No. 845

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

Explanatory Notes[1]

1. Introduction

Title of Regulations	Equal Pay (Transparency and Reporting) Regulations, 2026 (hereinafter referred to as the "regulations")
Activities to be regulated	Equal pay for equal work or work of equal value, including pay transparency, reporting obligations, and enforcement mechanisms.
Responsible entity	Department for Industrial and Employment Relations (DIER)

2. Summary and background

These regulations transpose Directive (EU) 2023/970 of the European Parliament and of the Council of 10 May 2023 to strengthen the application of the principle of equal pay for equal work or work of equal value between men and women through pay transparency and enforcement mechanisms into Maltese law and strengthen the principle of equal pay for equal work or work of equal value between men and women. Applicable to both the public and private sectors, the Regulations introduce obligations on pay transparency, access to information, reporting, and enforcement. Employers must implement gender-neutral pay structures and provide workers and job applicants with access to pay-related information. Employers with one hundred (100) or more workers are subject to additional responsibilities, including the preparation of Pay Gap Reports and, where necessary, carry out joint pay assessments. The regulations further establish enforcement mechanisms and penalties in cases of non-compliance.

2.2 Importance of regulations

These regulations strengthen equal pay enforcement through greater transparency and accountability measures aimed at identifying and addressing unjustified gender pay gaps. They promote fair pay practices, enhance equality in the workplace, and ensure Malta's compliance with European Union obligations.

2.3 Public Consultation

Consultations were held with the Employment Relations Board (ERB), composed of government, employers, and trade union representatives. Discussions focused on implementation timelines, reporting obligations, enforcement measures, and administrative burdens. Stakeholder feedback contributed to provisions aimed at ensuring proportionality, clarity, and effective implementation in line with Directive (EU) 2023/970.

3. Overview of the structure of the instrument

These regulations are structured into several Parts, which collectively establish the legal framework for equal pay and pay transparency:

Part I – Equal Pay for Equal Work or Work of Equal Value
Part II – Pay Transparency
Part III – Reporting
Part IV – Monitoring and coordination
Part V – Miscellaneous provisions

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

4. Commentary

Regulation 1

This regulation establishes the title and scope of the regulations and confirms the transposition of Directive (EU) 2023/970. It applies to employers in both the public and private sectors, workers in an employment relationship, and, in certain cases, applicants for employment.

Regulation 3

Employers must ensure that pay structures are based on objective, gender-neutral criteria and that equal pay is provided for equal work or work of equal value. Pay differences are permitted only where objectively justified and neutral, and the relevant criteria must be accessible to workers.

Regulation 4

Applicants for employment are entitled to receive information on the initial pay or pay range for a position. Employers are prohibited from requesting applicants' pay history and must ensure that recruitment processes and job advertisements are gender-neutral and non-discriminatory.

Regulation 5: Employers are required to maintain objective, gender-neutral, and accessible criteria governing pay levels and pay progression. Employers employing a small number of employees may be exempt from certain formal requirements, while still being required to document pay criteria internally.

Regulation 6: Workers have the right to request information on their pay and average pay levels for comparable work, and employers shall respond within specified timeframes. The regulation also establishes escalation mechanisms, annual information obligations, and data retention requirements for employers.

Regulations 7–8: These regulations ensure access to information for all workers, including persons with disabilities, and establish how equal work or work of equal value is to be assessed. The regulations also provide rules on pay comparison, including in the public sector, and permits the use of alternative evidence where no direct comparator exists.

Regulation 9: Employers with one hundred (100) or more employees shall prepare Pay Gap Reports on gender pay differences and submit them to the Monitoring Body. The regulation also requires consultation with employees' representatives and corrective action where unjustified pay gaps are identified.

Regulation 10: Where an unjustified pay gap of at least five percent (5%) is identified, employers are required to carry out a joint pay assessment in consultation with employees' representatives. The regulation also provides for corrective measures, conciliation procedures, and referral to the Industrial Tribunal in case of disputes.

Regulations 11–12: These regulations designate the Department for Industrial and Employment Relations as the Monitoring Body responsible for overseeing implementation and compliance. In relation to public officers within the public service, these functions are carried out by the People & Standards Division, with coordination between the Monitoring Body and the Equality Body to support effective enforcement.

Regulations 13–22: Workers are entitled to seek redress before the Industrial Tribunal for breaches of equal pay obligations, including compensation and recovery of lost pay. The regulations also establish safeguards against victimisation, rules on the burden of proof and limitation periods, as well as penalties and enforcement measures for non-compliance.

Regulation 23: These provisions regulate the treatment of existing collective agreements, particularly in relation to seconded or supplied workers in the public sector. They provide that certain pay differences arising from such agreements cannot be challenged under these regulations while the agreements remain in force.

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 legal instrument nor a substitute for it or a legislative supplement thereto. These Explanatory Notes are not intended as an authoritative decision on the interpretation of the legislation.

Annex
Transposition Notes

Article/Provision of Directive (EU) 2023/970	Equal Pay (Transparency and Reporting) Regulations, 2026
Article 1	Regulation 1
Article 2	Regulation 1
Article 3	Regulation 2
Article 4	Regulation 3
Article 5	Regulation 4
Article 6	Regulation 5
Article 7	Regulation 6
Article 8	Regulation 7
Article 19	Regulation 8
Article 9	Regulation 9
Article 10	Regulation 10
Article 12	Regulation 19
Article 14	Regulation 17(1),(2)
Article 15	Regulation 17(3)
Article 16	Regulation 14
Article 17	Regulation 21
Article 18	Regulation 15
Article 21	Regulation 16
Article 23	Regulation 20
Article 26	Regulation 13
Article 29	Regulation 11
Article 32	Regulation 18

5th June, 2026