No. 267

MINISTRY FOR FINANCE

Explanatory Notes[1]

1. Introduction

Title of the Legislation	Various Laws relating to Corporate Sustainability Reporting (Amendment) Act, 2026
Activity to be regulated	Eleventh Schedule to the Companies Act (Chapter 386 of the Laws of Malta) in relation to administrative penalties
Responsible entity	Malta Business Registry

2. Summary and background

These Explanatory Notes refer to the amendments which are to be carried out to the Companies (Amendment) Act, 2025 (hereinafter referred to as the "principal Act") through the Various Laws relating to Corporate Sustainability Reporting (Amendment) Act, 2026 (hereinafter referred to as the "amending Act"). The aims and objectives of these amendments are to further amend the Companies Act (Chapter 386 of the Laws of Malta) to ensure legal certainty.

These Explanatory Notes are only required with respect to the substitution of the Eleventh Schedule to the principal act, by way of Part V of the amending Act, and are not required for the other amendments carried out through the Various Laws relating to Corporate Sustainability Reporting (Amendment) Act, 2026.

3. Overview of the Structure of the Instrument

Part V of the amending Act consists of two (2) articles as follows:

- Article 41 – amendments to the principal Act;
- Article 42 – substitution of the Eleventh Schedule to the principal Act.

4. Commentary

The Eleventh Schedule is being substituted to ensure legal certainty with regard to the provisions relating to administrative penalties, to incorporate certain provisions and their corresponding articles and to delete the decimal values.

5. Concluding Sections

The amending Act shall come into force on such date or dates 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 said Act.

Officers of companies are to be fully aware of the provisions of the amending Act. It is advisable that officers of companies concerned consult a lawyer, accountant, or auditor as required to ensure that they satisfy the requirements stipulated in the law. Failure to make the necessary filings or take the necessary action within the requested time frames shall result in administrative penalties being imposed on the company and officers of the company. Administrative penalties can be avoided if the company officers adhere to the requirements stipulated in Maltese company law and any subsidiary legislation made thereunder.

For further information please contact legal.enforcement@mbr.mt / 22582300.

N.B. These Explanatory Notes are not intended to be an exhaustive description of the instrument nor a substitute thereof or a legislative supplement to it. These Explanatory Notes do not purport to be an authoritative ruling on the interpretation of the legislation.

26th February, 2026

[1]These Explanatory Notes are in accordance with and for the purpose of article 3(2)(c) of the Small Business Act (Chapter 512 of the Laws of Malta).