

06 May 2022

Annual Reports Published Electronically for First Time in Malta

All listed entities which intended to submit their annual reports electronically by the end of April managed to do so successfully, the first time that this has been done in Malta.

The obligation to prepare annual reports electronically was imposed by the European Single Electronic Format (ESEF) Regulation, which applies to all issuers whose securities are admitted to trading on an EU-regulated market.

Work on this had started back in 2013, when the EU's Transparency Directive introduced the requirement for issuers to prepare their annual financial reports in a harmonised electronic reporting format – as opposed to formats such as PDFs – thereby improving financial reporting for the relevant stakeholders. The new format can be opened with standard web browsers, which also facilitates accessibility, analysis and comparability of annual financial reports

The European Securities and Markets Authority was assigned the responsibility to develop regulatory technical standards, following which regulators worked with listed entities and various other bodies to iron out any possible implementation issues.

The Malta Financial Services Authority (MFSA) dedicated considerable time to preparing the relevant stakeholders for the change, working closely with the Malta Institute of Accountants, the Malta Business Registry, the Malta Stock Exchange and the Accountancy Board. This ensured that various challenges and objectives were met, including the issuance of ESEF Directive 6, being the local assurance standard on ESEF; and the ability to publish the annual financial reports in ESEF through the Malta Stock Exchange, as the Officially Appointed Mechanism.

The MFSA also issued frequent communications to the industry, through a specific new section on its website, various circulars, a dedicated email address for information, and participation in webinars.

The new format applies to listed companies whose financial year began on or after 1 January 2021. The majority of issuers in Malta – around 60 – were due to publish their annual financial reports in ESEF by end of April 2022, all of whom were well prepared, in terms of the new reporting format, to publish their reports by the submission deadline.

The recently appointed Head of the new Capital Markets Supervision Function, Lorraine Vella, said: “ESEF is another step in the interest of investor protection through the increased ease of ability to consume the large amount of information contained in financial reports. Hopefully the merging of accounting and technology to create electronic financial reports will improve usability, comparability and transparency.”

About MFSA

The Malta Financial Services Authority (MFSA) is the single regulator of financial services in Malta, covering banks, insurance companies, investment services, trusts and pensions. In 2018, the MFSA became the first European regulator to develop a framework to regulate virtual financial assets. The MFSA’s mission, as enshrined in its Vision 2021, is to enhance its position as an independent, proactive and trustworthy supervisory authority with the main purpose of safeguarding the integrity of markets and maintaining stability within the financial sector, for the benefit and protection of consumers. The MFSA licenses over 2,000 entities to operate in the financial services sector.



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