

The Malta Tax & Customs Administration Journey

From Risk Rules to Intelligence-Led Tax Compliance

June 17th, 2026

MTCA Overview

Employees

710

Divisions

6

Taxpayers 2025 (,000)

CIT / PIT / Employers / VAT (Customs)

54 / 479 / 35 / 78 (7)

Total Revenue (B€)

2024 / 2025

6.3 / 6.5

An Overview of the Journey

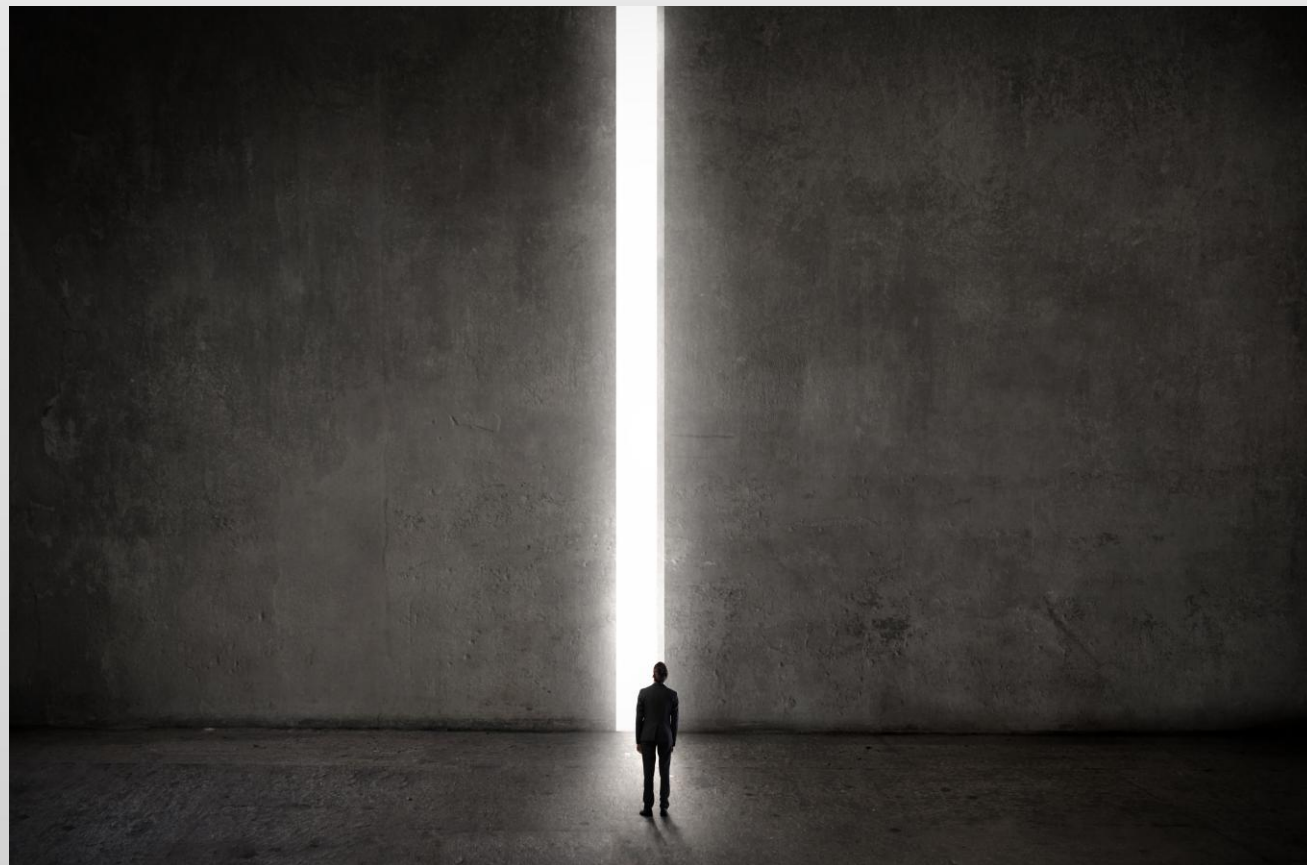
- From data challenges to intelligence-led compliance
- A structured, multi-year transformation
- In partnership with SAS
- Phase 1 commenced in Q1 2023



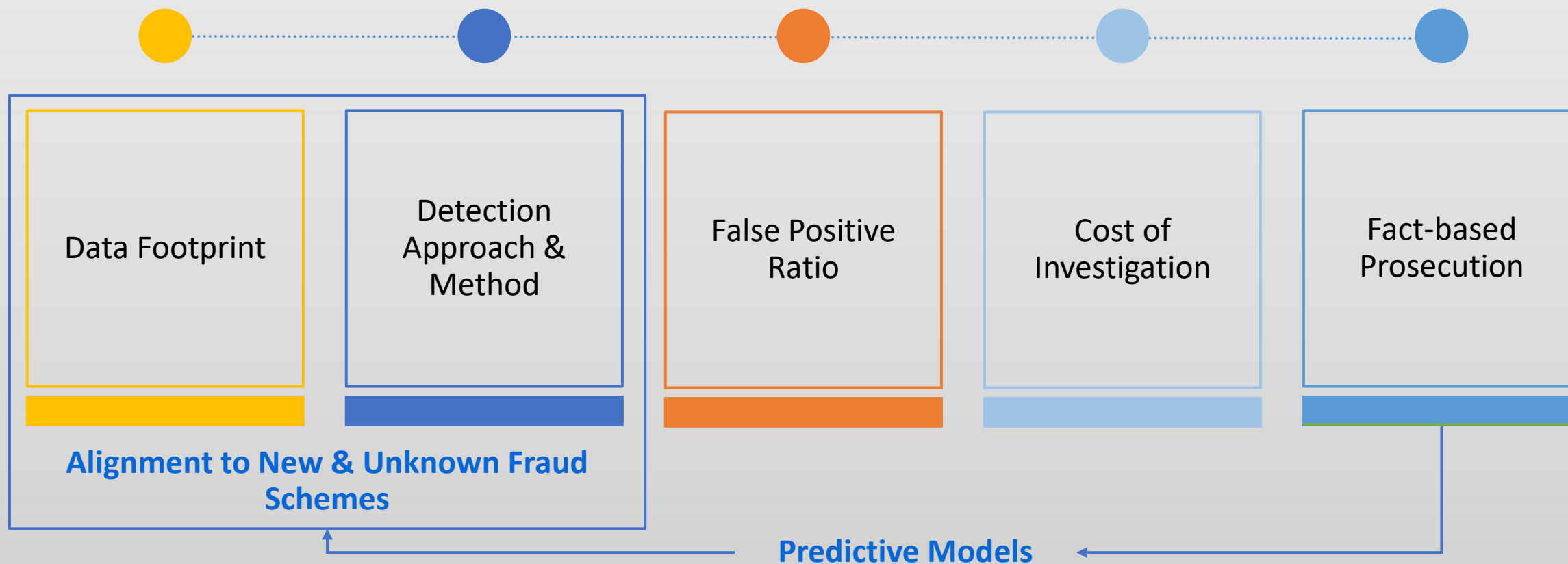
Why Change was Needed

“From fragmentation to proactive compliance”

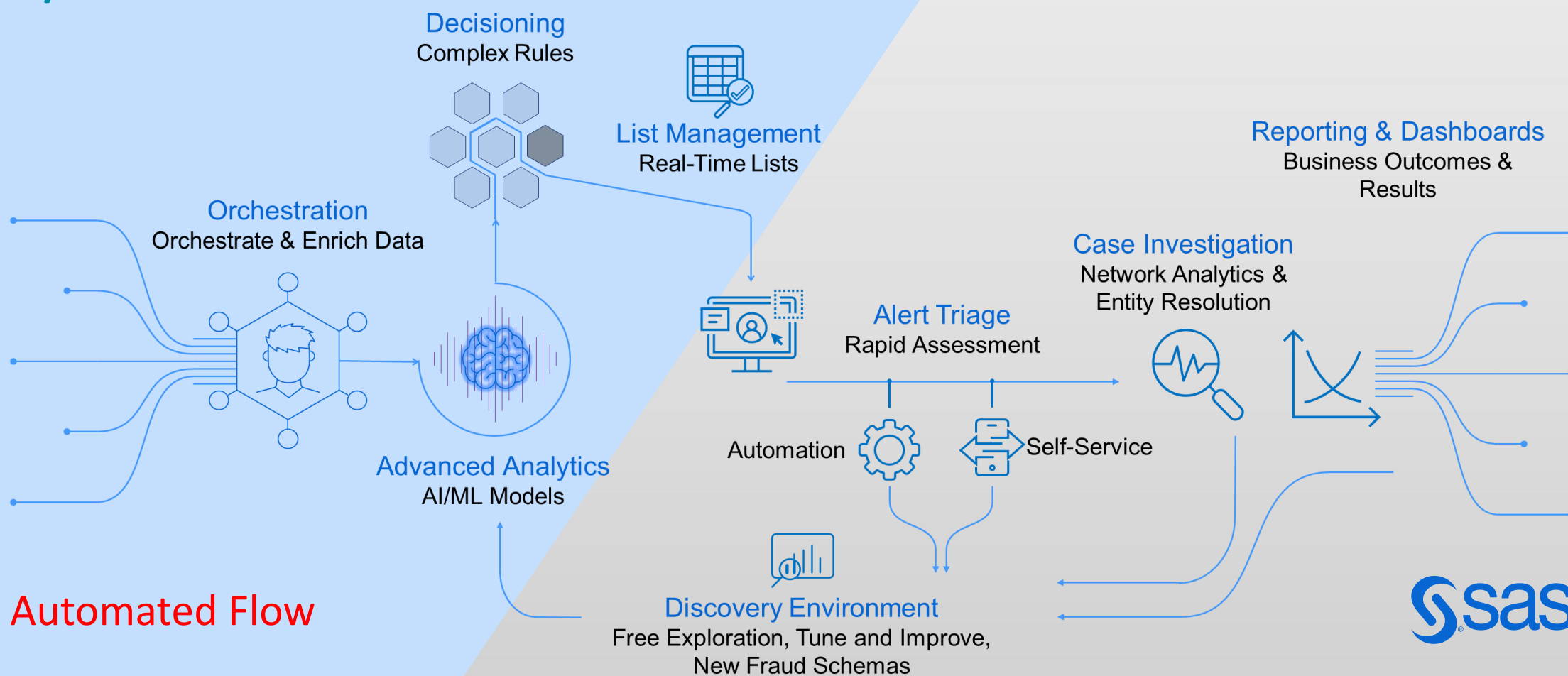
- Increasing complexity of compliance risks
- Data quality affecting consistency and timeliness
- Limitations of traditional approaches
- Need for more proactive and structured compliance process



Data-driven Tax Compliance Process as Target



A Best-of-Breed Technology as the Key Enabler



Automated Flow

SAS Tax Compliance Platform

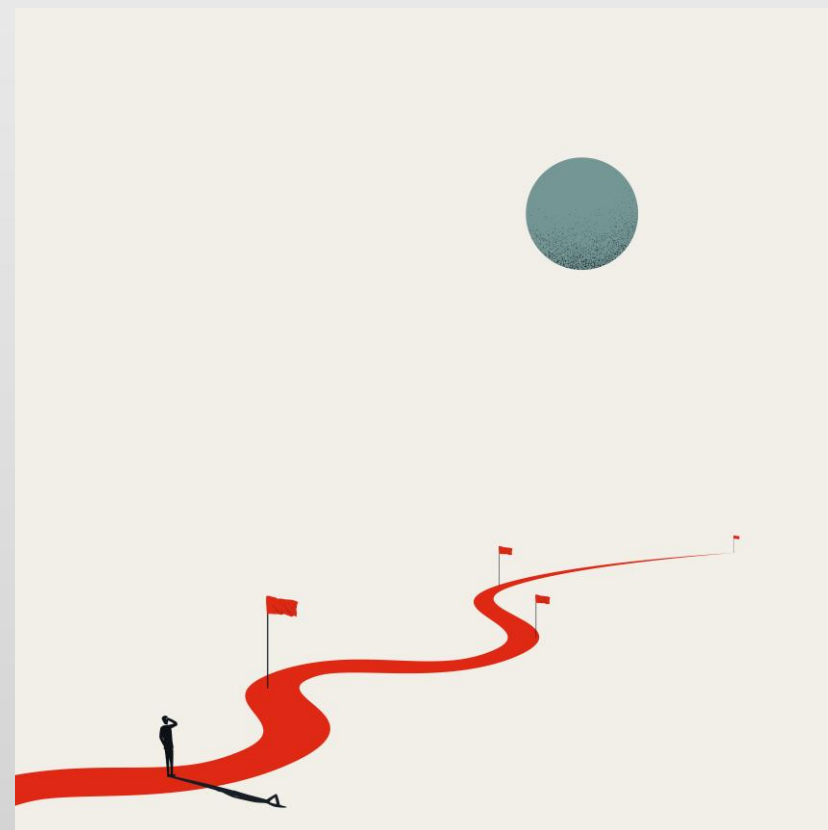
- **1 Platform** for Multiple Use Cases
- **End-to-End** Process Management
- Controls applied to **100% of Entities** in the Observation Scope
- **Automated** Risk-based Alert Generation Process (Detection)
- Support to **Efficient** Alert Triage & Management (Investigation)
- **Time to** Fraud Insight & Counter-Fraud Actions Deployment (Discovery)
- **No Code/Low Code** Platform
- **Phased** Implementation Approach: **6-months time** to Release 1



A Transformation Journey

“A structured programme approach.”

- Multi-year programme composed of two phases
- Clear governance and roles
- Collaboration: MTCA, SAS, MITA
- Alignment of business, analytics, and infrastructure



Interconnected Streams

“From Silos to Integration”

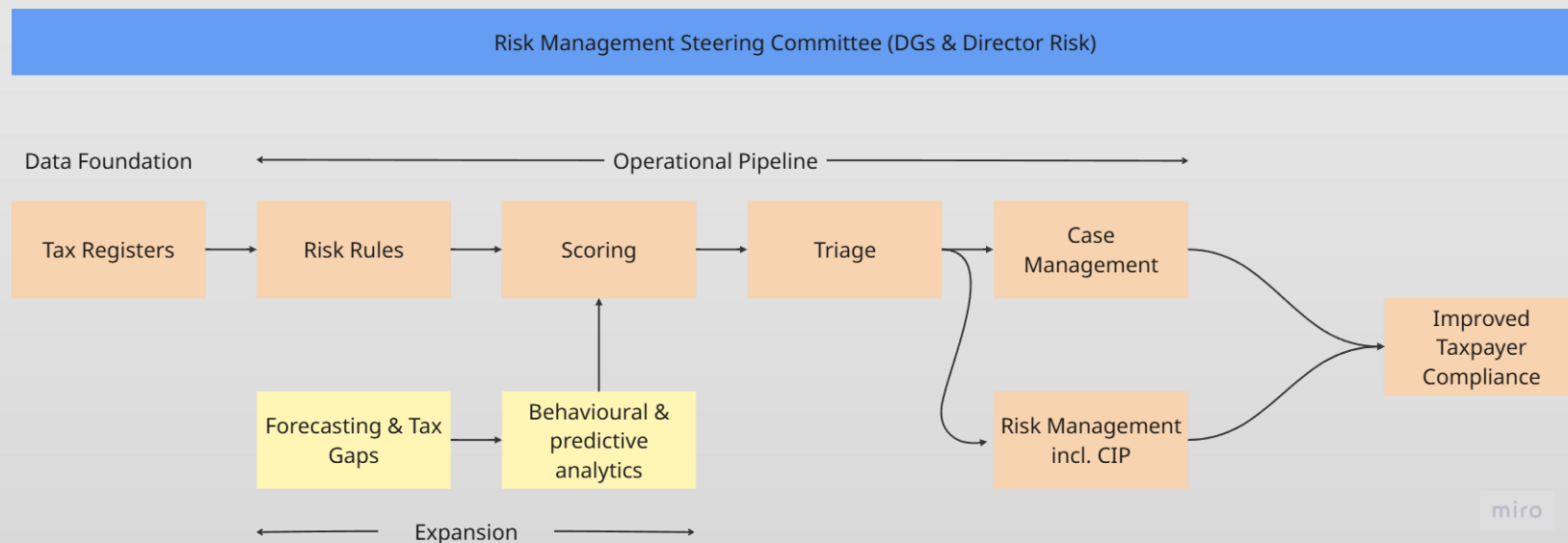
- Data Discovery & Quality
- Risk Rules
- AI Activation & Segmentation
- Reporting & Operationalisation
- **One integrated ecosystem**



From Rules to Intelligence-Led Compliance

“End-to-End Compliance Capability”

- Integration of tax registers (income, trading, wealth)
- Expansion towards
 - Behavioural analysis
 - Predictive models
 - Forecasting & tax gap
- Progressive expansion across taxpayer population



Phase 1 vs Phase 2

“From Operational Backbone to Intelligence Layer”

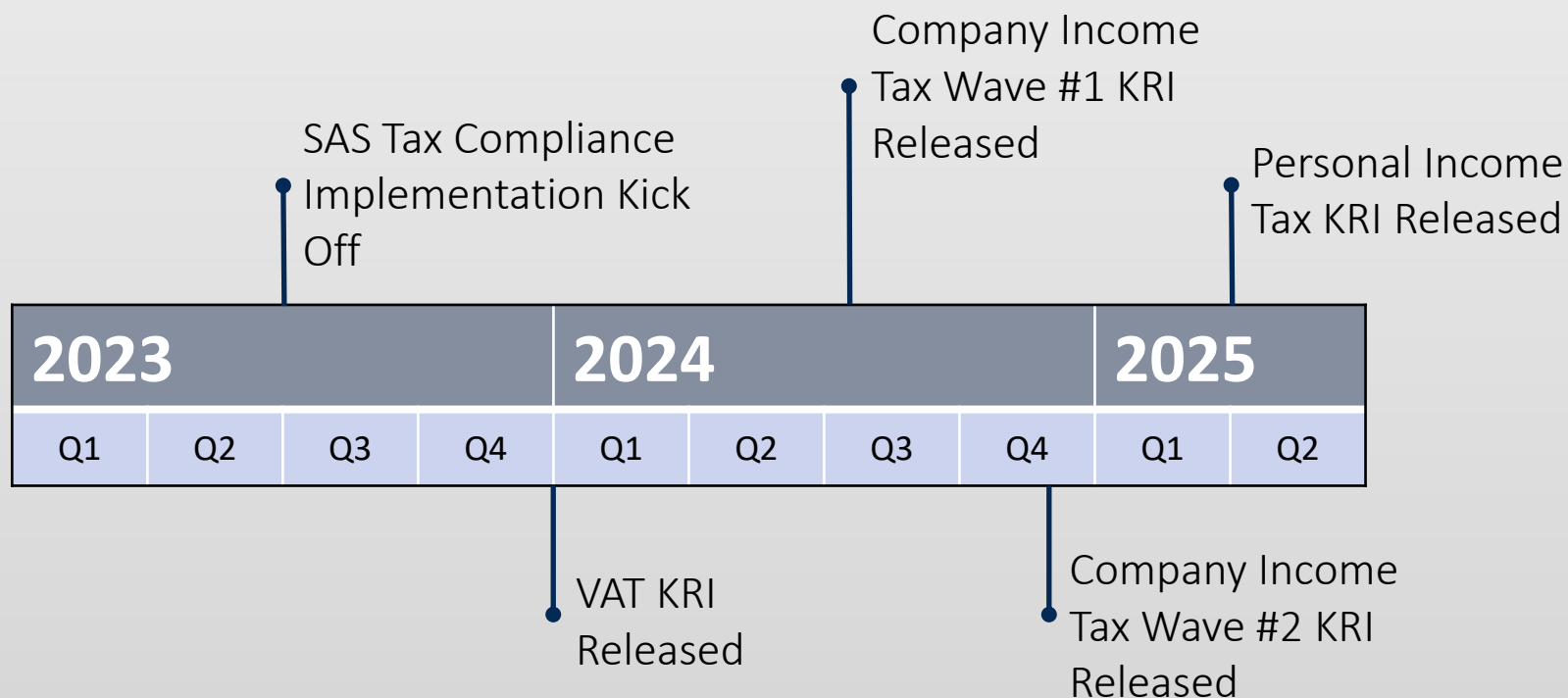
Phase 1

- Integration of registers
- 100+ risk rules (e.g. non-submission of return, reconciliation between sales declared for IT & VAT, sector ratios)
- Risk scoring
- **Triage (human in the loop)**
- Case Management System

Phase 2

- Behavioural segmentation
- Predictive risk models
- Forecasting (tax type & NACE)
- Tax gap analysis (VAT → expansion)
- Enhanced CMS – including feedback loop

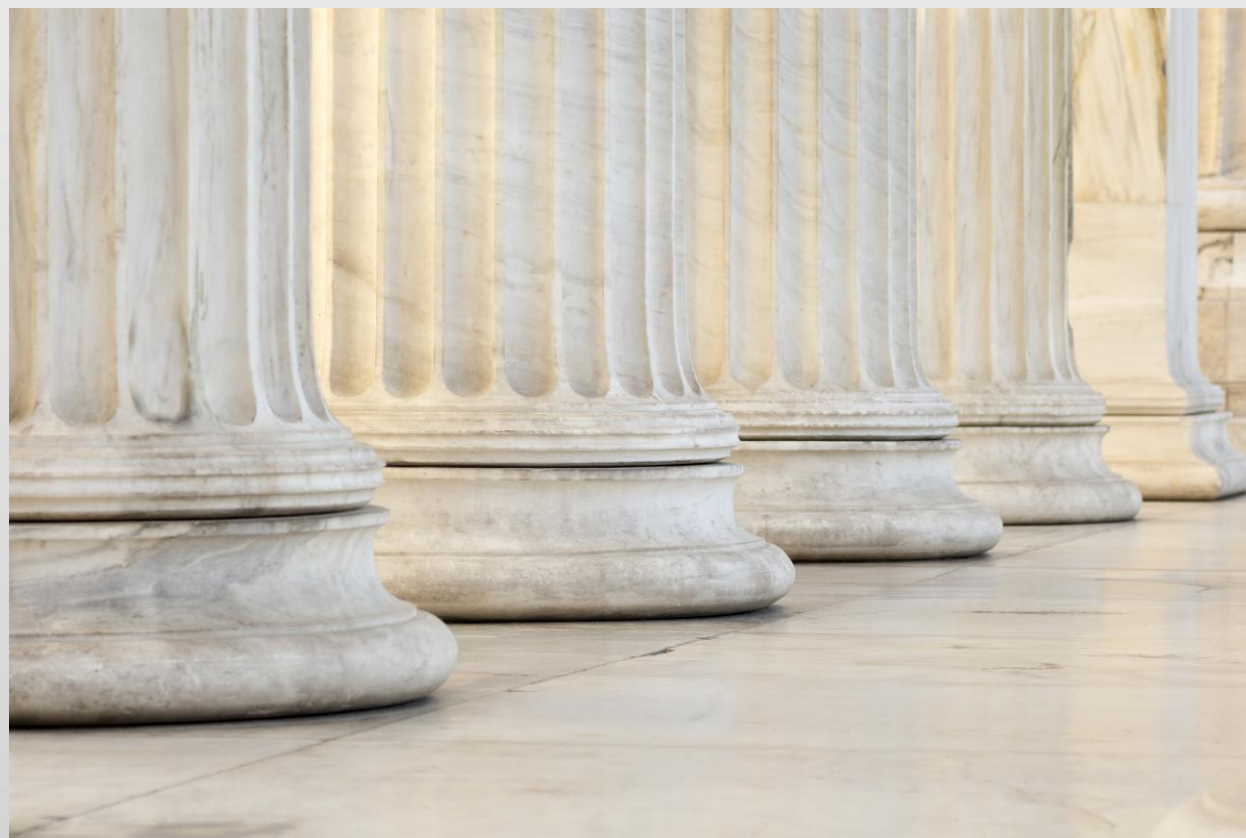
Phase 1 Wins



Data First

“Building the Foundation”

- Data discovery and profiling
- Identification of structural issues
- Standardisation and normalisation
- Data quality framework
- Shift to shared data ownership



Enhanced Risk Management

“From Static Rules to Integrated Risk Intelligence”

- Auditor-driven deterministic rules
- Limitations: static, limited adaptability
- Enhancements
 - Refined logic
 - Third party data
 - Network perspectives
 - Integration of behavioural insights (AI)



AI Activation

“From Data to Behavioural Insights”

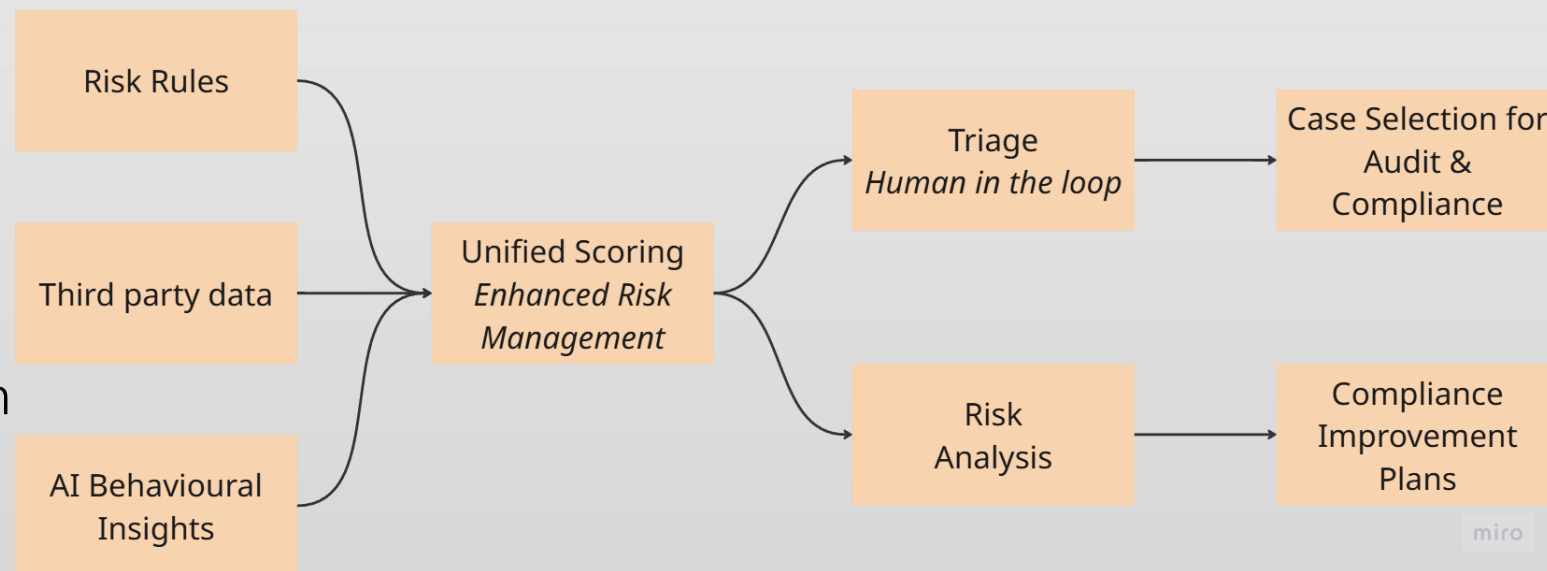
- Clustering (behavioural groups)
- Supervised models (risk prediction)
- Taxpayer segmentation
- Enriched risk profiling
- Outputs feed into risk management processes



From Insight to Action

“Integrated Risk Outputs and Triage”

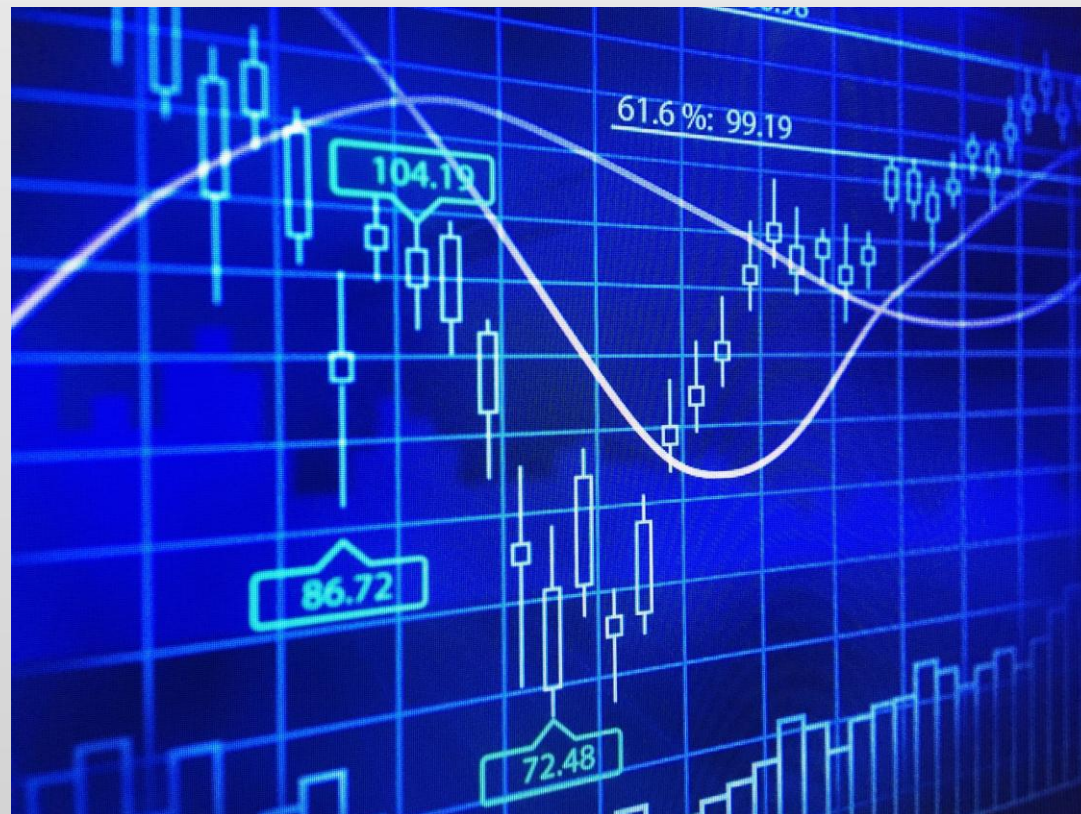
- Combined outputs
 - Risk rules
 - Behavioural insights (AI)
- Unified risk scoring approach
- Structured triage process (human in the loop)
- Integration into audit selection and case management



Expanding Analytics Capabilities

“Extending analytics beyond detection”

- Behavioural segmentation
- Predictive non-compliance
- Forecasting (tax type & sector – in development)
- Tax gap analysis (with IMF – ongoing)



Key Challenges

“Challenges of a transformation journey”

- Data quality complexity
- Cross-functional alignment
- Building trust in analytics
- Explainability vs performance



How We Address Key Challenges

“A practical and collaborative approach”

- Strong governance
- Collaboration with SAS & MITA
- Iterative approach
- Auditor and risk team involvement
- Focus on usability

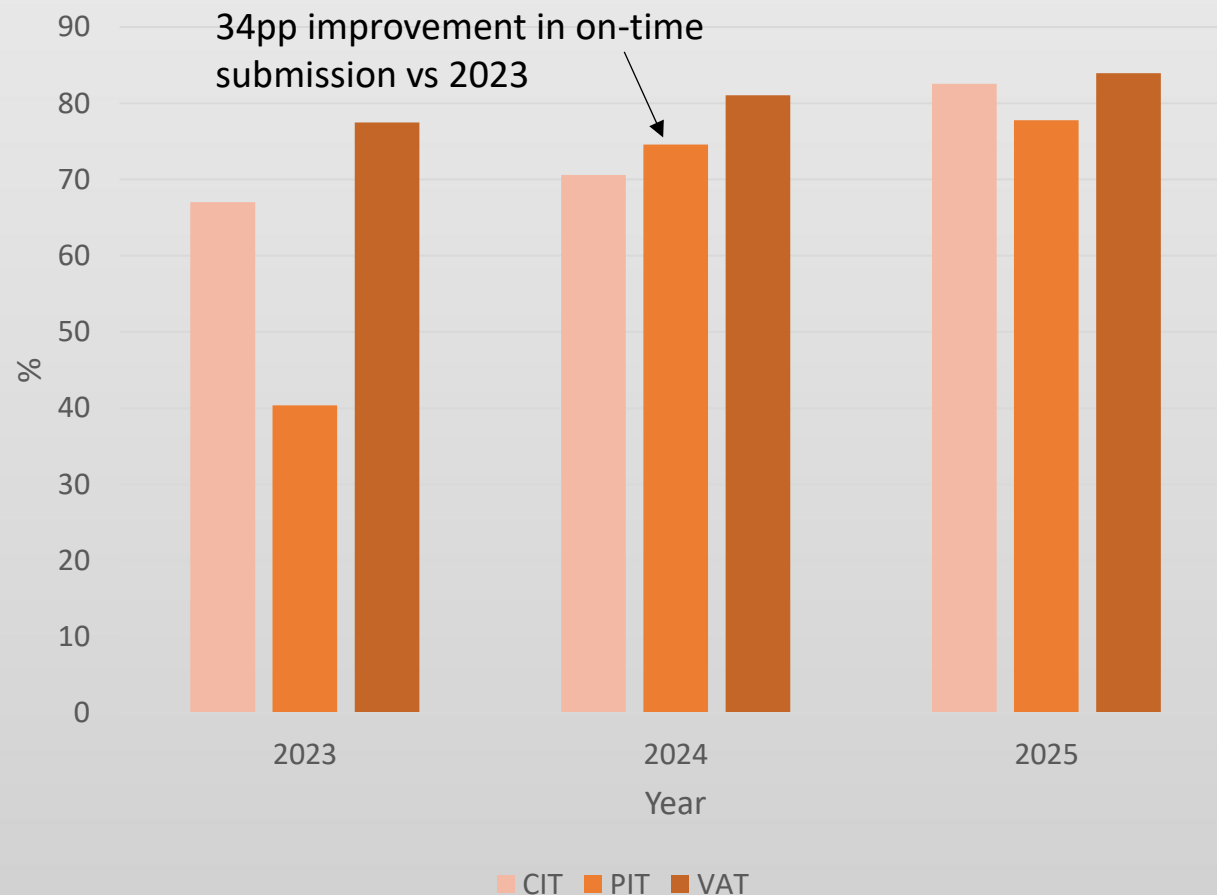


Delivering Value (I)

“Delivering tangible improvements in on-time compliance”

- Nudging and advertising campaigns
- Early indications of improved compliance behaviour across different tax types
 - A 34pp improvement in on-time PIT submission in 2024 compared to 2023

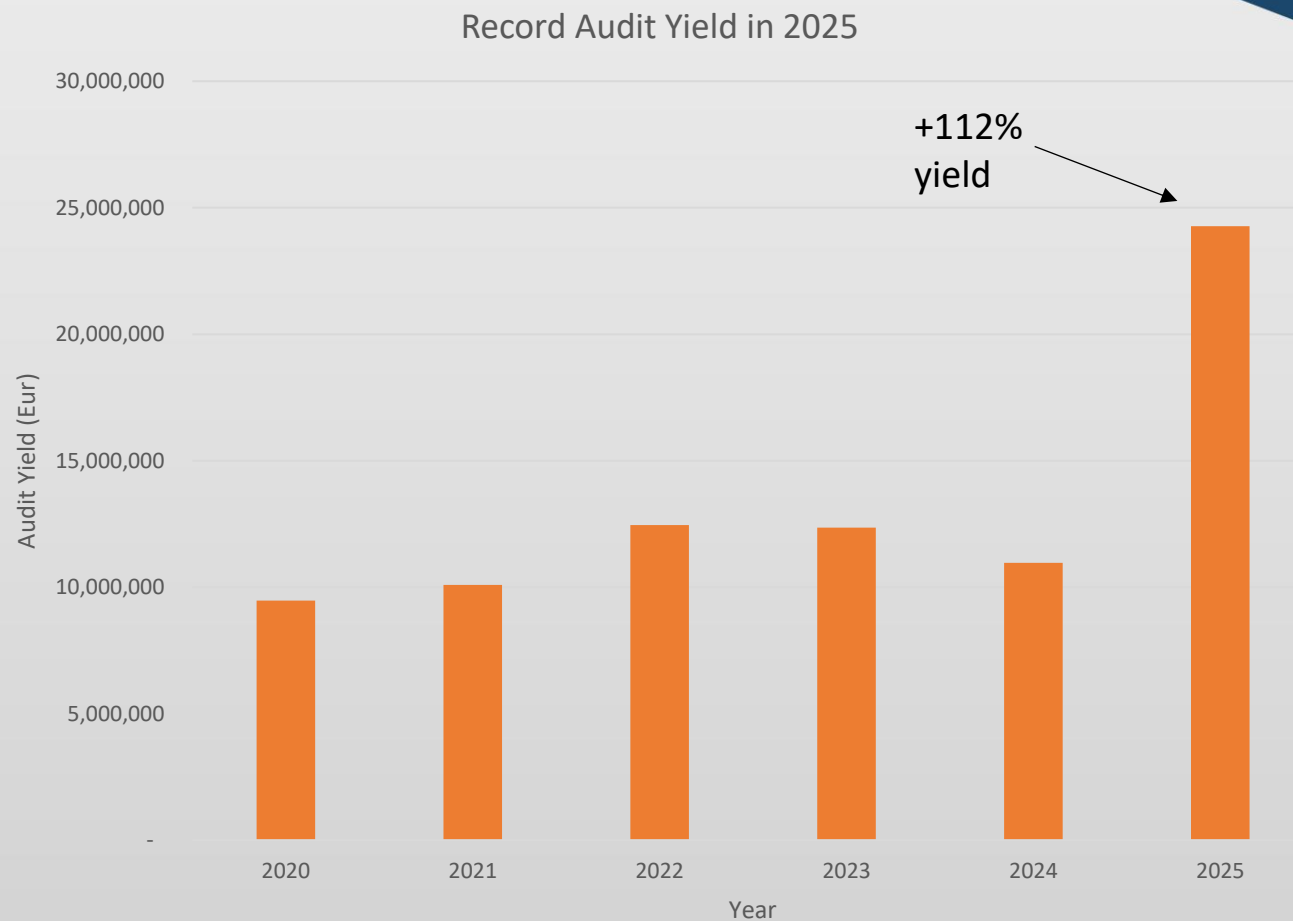
Compliance Rate Improvement by Tax Type (2023-2025)



Delivering Value (II)

“Record audit yield in 2025”

- Effective case selection and prioritisation
- Additional revenue impact

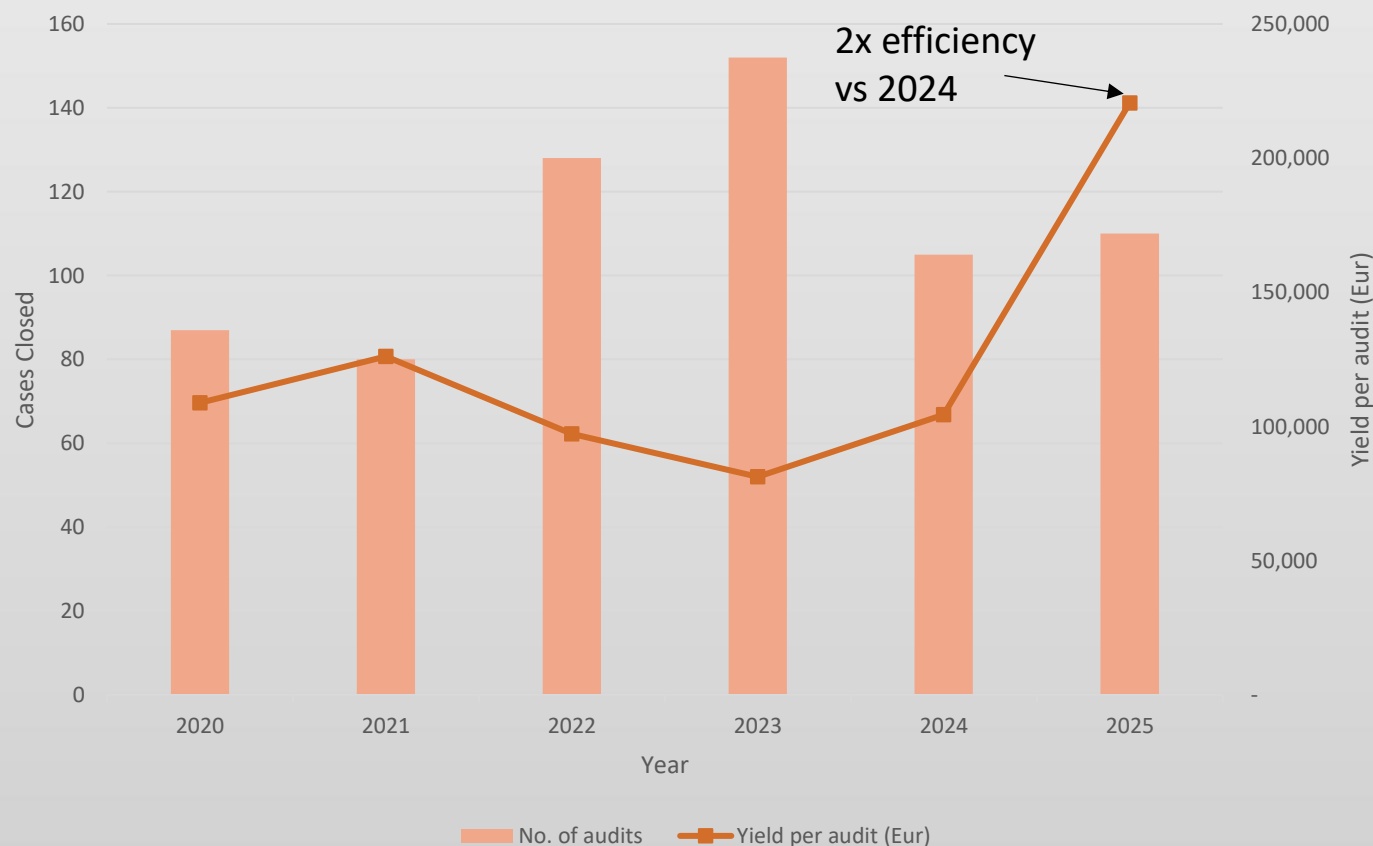


Delivering Value (III)

“Smarter Audits: More Value per Case”

- More efficient use of resources
- Increase in audit effectiveness
- More structured audit process
- Reduced VAT refund timeframes from 5 months to 1 month

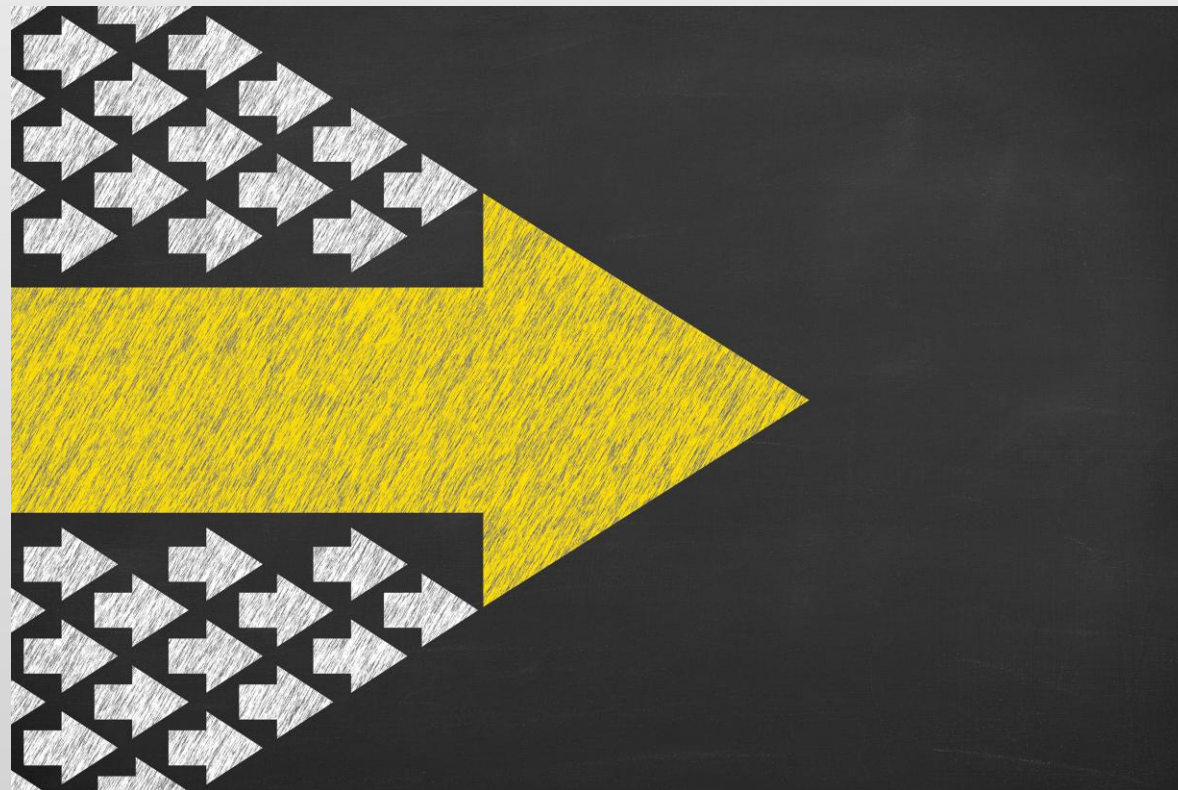
Smarter Audits: More Value per Case



The Direction of Travel

“Towards more proactive and integrated compliance”

- Enhanced taxpayer register
- Broader population-level risk monitoring
- Earlier identification of risks
- More proactive interventions
- Integrated digital compliance ecosystem



Key Takeaways

“Building a sustainable, and intelligence-led compliance model”

- Compliance at the centre, enabled by analytics
- Combine rules and AI
- Think in integrated ecosystems
- Embed into operations
- Treat as a continuous journey





TAX & CUSTOMS
ADMINISTRATION

MALTA

THANK YOU