24,643	28,867
Audit fee	3,600	3,600
Audit of quality assurance system fee	3,493	-
Bank charges	1,888	2,115
Board of Governors' remuneration	97,918	105,573
Certification expenses	24,213	23,227
Cleaning expenses	53,388	51,400
Depreciation	437,362	136,131
Fellowship expenses	8,824	11,987
General expenses	89,604	54,525
Hospitality and entertainment	64,055	44,359
Decrease in allowance for bad debts	(12,606)	(35,807)
Information technology expenses	162,116	133,294
Insurance	22,211	22,780
Legal and professional fees	49,916	27,597
Gain on disposal of fixed assets	(172)	(2,741)
Membership fees	150,516	128,688
National laboratory expenses	80,716	104,305
Postage and couriers	23,697	33,982
Printing and stationery	24,167	33,854
Realised loss on exchange	2,310	1,937
Rent	367,764	681,851
Repairs and maintenance	33,748	46,299
Salaries	6,414,001	6,048,545
Support services	79,540	65,795
Telecommunications	23,748	18,031
Testing of pesticides	92,421	94,747
Training and professional development	70,213	70,669
Transport	32,276	31,020
Travelling	61,571	58,485
Water and electricity	42,799	42,906
	8,574,978	8,108,561

