No. 734

OFFICE OF THE PRIME MINISTER
(EQUALITY, REFORMS AND SOCIAL DIALOGUE)

Explanatory Notes

1. Introduction

Title of Regulations	Employment Agencies (Amendment) Regulations, 2026 (hereinafter referred to as the "amending regulations")
Activities to be regulated	Licences renewal of employment agencies and employment businesses
Responsible entity	Department for Industrial and Employment Relations

2. Summary and background

The Employment Agencies (Amendment) Regulations, 2026 amend the Employment Agencies Regulations (S.L. 452.130) (hereinafter referred to as the "principal regulations") to strengthen and clarify the framework governing the licensing of employment agencies and businesses. They set out the conditions for operation, including licensing, compliance, and oversight by the Director, supported by the Working Committee. The amending regulations introduce clearer rules on licence duration, renewal, and the status of licences pending renewal decisions, ensuring business continuity while maintaining regulatory oversight.

2.2 Importance of regulations

The amending regulations enhance legal certainty by clearly defining licence duration and renewal procedures. A standard three-year licence period, together with continuity for timely renewal applications, helps avoid operational disruption while preserving regulatory control. They also promote good governance and fair labour practices by ensuring that only compliant agencies operate. A transparent licensing system improves oversight, protects jobseekers and employers, and supports a responsible and sustainable employment services sector.

2.3 Public Consultation

Consultations were held with the Employment Relations Board. This Board is a statutory body established under the Employment and Industrial Relations Act (Cap. 4520. It advises the Minister on employment legislation and labour relations matters. The Board brings together government, employers, and workers representatives to support social dialogue.

3. Overview of the structure of the instrument

The amending regulations consist of two (2) regulations:

1. Citation

2. Amends regulation 7 of the principal regulations.

4. Commentary

Regulation 2 substitutes sub-regulation (1) of regulation 7 of the principal regulations to clarify the duration and renewal of licences issued to employment agencies and employment businesses. It provides that a licence shall be issued by the Director, in accordance with regulation 3(1)(a) of the principal regulations, upon the recommendation of the Working Committee, for a period of three years commencing from the date specified in the licence, and may be renewed for further three-year periods, subject to the submission of a renewal application and the continued satisfaction of the requirements established in the regulations.

It further provides that where a renewal application is submitted before the expiry of a valid licence, the licence shall remain in force until the Director takes a decision on that application, thereby ensuring continuity of operations while maintaining regulatory oversight.

5. Concluding Sections

The regulations shall come into force upon their publication in the Government Gazette.

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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.

5th May, 2026