

Business Today



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The luxury of non-compliance

No fines for Enemalta for late submission of accounts



Enemalta Chairman Alex Vella Tranter and Minister Austin Gatt have the luxury of taking their time in working out financial statements without the threat of fines

David Darmanin

Whereas late submissions of company accounts would normally result in hefty fines, Enemalta is exempt from such proceedings, in spite of it having delayed its submission of audited accounts by more than two

years now. Since Enemalta is governed by a separate act to that of any other private company, the Malta Financial Services Authority (MFSA) is in no position to issue fines against late submission of audits, as it would generally do with other firms. The Enemalta Act published in 1977 clearly outlines that the Corporation “shall cause to be kept proper accounts and other records in respect of its operations. “The accounts of Enemalta shall be audited by an auditor or auditors to be appointed by it and approved by the Minister... A copy of the audited accounts of Enemalta shall, upon their adoption by the Corporation, be sent forthwith by the Board to the Minister together with a report by the Board detailing the activities of the Corporation in that year.” Furthermore, the Minister is obliged, “at the earliest opportunity

and not later than the first sitting of the House after four weeks from the receipt of the copy of the audit and report of Enemalta... cause such audit and report to be laid before the House of Representatives.” Despite such regulations being in black on white, the last accounts published by Enemalta only date back to 2005. Otherwise, little is known on how its losses, which must be made up for by the controversial hike in utility bills, could have been realistically quantified. Answering our questions on the matter, a spokesperson for MFSA confirmed that since Enemalta is a corporation, it simply does not fall under the provisions of the Companies Act. Similarly to the act regulating Enemalta Corporation, the Companies Act of 1995 requires any registered company to submit

its financial statements in a timely fashion. The difference perhaps lies in the fact that Enemalta has the luxury of not being subjected

to fines if it chooses to be non-compliant. ddarmanin@mediatoday.com.mt

World Business Highlights

Fed Commits Up to \$800 Billion in New Programs to Unfreeze Credit Markets The Federal Reserve took two new steps to unfreeze credit for homebuyers, consumers and small businesses, committing up to \$800 billion.

U.S. Home-Price Decline Accelerates, GDP Shrinks as Crisis's Grip Tightens The decline in U.S. house prices accelerated in September and the economy shrank in the third quarter at a faster pace than first estimated as the grip of the credit crunch tightened.

Stocks in U.S. Drop as Tech Concern Overshadows Fed Loan Plan; Cisco Falls U.S. stocks fell for the first time in three days as concern the recession is reducing sales of computer products overshadowed an \$800 billion Federal Reserve plan to help resuscitate lending.

FTSE 100

Markets			
Security	Closing Prices in Euro Tue 18-Nov-08	Closing Prices in Euro Tue 25-Nov-08	% Change from previous wk
Bank of Valletta p.l.c.	3.610	3.620	0.277%
HSBC Bank Malta p.l.c.	2.910	2.920	0.344%
Lombard Bank p.l.c.	2.948	2.948	0.000%
Middlesea Insurance p.l.c.	2.697	2.550	-5.451%
Simonds Farsons Cisk p.l.c.	2.630	2.630	0.000%
GO p.l.c.	1.900	1.899	-0.053%
IHI p.l.c.	0.910	0.900	-1.099%
Plaza Centres p.l.c.	1.730	1.730	0.000%
FIMBank p.l.c. (US\$)	\$1.400	\$1.399	-0.071%
Malta International Airport p.l.c.	2.329	2.250	-3.392%
GlobalCapital p.l.c.	1.991	1.991	0.000%
Datatrak Holdings p.l.c.	0.300	0.201	-33.000%
San Tumas Shareholdings p.l.c.	3.100	3.100	0.000%
Medserv p.l.c.	3.997	3.997	0.000%
Grand Harbour Marina p.l.c.	1.800	1.800	0.000%
6pm Holdings p.l.c. (GBP)	£0.700	£0.700	0.000%
Crimsonwing p.l.c.	0.497	0.497	0.000%
MaltaPost p.l.c.	0.750	0.700	-6.667%
RS2 Software p.l.c.	0.750	0.750	0.000%

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