

# GRTU NEWSTRING

Valletta Pedestrian Zones (Page 2), Crowdfunding (3-4), GRTU SURVEY (Page 5), Alta Consulting (Page 6-7), GRTU Calendar of Events (Page 10)



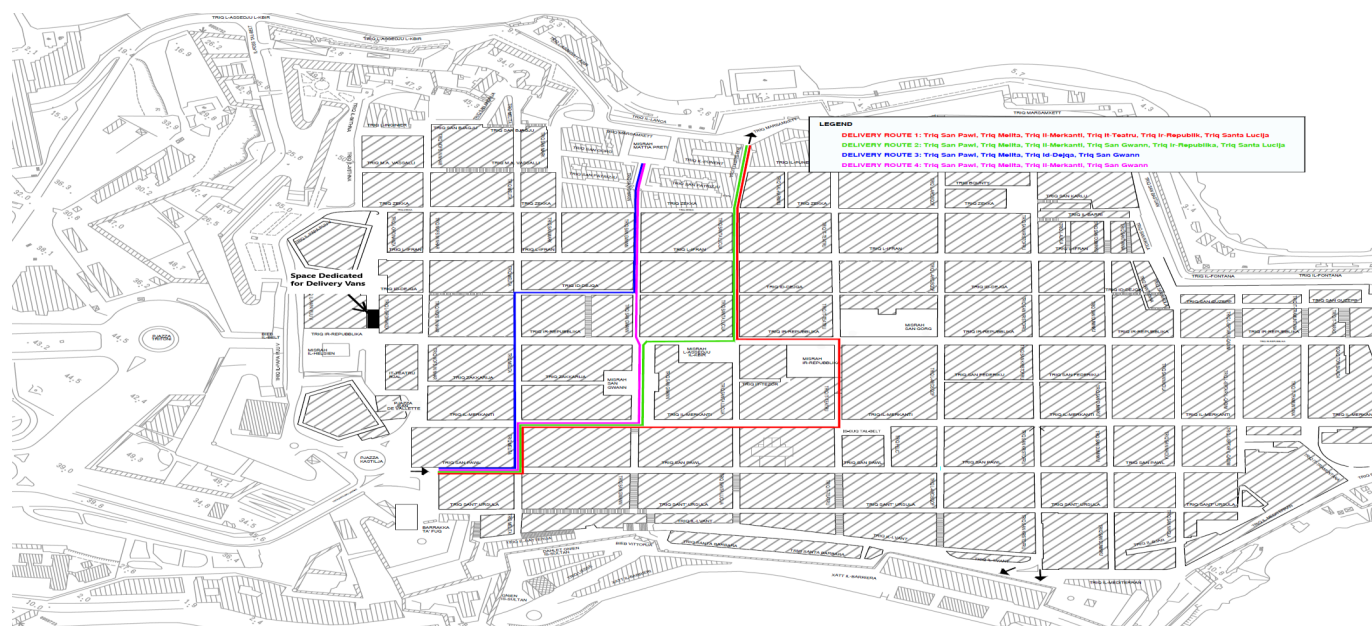
VILLA ARRIGO

25

THURSDAY

OCTOBER

# GRTU reaches an agreement on Valletta Pedestrian Zones.



Following our recent meeting with Transport Malta, we are informed that the Ministry has accepted our counter proposal following the feedback received from our members mainly regarding the access to Valletta Pedestrianised Zones during afternoons. The below is a summary of the main conditions achieved;

## Morning Time Zones:

Access to all pedestrianised zones areas from Monday to Saturday between 01:00 - 09:30 (As currently is in the legal notice)

## Afternoon Time-Zones:

Following our insistence, access will remain on Mondays and Thursdays between 14:30 and 16:30 (Access on Saturdays [afternoon] will no longer be permissible). Access to Valletta pedestrianised zones during the afternoon will be only accessible through the below routes;

Option 1: Entrance from St. Paul's Street through Melita Street, all the way down through Merchant Street, through old theatre street, leading to Republic Street and exiting through St. Lucia Street.

Option 2: Entrance through St. Paul's Street, through Melita Street, proceeding through Merchant Street and turning Republic Street (from St. John Street) and down from St. Lucia Street (adjacent to Courts of Justice) and exiting St. Lucia Street.

Option 3: Entrance through St. Paul's Street,

through Melita Street, proceeding to Strait Street and exiting from St. John Street or St. Lucia Street.

Option 4: Entrance through St. Paul's Street, through Melita Street, proceeding through Merchant Street and down through St. John Street.

The map above clearly indicates the above-mentioned routes. Kindly note that the above routes only apply for the afternoon time-slots (Mondays and Thursdays between 14:30 & 16:30).

Moreover TM have committed themselves to increase the loading and un-loading bays in the side roads namely St. Paul's Street and also within the pedestrianised zones. Loading and Un-loading bays will be placed in strategic areas to ensure they benefit the majority of our members.

TM have also committed themselves to dedicate a space, for delivery vehicles in Ordinance Street (normally occupied by street hawkers until 1PM) for deliveries during the afternoon (also indicated on map).

Maximum Vehicle size: During the afternoon time-frames, only vehicles of up to 7.5 tonnes will be permitted within pedestrianised zones.

Kindly note that the above will be only become applicable once the legal notice is approved, therefore to date the same delivery time-frames remain until further notice.

# All you need to know about CROWDFUNDING!



Crowdfunding is a way of raising money to finance projects and businesses; often used by startup companies or growing businesses as a way of accessing alternative funds . It enables fundraisers to collect money from a large number of people via platforms, often online ones. There are different types of mechanisms by which crowdfunding can be raised:

## Peer-to-peer lending

The crowd lends money to a company with the understanding that the money will be repaid with interest. It is very similar to traditional borrowing from a bank, except that you borrow from lots of investors.

## Equity crowdfunding

Sale of a stake in a business to a number of investors in return for investment. The idea is similar to how common stock is bought or sold on a stock exchange, or to a venture capital.

## Rewards-based crowdfunding

Individuals donate to a project or business with expectations of receiving in return a non-financial reward, such as goods or services, at a later stage in exchange of their contribution.

## Donation-based crowdfunding

Individuals donate small amounts to meet the larger funding aim of a specific charitable project while receiving no financial or material return.

## Profit-sharing / revenue-sharing

Businesses can share future profits or revenues with the crowd in return for funding now.

## Debt-securities crowdfunding

Individuals invest in a debt security issued by the company, such as a bond.

## Hybrid models

Offer businesses the opportunity to combine elements of more than one crowdfunding type.

The Commission released an Impact Assessment that concluded that the EU Crowdfunding market for business finance is seriously underdeveloped when compared to other major economies. It has been reported that this is due to the inability to operate across EU borders because different countries have different regulatory regimes; this makes it difficult for investors to contribute to its growth.

Following the Impact Assessment, the European Commission launched a proposal regarding the regulation on European Crowdfunding Service Providers. This initiative aims at enabling cross-border activity, with the hope to facilitate access to finance for SMEs, entrepreneurs and start ups. It seeks to empower investors with the necessary information on crowdfunding, as a method to minimise avoidable risks.

A vote on the proposal is scheduled to be held the 5<sup>th</sup> November.

In view of this, GRTU met up with Mr Matthew Caruana, Manager of ZAAR, a crowdfunding platform based in Malta—to talk about this proposal and how it will affect the Maltese market.

### **How and why was ZAAR created?**

The Malta Business Bureau (MBB) conducted a study regarding access to finance and the lack of awareness surrounding it. Soon enough MBB collaborated with Take OFF (a University of Malta company) and created ZAAR, as a platform where start-ups could go and get public funding on their projects.

ZAAR currently allows its clients to make use of either Donation-based crowdfunding or Reward-based funding—which were not included in the proposal and therefore, will not affect Maltese entrepreneurs who have an interest in being funded by this mechanism. It is important to have such services in Malta because before start-up companies and entrepreneurs needed to go abroad to get the financial backing for their project; now they have their own national outlet.

### **What does one have to do to benefit from these services?**

First off, one would need to go in for a meeting and give a general overview of what the product or idea is going to be. If selected, ZAAR would help create a campaign, that would create a buzz around the product. This will also include promotional material: video, funding target, etc... Finally, the product or idea gets published and people would either give money as a donation or money and expect some sort of contribution.

### **What do you think are the disadvantages and advantages of this proposal?**

This proposal would follow the 'Markets in Financial Instruments Directive' (MFID) of 2004 that established a financial market seeking to improve their competitiveness, by creating a single market for investment services and activities. This is to ensure a high degree of harmonised protection for investors in financial instruments. Therefore, a sense of harmonisation needs to happen within the internal market. According to Mr Caruana, for this process to be ideal—the Union would need to create a web-based portal, with easy to use templates for everyone to download and make use of.



According to Mr Caruana the disadvantages of this proposal is too low for businesses and that this should be increased to the suggested €8 million. This increased amount will allow for growth within the EU's internal market; as it will ensure that the directive is 'fit for purpose'

Chapter VI sets out detailed provisions on ESMA's powers and competences among others. Crowdfunding, as any other financial service, may be exposed to money laundering and terrorism financing practices. Therefore, the Regulation provides for appropriate safeguards to minimise the risks that such practices are carried out. He affirmed that ESMA should remain the regulatory body of this directive, however, monitoring should be left to the competences of the National Authorities.

Furthermore, Mr Caruana believes that such a directive will be increasingly important for this economy; as access to finance is an issue for start-ups.

Additionally, with the hype surrounding Initial Coin Offerings (ICOs) it would be great if the proposal includes funding from such means. This would be increasing the dimensions of this proposal.

Should you want to know more about this proposal, please visit <https://goo.gl/yUBSjZ>

# Customs Mobile App—Latest Update

The Customs Mobile App has been upgraded once again. This is to ensure that its users make the most of it and can operate in a user friendly way.

This upgraded version includes two main screens, namely: a *Main Menu* and a *Home Screen*, consisting of the same previous functionalities while introducing a new feature whereby users of the National Import and Export System (NIES) are progressively notified about the status of their respective submitted declarations as their status is updated. This feature is very beneficial to traders because it facilitates their business process, right from their office.

The Customs Offices Geo Location through Google Maps is another new feature introduced with this upgraded version.

Malta Customs is committed to continue to enhance the functionality of its mobile services in the coming years to further facilitate trade for the public as well as for the traders.

The app is available for Android and iOS phones in Play Store and App Store, respectively.

## How is your business fairing?

GRTU is currently conducting a survey to analyse how local businesses are faring in the current growing economy.

What has the 'fast growing economy' meant for your business? Did you experience an increase in wage costs during the last 3 years?

This study will help us understand your main **challenges** and the **problems** that you and your **business** are facing.

We will present the results during our **Annual SME Conference**, which will be held on the 25th October. After which, the relevant authorities will be contacted and GRTU will put the necessary pressure to ensure that your needs are met.

If you haven't as yet completed this survey, we would appreciate you do so, as this will produce more accurate results.

The link can be accessed through here: <https://goo.gl/forms/yjAV4PBnaSJlb3rr2>

We, at GRTU, thank you in advance for your time and hope to see you at the conference so we can discuss the results together!

# HELPING BUSINESSES MAKE DISTINCTIVE, LASTING AND SUBSTANTIAL IMPROVEMENT IN THEIR PERFORMANCE THROUGH FINANCE, EU FUNDING AND INNOVATION.

**By Albert DeBono**

Local entrepreneurs are extremely good at creating businesses and a competitive advantage. The competitive advantage can come from different sources including Owner dedication, ability and skillset, an excellent location, a popular foreign franchise, or a star employee. The competitive advantage is what makes you better or different from your competition, and we have had some excellent success stories. However, it has not been an easy ride and there have been a number of business failures.



According to Forbes magazine (Sep 2013), businesses across the globe fail for the following reasons:

1. Not really in touch with customers
2. No real differentiation in the market
3. Failure to communicate value propositions
4. Leadership breakdown at the top
5. Inability to nail a profitable business model

Regrettably, while the Maltese Entrepreneur is in general good at creating new businesses, there is a lack of focus on monitoring the market. This means having an eye to changes in the way or the frequency consumers are using your product or similar products and new offerings coming in on the market. The business owner may not have the time to do this but the result is that threats are not identified in time and conversely opportunities to provide new or ancillary services are not taken advantage of. In the past this would not have been a major issue, but today, not having this vision is proving to be the end of a large number of small businesses. On a positive note, things are starting to change in that there is more awareness on the need to understand the market with a survey conducted by GRTU on Innovation, showing that 66% of respondents have conducted some form of market research last year. The business owner is also not concerned enough with the internal structure of the entity. By structure we mean primarily people and human resources, ICT technologies, organisational structure, and physical premises, that is, the structure through which the business operates. It is critical that the business owner concerns himself or herself with the above in order to ensure staff retention and his competitive advantage. A focus on the structure and the market is important for the following reasons:

- Employee Retention and attraction
- Pricing Decisions
- Foreign Franchise queries
- Product design & packaging
- Finding suitable locations
- Customer focused operations
- Developing & using the right marketing channels
- Identifying & anticipating market gaps & requirements
- Preparing a marketing communications plan & budget.

A good way to understand your focus on structure & your market, is to prepare a business plan. A business plan is not just for start-ups but is applicable to all businesses, both well established & new, and updating your business plan, at least on an annual basis is key to ensuring your enterprise remains competitive. The business plan is a structured look at your current operations. The process starts with understanding the market landscape and the entity’s fit and competitive advantage using various tools, including identifying Strengths, Weaknesses, Opportunities and Threats. The next part of the process is a look at the performance of your product in terms of market share, pricing and positioning and your selling channels. The process also looks at the resources required to provide the products and services to the market. This means an analysis of the structure in terms of human resources management, which is a critical component. It also looks at your ICT capabilities and potential, always in line with the competitive landscape. The business plan should result in establishing feasible financial parameters, utilising industry benchmarks and standards and should be followed by the necessary corrective action, and while a change management process can never be underestimated, establishing a KPI regime to focus on the key market and structure areas will definitely help. Various Business Support Measures are available from the Measures and Support Division or Malta Enterprise to subsidise part of the cost of consultancy services including obtaining professional advice for preparing a business plan.

## Business Plan Preparation

### An Iterative Process

- Background
- Resources at hand
- Unique Selling points
- Competitive advantage
- Financial Health
- Operational and Capacity Parameters

- People – Human Resource Management
- Training and development
- Organisation Structure
- Staff Levels and capacity
- ICT Platform and maturity

- Business Environment
- Present Market
- Market share/potential
- Competitive landscape
- Product features
- Product and service gaps in market
- Customer Profile
- Market Research



# Ghid tiegħek dwar L-EWR PA

Konsultazzjonijiet maċ-ċittadini

The Future of Migration 2 November, 2018



meusac  
Connecting citizens to the EU

## Citizens' Consultation *The Future of Migration*

MEUSAC and the Ministry for European Affairs and Equality invite you to the sixth event in a series of citizens' consultations, 'Ghid tiegħek dwar l-Ewropa'. The consultation will focus on the topic of migration in Malta and the EU. Representatives of different entities and/or NGOs working in the field of migration and asylum, are encouraged to attend the event in order to voice their opinions and concerns on the various challenges they come across.

This consultation session, originally scheduled for October 9, has been postponed to Friday, November 2, 2018 so as to be able to host the current French Minister for European Affairs, Mme Nathalie Loiseau, who will be attending. The meeting starts at 6pm. Details about the venue will be announced at a later date.

Proceedings will be conducted in the English language, however, non-English speakers may also intervene in Maltese.

To register for the event, kindly send an email on [info.meusac@gov.mt](mailto:info.meusac@gov.mt).

BIETA - INFORMATION SESSION: FAMILY BUSINESS OFFICE  
**HOW CAN WE HELP FAMILY BUSINESSES**  
HOSTED BY



27th November 2018—10:30-12:00

To Register: [brian.gatt@mip.com.mt](mailto:brian.gatt@mip.com.mt) or call 2542 1174



# JEAN-CLAUDE JUNKER

## STATE OF UNION

### ADDRESS 2018



This year, Juncker's State of Union address included a number of important reforms which need to take place; in order to make the European Union a safer place. Among these there are also reforms revolving around the EU's economy and the mechanisms the Union is taking in order to improve it. The three main ideas are:

#### **1. Stronger anti-money laundering supervision for a stable banking and financial sector.**

The European Commission proposes to amend the Regulation on the European Banking Authority (EBA) in order to strengthen the EBA's role and give it the necessary tools and resources to ensure effective cooperation and convergence of supervisory standards. This is part of a broader strategy to strengthen the EU framework for prudential and anti-money laundering supervision for financial institutions, which the Commission is setting out in a Communication. It consists of legislative and non-legislative measures to make anti-money laundering supervision more effective and improve the cooperation between prudential and anti-money laundering supervisors.

These measures will contribute to promoting the integrity of the EU's financial system, ensuring financial stability and protection from financial crime.

#### **2. Working with Africa, to deepen economic relations and boost investment and jobs.**

As part of President Juncker's State of the Union proposals, the Commission has announced a new 'Africa – Europe Alliance for Sustainable Investment and Jobs' to promote a substantial increase of private investment in Africa, boost trade, enhance job creation and contribute to sustainable and inclusive development. The Communication proposes a 'Africa – Europe Alliance for Sustainable Investment and Jobs' as part of a reinforced African Union – European Union Partnership. Consultation and dialogue with African partners will be organised in the coming months to jointly define priorities and take further action.

#### **3. A more efficient financial architecture to support investment outside the EU.**

In addition to the 'Africa– Europe Alliance', the EU needs a more effective governance model and greater collaboration between multilateral and national development actors in Europe is needed. The European Commission is thus setting out a number of ways to address the investment challenges and opportunities in Africa, the EU's Neighbourhood and the wider world. These include calls for joint initiatives between multilateral and national development actors and a reinforced European financial architecture able to meet the ambition of the newly proposed Neighbourhood, Development and International Cooperation Instrument.

To find out more about Juncker's speech, please visit the European Commission's website through this link: <https://goo.gl/Bk7dXF>

# VAT On line Services

## Commissioner for Revenue

During October 2018, the Department will be notifying Companies and Sole Proprietors that employ 10 or more employees, that this will be that last time they will be receiving the VAT return by post.

Taxpayers will be notified with a letter that will be enclosed with the VAT return, that will cover July to September 2018 and has a due by date 15 November 2018. They will also be informed that the next VAT return, October to December 2018 and has a due by date 15 February 2019, has to be filled in using the VAT electronic services. The Department notifies taxpayers that they can send the VAT return, that they will be receiving by post for the last time, in paper format.

This process will be continued in the coming months where more Companies and Sole Proprietors that employ 10 or more employees, will be notified with a view that within months all of the above mentioned are to send the VAT return online.

It is important that one has the E-ID. If not, one has to obtain it since without the E-ID they would have no access to the VAT Online Services will be available. For more information regarding the E-ID, you may wish to visit the electronic site <https://mygov.mt/portal/webforms/howdoigetaccessstomygov.aspx#Register>. You will need to file an application for this service with the department by means of the CFR03 form which may be downloaded from our website. You may also authorise a tax practitioner to submit the documents on your behalf by using the CFR02 form, which may also be downloaded from our website.

## GRTU Calendar of Events

EVENT	<i>LEGAL REMEDIES IN PUBLIC TENDER</i>	<i>National Project for the Certification of Cash-Handlers</i>	<i>COMPETITION LAW IN PRACTICE</i>	<i>BUSINESS ENHANCE ERDF SCHEME</i>
DATE	TUESDAY 6TH NOVEMBER	THURSDAY 8TH NOVEMBER	THURSDAY 15TH NOVEMBER	WEDNESDAY 21ST NOVEMBER
TIME	15:00	15:00	15:00	15:00
LOCATION	BUSINESS FIRST	BUSINESS FIRST	BUSINESS FIRST	BUSINESS FIRST
REGISTRATION DETAILS	<a href="https://goo.gl/forms/4GE2y0ECwAfaS8II3">https://goo.gl/forms/4GE2y0ECwAfaS8II3</a>	<a href="https://goo.gl/forms/f22mv5e1zlAfXKBp2">https://goo.gl/forms/f22mv5e1zlAfXKBp2</a>	<a href="https://goo.gl/forms/x51p3jX9xnOdJisO2">https://goo.gl/forms/x51p3jX9xnOdJisO2</a>	<a href="http://www.business1st.grtu.eu/">http://www.business1st.grtu.eu/</a>

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*