



Transparency Report 2016

ECOVIS MALTA
Certified Public Accountants



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Introduction

This transparency report has been prepared in accordance with the requirements of Section 18 of the Accountancy Profession Act, Cap. 281. The requirements of Section 18 resulted from the amendments made to the Act in 2008 to transpose the requirements of Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts.

This transparency report describes policies and procedures which were effective as at 31 December 2016.

A blue ink handwritten signature, appearing to read 'Karl Bonanno', written over a faint circular stamp.

Karl Bonanno
Compliance principal

29 March 2017

Legal Structure and Ownership

ECOVIS Malta is a civil partnership constituted under the laws of Malta. The partnership is registered as an audit firm with the Accountancy Board, in terms of the Accountancy Profession Act.

The partners of ECOVIS Malta are:

- Mr Anthony Vella – Managing Partner
- Mr Karl Bonanno – Assurance Partner

All the partners of ECOVIS Malta are Certified Public Accountants, and have Practicing Certificates in Auditing issued by the Accountancy Board.

The activities of ECOVIS Malta are conducted through four entities:

- ECOVIS Malta (civil partnership) mainly providing statutory audits and other assurance services;
- ECOVIS (Malta) Consultants Limited provides accounting, payroll, administration and business consulting services;
- ECOVIS (Malta) TFC Limited is authorised by MFSA to act as trustee and is a licensed corporate services provider. This entity also provides international tax consulting and administration of private foundations; and
- ECOVIS GRC Limited provides middle-office services, directorship and investment committee appointments to licensed entities and legal services.

The firm practices from one office at 55B, Birbal Road, Balzan BZN9017, Malta.

ECOVIS International

ECOVIS Malta is a member firm of ECOVIS International, a worldwide network of independent accounting and consulting firms. ECOVIS International is an association of Swiss law, founded in 2008 and registered in the Commercial Register of the Canton of Zurich (CH-020.6.001.186-0).

ECOVIS is a leading global consulting firm with its origins in Continental Europe. It has over 4,500 people operating in over 65 countries. Organised in partner firms, ECOVIS is active in the fields of auditing, tax accounting, legal advice and management consulting.

The particular strength of ECOVIS is the combination of personal advice at a local level with the general expertise of an international and interdisciplinary network of professionals. Every ECOVIS office can rely on qualified specialists in the back offices as well as on the specific industry or national know-how of all the ECOVIS experts worldwide. This diversified expertise provides clients with effective support, especially in the fields of international transactions and investments - from preparation in the client's home country to support in the target country.

Members within ECOVIS International are independently managed as legally independent entities and do not have joint ownership structures. The use of the name ECOVIS is governed by license agreements. ECOVIS International promotes and coordinates the cooperation between the members, but does not exercise control. No member is responsible for the services or other activities of another partner. ECOVIS International operates in more than 65 countries and generates a total turnover of Eur484 million * worldwide.

* Including sales of associated network partners in the US

Governance Structure

The firm's governing body is made up of the partners who are also the firm's principals in terms of the Accountancy Profession Act, Cap 281. The voting rights of ECOVIS International are held by the partners.

All decision making is made at partner level, and all strategic decisions are taken at the partners' meetings. The Board of Partners meets periodically and during the year 2016, there were four partners' meetings.

The Board of Partners is also responsible to ensure that the firm's vision and values are aligned with the global vision and values set by ECOVIS International.

The governing body is composed of:

- Mr Anthony Vella
- Mr Karl Bonanno

Internal Quality Control System

ECOVIS Malta has formal internal quality control procedures, set up in accordance to International Standard on Quality Control I.

The quality assurance procedures manual is constantly updated to the changing professional regulations. All employees and partners are informed about changing requirements in quality assurance and are obliged to comply with the quality assurance system.

The firm's procedures manual addresses matters relating to:

- Leadership responsibilities for the system of quality control;
- Ethical requirements and independence;
- Acceptance and continuation of client relationships and specific engagements;
- Human resources;
- Engagement performance; and
- Monitoring.

The effectiveness of the firm's internal quality control system is tested annually by means of internal compliance reviews.

Independence Practices

The IESBA Code of Ethics and the national requirements emanating from Directive No. 2 issued by the Accountancy Board, together with the policies and procedures set out in the firm's EQCM contain several safeguards to ensure the firm's independence.

The firm carries out independence reviews for all client and engagement acceptance decisions. The firm's policies are reviewed annually to ensure compliance and the procedures are designed to ensure that these independence requirements are adhered to.

Quality Assurance Reviews

The firm is subject to reviews by the Quality Assurance Unit, set up within the Accountancy Board, which forms part of the Ministry of Finance.

The most recent review by the Quality Assurance Unit was carried out in March 2015.

In conformance with the network's quality assurance policies, the firm is also subject to reviews by ECOVIS International. The most recent review by ECOVIS International was carried out in July 2015.

Continued Professional Education

ECOVIS Malta employs staff who have the relevant integrity and competencies and meet the high standards expected by the firm.

Our policies are directed to require all staff to attend training and seminars and to comply with applicable regulatory and professional development requirements. The firm monitors the progress in the professional development of each individual personnel and their compliance with minimum CPE requirements.

Public-Interest Entities

The Accountancy Profession Act Cap 281 defines public interest entities as those:

- Whose transferable securities are admitted to trading on a regulated market of any member state;
- Credit institutions;
- Insurance undertakings; and
- Any other entities as may be prescribed by the Accountancy Board.

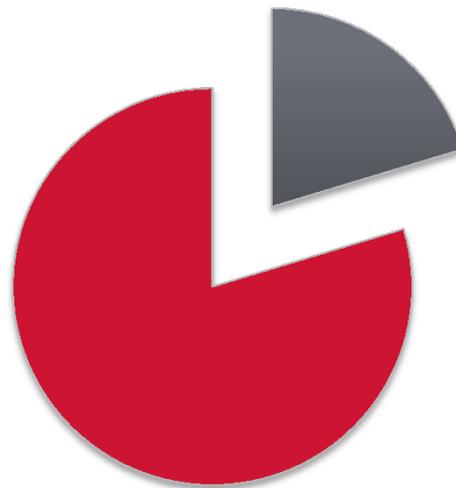
During the year ended 31 December 2016, the firm carried out the statutory audit of the following public-interest entities:

- Prague Developments SICAV plc
- Eagle Investment SICAV plc

Financial Information

The total firm's revenue for the year ended 31 December 2016 increased by 15% over the prior year and is analysed as follows:

Audit Services	Eur198,000 (20%)
Other Services	Eur777,000 (80%)
Total	Eur975,000



■ Audit Services ■ Other Services

Partners' Remuneration

The firm's partners' receive a fixed remuneration as well as variable remuneration depending on earnings and performance of the firm at end of year. The annual surplus of the firm is then divided in accordance to the percentage holding of the partners.

No partner is remunerated on the basis of fees generated from a particular client or group of clients, or by a particular service or group of services.