

December 2017

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GRTU NEWSTRING

New penalty point system a cause of concern for the transport sector



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On the 1st of December the legislation extending the penalty point system to all drivers came into force. This system previously applied only to those who had recently obtained their licence. In all, there are 29 contraventions, for which penalty points can be imposed on a person holding a driving licence.

The majority of the points listed are contraventions for which the person needs to be stopped while driving in order for the fine to be issued. Once stopped, the person who is driving the vehicle is asked to provide his particulars and driving license. In this case the contravention and penalty points are issued on the actual. There are however a few exceptions to the above, for instance in case when someone is caught speeding. In this case the contravention is issued through the speeding camera and therefore the driver is not stopped and the fine as well as penalty points are issued on the owner of the vehicle. Should the owner of the vehicle have not been the one at the steering wheel, a declaration form including both the owner's and the actual driver's identification as well as their signatures can be uploaded on www.les.gov.mt within 15 days of the contravention being issued. In order to safeguard their interest, GRTU encourages businesses that have their own vehicles, to keep a Vehicle Usage Register. This register will come in handy as proof as to whom was driving the vehicle at that particular time and place.

The maximum number of points that a driver can accumulate in any period of 12 months is 12 points, following which the driving license is revoked for the first time for a period of two months. There is however a provision in the law

that if a person is close to reaching the maximum points, the person can choose to apply and attend a two day course at Transport Malta (against a payment) and once completed the points will be reduced by half. This option can only be done once within a period of two years.

GRTU has a number of serious concerns related to the new system. Back in October 2016, GRTU had participated in a public consultation on Road Safety. Through this consultation we had mentioned that GRTU is all in favour of penalizing abuse, in particular that which poses health and safety risks. On the other hand, enforcement and related legislation need to be built around education, facilitation and genuine improvement in road safety rather than simply applying a tick-the-box approach. GRTU had suggested that

there needs to be a clear distinction between driving for private purposes and driving for any form of commercial operation. Moreover there should also be adequate variation in terms of the points system between commercial and private use of vehicles. Any vehicle which is expected to be used for commercial purposes is definitely expected to spend substantially longer hours on the road in its course of duty (such as vehicles used for the delivery of goods or passenger transport).



Following this consultation process, the system was introduced without the consideration of a number of GRTUs recommendations. Although the system is aimed at safeguarding our roads, it might heavily and drastically punish (by removing driving license) those that are not necessarily dangerous drivers and who ultimately depend on such jobs.

This system is also putting a major onus on company directors and business owners since vehicles they do not personally drive are registered on their name. For this reason employers may end up penalised for actions that are out of their control.

Since the introduction of the penalty point system, GRTU has been in discussions with the respective authorities to solve a number of issues related to this system and which are negatively impacting its members. GRTU is mainly insisting on three main points;

Principle of proportionality

It is of particular importance to note that people who drive vehicles as their daily job have a higher risk of receiving more fines than those who do not. Someone being on the road eight hours per day is more prone to minor contraventions than someone who spends far less. It is a question of having a law that is fairly applied according to the use of the road, based on simple probability and on the notion that everyone can make mistakes - and driving in Malta's busy roads is no exception. If a normal driver gets an allowance of 12 points, then persons whose job is

driving should have an allowance that reflects their use of the road.

This principle is applied in other cases, such as chauffer driven vehicles that need to take VRT Tests every year (*given that they are used more*) unlike the standard two years for normal vehicles (*N1 vehicles*). In another example, those who agree to use their cars only during weekends and public holidays, pay a lower road license than those who use it all year round. GRTU is also therefore recommending that this principle is also applied to this system.

Administrative Burden

There is also a great amount of administrative duties involved in this system which at the end of the day is an added bureaucratic burden on the business community. This is the case in particular to the vehicle rental and leasing sector. The current system is a huge burden for those companies having to upload hundreds of agreements especially during the high peak periods.

Infrastructure

Since the system was introduced in the nick of time, there has not been any proper educational and promotional campaign on how the system will work. Moreover, there are certain aspects which are not yet clear as there is no information on how one should proceed. GRTU is therefore requesting that such implementation procedures are effectively communicated to all involved parties as there is currently a lack of understanding on how the system will actually function.



These arguments are aimed at ensuring health and safety on our roads. This however, without creating disruptions in the business community and also without creating further difficulties for our members in their efforts to recruit employees to conduct such duties. GRTU is currently organising a number of information and consultation sessions for different sectors. Should you be interested you are requested to send an email to admin@grtu.eu or by phone on 2123 2881/3.

Hauliers Section within GRTU files Judicial Protest



The Hauliers Section within GRTU, filed a judicial protest in the first hall of civil rights against the Commissioner for Inland Revenue as the legal representative responsible for the Customs Department. Through its judicial protest the hauliers section formally asks for an immediate action to be taken against any persons, being permitted to act as Cargo clearance and forwarding agents, without holding the necessary license.

In its judicial protest the Hauliers Section notes that Chapter 203, Article 3 of the Laws of Malta, clearly states that 'no person shall act as a cargo clearance and forwarding agent except under and in accordance with a customs permit granted in that behalf by the Comptroller'. Moreover Article 9 of the same Chapter states that importers, exporters and owners of cargo can only transport cargo from or to any customs shed, bonded store, warehouse, verandah, quay or other place of deposit 'through the services of a cargo clearance and forwarding agent duly authorised in that behalf'.

It is therefore clear that persons being permitted to act as hauliers, without holding the necessary license are going against Articles 3 and 9 of the 'Cargo Clearance and Transport Act'

The Hauliers Section within GRTU, is holding the Commissioner of Inland Revenue responsible for any losses and expenses its members suffered or may suffer. Through its judicial protest, the Hauliers Section within GRTU also formally asks the Commissioner for Inland Revenue to immediately stop and intervene against such persons.



We are currently conducting our end of year
Business Performance Survey for 2017.

If you own a business please check your mailbox and follow the link provided. Alternatively, you can get in touch with us on matthew.bugeja@grtu.eu or 7965 5684 for further assistance.



BLACK FRIDAY

Businesses report increased participation

But express fears that increase in sales is related to a shift in consumer consumption

A survey carried out by the GRTU following Black Friday on 24th November found that business participation was on the increase. Nevertheless, the respondents fear that the spike in sales is related to a shift in consumer consumption.

The survey sought to analyse the effects of this relatively new phenomenon in Malta following what appeared to be the best year in terms of private sector participation and initiative yet.

1. Participation

The survey found that from all of the respondents, 35% have this year incorporated offers specifically for Black Friday. Of those, more than a third did so for the first year indicating an increase in business participation of more than 50% when compared to the previous year.

The initiative appears to have expanded business participation both in terms of the sectors as well as the localities involved. Participants in the initiative were mainly found to be operating in sectors which are mostly associated with such initiatives such as clothing, shoes and wearing apparel as well as wellness and beauty. However, a variety of other sectors have this year participated in some way or another including businesses operating in the household products, car rentals and sales, supermarkets, opticians, tourism, sporting and hobbies as well as the more industrious finishing sectors.

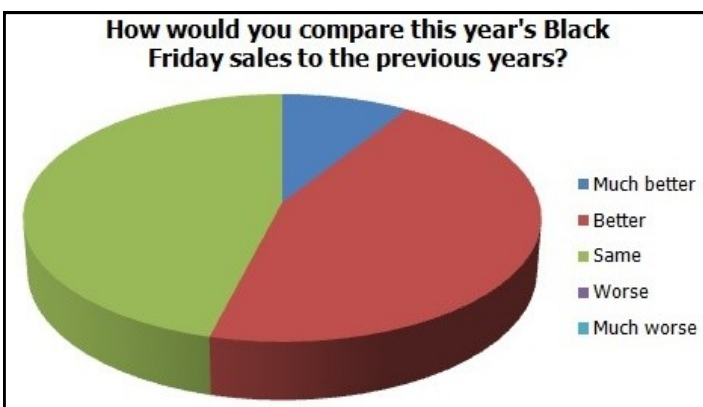
When it comes to the locations in which business outlets participating in the initiative were located, practically all localities were found to be covered with most operators located within the natural shopping locations of Sliema, Valletta, Paola and Gozo. Of those who participated, only 18% extended their promotions to their online shop. 59% did not and 23% did not have online facilities to do so.

Respondents that did not participate in Black Friday did so largely because they did not feel that the initiative was relevant to their industry, because they were not expecting such a strong participation by consumers or because they did not prepare for it in time. Others said that they preferred including regular offers in their stores and/or they believed that the initiative ruins other shopping days.

Nevertheless, 24% of those who did not participate this year said that they might consider participating next year while 8% will certainly do so.

2. How did business fare when compared to last year?

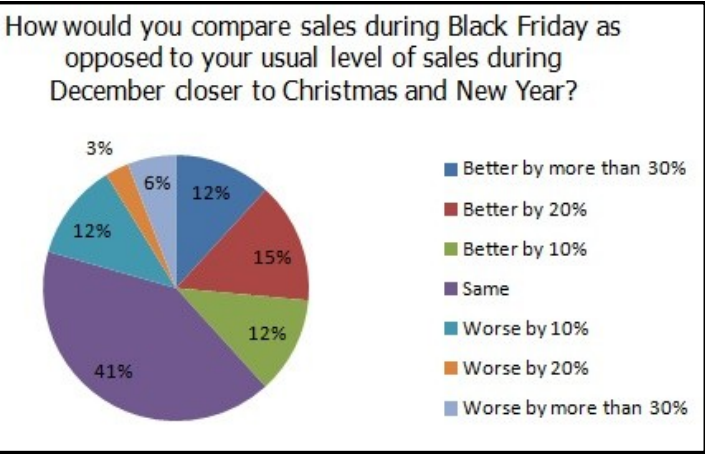
Of those who participated for more than 1 year, none reported a decrease in the level of sales. 46% said that sales remained at the same level, 45% reported better sales while 9% said that sales during the 2017 Black Friday were much better than a year before.



When asked to compare sales during Black Friday as opposed to a normal shopping day, 50% of those which included promotions signalled an increase of 30%, 17% reported an increase of 20% and 7% said their sales increased by 10%. The same figures were reflected by those who said that their promotions were extended to their online shops.

The rest of the respondents said that they did not experience an increase in sales even though they did include special promotions for Black Friday, with only a few reporting a lower level of sales. From the findings of the survey, GRTU attributes the reasons

behind the latter to the fact that such businesses were either from the non-typical sectors that consumers would normally associate Black Friday with or because their outlets were located outside the localities that hold the best shopping strongholds.



79% of those which included promotions said that their level of sales during Black Friday were at the same level (41%) or better (38%) when compared to a typical December day closer to Christmas and New Year.

3. The initiative itself and marketing used

The promotions mostly entailed across the shop discounts or discounts on specific categories of products. Price reductions averaged around 20% but were found to have been as high as 50% in some instances.

Two thirds or 67% of those who participated extended their promotions beyond Friday 24th November to the following day while 40% extended their promotions up until Sunday 25th November. Very few extended further, either by starting earlier or by including what is known as Cyber Monday.

Social media, particularly Facebook, was the most widely used marketing medium followed by shop window signage to grab consumers’ attention. That said, the survey found that other forms of more traditional media were also used, including TV, SMS, radio and newspapers. The absolute majority of those who used social media advertising felt that their efforts were effective.

4. Effect on consumption

The survey found that the opinion amongst business was split. Most felt that Black Friday mainly results in a shift in consumer consumption with the days preceding and following it being extremely slow.

Some also pointed to a negative effect on Christmas shopping.

Other respondents felt that while there might be a displacement in spending patterns, consumers end up spending more overall, even when the whole festive season is taken into account. These respondents argued that while many consumers tend to wait for Black Friday before buying their necessities, whilst going through the shops consumers were also encouraged by the promotions and find it more difficult to resist a bargain. For that reason, respondents think, consumers end up buying goods or services that they had not originally planned to buy.

5. Problems encountered

Traffic gridlocked and lasting hours in many localities was the predominant concern of both business and consumers with customers reporting extensive delays in reaching their desired destinations.

Businesses also reported difficulty in catering for the surge with sufficient staff compliment, considering the human resources constraints that enterprises are experiencing across the board.



Finally, the survey found that although many businesses are concerned that this relatively new phenomenon in Malta will lower profits and may result in a shift in consumer consumption, many remain of the view that their business cannot afford not to participate. Some felt that business with outlets located outside traditional commercial localities were negatively affected. Others noted that through this initiative, more consumers might be encouraged to buy their goods from local shops rather than from e-commerce websites established abroad.

Training Programme launched

The GRTU Malta Chamber of SMEs has teamed up with Business First to provide regular information sessions aimed at SMEs. The training programme was launched on the 22nd November in the presence of the Minister for the Economy, Investment and Small Business Dr Chris Cardona and GRTU President Paul Abela, who is also Chairman of Business First.

The training sessions are intended to inspire SMEs and encourage them to expand their knowledge and that of their employees. This, the GRTU believes, will empower Maltese businessmen to face challenges and grow. The persons delivering the sessions are specifically chosen to be suitable and trained in the subject matter and the training itself is designed in a practical and interactive format. Attendees would have the opportunity to participate through discussion and would have a chance to raise associated challenges they face to be discussed.

President Paul Abela explained that through this training programme, a number of themes of interest to business would be discussed. These include sessions relating to *Data protection and information and data security* and *Cyber Security* which have already been held and are further featured in this issue. Upcoming sessions include:



Vice-President Marcel Mizzi (*left*), President Paul Abela (*centre*) and Minister for the Economy, Investment and Small Business Dr. Chris Cardona (*right*) during the launch of the training programme.

- ***Doing Business in Algeria***

As Algeria becomes an interesting destination to expand business, persons with a long experience in this country will deliver this training and advice on the opportunities that exist as well as provide useful information for those already tapping this market.

- ***Blockchain Technology in practice***

The aim of this session is to introduce this relatively new technology to businessmen and discuss the associated risks and opportunities.

- ***Maximising your business potential on the internet***

This training is aimed at explaining online opportunities that exist for businesses. It will also discuss the way using the internet as part of the business strategy could positively contribute to your business.

- ***Starting up***

This training is targeted at start-ups and prospective entrepreneurs that require the necessary information about starting a business - including compliance related and incentives.

Some of these training sessions, which are all being provided free of charge, have already been scheduled and online registration is now open at www.business1st.grtu.eu. Business First hopes that this would serve as another platform of opportunities for the private sector and would seek to ensure that the time spent at these information sessions give a high return to attendees.

The new General Data Protection Regulation



On the 7th of December GRTU Malta Chamber of SMEs in collaboration with Europe Direct Valletta and the Office of the Information and Data Protection Officer organized an event on the General Data Protection Regulation also known as GDPR.

Members present for this information session were given practical examples on how the new regulation will affect them and their business. Those present were also given an overview on the new GDPR and were also able to ask questions on any queries they are encountering or might encounter as a result of this regulation.

The processing of personal data is currently subject to the Data Protection Act, which transposes EU Directive 95/46. This Directive has been repealed to give room for the new GDPR which will become enforceable on the 25th May 2018. The new regulation clearly establishes the responsibilities and obligations of both Data Collectors and Data Processors as to under which circumstances data can be collected and processed. The new regulation is built under five main principles.

Purpose Limitation: Under the GDPR, the data collected must be "adequate, relevant and limited to what is necessary in relation to the purposes for which they are processed". This mainly means that data collectors collect enough data to achieve their purpose but not more than needed.

Transparency: The new regulation stipulates that information you provide to people about how you process their personal data must be concise, transparent, intelligible and easily accessible to those giving out their information.

Proportionality: All regulations covered all adhere to the principle

of proportionality meaning that data collected needs to be in proportion to the reason and necessity while any fines imposed need to be in proportion to the size of business. In this respect business can be fined up to Eur 20 million but not more than 4% of their annual revenue, whichever is greater.

Accuracy: Data gathered needs to be kept up to date; every reasonable step must be taken to ensure that personal data that is inaccurate, is either erased or amended. It is also up to the data collector to ensure this.

Limited Retention: Personal data processed for any purpose shall not be kept for longer than is necessary for that purpose. One must therefore review the length personal data is kept, consider the purpose to hold information, securely delete information that is no longer needed and delete information that goes out of date.

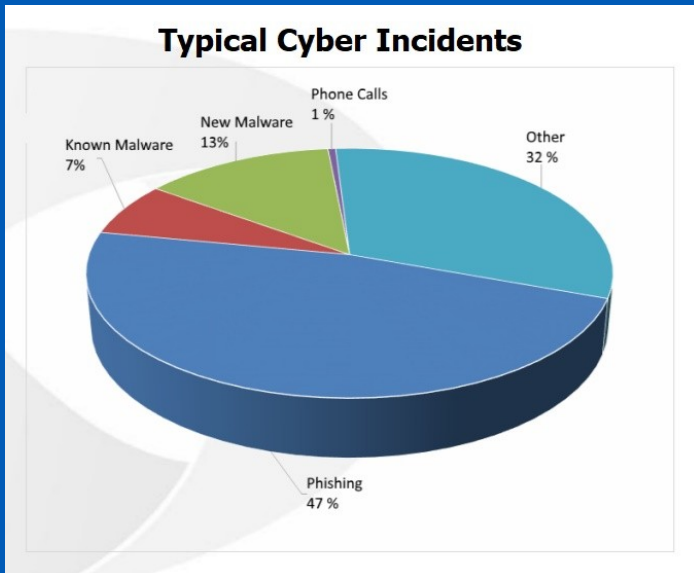
The regulations also aims to regulate the provisions of direct marketing and stipulated an opt-in and opt-out option in certain cases. Finally the new GDPR will establish a single European law for data protection meaning that companies can simply deal with one law and not 28.

As can be seen the new GDPR aims to protect the consumers and facilitate procedures and regulations for business owners.

Businesses are encouraged to direct any queries they may have on the new regulation to GRTU by sending an email to admin@grtu.eu.

Cyber security: keeping your business safe online

In collaboration with MITA and forming part of the Business First training programme, an information session on cyber security was held on the 6th December. During this session, participants were provided with tools and recommendations to help them keep their business safe online.



Such online threats exist not only for those businesses which are either based or partially offer their products and services online, but to all users accessing online systems. Therefore, your system might also be at risk if it is only used for basic access such as email, internet browsing or social media. In turn, such threats can jeopardise data stored on your computer.

During the session, MITA explained that cyber incidents can lead to both tangible and intangible repercussions. According to the findings of a survey conducted by NTT Com Security among 1000 decision makers in Europe and the US, in 50% of the cases a cyber incident led to financial penalties and in 41% of the cases this has led to a direct financial loss. 66% of those who suffered a cyber incident experienced a loss in consumer confidence and 57% reported damage to their reputation. 39% had a loss of shareholder value.

Here are a few considerations for you to make in order to ensure the safety of your digital systems.

- **Your work area**

Do not leave papers around which can be read by others, especially if they contain sensitive information or passwords. Do not leave your room unattended without securing; turn monitors away from unsecured areas such as windows or glass wall and dispose of sensitive documents such as bank statements securely by shredding or cutting into small pieces.

- **Use encryption on your computers, mobile, tablets and other portable media**

This prevents unauthorised access. Lock your devices when these are not in use – even for a short time; and do not install software that you are not completely sure about. Do not ignore messages appearing on your screen and make use of Two Factor Authentication whenever available (*Gmail, Facebook, Yahoo, Microsoft Outlook, etc, all have it.*)

- **Your data**

Access only the data you need and not what you might need. Should you need to access sensitive data, access the bare minimum. Also back up your data often on different storage spaces both offline (*external drives*) and online (*cloud*). Remember to occasionally verify that your backups can be restored.

- **Do not use a simple password**

Use a password containing at least 12 characters, use phrases rather than words and combine parts of words together. Never use full words, irrespective of the language. Should you need to store passwords, store them safely – there is specialised software to store passwords in an encrypted format. Do not share your password with anyone, ever!

- **Mobile computing**

Your mobile device may not have the same level of protection as your desktop but is just as prone to security risks. Always use a pin as failure to provide the correct pin will usually either lock your device permanently or erase its contents. Keep your device updated as older Android and IOS versions have known vulnerabilities which will not be patched.

- **Email**

Approximately 50% of internet mail is either SPAM or malicious. Do not trust an email simply because you have received it from a known contact because they could be infected too. Treat attachments inside emails as the most dangerous thing on your computer as over 95% of malware infections occur through emails. It is best if you save the attachments on your computer first before opening to increase the chance of blocking malware inside them. Therefore, do not double click on the attachments inside emails.



Should you have missed this session but still interested in the subject, kindly contact us on admin@grtu.eu.

WEEE Malta – We recycle eWaste for you

By Sergio Mallia, Chief Operations Officer



E-waste can be a threat to our planet: Illegal and poorly managed e-waste is polluting our environment, harming human health, and contributing to human-made climate change. In Malta this is no exception.

Founded in 2015, WEEE Malta, a green venture by the Malta Chamber of SMEs – GRTU is a producer responsibility organization making sure that producers/importers of Electrical and Electronic Equipment comply with their legal obligations, including the responsibility for the take-back and recycling of appliances discarded by consumers.

WEEE Malta is the largest and most trusted WEEE take-back system in Malta, speaking on behalf of 400 importers/producers and a full member of the WEEE Forum, the world's number one go-to-competence center for e-waste management matters. Joining WEEE Malta means not only participating in a reliable compliance Scheme but also having the comfort and security that the e-Waste material is properly handled and processed through short, clear, auditable routes.

WEEE Malta takes on the producers' legal obligation and our hard working team manages all the data collection and reporting, negotiate contracts with operators, arrange logistics and recycling, manage the financing and maintain all the audit trails.

WEEE Malta coordinates collections of waste electrical and electronic equipment via three core channels: Importers/Retailers, Civic Amenity Sites and through the WEEE Trolley Collection Points. Preliminary data shows that we had a sharp increase in the WEEE collected in 2017 compared to the previous year, especially in the Large Household Goods. Furthermore, we had an increase of 27% in the weight of WEEE collected from Retailer collection points compared to 2016.

Work remains to be done to increase take back in certain categories of WEEE to ensure electrical waste from all sectors is diverted from landfill, theft and scavenging into the authorised channels and undergoes responsible environmental management. WEEE Malta's ongoing WEEE Trolley Campaign gained pace in 2017 and we managed to divert 26 tons of small electronic waste collected from our 100 + collection points around Malta and Gozo.


This is not enough. A bold commitment by all stakeholders and operators in the field is required to lessen the risks emanating from the improper disposal of eWaste. WEEE Malta continue to insist with the respective authorities that all respective inspectorates be on the ball at all times. This is imperative for the implementation of this Directive and WEEE Malta will aid the authorities to get enforcement on the right path.

Malta have a challenging few years ahead in the waste electric and electronic equipment. WEEE Malta will continue to be at the forefront to achieve the full scope of the extended producer responsibility principle In Malta whilst continuing to ensure a reliable and cost effective collections, treatment and recycling of eWaste.

More information can be found on www.weeemalta.org. Join WEEE Malta now by contacting us on +356 496965/6 or send us an email on admin@weeemalta.org.



**Recycling Electronic
Waste for You**

 /WEEEMalta



GRTU President Paul Abela appointed one of the Directors of the newly established Malta Development Bank



GRTU President Paul Abela has been appointed as one of the directors of the Malta Development Bank. The other board directors are Rose Azzopardi, Robert Borg, Paul Cardona, Godfrey Grima and Anthony Valvo while Josef Bonnici has been appointed chairman.

President Abela has a long experience and vast expertise in the challenges facing businesses, in particular small and medium-sized enterprises. His position as Director on the Malta Development Bank will safeguard the interests of the industry and concerns which have for long been voiced in relation to access to finance for SMEs. GRTU prides itself for being the entity that had itself proposed the creation of a Malta Development Bank during an MCESD meeting with the Prime Minister some years ago. GRTU also took an active role in a government commissioned study that proved that there indeed is a market failure in access to finance for business, which in turn led to the European Commission giving a green light to Malta for the establishment of the country's Development Bank.

The Malta Development Bank

- The Malta Development Bank has been set up with a paid-up capital of €30 million, while the authorised share capital is €200 million. It was set up to support entrepreneurship and socio-economic development in Malta.
- The Malta Development Bank will seek to address market failures through the provision of financing facilities to support productive and viable operations where the market is unable or unwilling to accommodate such activities on its own in whole or part
- These financing facilities include promotional investment and financing, financial and advisory services.

Contact GRTU Malta Chamber of SMEs on **21232881 / 3** or e-mail **admin@grtu.eu**



Operational Programme II – Cohesion Policy 2007 – 2013
Empowering People for More Jobs and a Better Quality of Life
Project may be part-financed by the European Union
European Social Fund (ESF),
Co-financing rate: 85% EU Funds; 15% National Funds



Investing in your future