



### CASE REPORT

<b>Case No:</b>	K/030
<b>Complaint:</b>	Partisan content in press statement issued by Minister Silvio Schembri through the Department of Information
<b>Complainant:</b>	Prof Kevin Cassar
<b>Complaint Date:</b>	1 November 2020
<b>Report Date:</b>	25 January 2021

### The Complaint

1. On 1 November 2020, I received a complaint from Professor Kevin Cassar (the Complainant), requesting me to investigate *“a press release issued by Hon Minister Silvio Schembri on 8 October 2020 relating to the decision taken by the Malta Business Registry to remove 10,000 companies from its register”* (message attached and marked as Document A).
2. The Complainant expressed the view that *“the language used in the press release as well as its content was clearly partisan, and the statement certainly did not respect the political impartiality of the public service”*.
3. The Complainant quoted from the press release: *“It is clear that the intention of the PN statement is to cause harm. It’s authors are very much aware that they are being deliberately deceitful ...”* ... *“The deplorable attack is yet another example of how the Opposition strives to harm the country continuously”*. ... *“While it is a fact that the current leader of the Opposition is ashamed to say that he is Maltese, such a stance does not give him the prerogative to harm the country”*.



4. The Complainant also made references to my report of 9 August 2019 on the dissemination of a press statement on a private interest matter through the Department of Information.<sup>1</sup>

5. The Complainant requested me to examine whether the principles that I had set out in the above report were being adhered to by the Minister. He also called for me to consider whether *“the Department of Information which also had responsibility in ensuring that official press releases retain some semblance of impartiality should also be investigated to determine whether its role in upholding the impartiality of the public service had been served in this case”*.

6. The complaint made no reference to any specific clause of the Code of Ethics for Ministers and Parliamentary Secretaries (the Code), now forming part of the Standards in Public Life Act (chapter 570 of the Laws of Malta) (the Act), as the basis of the alleged breach.

### **Decision to Investigate**

7. I decided that the complaint warranted investigation under the Act in relation to the conduct of Minister Silvio Schembri. I considered the following provisions of the Code to be relevant to the complaint:

*4.9 Ministers shall keep their roles as Ministers and as Representatives separate, as well as their role as a member of a political party.*

*4.10 Ministers shall respect the principle of political impartiality of the public service.*

*7.4 Ministers shall respect the impartiality of the public service and shall ensure that their influence on the public service is not abused. Prior to coming to a decision, Ministers have the duty to give appropriate consideration to the widest range possible of advice, including by giving weight to the informed and impartial advice of public officials or employees.*

8. The request to investigate the Department of Information (DOI) cannot be entertained as DOI officials do not fall within the remit of the Act.

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<sup>1</sup> Report on case K/004, available from <https://standardscommissioner.com/wp-content/uploads/Commissioner-for-Standards-case-report-K004.pdf>.



## The Context

9. On 17 July 2020 the Hon Silvio Schembri, then Minister for the Economy, Investment and Small Businesses, announced that the Malta Business Registry (MBR) had so far removed 10,000 inactive companies as part of an extensive process of cleaning up the registry in line with new international standards. It was also announced that at the time Malta had 96,000 companies on the registry. The steps taken by the Malta Business Registry were aimed to enhance the company registry and the implement of the recommendations of the Council of Europe's anti-money laundering body MONEYVAL, which had called on the Maltese authorities to strengthen the practical application of their measures to combat money laundering and financing of terrorism.

10. The Minister also explained that the move was aimed at safeguarding Malta's reputation by drastically reducing the number of inactive accounts registered on the islands. It was something which was long overdue and in the case of the Malta Business Registry, the law had changed so that the registry had enough strength to ask for the necessary information to be collected from beneficiaries as well as take action if required information was not provided.

11. On 8 October 2020 the Partit Nazzjonalista (PN) issued a statement (press release attached and marked as Document B) criticising the removal from the registry of data about companies that had been struck off. Among other things the statement said that:

*In the current circumstances of our country, it is crucial for the authorities not to take decisions that give the impression that Malta has become a secretive jurisdiction attracting people and businesses who have things to hide. While it is good for the Malta Business Registry to clean up the registry from companies no longer active, this must not be to the detriment of transparency obligations and information accessibility.*

*Information regarding companies struck off the registry serves among other things to ensure transparency in the creation and administration of companies, and it also enables entities and persons involved in business and law enforcement to take informed decisions. The removal of this*



*information is also a major obstacle to journalists who play an important role in the search for truth and the uncovering of abuse.<sup>2</sup>*

12. In reply to the PN statement, on 8 October 2020 the Ministry for the Economy, Investment and Small Businesses issued a press release through the DOI (attached and marked as Document C).<sup>3</sup> This press release is the subject of the complaint under investigation.

### **Investigation Procedure**

13. On 2 November 2020 I wrote to the Hon Silvio Schembri, Minister for the Economy, Investment and Small Businesses, about the complaint (letter attached and marked as Document D). In my letter I quoted the provisions of the Code that are reproduced in paragraph 7 of this case report. I invited the Minister to present his views on and reactions to the complaint, with particular reference to the following points:

- (a) whether the press release respected the concept of separation between his roles as Minister and as [a] member of a political party; and
- (b) whether the press release respected the principle of political impartiality of the public service, since it was issued through the Department of Information.

14. The Minister replied to my letter on 12 November 2020. The Minister's letter is reproduced in full as Document E and the key points can be summarised as follows:

- The press release concerned a matter of public interest and government policy. Its publication was therefore in keeping with the mission of the DOI, which was to keep the public informed about such matters.
- The decision to strike 10,000 inactive companies off the Malta Business Register was a long overdue measure aimed at safeguarding Malta's reputation, fulfilling Moneyval recommendations, and countering money-laundering and the potential financing of terrorism.

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<sup>2</sup> Translated from Maltese.

<sup>3</sup> The press release is also available at <https://www.gov.mt/en/Government/DOI/Press%20Releases/Pages/2020/October/08/pr201935en.aspx>.



- The Opposition press statement made the unfounded and untrue claim that this decision was detrimental to transparency and good government and would give the impression that Malta was a secretive jurisdiction.
- This statement was intended to damage Malta's reputation and endanger livelihoods. Had the Minister failed to counter it, he would have been falling short of his own duty to the country and the electorate.
- The statement by the members of the Opposition deserved an equally strong response, which should also reflect on its authors, including the Leader of the Opposition who had certainly approved the statement.
- There was nothing factually incorrect or libellous in the ministry's press release.

### Considerations

15. I have had the opportunity to discuss at some length the use by ministers of the Department of Information in another case report,<sup>4</sup> which was also referred, for ease of reference, to Minister Schembri in my letter dated 2 November 2020.

16. In the said report I concluded that *"the practice of feeding the Department of Information with [political and personal] statements, whether or not the statements relate to a matter that is of interest to the public, and whether or not this is a custom that is well established in the Maltese political system, is not correct and should be stopped."*

17. I also commented on the fact that there was no specific departmental policy that determined which statements forwarded by ministers to the DOI should be issued by it and which should not. The only consideration seemed to be whether a statement would be in breach of the Media and Defamation Act, that is to say whether *"the content is offensive and/or libellous."*

18. In the same report I also stated that:

*The Department of Information should be jealous of its political impartiality and should fiercely resist [any] imposition by members of the executive. Ministers on the other hand should respect the principle of*

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<sup>4</sup> See footnote 1.



*political impartiality of the public service by not placing it in an uncomfortable position and not testing the resolve and resilience of civil servants to stand up to them.*

19. In another case,<sup>5</sup> I advised ministers in general to avoid using the DOI for statements intended to score party-political points. This was in keeping with the mission of this office to challenge customs that are well established in the Maltese political system, where such customs fall short of the standards that we collectively aspire to embrace.

20. It is not my intention to seek to verify the claims made either by the Opposition or by the Ministry for the Economy, Investment and Small Business in their respective statements. The main points of the complaint to be considered can be summarised as follows:

- (a) whether the press release respects the concept of separation between the roles of a minister and as a member of a political party; and
- (b) whether the press release respects the principle of political impartiality of the public service since it was issued through the Department of Information.

21. The press release includes the following statements:

*It is clear that the intention of the Nationalist Party's statement is to cause harm. Its authors are very much aware that they are not telling the truth; they are being deliberately deceitful.*

*This deplorable attack is yet another example of how the Opposition strives to harm the country continuously. Its timing, at such a delicate moment, is designed to endanger the economy and 12,000 jobs in the financial services sector. While it is a fact that the current leader of the Opposition is ashamed to say that he is Maltese, such a stance does not give him the prerogative to harm the country.*

22. These are partisan political statements which have no place in an official press release. If the Minister felt that these statements were necessary by way

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<sup>5</sup> Report on case K/007, issued on 16 September 2019 and available from <https://standardscommissioner.com/wp-content/uploads/Commissioner-for-Standards-case-report-K007.pdf>.



of reply to the Opposition statement, he should have issued them through his personal social media account or through his party.

23. The Minister claims that the statement by the Opposition was “*intended to damage Malta’s reputation and endanger the livelihood of various families*”, so it was his duty to respond. I do not, however, see the benefit to Malta’s reputation in issuing a partisan political statement through an official channel in the name of the government rather than through personal or party channels.

### **Conclusion**

24. The press release issued by the Minister for the Economy, Investment and Small Businesses through the DOI includes partisan political statements that fail to respect the separation between the role of minister and party member, and that breach the principle of political impartiality of the public service.

25. The statements in question should not have been published by the Department of Information in the first place. The failure of the department to request a revision of the section containing partisan and political statements, does not relieve the Minister from his obligation to ensure that only statements with comprehensive and meaningful information on Government policies, services and activities as well as on matters of public interest are referred for publication by the DOI. As I have already ruled in my decision dated 9 August 2019,<sup>6</sup> DOI statements should be as factual, non-partisan and as authoritative as possible.

26. Consequently, Minister Schembri is to be held responsible for the breach of articles 4.9, 4.10 and 7.4 of the Code of Ethics for Ministers and Parliamentary Secretaries. Nevertheless, it is my view that this case is not so serious as to exclude the possibility of resolution in terms of article 22(5) of the Act, according to which the person investigated can be given a time limit within which to remedy the breach.

27. Having reached this conclusion I held another meeting with Minister Schembri on 22 December 2020 with a view to concluding this report with the application of article 22(5) of the Act.

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<sup>6</sup> See footnote 1.



28. Following this meeting and an exchange of correspondence between my office and Minister Schembri, I received an email from the Minister on 20 January 2021 (copy attached and marked Document F) that included the following declaration: “... *Given this background and the fact that this comment might have been considered overly partisan in nature, in the future I shall make every effort to avoid such statements when these are issued through the DOI*”.

29. As stated earlier in this case report I shall not enter into the merits of whether the statement by the Partit Nazzjonalista was justified or otherwise, but only whether Minister Schembri was entitled to make partisan statements by means of a press release issued through the DOI. Ministers are at liberty to make partisan statements through personal or party channels, as are members of the Opposition. It is the abuse by ministers of the DOI that has to be carefully overseen by my office.

30. I am of the view that in the circumstances the acknowledgement by Minister Schembri that his comment “*might have been considered overtly partisan*”, coupled with the undertaking that he shall “*make every effort to avoid such statements when these are issued through the DOI*” is a sufficient remedy in this case. I am therefore closing the case in terms of article 22(5) of the Act.

31. I will, however, take a more serious view of similar future cases. In addition, I reiterate the recommendation I made in my report of 9 August 2019 for DOI statements to be “*as factual, non-partisan and authoritative as possible*”, and for the development of a policy concerning the kind of statements that are considered acceptable for publication through the DOI.

32. A copy of this report is being given to the Complainant, to Minister Silvio Schembri, and to the Standing Committee for Standards in Public Life for information purposes. A copy is also being made available from the official website of my office at [www.standardscommissioner.com](http://www.standardscommissioner.com).

33. For a number of years the Principal Permanent Secretary has issued annual “governance action” reports setting out the action taken by the administration in response to recommendations issued by the Ombudsman and the National





Audit Office following their investigations and audits.<sup>7</sup> I consider this to be a highly laudable practice and I propose that it be extended to cover recommendations by my office that go beyond the specific circumstances of each case, as does the recommendation in paragraph 31 above. I am therefore forwarding a copy of this report to the Principal Permanent Secretary.

**Dr George Marius Hyzler**

Commissioner for Standards in Public Life

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<sup>7</sup> The most recent reports of this kind are available at [https://publicservice.gov.mt/en/Documents/Governance\\_Action\\_on\\_the\\_Parliamentary\\_Ombudsman\\_Annual\\_Report\\_2019.pdf](https://publicservice.gov.mt/en/Documents/Governance_Action_on_the_Parliamentary_Ombudsman_Annual_Report_2019.pdf) and [https://publicservice.gov.mt/en/Documents/Governance\\_Action\\_on\\_the\\_NAO%E2%80%99s\\_Annual\\_Report\\_on\\_Public\\_Accounts\\_2018\\_and\\_other\\_NAO\\_reports\\_2019.pdf](https://publicservice.gov.mt/en/Documents/Governance_Action_on_the_NAO%E2%80%99s_Annual_Report_on_Public_Accounts_2018_and_other_NAO_reports_2019.pdf).



### Attached Documents

- Document A      Message received from Prof Kevin Cassar on 1 November 2020.
- Document B      Press release issued by the Partit Nazzjonalista on 8 October 2020.
- Document C      Press release issued by the Ministry for the Economy, Investment and Small Business through the Department of Information on 8 October 2020.
- Document D      Letter dated 2 November 2020 to Minister Silvio Schembri.
- Document E      Reply of 12 November 2020 from Minister Silvio Schembri.
- Document F      Email dated 20 January 2021 from Minister Silvio Schembri.

## DOCUMENT A

Dear Sir

I would like to report to your attention a press release issued by Hon Minister Silvio Schembri on 8th October 2020 relating to the decision taken by the Malta Business Registry to remove 10,000 dormant companies from its register.

The language used in the press release as well as the content is clearly partisan and the statement certainly does not respect the political impartiality of the public service.

To quote from the press release: "It is clear that the intention of the PN statement is to cause harm. It's authors are very much aware that they are being deliberately deceitful". The press release also states: "The deplorable attack is yet another example of how the Opposition strives to harm the country continuously". "While it is a fact that the current leader of the Opposition is ashamed to say that he is Maltese, such a stance does not give him the prerogative to harm the country" the press release concludes.

In your report of August 9th, 2019 you explicitly ordered that "Ministers should not issue partisan statements" and that "Ministers shall keep their roles as Ministers and members of political parties separate" and "Ministers shall respect the principle of political impartiality of the public service". I am requesting that you look into the press release of Hon Minister Silvio Schembri to determine whether the principles you set out in your report have been adhered to by the Minister. The Department of Information who also has a responsibility in ensuring that official press releases retain some semblance of impartiality should also be investigated to determine whether its role in upholding the impartiality of the public service has been served in this case.

You clearly stated in the same report that "I shall be monitoring the publication of press statements through the Department of Information to ensure that the tone and content respect the principles established above".

I would be grateful if you could look into the press release in question.

Yours sincerely

Prof Kevin Cassar

ID [REDACTED]

tel: [REDACTED]

Address: [REDACTED]

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This message was sent from the website of the Office of the Commissioner for Standards in Public Life (<http://standardscommissioner.com>).

## DOCUMENT B

### **L-informazzjoni dwar kumpaniji li ġew maqtugħa mir-reġistru tal-kumpaniji għandha terġa' tkun aċċessibbli onlajn**

Il-Partit Nazzjonalista jqis id-deċiżjoni li l-informazzjoni dwar kumpaniji li ġew maqtugħa mir-reġistru tal-kumpaniji ma tibqax aċċessibbli onlajn mill-Malta Business Registry bħala waħda li tmur kontra t-trasparenza u l-governanza tajba u tkompli tagħmel ħsara lir-reputazzjoni ta' pajjiżna.

Fiċ-ċirkostanzi li għaddej minnhom pajjiżna, huwa kruċjali l-awtoritajiet ta' pajjiżna ma jieħdux deċiżjonijiet li jagħtu l-impressjoni li Malta saret ġurisdizzjoni sigrieta li tiġbed lejha negozji u persuni li għandhom x'jaħbu. Filwaqt li huwa tajjeb li l-Malta Business Registry tnaddaf ir-reġistru tal-kumpanija minn dawk il-kumpaniji li m'għadhomx attivi, madankollu dan m'għandux isir b'detriment għall-obbligu tat-trasparenza u l-aċċessibilità tal-informazzjoni.

L-informazzjoni dwar kumpaniji li ġew maqtugħa mir-reġistru tal-kumpaniji fost oħrajn isservi sabiex tiġi żgurata t-trasparenza fit-twaqqif u l-amministrazzjoni ta' kumpaniji kif ukoll tintuża biex entitajiet u persuni nvoluti fin-negozju u fl-infurzar tal-liġi jieħdu deċiżjonijiet b'mod infurmat. It-tneħħija ta' din l-informazzjoni hija xkiel kbir għall-ġurnalisti li għandhom rwol importanti x'jaqdu fit-tfittxija tal-verità u l-kxif tal-abbużi. Dan kollu jista' jsir filwaqt li tiġi mħarsa informazzjoni ta' natura personali u jiġi żgurat li r-reġistru tal-kumpaniji jibqa' b'mod kontinwu jiġi mnaddaf minn kumpaniji li m'għadhomx attivi. F'dan ir-rigward pajjiżna għandu jħares lejn u jibni fuq prattiċi tajba fosthom dawk li qed jadotta r-reġistru tal-kumpaniji tar-Renju Unit (UK Companies House).

Il-Partit Nazzjonalista jistenna li l-Ministru Silvio Schembri jagħti direttiva ċara lill-Malta Business Registry sabiex bħala Aġenzija tal-Gvern b'mod immedjat tregġa lura d-deċiżjoni li ħadet u tiżgura li l-informazzjoni kollha dwar kumpaniji li ġew maqtugħa mir-reġistru tal-kumpaniji terġa' tkun aċċessibbli online fl-iqsar żmien possibbli.

#### **Karol Aquilina**

Kelliem tal-Oppożizzjoni għall-Governanza Tajba, Tisħiħ tad-Demokrazija, għaċ-Ċittadinanza u r-Riforma tas-Servizz Pubbliku

#### **Mario de Marco**

Kelliem tal-Oppożizzjoni għall-Finanzi

#### **Claudio Grech**

Kelliem tal-Oppożizzjoni għall-Ekonomija

#### **Kristy Debono**

Kelliema tal-Oppożizzjoni għall-Investment Ekonomiku u Negozji Żgħar, s-Servizzi Finanzjarji u l-Aċċessibilità għall-Fondi u Budget Ewropej

## DOCUMENT C

PR201935en  
08/10/2020

PRESS RELEASE BY THE MINISTRY FOR THE ECONOMY, INVESTMENT AND SMALL BUSINESSES

The Ministry for the Economy, Investment and Small Businesses refutes insinuations, made in a statement by the Nationalist Party, that information vanishes from or is deleted from the Malta Business Registry (MBR). All information remains physically stored in the MBR building and anyone can request company information, as a physical document or by email. The Nationalist Party's insinuations are completely untrue.

In the case of active companies, the details of individuals associated with them are clearly published on the website.

It is a requirement of Moneyval that inactive companies be removed from the Registry. However, prior to removal, the MBR performs all necessary verifications and checks and, should there be even a shred of suspicion of any abnormal activity, the case is forwarded to FIAU promptly. Even when a company is removed from the Registry, all necessary monitoring is carried out by the relevant institutions.

Competent authorities, such as the Police Force, the Tax Commissioner, the MGA and the MFSA have continuous access to the website in order to carry out all necessary checks.

It is clear that the intention of the Nationalist Party's statement is to cause harm. Its authors are very much aware that they are not telling the truth; they are being deliberately deceitful.

This deplorable attack is yet another example of how the Opposition strives to harm the country continuously. Its timing, at such a delicate moment, is designed to endanger the economy and 12,000 jobs in the financial services sector. While it is a fact that the current leader of the Opposition is ashamed to say that he is Maltese, such a stance does not give him the prerogative to harm the country.

This government is implementing unprecedented reforms. They have garnered the approval of several unbiased institutions. Given that, previously, all of MBR's operations fell under the MFSA, the very fact that today it operates as a stand-alone agency is testament to the bold decisions taken by this government.

As a government we will continue with our programme to further strengthen the relevant institutions, in line with Moneyval's recommendations, while continuing to ensure that the country's finances are used in the best possible way to provide the necessary help to Maltese and Gozitan families at a time when they need it most.

For this government, the strengthening of institutions, and the practicing of transparency in their operations, is not simply rhetoric, but reality.



2 November 2020

Hon. Silvio Schembri MP  
Minister for the Economy, Investment  
and Small Businesses  
Palazzo Zondadari  
197 Merchants Street, Valletta

By post and by email to [silvio.schembri@gov.mt](mailto:silvio.schembri@gov.mt)

Minister,

**Complaint concerning press release issued by your ministry**

I have received a complaint concerning a press release issued by your ministry through the Department of Information on 8 October 2020 and available at:

- <https://www.gov.mt/en/Government/DOI/Press%20Releases/Pages/2020/October/08/pr201935.aspx> (Maltese version)
- <https://www.gov.mt/en/Government/DOI/Press%20Releases/Pages/2020/October/08/pr201935en.aspx> (English version).

The complaint states as follows:

*Dear Sir*

*I would like to report to your attention a press release issued by Hon Minister Silvio Schembri on 8th October 2020 relating to the decision taken by the Malta Business Registry to remove 10,000 dormant companies from its register.*

*The language used in the press release as well as the content is clearly partisan and the statement certainly does not respect the political impartiality of the public service.*



## Commissioner for Standards in Public Life

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*To quote from the press release: “It is clear that the intention of the PN statement is to cause harm. It’s authors are very much aware that they are being deliberately deceitful”. The press release also states: “The deplorable attack is yet another example of how the Opposition strives to harm the country continuously”. “While it is a fact that the current leader of the Opposition is ashamed to say that he is Maltese, such a stance does not give him the prerogative to harm the country” the press release concludes.*

*In your report of August 9th, 2019 you explicitly ordered that “Ministers should not issue partisan statements” and that “Ministers shall keep their roles as Ministers and members of political parties separate” and “Ministers shall respect the principle of political impartiality of the public service”. I am requesting that you look into the press release of Hon Minister Silvio Schembri to determine whether the principles you set out in your report have been adhered to by the Minister. The Department of Information who also has a responsibility in ensuring that official press releases retain some semblance of impartiality should also be investigated to determine whether its role in upholding the impartiality of the public service has been served in this case.*

*You clearly stated in the same report that “I shall be monitoring the publication of press statements through the Department of Information to ensure that the tone and content respect the principles established above”.*

*I would be grateful if you could look into the press release in question.*

*Yours sincerely*

*Prof Kevin Cassar*

The report of 9 August 2019 to which the complainant refers is available from <https://standardscommissioner.com/wp-content/uploads/Commissioner-for-Standards-case-report-K004.pdf> should you wish to refer to it.

The following provisions of the Code of Ethics for Ministers and Parliamentary Secretaries, as set out in the second schedule of the Standards in Public Life Act (chapter 570 of the laws of Malta), appear relevant to this complaint:



## Commissioner for Standards in Public Life

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*4.9 Ministers shall keep their roles as Ministers and as Representatives separate, as well as their role as a member of a political party.*

*4.10 Ministers shall respect the principle of political impartiality of the public service.*

*7.4 Ministers shall respect the impartiality of the public service and shall ensure that their influence on the public service is not abused. [...]*

You are kindly invited present your views and reactions to the complaint, with particular reference to the following points:

- (a) whether the press release respects the concept of separation between your roles as Minister and as member of a political party;
- (b) whether the press release respects the principle of political impartiality of the public service since it was issued through the Department of Information.

You are kindly requested to reply by **Monday 16 November 2020**.

Yours sincerely,

Dr George Marius Hyzler  
Commissioner for Standards in Public Life



# DOCUMENT E



**MINISTER FOR THE ECONOMY, INVESTMENT  
AND SMALL BUSINESSES**  
PALAZZO ZONDADORI, MERCHANT STREET, VALLETTA, MALTA

12<sup>th</sup> November 2020

**By Hand and by Email**

Dr George Hyzler  
Commissioner for Standards in Public Life  
11, St Paul Street,  
Valletta, VLT 1211,  
Malta

Dear Dr Hyzler,

I write with reference to your letter dated the 2<sup>nd</sup> of November 2020, addressed to myself, wherein you notified me of a complaint (hereinafter referred to as the “Complaint”) which you had received dated the 8<sup>th</sup> of October 2020 sent by Prof. Kevin Cassar (hereinafter referred to as the “Complainant”).

In your letter of the 2<sup>nd</sup> of November 2020, you have requested that I present my views and reactions to the Complaint, with particular reference to the following points:

- “Whether the press release respects the concept of separation between your roles as Minister and as a member of a political party”;
- “Whether the press release respects the principle of political impartiality of the public service since it was issued through the Department of Information”.

I am hereby submitting the following views and reactions with reference to the above:

1. At the outset, it is important to note that the press release was issued by the Ministry for the Economy, Investment and Small Business in response to another press release issued by 4 Members of Parliament, in their respective roles as Shadow Ministers of the Opposition, as confirmed in the attached Press Release issued on the 8<sup>th</sup> of October 2020;



2. The content of the press release issued by the Ministry for the Economy, Investment and Small Business, concerns a matter of public interest and government policy. In this respect it is reasonable to state that the content of the Press Release is in line with the aim of the Department of Information, and in particular with the following: "The Department of Information aims to provide the public with up-to-date, comprehensive and meaningful information on Government policies, services and activities as well as on matters of public interest".<sup>1</sup>
  
3. The decision to strike-off 10,000 companies off the Register was aimed at safeguarding Malta's reputation by drastically reducing the number of inactive Companies, and their related accounts, registered on the island. This is something which has long been overdue, and a requirement to meet the recommendations in the Moneyval report. Such a decision was driven by the Government's commitment to counter money-laundering and the potential financing of terrorism.

This was clearly and unequivocally explained by myself during a public event<sup>2</sup> held days before the Honourable Members of the Opposition decided to issue a Press Release on the subject matter, which was full of unfounded and baseless statements, which statements are intended to tarnish the reputation of the Maltese Jurisdiction.

4. In the press release issued on the 8<sup>th</sup> of October 2020, the Honourable Members of the Opposition attributed incorrect, unfounded and untrue facts to the decision taken by the Malta Business Registry, an entity which falls under my responsibility. This, inter alia with the following statements:

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<sup>1</sup> <https://www.gov.mt/en/Government/DOI/Pages/default.aspx>

<sup>2</sup> <https://timesofmalta.com/articles/view/10000-companies-taken-off-registry.805605>

<https://www.independent.com.mt/articles/2020-07-17/local-news/Malta-Business-Registry-to-remove-10-000-inactive-companies-from-registry-6736225269>

<https://www.sovereigngroup.com/news-and-views/malta-removes-10000-companies-from-malta-business-registry/>

<https://www.tvn.com.mt/en/news/jitnaddaf-ir-company-register-clean-up-10000-inactive-companies-deleted-tal-kumpaniji-jitnehhew-10000-negozji-inattivi/>



“...id-deċiżjoni li l-informazzjoni dwar kumpaniji li ġew maqtugħa mir-registru tal-kumpaniji ma tibqax aċċessibbli onlajn mill-Malta Business Registry bħala waħda li tmur kontra t-trasparenza u l-governanza tajba u tkompli tagħmel ħsara lir-reputazzjoni ta’ pajjiżna”.

“Fiċ-ċirkostanzi li għaddej minnhom pajjiżna, huwa kruċjali l-awtoritajiet ta’ pajjiżna ma jieħdux deċiżjonijiet li jagħtu l-impressjoni li Malta saret ġurisdizzjoni sigrieta li tiġbed lejha negozji u persuni li għandhom x’jaħbu”.

5. It is my duty to refute such statements, which are intended to damage Malta's reputation and endanger the livelihood of various families. Should I fail to counter such harmful statements with equally strong arguments, I would not be fulfilling my role loyally and faithfully to the country and the electorate, as required by the Constitution of Malta.

The above-cited statement by the Members of the Opposition, deserved an equally strong response, which response should also reflect on the credentials and conduct of the authors, in this case Members of Parliament of the Opposition and the Leader of the Opposition, who has certainly approved the Press Release.

The content of the Press Release reflects the difference in how the Government and the Opposition view policy implementation.

6. It is also pertinent to note that in the text in the Press Release issued by the Ministry, there is no information or declarations that are factually incorrect or libellous in nature, as prescribed in the Media and Defamation Act.<sup>3</sup>

Indeed, one is to conclude that I carried out my role with a sense of service to the people, with integrity, diligence, objectivity, accountability, transparency and a sense of honesty, as required in terms of the Code of Ethics for Ministers and Parliamentary Secretaries, and the issuance of the Press Release was in line with the aforementioned Code of Ethics, which

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<sup>3</sup> Chapter 579 of the Laws of Malta



provides that "Ministers shall be, to the widest extent possible, open to providing information to Parliament and to the Public in general."<sup>4</sup>

In view of the above, it is being submitted that in my humble opinion, the press release dated the 8th of October 2020, issued by the Ministry through the Department of Information:

- a) Respects the concept of separation between my role as Minister and a member of a political party; and
- b) Respects the principle of political impartiality of the public service since it was issued through the Department of Information.

Therefore, the Complaint is to be rejected in its entirety.

Sincerely,

Silvio Schembri  
Minister for the Economy, Investment and Small Businesses

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<sup>4</sup> 4.4 of Schedule 2 of Chapter 570 of the Laws of Malta



## **L-informazzjoni dwar kumpaniji li ġew maqtugħa mir-registru tal-kumpaniji għandha terġa' tkun aċċessibbli onlajn**

Il-Partit Nazzjonalista jqis id-deċiżjoni li l-informazzjoni dwar kumpaniji li ġew maqtugħa mir-registru tal-kumpaniji ma tibqax aċċessibbli onlajn mill-Malta Business Registry bhala waħda li tmur kontra t-trasparenza u l-governanza tajba u tkompli tagħmel hsara lir-reputazzjoni ta' pajjiżna.

Fiċ-ċirkostanzi li għaddej minnhom pajjiżna, huwa kruċjali l-awtoritajiet ta' pajjiżna ma jieħdux deċiżjonijiet li jagħtu l-impressjoni li Malta saret ġurisdizzjoni sigrieta li tiġbed lejha negozji u persuni li għandhom x'jaħbu. Filwaqt li huwa tajjeb li l-Malta Business Registry tnaddaf ir-registru tal-kumpanija minn dawk il-kumpaniji li m'għadhomx attivi, madankollu dan m'għandux isir b'detriment għall-obbligu tat-trasparenza u l-aċċessibilità tal-informazzjoni.

L-informazzjoni dwar kumpaniji li ġew maqtugħa mir-registru tal-kumpaniji fost oħrajn isservi sabiex tiġi żgurata t-trasparenza fit-twaqqif u l-amministrazzjoni ta' kumpaniji kif ukoll tintuża biex entitajiet u persuni nvoluti fin-negozju u fl-infurzar tal-liġi jieħdu deċiżjonijiet b'mod infurmat. It-tneħħija ta' din l-informazzjoni hija xkiel kbir għall-ġurnalisti li għandhom rwol importanti x'jaqdu fit-tfittxija tal-verità u l-kxif tal-abbużi. Dan kollu jista' jsir filwaqt li tiġi mharsa informazzjoni ta' natura personali u jiġi żgurat li r-registru tal-kumpaniji jibqa' b'mod kontinwu jiġi mnaddaf minn kumpaniji li m'għadhomx attivi. F'dan ir-rigward pajjiżna għandu jhars lejn u jibni fuq prattiċi tajba fosthom dawk li qed jadotta r-registru tal-kumpaniji tar-Renju Unit (UK Companies House).

Il-Partit Nazzjonalista jistenna li l-Ministru Silvio Schembri jagħti direttiva ċara lill-Malta Business Registry sabiex bhala Aġenzija tal-Gvern b'mod immedjat tregġa lura d-deċiżjoni li hadet u tiżgura li l-informazzjoni kollha dwar kumpaniji li ġew maqtugħa mir-registru tal-kumpaniji terġa' tkun aċċessibbli online fl-iqsar żmien possibbli.

### **Karol Aquilina**

Kelliem tal-Oppożizzjoni għall-Governanza Tajba, Tishih tad-Demokrazija,  
għaċ-Ċittadinanza u r-Riforma tas-Servizz Pubbliku



Partit Nazzjonalista

**Mario de Marco**

Kelliem tal-Oppożizzjoni għall-Finanzi

**Claudio Grech**

Kelliem tal-Oppożizzjoni għall-Ekonomija

**Kristy Debono**

Kelliema tal-Oppożizzjoni għall-Investiment Ekonomiku u Negozji Żgħar, s-Servizzi  
Finanzjarji u l-Aċċessibbiltà għall-Fondi u Budget Ewropej

**08.10.2020**

## DOCUMENT F

Dr George Hyzler  
Commissioner for Standards in Public Life  
11, St Paul Street,  
Valletta, VLT 1211,  
Malta

Dear Dr Hyzler,

I am writing subsequently and with reference to our meeting which took place on the 22<sup>nd</sup> of December 2020, whereby you had allowed me to continue elaborate on my letter dated the 12<sup>th</sup> of November 2020, and which in turn made reference to the complaint which you had received dated the 8<sup>th</sup> of October 2020 sent by Prof. Kevin Cassar.

As discussed, the statement in question was made in reaction to a partisan, incorrect and unfounded statement issued by means of a Press Release by four members of Parliament, in their respective roles as Shadow Ministers of the Opposition, and therefore, these same members of Parliament and the relative Press Release should be subjected to the same level of scrutiny by your office.

I understand that the principal function of the Department of Information is to provide a tangible link between the Government and the public and to steer away from partisan elements. However, in this particular case, the Ministry felt and still believes that a press release issued by the Department of Information was the most appropriate means of communication to rebut misinformation spread through incorrect and unfounded statements made by the Members of the Opposition and to make sure that the Government's position is given an adequate level of importance and attention.

Given this background and the fact that this comment might have been considered overly partisan in nature, in the future I shall make every effort to avoid such statements when these are issued through the DOI".

I once again thank you for the opportunity which you have provided me to explain and justify my position, as well as for the meeting which was held between us, which in my humble opinion was very constructive, and which continues to confirm how the Office for the Commissioner for Standards in Public Life is indeed achieving its function of strengthening political accountability.

Sincerely,

Silvio Schembri  
Minister

t +356 22209500 e [silvio.schembri@gov.mt](mailto:silvio.schembri@gov.mt)  
[www.economy.gov.mt](http://www.economy.gov.mt) | [www.publicservice.gov.mt](http://www.publicservice.gov.mt) | [fb.com/servizzpubbliku](https://fb.com/servizzpubbliku)

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MINISTRY FOR THE ECONOMY AND  
INDUSTRY

PALAZZO ZONDADARI, 197/198,  
MERCHANTS STREET,  
VALLETTA, MALTA