

I assent.

(L.S.)

MYRIAM SPITERI DEBONO
President

11th July, 2025

ACT No. XVIII of 2025

AN ACT to amend the Companies Act, Cap. 386.

BE IT ENACTED by the President, by and with the advice and consent of the House of Representatives, in this present Parliament assembled, and by the authority of the same as follows:-

1. (1) The short title of this Act is the Companies (Amendment) Act, 2025 and this Act shall be read and construed as one with the Companies Act, hereinafter referred to as the "principal Act".

Short title and
commencement.
Cap. 386.

(2) The provisions of this Act shall come into force on such date as the Minister responsible for the registration of commercial partnerships may by notice in the Gazette establish and different dates may be so established for different provisions and, or purposes of the Act.

2. In sub-article (1) of article 2 of the principal Act the definition "exempt company" shall be deleted.

Amendment of
article 2 of the
principal Act.

3. Article 19 of the principal Act shall be amended as follows:

Amendment of
article 19 of the
principal Act.

(a) in sub-article (1) thereof the words "entrusted with the said administration or representation." shall be substituted

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by the words "entrusted with the said administration or representation:" and immediately thereafter there shall be added the following new provisos:

"Provided that notwithstanding the provisions of this sub-article, where the alteration or addition consists in an increase in the contributions by a partner or a contribution by a new partner, such alteration or addition shall take effect immediately upon the receipt by the partnership of the contribution and without the need of an amendment to the partnership deed:

Provided further that the partner or partners having the administration or the representation of the partnership shall, within three (3) months from the end of the calendar year in which any such increase or new contributions are effected, deliver to the Registrar for registration a resolution of the partners confirming that the contributions have been received by the partnership during the preceding calendar year:

Provided further that if an increase in contributions has occurred in the same calendar year as when any interests in the partnership are to be assigned, the partner or partners having the administration or representation of the partnership shall, prior to any assignment of such interests in the partnership, deliver to the Registrar for registration a resolution of the partners confirming the increase in contributions made during that calendar year.";

(b) sub-article (3) thereof shall be substituted by the following new sub-article:

"(3) Where a partner ceases to be a partner, whether upon an assignment of his interest, upon the demise of such partner, or otherwise, or where a person whose name does not appear in the deed of partnership or in any alteration or addition thereto becomes a partner of an already existing partnership, the partner or partners having the administration or the representation of the partnership shall, within one month from the date when a partner ceases to be a partner or when a person is appointed as a partner, as applicable, deliver to the Registrar for registration a notice of the cessation or a notice of appointment of a new partner, as the case may be, stating the names, addresses and identification details of the person ceasing to be a partner or the person being

appointed a partner, as applicable:

Provided that any *inter vivos* assignment of interest in whole or in part of any partner shall, unless otherwise provided in the deed of partnership, require the prior consent in writing of all the other partners, and no such consent shall be required for any assignment *causa mortis* of a partner's interests:

Provided further that any creditor of the partnership whose debt existed prior to the date of publication of the statement in accordance with article 401(1)(e) relating to the notice specifying the cessation of a partner, appointment of a partner, or assignment of a partner's interests, as referred to in this sub-article may object thereto by sworn application, within the period of three months from the said date of publication and, if he shows good cause, the court shall order that the interests are re-transferred to the partner who originally held such interests, other than a demised partner, or allow the change in partners or the assignment of the interest of the partners, as the case may be, on sufficient security being given by the partnership:

Provided further that if the court makes an order in accordance with the second proviso for the interests to be re-transferred to the partner who originally held such interests, any obligations undertaken on behalf of the partnership by the partner whose interests are to be re-transferred as aforesaid shall remain legally binding on the partnership and the other partners, and if any such partner with unlimited liability would have become personally liable in terms of the Act for the obligations of the partnership, he shall remain so liable even after ceasing to be a partner in accordance with the court order."

4. Sub-article (1) of article 21 of the principal Act shall be substituted by the following new sub-article:

Amendment of article 21 of the principal Act.

"(1) Any reduction in the contribution of a partner, other than a contribution consisting in personal services, any dissolution of the partnership on the grounds mentioned in article 35(b) or (f), any reduction of the term of duration, if any, of the partnership shall not come into effect until three (3) months from the date of publication of the statement in accordance with article 401(1)(e) relating to the instrument effecting such reduction or dissolution."

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Amendment of
article 52 of the
principal Act.

5. In article 52 of the principal Act the words "inconsistent with the provisions of this Part." shall be substituted by the words "inconsistent with the provisions of this Part and, without prejudice to the foregoing:" and immediately thereafter there shall be added the following paragraphs:

"(a) the notice referred to in article 19(3) in respect of the cessation of a partner, or the appointment of a new partner, shall only be published by the Registrar limitedly in respect of any general partner with unlimited liability and not in respect of limited partners; and

(b) the second and third provisos to article 19(3) shall not be applicable where there is a cessation of a limited partner or the appointment of a new limited partner."

Amendment of
article 69 of the
principal Act.

6. Immediately after sub-article (3) of article 69 of the principal Act there shall be added the following new sub-article:

"(4) It shall be the duty of the directors and of the company secretary to ensure that the registered electronic mail address of the company, as included in the memorandum and registered with the Registrar, is regularly monitored such that any electronic mail sent to it by the Registrar is brought to the attention of an officer of the company."

Amendment of
article 73 of the
principal Act.

7. In sub-article (4) of article 73 of the principal Act the words "and approved by the Registrar." shall be substituted by the words "and approved by the Registrar:" and immediately thereafter there shall be added the following new proviso:

"Provided that when the said consideration does not exceed the equivalent monetary value of fifty thousand euro (€50,000), a director's declaration shall suffice and such report shall not be required. The said director's declaration shall be delivered to the Registrar for registration and the provisions of sub-article (6) shall apply."

Amendment of
article 79 of the
principal Act.

8. Article 79 of the principal Act shall be amended as follows:

(a) in sub-paragraph (i) of sub-article (1) thereof the words "a change of the registered office in Malta" shall be substituted by the words "a change of the registered office in Malta or of the electronic mail address of the company";

(b) sub-article (2) thereof shall be amended as follows:

(i) the words "change in the registered office of the company, or any transfer" shall be substituted by the words "change in the registered office or electronic mail address of the company, or any transfer";

(ii) in the proviso thereof the words "the provisions of sub-article (2) shall prevail." shall be substituted by the words "the provisions of this sub-article shall prevail:" and the paragraph immediately after shall be substituted by the following new proviso:

"Provided further that notwithstanding the provisions of this sub-article, where the alteration consists in a change in the registered office in Malta or the electronic mail address of the company, the directors or company secretary shall send to the Registrar for registration a return of any change in the registered office or the electronic mail address, specifying the date of the change, together with the new registered office or electronic mail address, within fourteen days from the occurrence."

9. Sub-articles (10) and (11) of article 84 of the principal Act shall be substituted by the following new sub-articles:

Amendment of article 84 of the principal Act.

Cap. 370. "(10) The Minister may, in consultation with the Minister responsible under the Investment Services Act, acting on the advice of the Malta Financial Services Authority and the Registrar, make regulations for the better carrying out of any of the provisions of this article and without prejudice to the generality of the foregoing may by such regulations, in particular:

(a) make further provision regarding the contents of the memorandum and articles of the company, including provision for the issue of fractional shares;

(b) exempt or provide for the exemption of such company, or any category thereof, from any of the provisions of this Act or of any other law in force, subject to such modifications, variations and conditions as may be specified;

(c) provide for the constitution and regulation of investment companies with variable share capital as umbrella or multi-class companies, and provide for the constitution of sub-funds, and the different classes of shares that may be issued by such companies;

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(d) provide for the possibility of apportioning and allocating assets and liabilities between the different sub-funds or classes, for considering individual sub-funds or classes as separate and distinct entities for such purposes as may be established, and provide for the currency or currencies in which such sub-funds or different classes of shares may be designated;

Cap. 370. (e) apply and extend, *mutatis mutandis*, the provisions of this article to other forms of commercial partnerships which constitute collective investment schemes for the purposes of the Investment Services Act and subject to such variations or modifications as may be prescribed;

(f) provide for any matter incidental to, or connected with the above.

Cap. 514. (11) The Minister may, in consultation with the Minister responsible under the Retirement Pensions Act, acting on the advice of the Malta Financial Services Authority and the Registrar, make regulations to apply and extend, *mutatis mutandis*, the provisions of this article to investment companies with variable share capital established for the purpose of acting and operating as a retirement scheme or a retirement fund within the meaning of article 2 of the Retirement Pensions Act and without prejudice to the generality of the foregoing may, by such regulations, provide for any matter referred to in sub-article (10)."

Cap. 514.

Amendment of article 84E of the principal Act.

10. Paragraph (a) of sub-article (1) of article 84E of the principal Act shall be amended as follows:

(a) sub-paragraph (i) thereof shall be substituted by the following new sub-paragraph:

"(i) provide for the formation, constitution, authorisation and regulation of cell companies;"

(b) sub-paragraph (ii) thereof shall be substituted by the following new sub-paragraph:

(ii) provide for the possibility for a company to convert into a cell company;"

Amendment of article 94 of the principal Act.

11. Sub-article (1) of article 94 of the principal Act shall be amended as follows:

(a) the words "untrue statement included therein:" shall be substituted by the words "untrue statement included therein.";

(b) the proviso thereof shall be deleted.

12. Paragraph (b) of sub-article (1) of article 107 of the principal Act shall be deleted.

Amendment of article 107 of the principal Act.

13. Immediately after article 117 of the principal Act there shall be added the following new article:

Addition of new article to the principal Act.

"Usufructuary of shares.

117A. A usufructuary of shares in a company shall be entitled to attend any general meeting of the company and to receive dividends but he shall not be entitled to vote at any meeting of the company unless the right to vote is specifically mentioned and provided for in the:

(a) public deed creating the right of usufruct;
or

(b) memorandum and articles of association of a company."

14. Article 122 of the principal Act shall be amended as follows:

Amendment of article 122 of the principal Act.

(a) sub-article (2) thereof shall be substituted by the following new sub-article:

"(2) Notice of the pledge together with a document containing the particulars of the contract shall be delivered by the pledgor or the pledgee to the Registrar for registration within fourteen days of the granting of the pledge. The company whose securities have been pledged shall also be notified of the pledge in writing within the said period and the company shall record that fact in the register of holders of the respective securities.";

(b) immediately after sub-article (16) thereof there shall

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be added the following new sub-article:

Cap. 16. "(17) For the purposes of any enforcement in accordance with this article and of any provisions relating to the enforcement of rights pertaining to the pledgee in accordance with this Act, it shall be permissible for a pledgee, or any person acting on its behalf, to exercise any such rights by acting on behalf of the pledgor as its mandatary, provided that the pledgee is authorised to so act, irrevocably and by way of security, in accordance with article 1887 of the Civil Code and that the right to act in such manner is clearly prescribed in the relevant agreement regulating the pledge of securities in terms of this article and the Act."

Amendment of article 146 of the principal Act.

15. The second proviso to sub-article (1) of article 146 of the principal Act shall be substituted by the following new proviso:

"Provided further that the person appointed by an order of the Court or by a competent authority as administrator, legal and, or judicial representative or as the person *de facto* responsible for the management and administration of a company shall, within fourteen (14) days from said appointment, submit to the Registrar for registration a return in the prescribed form specifying the date of appointment, together with the name and residence or service address, or name, registered office and registration number, as the case may be. The said administrator, legal and, or judicial representative or person *de facto* responsible for the management and administration of the company shall, within fourteen (14) days from resigning or from being removed from the said office, submit to the Registrar for registration a return in the prescribed form."

Amendment of article 154 of the principal Act.

16. Sub-article (2) of article 154 of the principal Act shall be substituted by the following new sub-article:

"(2) An officer of a company who knowingly or recklessly makes to the company's auditors a statement, whether written or oral, which:

(a) conveys or purports to convey any information or explanations which the auditors require, or are entitled to require, as auditors of the company; and

(b) is misleading, false or deceptive in a material particular,

shall be guilty of an offence and liable on conviction to a fine (*multa*) of not more than four thousand and six hundred and fifty-eight euro (€4,658) or to imprisonment for a term not exceeding six months or to both such fine and imprisonment."

17. In sub-article (6) of article 163 of the principal Act the words "shall be guilty of an offence and liable on conviction to a fine (*multa*) of not more than eleven thousand and six hundred and forty-six euro and eighty-seven cents (11,646.87)" shall be substituted by the words "shall be guilty of an offence and liable on conviction to a fine (*multa*) of not more than eleven thousand and six hundred and forty-six euro (€11,646)".

Amendment of article 163 of the principal Act.

18. Sub-article (4) of article 167 of the principal Act shall be deleted.

Amendment of article 167 of the principal Act.

19. Article 171 of the principal Act shall be amended as follows:

Amendment of article 171 of the principal Act.

(a) in sub-article (3) thereof immediately after the words "included therein taken as a whole." there shall be added the words "Where the application of the provisions of this Act would not be sufficient to give a true and fair view of the assets, liabilities, financial position and profit or loss of the undertakings included therein taken as a whole, such additional information as is necessary to comply with such requirement shall be given in the notes to the consolidated financial statements.";

(b) sub-article (4) thereof shall be deleted.

20. Article 172 of the principal Act shall be amended as follows:

Amendment of article 172 of the principal Act.

(a) in paragraph (a) thereof immediately after the words "the corporate governance statement" there shall be added the words "and the remuneration report";

(b) in paragraph (b) thereof immediately after the words "the consolidated corporate governance statement" there shall be added the words "and the remuneration report".

21. In sub-article (3) of article 176 of the principal Act the words "pursuant to sub-article (1)." shall be substituted by the words "pursuant to sub-article (1):" and immediately thereafter there shall be added the following new proviso:

Amendment of article 176 of the principal Act.

"Provided that without prejudice to this sub-article,

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when a copy of the company's balance sheet is submitted to the relevant competent authority as part of the company's reporting obligations in conformity with the European Single Electronic Format reporting standard, in conformity with the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format, such copy shall be transmitted to the Registrar by means of an application programming interface or by similar electronic means."

Amendment of
article 177 of
the principal
Act.

22. In sub-article (5) of article 177 of the principal Act the words "The consolidated directors' report" shall be substituted by the words "Where consolidated accounts are required under this Act, the consolidated directors' report".

Amendment of
article 178 of
the principal
Act.

23. In sub-article (3) of article 178 of the principal Act the words "secretary of the company." shall be substituted by the words "secretary of the company:" and immediately thereafter there shall be added the following new proviso:

"Provided that without prejudice to this sub-article, when a copy of the directors' report is submitted to the relevant competent authority as part of the company's reporting obligations under the European Single Electronic Format reporting standard, in conformity with the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format, such copy shall be transmitted to the Registrar by means of an application programming interface or by similar electronic means."

Amendment of
article 179 of
the principal
Act.

24. In sub-article (6) of article 179 of the principal Act the words "signed by them." shall be substituted by the words "signed by them:" and immediately thereafter there shall be added the following new proviso:

"Provided that without prejudice to this sub-article, when a copy of the auditors' report is submitted to the relevant competent authority as part of the company's reporting obligations in conformity with the European Single Electronic Format reporting standard, in accordance with Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European

Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format, such copy shall be transmitted to the Registrar by means of an application programming interface or by similar electronic means."

25. Article 183 of the principal Act shall be amended as follows:

Amendment of
article 183 of
the principal
Act.

(a) in sub-article (1) thereof the words "in accordance with article 82." shall be substituted by the words "in accordance with article 82:" and immediately thereafter there shall be added the following new proviso:

"Provided that without prejudice to this sub-article, when a copy of the annual accounts, auditors' report and directors' report is submitted to the relevant competent authority as part of the company's reporting obligations in accordance with the European Single Electronic Format reporting standard, in accordance with Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format, such copy shall be transmitted to the Registrar by means of an application programming interface or by similar electronic means.";

(b) sub-article (2) thereof shall be substituted by the following new sub-article:

"(2) A company which qualifies as a small company in terms of the provisions of article 185(1) is not required to deliver to the Registrar the directors' report:

Provided that where the company which qualifies as a small company is a private company in terms of the provisions of article 211, it is not required to deliver to the Registrar the directors' report and the profit and loss account:

Provided further that where such a company also qualifies in terms of article 185(2), it is also not required to deliver to the Registrar an auditors' report.";

(c) sub-article (3) thereof shall be substituted by the following new sub-article:

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"(3) Where the directors of a company take advantage of any of the exemptions conferred by sub-article (2), a declaration on the prescribed form signed by the same directors who signed the balance sheet shall, together with the annual accounts, be delivered to the Registrar confirming that the company qualifies for the exemption or exemptions."

Amendment of
article 185 of
the principal
Act.

26. Article 185 of the principal Act shall be amended as follows:

(a) in sub-article (1) thereof the words "the limits of two of the three" shall be substituted by the words "the limits of at least two of the three" and the word "turnover" shall be substituted by the words "net turnover";

(b) in sub-article (2) thereof the words "the limits of two of the three" shall be substituted by the words "the limits of at least two of the three" and the word "turnover" shall be substituted by the words "net turnover";

(c) sub-article (9) thereof shall be substituted by the following new sub-article:

"(9) The net turnover referred to in this article means the amounts derived from the sale of products and the provision of services after deducting sales rebates and value added tax and other taxes directly linked to turnover."

Amendment of
article 191 of
the principal
Act.

27. In sub-article (3) of article 191 of the principal Act the words "apply to such a partnership." shall be substituted by the words "apply to such a partnership, provided that the provisions of article 184 shall not apply to partnerships governed by this article."

Amendment of
article 193 of
the principal
Act.

28. In paragraph (f) of sub-article (3) of article 193 of the principal Act the words "on or after 1st January, 1995." shall be substituted by the words "on or after 1st January 1995;" and immediately thereafter there shall be added the following new paragraph:

"(g) the revaluation reserve unless it represents a gain actually realised."

Amendment of
article 197 of
the principal
Act.

29. Paragraph (b) of sub-article (2) of article 197 of the principal Act shall be substituted by the following new paragraph:

"(b) provisions; and".

30. Article 211 of the principal Act shall be substituted by the following new article:

Substitution of article 211 of the principal Act.

"Inapplicability of certain provisions to private companies.

211. (1) A private company shall not be required to comply with certain provisions in accordance with this Act if the conditions mentioned in sub-article (2) are contained in its memorandum or articles.

(2) The conditions required by sub-article (1) are:

(a) that the number of persons holding debentures of the company is not more than fifty (50); and

(b) that no body corporate is a director of the company, and neither the company nor any of the directors is party to an arrangement whereby the policy of the company is capable of being determined by persons other than the directors, members or debenture holders thereof.

(3) Companies referred to in sub-article (1) shall not be required to comply with the requirements of articles 138(7) and 144(1)(a), and the provisos to article 183(2) shall apply.

(4) A sole director of a company referred to in sub-article (1) shall be entitled to hold office as a company secretary of the said company during his directorship.

(5) Where a company referred to in sub-article (1) has only one director, any requirement of this Act that two directors of a company shall act, shall be interpreted in relation to such company as requiring one director to act."

31. Article 213 of the principal Act shall be amended as follows:

Amendment of article 213 of the principal Act.

(a) sub-article (7) thereof shall be substituted by the following new sub-article:

"(7) A private company may be relieved from complying with certain provisions in accordance with this Act if, after having effected compliance with the conditions established in article 211, it alters its memorandum or articles by incorporating therein all the said conditions.";

(b) in sub-article (8) thereof the words "declaration made by the directors" shall be substituted by the words "declaration made by any one of the directors";

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(c) sub-article (9) thereof shall be substituted by the following new sub-article:

"(9) A company which resolves not to continue fulfilling any of the conditions of article 211 shall revert back to complying with all the provisions under this Act as a private company by amending its memorandum or articles to remove all the said conditions.".

Addition of a new article to the principal Act.

32. Immediately after article 214 of the principal Act there shall be added the following new article:

"Simplified dissolution procedure.

214A. (1) A company which has been validly registered for a minimum period of six months may by an application to the Registrar be dissolved and have its name struck off the register in accordance with this article:

Provided that the provisions of this article shall not apply to entities regulated by any applicable law in Malta or to public limited companies.

(2) The application for the simplified dissolution and striking-off procedure as provided in sub-article (1) may not be made if at any time in the six months preceding the date of the application the company would have:

- (a) carried out any changes in its name; or
- (b) traded or otherwise carried on business; or
- (c) employed employees other than any person who is an officer of the company; or
- (d) outstanding documents or penalties with the Registrar which remain outstanding as at the date of the application; or
- (e) any of its shares pledged.

(3) The application shall be made by means of a prescribed form submitted to the Registrar for registration, signed by the directors of the company and shall be accompanied by a:

- (a) prescribed form B1;
- (b) signed declaration by all directors, contained on the prescribed form referred to in paragraph (a) confirming that the company:
 - (i) is not a regulated entity;

(ii) has discharged in full any liabilities towards its creditors and, or such liabilities have been written off by its creditors, other than if applicable, any outstanding fees to the company's current officers or current corporate service providers and, or any loans payable to any of the company's shareholders;

(iii) has no pending court proceedings in, or outside of Malta;

(iv) does not have any assets in excess of five thousand euro (€5,000);

(v) has not entered into any deeds or contracts in the previous six months, other than with service providers to the company;

(vi) has no outstanding amounts due to any government authority or body;

(c) confirmation by any of the directors of the company that:

(i) a shareholders' resolution has been duly adopted to approve the simplified voluntary dissolution procedure referred to in this article, in accordance with the company's memorandum and articles of association;

(ii) all bank accounts, if any, have been closed;

(iii) where applicable, an application has been filed online for the de-registration of the company for value added tax purposes in Malta;

(iv) no persons are employed by the company other than any person who is an officer of the company.

(4) The directors are required to confirm to the Registrar in their personal capacity, as the last appointed officers of the company, that they shall be retaining the details of the beneficial owners and financial records as mandated by law or duly inform the Registrar as to who is the designated person to retain such information.

(5) The directors and secretary of the company shall retain all their powers and duties under the Act until the date of the company's name is struck off from the register.

(6) If the Registrar is satisfied that all the conditions established by the foregoing sub-articles have been complied with, he shall proceed to publish a notice in the Gazette or on the website maintained by the Registrar and in a daily newspaper circulating wholly or mainly in Malta that, at the expiration of three months from the date of the publication of the said notice, the company's name shall be struck off from the register.

(7) Any interested person may, by means of an application, request the court to order the restoration of the company's name on the register after it has been struck off.

(8) Notwithstanding sub-articles (5) and (6), the liability, if any, of every director or other officer of the company and of every member of the company shall subsist and may be enforced as if the name of the company had not been struck off from the register.

(9) Any director of a company making a false declaration shall be guilty of an offence and liable on conviction to a fine (*multa*) of not more than forty-six thousand and five hundred and eighty-seven euro (€46,587), or to imprisonment for a term not exceeding three years, or to both such fine and imprisonment, and if the debts of the company are not paid or settled in full within the period stated in the declaration, it shall be presumed, until the contrary is shown, that the director did not have reasonable grounds for this opinion."

Amendment of
article 268 of
the principal
Act.

33. In sub-article (4) of article 268 of the principal Act the words "shall be guilty of an offence and liable on conviction to a fine (*multa*) of not more than forty-six thousand and five hundred and eighty-seven euro and forty-seven cents (46,587.47) or to imprisonment for a term not exceeding three years or to both such fine and imprisonment" shall be substituted by the words "shall be guilty of an offence and liable on conviction to a fine (*multa*) of not more than forty-six thousand and five hundred and eighty-seven euro (€46,587), or to imprisonment for a term not exceeding three years, or to both such fine (*multa*) and imprisonment".

34. In sub-article (2) of article 306 of the principal Act the words "shall be guilty of an offence and liable on conviction to a fine (*multa*) of not more than eleven thousand and six hundred and forty-six euro and eighty-seven cents (11,646.87)" shall be substituted by the words "shall be guilty of an offence and liable on conviction to a fine (*multa*) of not more than eleven thousand and six hundred and forty-six euro (€11,646)".

Amendment of
article 306 of
the principal
Act.

35. In sub-article (6) of article 307 of the principal Act the words "shall be liable on conviction to a fine (*multa*) of not more than two hundred and thirty-two thousand and nine hundred and thirty-seven euro and thirty-four cents (232,937.34) or to imprisonment for a term not exceeding five years or to both such fine and imprisonment" shall be substituted by the words "shall be liable on conviction to a fine (*multa*) of not more than two hundred and thirty-two thousand and nine hundred and thirty-seven euro (€232,937), or to imprisonment for a term not exceeding five years, or to both such fine (*multa*) and imprisonment".

Amendment of
article 307 of
the principal
Act.

36. In sub-article (3) of article 308 of the principal Act the words "shall be liable on conviction to a fine (*multa*) of not more than two hundred and thirty-two thousand and nine hundred and thirty-seven euro and thirty-four cents (232,937.34) or imprisonment for a term not exceeding five years or to both such fine and imprisonment" shall be substituted by the words "shall be liable on conviction to a fine (*multa*) of not more than two hundred and thirty-two thousand and nine hundred and thirty-seven euro (€232,937), or imprisonment for a term not exceeding five years, or to both such fine (*multa*) and imprisonment".

Amendment of
article 308 of
the principal
Act.

37. In sub-article (1) of article 309 of the principal Act the words "he shall be guilty of an offence and shall be liable on conviction to a fine (*multa*) of not more than two hundred and thirty-two thousand and nine hundred and thirty-seven euro and thirty-four cents (232,937.34) or to imprisonment for a term not exceeding five years or to both such fine and imprisonment" shall be substituted by the words "he shall be guilty of an offence and liable on conviction to a fine (*multa*) of not more than two hundred and thirty-two thousand and nine hundred and thirty-seven euro (€232,937), or to imprisonment for a term not exceeding five years, or to both such fine (*multa*) and imprisonment".

Amendment of
article 309 of
the principal
Act.

38. In article 311 of the principal Act the words "and shall be liable on conviction to a fine (*multa*) of not more than two hundred and thirty-two thousand and nine hundred and thirty-seven euro and thirty-four cents (232,937.34) or to imprisonment for a term not exceeding five years or to both such fine and imprisonment" shall be substituted by the words "and shall be liable on conviction to a fine

Amendment of
article 311 of
the principal
Act.

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(*multa*) of not more than two hundred and thirty-two thousand and nine hundred and thirty-seven euro (€232,937), or to imprisonment for a term not exceeding five years, or to both such fine (*multa*) and imprisonment".

Amendment of
article 313 of
the principal
Act.

39. In sub-article (1) of article 313 of the principal Act the words "he shall be guilty of an offence and shall be liable on conviction to a fine (*multa*) of not more than two hundred and thirty-two thousand and nine hundred and thirty-seven euro and thirty-four cents (232,937.34) or imprisonment for a term not exceeding five years or to both such fine and imprisonment" shall be substituted by the words "he shall be guilty of an offence and liable on conviction to a fine (*multa*) of not more than two hundred and thirty-two thousand and nine hundred and thirty-seven euro (€232,937), or imprisonment for a term not exceeding five years, or to both such fine (*multa*) and imprisonment".

Amendment of
article 314 of
the principal
Act.

40. In article 314 of the principal Act the words "be guilty of an offence and liable on conviction to a fine (*multa*) of not more than forty-six thousand and five hundred and eighty-seven euro and forty-seven cents (46,587.47), or imprisonment for a term not exceeding three years, or to both such fine and imprisonment" shall be substituted by the words "be guilty of an offence and liable on conviction to a fine (*multa*) of not more than forty-six thousand and five hundred and eighty-seven euro (€46,587), or imprisonment for a term not exceeding three years, or to both such fine (*multa*) and imprisonment".

Amendment of
article 315 of
the principal
Act.

41. In sub-article (2) of article 315 of the principal Act the words "shall be guilty of an offence and liable on conviction to a fine (*multa*) of not more than two hundred and thirty-two thousand and nine hundred and thirty-seven euro and thirty-four cents (232,937.34) or imprisonment for a term not exceeding five years, or to both such fine and imprisonment" shall be substituted by the words "shall be guilty of an offence and liable on conviction to a fine (*multa*) of not more than two hundred and thirty-two thousand and nine hundred and thirty-seven euro (€232,937), or imprisonment for a term not exceeding five years, or to both such fine (*multa*) and imprisonment".

Amendment of
article 317 of
the principal
Act.

42. In sub-article (4) of article 317 of the principal Act the words "shall be guilty of an offence and liable on conviction to a fine (*multa*) of not more than eleven thousand and six hundred and forty-six euro and eighty-seven cents (11,646.87)" shall be substituted by the words "shall be guilty of an offence and liable on conviction to a fine (*multa*) of not more than eleven thousand and six hundred and forty-six euro (€11,646)".

43. In sub-article (6) of article 320 of the principal Act the words "liable on conviction to a fine (*multa*) of not more than forty-six thousand and five hundred and eighty-seven euro and forty-seven cents (46,587.47) or imprisonment for a term not exceeding three years or to both such fine and imprisonment" shall be substituted by the words "liable on conviction to a fine (*multa*) of not more than forty-six thousand and five hundred and eighty-seven euro (€46,587), or imprisonment for a term not exceeding three years, or to both such fine (*multa*) and imprisonment".

Amendment of
article 320 of
the principal
Act.

44. In sub-article (1) of article 322 of the principal Act the words "and subsequently at intervals of six months, until the winding up is concluded, send to the Registrar for registration" shall be substituted by the words "and subsequently at intervals of six months, send to the Registrar for registration".

Amendment of
article 322 of
the principal
Act.

45. In sub-article (4) of article 325 of the principal Act the words "company has been restored to the register." shall be substituted by the words "company has been restored to the register:" and immediately thereafter there shall be added the following new provisos:

Amendment of
article 325 of
the principal
Act.

"Provided that in the event that a company's name is restored on the register in accordance with this sub-article, and the Court by its decree, would have directed that the name of the company be restored on the register for a definite period and such definite period would be nearing expiration, and the member or creditor of the company, or any other person who appears before the Court and informing it that it has an interest, would still have such an interest due to ongoing proceedings, the said person may, jointly with the Registrar submit an application to the Court asking for an extension of the time period for which the company's name is to remain restored to the register:

Provided further that the said joint application before the Court is to be accompanied, on pain of nullity, with documentary evidence, including the pending court case reference number of the ongoing proceedings."

46. In paragraph (b) of sub-article (8) of article 329B of the principal Act the words "and liable on conviction to a fine (*multa*) of not more than two hundred and thirty-two thousand and nine hundred and thirty-seven euro and thirty-four cents (232,937.34) or imprisonment for a term not exceeding five years, or to both such fine and imprisonment" shall be substituted by the words "and liable on conviction to a fine (*multa*) of not more than two hundred and thirty-two thousand and nine hundred and thirty-seven euro (€232,937), or

Amendment of
article 329B of
the principal
Act.

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imprisonment for a term not exceeding five (5) years, or to both such fine (*multa*) and imprisonment".

Amendment of
article 401 of
the principal
Act.

47. The second proviso to paragraph (e) of sub-article (1) of article 401 of the principal Act shall be amended as follows:

(a) immediately after the words "Sub-article (1) of article 36;" there shall be added the words "Article 84;"

(b) the words "In the event of any reduction, dissolution or assignment as are referred to in article 21," shall be substituted by the words "In the event of any appointment of a person as a partner or an assignment of a partner's interest as are referred to in article 19, or of any reduction or dissolution as are referred to in article 21,".

Amendment of
article 409 of
the principal
Act.

48. In article 409 of the principal Act the words "he shall be guilty of an offence and liable on conviction to a fine (*multa*) of not more than four thousand and six hundred and fifty-eight euro and seventy-five cents (4,658.75) or imprisonment for a term not exceeding six months or to both such fine and imprisonment" shall be substituted by the words "he shall be guilty of an offence and liable on conviction to a fine (*multa*) of not more than four thousand and six hundred and fifty-eight euro (€4,658), or to imprisonment for a term not exceeding six months, or to both such fine (*multa*) and imprisonment".

Amendment of
article 416 of
the principal
Act.

49. In sub-article (3) of article 416 of the principal Act the words "and shall be liable on conviction to a fine (*multa*) of not more than forty-six thousand and five hundred and eighty-seven euro and forty-seven cents (46,587.47) or imprisonment for a term not exceeding three years or to both such fine and imprisonment" shall be substituted by the words "and shall be liable on conviction to a fine (*multa*) of not more than forty-six thousand and five hundred and eighty-seven euro (€46,587), or to imprisonment for a term not exceeding three years, or to both such fine (*multa*) and imprisonment".

Amendment of
article 417 of
the principal
Act.

50. Article 417 of the principal Act shall be amended as follows:

(a) in sub-article (5) thereof the words "and shall be liable on conviction to a fine (*multa*) of not more than four thousand and six hundred and fifty-eight euro and seventy-five cents (4,658.75) or imprisonment for a term not exceeding six months or to both such fine and imprisonment" shall be substituted by the words "and shall be liable on conviction to a fine (*multa*) of not more than four thousand and six hundred and

fifty-eight euro (€4,658), or imprisonment for a term not exceeding six months, or to both such fine (*multa*) and imprisonment";

(b) in sub-article (6) thereof the words "and shall be liable on conviction to a fine (*multa*) of not more than eleven thousand and six hundred and forty-six euro and eighty-seven cents (11,646.87)" shall be substituted by the words "and shall be liable on conviction to a fine (*multa*) of not more than eleven thousand and six hundred and forty-six euro (€11,646)".

51. In sub-article (5) of article 418 of the principal Act the words "and liable on conviction to a fine (*multa*) of not more than eleven thousand and six hundred and forty-six euro and eighty-seven cents (11,646.87)" shall be substituted by the words "and liable on conviction to a fine (*multa*) of not more than eleven thousand and six hundred and forty-six euro (€11,646)".

Amendment of
article 418 of
the principal
Act.

52. In sub-article (5) of article 419 of the principal Act the words "and liable on conviction to a fine (*multa*) of not more than four thousand and six hundred and fifty-eight euro and seventy-five cents (4,658.75) or to imprisonment for a term not exceeding six months or to both such fine and imprisonment" shall be substituted by the words "and liable on conviction to a fine (*multa*) of not more than four thousand and six hundred and fifty-eight euro (€4,658), or to imprisonment for a term not exceeding six months, or to both such fine (*multa*) and imprisonment".

Amendment of
article 419 of
the principal
Act.

53. In sub-article (2) of article 420 of the principal Act the words "and liable on conviction to a fine (*multa*) of not more than forty-six thousand and five hundred and eighty-seven euro and forty-seven cents (46,587.47) or imprisonment for a term not exceeding three years or to both such fine and imprisonment" shall be substituted by the words "and liable on conviction to a fine (*multa*) of not more than forty-six thousand and five hundred and eighty-seven euro (€46,587), or to imprisonment for a term not exceeding three years, or to both such fine (*multa*) and imprisonment".

Amendment of
article 420 of
the principal
Act.

54. In sub-article (3) of article 421 of the principal Act the words "shall be liable on conviction to a fine (*multa*) of not more than forty-six thousand and five hundred and eighty-seven euro and forty-seven cents (46,587.47) or imprisonment for a term not exceeding three years or to both such fine and imprisonment" shall be substituted by the words "shall be liable on conviction to a fine (*multa*) of not more than forty-six thousand and five hundred and eighty-seven euro (€46,587), or to imprisonment for a term not exceeding three years, or to both such fine (*multa*) and imprisonment".

Amendment of
article 421 of
the principal
Act.

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Amendment of
article 422 of
the principal
Act.

55. In article 422 of the principal Act the words "and liable on conviction to a fine (*multa*) of not more than forty-six thousand and five hundred and eighty-seven euro and forty-seven cents (46,587.47) or imprisonment for a term not exceeding three years or to both such fine and imprisonment." shall be substituted by the words "and liable on conviction to a fine (*multa*) of not more than forty-six thousand and five hundred and eighty-seven euro (€46,587), or to imprisonment for a term not exceeding three years, or to both such fine and imprisonment."

Amendment of
article 425 of
the principal
Act.

56. Sub-article (1) of article 425 of the principal Act shall be amended as follows:

(a) paragraph (j) thereof shall be deleted;

(b) in paragraph (q) thereof the words "as the Registrar may deem fit." shall be substituted by the words "as the Registrar may deem fit;"

(c) immediately after paragraph (q) thereof, as amended, there shall be added the following new paragraphs:

"(r) prescribe regulations for the better carrying out of any of the provisions relating to the registered office in Malta and the electronic mail address of the company;

(s) prescribe regulations and requirements for the formation, registration and governance of limited liability companies consistent with this Act that are intended to operate in specific economic sectors, in consultation with other Ministers, as may be necessary."

Amendment of
article 431 of
the principal
Act.

57. Sub-article (1) of article 431 of the principal Act shall be amended as follows:

(a) paragraph (a) thereof shall be deleted;

(b) in paragraph (b) thereof the words "private companies, other than offshore companies referred to in paragraph (a), whose objects and activities are limited to the sole purpose" shall be substituted by the words "private companies whose objects and activities are limited to the sole purposes".

Amendment of
the First
Schedule to the
principal Act.

58. In paragraph 4 of Part II of the First Schedule to the principal Act the words "for the purposes of determining whether or not the company satisfies the conditions of qualification as an exempt company mentioned in sub-article (2) of article 211 of the Act." shall

be substituted by the words "for the purposes of determining whether or not the company satisfies the conditions to qualify as a company that is not required to comply with certain provisions under this Act mentioned in article 211(2).".

59. In paragraph 15 of Part II of the Fourth Schedule to the principal Act the words "The report referred to in the provisions of article 213B(1), (5), (6), (7) and (8)" shall be substituted by the words "The report referred to in the provisions of article 213B(1), (2), (5), (6), (7) and (8)".

Amendment of the Fourth Schedule to the principal Act.

60. The Sixth Schedule to the principal Act shall be amended as follows:

Amendment of the Sixth Schedule to the principal Act.

(a) in sub-paragraph (e) of paragraph 1 thereof the words "of the company." shall be substituted by the words "of the company;" and immediately thereafter there shall be added the following new sub-paragraph:

"(f) in relation to the undertaking's use of financial instruments and where material for the assessment of its assets, liabilities, financial position and profit or loss:

(i) the undertaking's financial risk management objectives and policies, including its policy for hedging each major type of forecasted transaction for which hedge accounting is used; and

(ii) the undertaking's exposure to price risk, credit risk, liquidity risk and cash flow risk.";

(b) sub-paragraph (e) of paragraph 3 thereof shall be deleted;

(c) in paragraph 7 thereof the words "consolidated management report" shall be substituted by the words "consolidated directors' report".

61. The Eleventh Schedule to the principal Act shall be substituted by the following new Schedule:

Substitution of the Eleventh Schedule to the principal Act.

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"ELEVENTH SCHEDULE
(article 427)

ADMINISTRATIVE PENALTIES

Article	Default	Penalty	Daily penalty
6(9)	Failure to indicate particulars concerning commercial partnership on business letters, etc.; and officer of commercial partnership failing to state capacity in which he signs a document on behalf of the commercial partnership	€465	None
6(10)	Liquidator failing to include statement on business letters, etc., that commercial partnership is being wound up or failing to include names of liquidators of company being wound up	€465	None
7A(4)	Failure of partner of partnership <i>en nom collectif</i> to comply with article 7A(2) and (3)	€465	€23
10	Any person who knowingly makes use of a name falsely implying the existence of a partnership	€2,329	None
19(4)	Partners failing to give notice that a person becomes or has ceased to be a partner of a partnership	€465	€23
26(2)	Partners failing to keep accounting records for ten (10) years	€1,164	None
41	Failure to comply with the requirements of articles 36 and 37(3)	€465	€23
50(2)	Failure to inform the Registrar where a person has been elected to keep the accounting records and the documents of the partnership, or where the partners have failed to elect such a person within fourteen days	€465	None
50(3)	Failure of liquidator or elected person to keep accounting records and documents of partnership for the prescribed period	€1,164	None
50(5)	Failure of heirs of elected person to deliver accounting records and documents of partnership to the Registrar within six months	€465	None
51A(4)	Failure of partner of partnership <i>en nom commandite</i> or limited partnership to comply with article 51A(2) and (3)	€465	€23

Article	Default	Penalty	Daily penalty
66(6)	Failure of partner vested with administration or representation to deliver a copy of any documents altering or adding to the deed of partnership of a partnership <i>en commandite</i> or limited partnership the capital of which is divided into shares to the Registrar or failure to deliver amended deed of partnership	€465	€23
70(6)	Trading or carrying on business under certain prohibited names	€465	€23
74(2)	Failure of company to deliver to Registrar report of transfer of non-cash asset from subscriber or member	€1,164	None
79(5)	Failure of officer to deliver a copy of any resolution altering or adding to a company's memorandum or articles to the Registrar or failure to deliver amended memorandum or articles	€465	€23
85(4)	Failure to comply with sub-articles (1) to (3) of article 85	€465	€23
88(11)	Failure to comply with sub-articles (6) or (8) of article 88	€465	€23
91	Breach of article 89 in respect of the obligation to issue a prospectus or for the issue of a form of application for shares or debentures	€2,329	None
93(2)	Issue of a prospectus before registration thereof	€2,329	€46
96A(2)	Failure of officers to provide Registrar with notice that the company issued an offer of securities to the public in a third country	€500	€25
97(5)	Failure of company and its officers to keep in a separate account money received from applicants in pursuance of a prospectus	€2,329	€46
103(2)	Failure to comply with article 103(1)	€465	€23
104(3)	Failure of directors to convene a general meeting in case of serious loss of capital	€465	€23
106(2)	Failure of officers of company to provide Registrar with copy of resolution for company to acquire its own shares otherwise than by subscription	€465	€23
113(4)	Failure of officer to disclose commissions, discounts or allowance on issue of shares	€465	€23
115(6)	Failure of officers to provide Registrar with notice of redemption of preference shares	€465	€23
119(6)	Failure to comply with sub-articles (2) and (5) of article 119	€465	€23

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Article	Default	Penalty	Daily penalty
120(4)	Failure of officers of company to comply with provisions with regard the issuance of share certificates	€465	€23
123(4)	Failure of officers of company to comply with provisions with regard to the register of members	€465	€23
124(4)	Failure of officers of company to keep proper register of debentures	€465	€23
128(3)	Failure of officers of company to hold annual general meeting	€2,329	€46
133(3)	Failure of officers of company to give notice to members of right to vote by proxy at a meeting of the company	€465.87	None
133(5)	Officer of company breaching further provisions as to votes by proxy at meetings of the company	€465	None
138(8)	Failure to appoint a company secretary	€465	€23
145(2)	Director failing to disclose interest in a contract or a proposed contract	€2,329	None
146(2)	Officers of company failing to send a return as to change in directors, or secretary or representation	€465	€23
149(4)	Officers of company failing to take minutes of general meetings and all proceedings at a director's meeting and to keep minute book at registered office	€1,164	None
151(6)	Officers of company failing to give notice to Registrar of default in appointment of auditors	€465	€23
154(3)	Officer and auditors of subsidiary undertaking failing to give information to auditors of parent company	€465	None
154(4)	Officers of parent company failing to provide auditors with information concerning overseas subsidiary	€465	None
157(2)	Officers of company failing to give notice to Registrar of resolution removing an auditor	€465	€23
159(3)	Officers of company failing to give notice to Registrar of resignation of an auditor	€2,329	€46
160(5)	Directors failing to take reasonable steps to convene a meeting requisitioned by a resigning auditor	€2,329	None
162(1)	Auditor failing to comply with requirements of article 161 upon ceasing to hold office	€1,164	€34
162(3)	Officers of company failing to comply with article 161 upon an auditor's ceasing to hold office	€1,164	€34

Article	Default	Penalty	Daily penalty
163(7)	Officers failing to keep accounting records for ten years	€1,164	None
176(4)	Directors approving annual accounts which do not comply with the provisions of this Act	€2,329	None
176(5)	Officers of company issuing or delivering to Registrar annual accounts not duly signed	€465	None
177(4)	Directors failing to comply with requirements as to Directors' report	€1,164	None
178(4)	Officer circulating, filing or delivering to the Registrar unsigned directors' report	€1,164	None
179(7)	Officers of company failing to state names of auditors on auditors' report	€465	None
180(4)	Company and its officers failing to send copies of annual accounts to persons entitled to receive such copies	€1,164	None
180(6)	Officers of company failing to provide document on demand by person entitled to it	€465	€23
181(3)	Directors failing to lay annual accounts or laying annual accounts that do not comply with this Act before a general meeting	€2,329	€46
183(6)	Directors failing to deliver or delivering defective annual accounts, etc., to Registrar	€2,329	€46
184(3)	Officers of company failing to file annual return	€2,329	€46
209(2) 209(3)	Officers of private company offering shares or debentures for sale to the public, or allotting or agreeing to allot any shares in or debentures of the company, or allowing any equity securities of the company to be admitted to listing or trading	€2,329	None
212(6)	Officers of company failing to deliver notice to Registrar of becoming or ceasing to be a single member company	€465	€23
212(9)	The single member failing to record in writing all agreements between him and the company	€1,164	None
226(6)	Persons breaching article 226 on preparation of statement to official receiver as to affairs of company ordered by court to carry out winding up	€2,329	€46
265(2)	Officers of company failing to deliver to the Registrar notice of resolution for dissolution and voluntary winding up	€465	€23
270(4)	Directors failing to summon general meeting or failing to apply to the court for appointment of a liquidator	€2,329	€46

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Article	Default	Penalty	Daily penalty
272(2)	Liquidator failing to summon meeting of creditors where a company is unable to pay debts	€2,329	None
273(2)	Liquidator failing to hold a general meeting where winding up continues for more than twelve months	€1,164	None
274(2)	Liquidator failing to provide Registrar with copy of the winding up account or a return of the general meeting on members' voluntary winding up	€465	€23
274(3)	Liquidator failing to call final meeting in members' voluntary winding up	€465	None
278(6)	Directors failing to comply with requirements as to creditors meeting following resolution for dissolution and voluntary winding up	€2,329	None
279(3)	Failure of directors to apply to the court to appoint liquidator	€2,329	€46
283(2)	Liquidator failing to summon meetings of company and of creditors where winding up continues for more than twelve months	€465	None
284(2)	Liquidator failing to provide Registrar with copy of winding up account or a return of the company and creditors' meetings on a creditors' voluntary winding up	€465	€23
284(3)	Liquidator failing to call general meeting or creditors' meeting on creditors' voluntary winding up	€1,164	None
290(2)	Liquidator failing to notify Registrar of his appointment	€465	€23
322(2)	Liquidator failing to comply with periodic reporting requirements	€1,164	€34
324(3)	Liquidator failing to keep accounts, accounting records and documents of the company during the period specified	€1,164	None
327(4)	Officer failing to annex to memorandum copy of court's order, compromise or arrangement	€465	€23
328(6)	Company and officers failing to comply with the requirements of article 328	€2,329	None
328(7)	Director of the company failing to give notice to the company and to any debenture holder of such matters relating to himself as may be necessary for the purposes of article 328	€2,329	None
329(5)	Failure to deliver copy of court order for the sanctioning of a compromise or arrangement to the Registrar	€465	€23

Article	Default	Penalty	Daily penalty
389	Officer or agent of oversea company failing to comply with provisions as to registration or returns of oversea company	€465	€23
399A(1)	Liquidator, officer or agent of oversea company failing to give notice to Registrar of winding-up of oversea company or closure of branch or place of business	€465	€23
399A(2)	Liquidator of oversea company failing to notify Registrar of his appointment	€465	€23

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Passed by the House of Representatives at Sitting No. 364 of the 7th July, 2025.

ANĠLU FARRUGIA
Speaker

ELEANOR SCERRI
Clerk of the House of Representatives

