

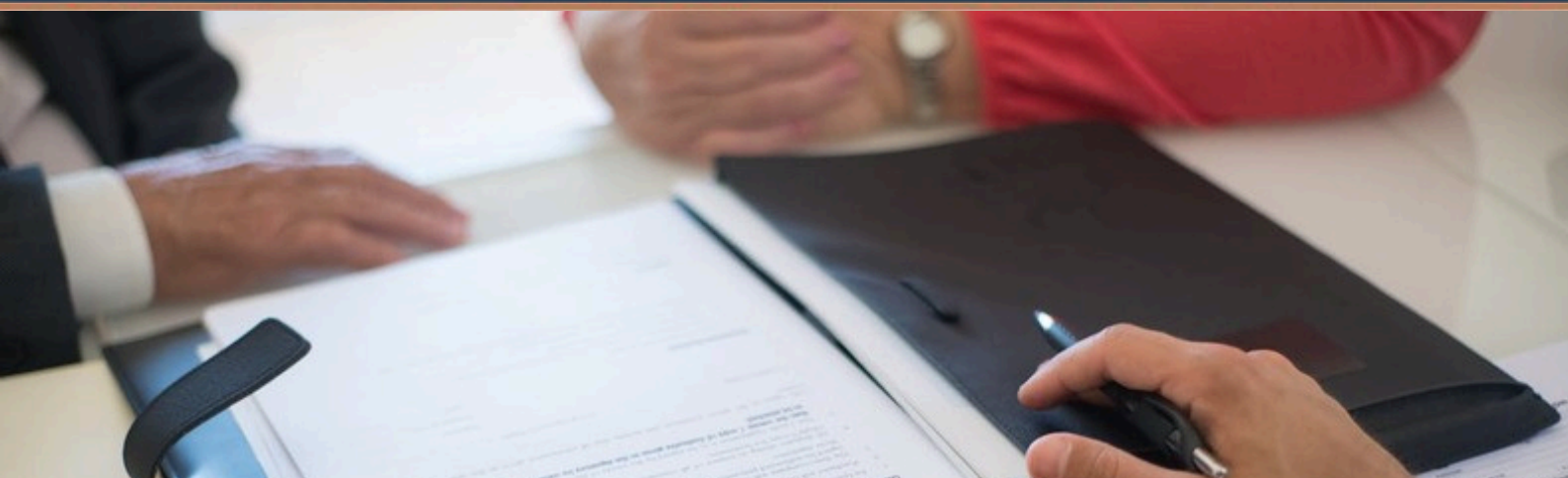
MAMO TCV

ADVOCATES

A practical guide to the Equal Pay (Transparency and Reporting) Regulations

Implementation of the EU Pay
Transparency Directive in Malta

June, 2026



Firm Introduction

Mamo TCV Advocates is committed to providing practical, commercially focused and client-friendly legal support to businesses, organizations and individuals navigating evolving employment laws. Our team assists clients across key areas including employment law, corporate and commercial matters, regulatory compliance, dispute resolution and workplace governance.

As pay transparency becomes a key part of employment compliance across the European Union and as Malta implements the Directive, we help clients understand the practical impact of the new rules, assess risk, and put in place proportionate solutions suited to their workforce and business needs.

What is Pay Transparency?

Pay transparency is about making pay structures, pay-setting processes and pay differences clearer, more objective and easier to assess. The EU Pay Transparency Directive, formally Directive (EU) 2023/970 of the European Parliament and of the Council of 10 May 2023 (the 'Directive'), is designed to strengthen the principle of equal pay for equal work or work of equal value between men and women through pay transparency and enforcement mechanisms.

In practical terms, the Directive moves equal pay compliance from a largely reactive model to a more transparent and evidence-based framework. Employers are expected to be able to explain how pay is set, how pay progression works, and whether any differences in pay between workers are objectively justified by gender-neutral criteria.

The Directive is intended to address gender pay gaps by giving workers and job applicants clearer information, requiring larger employers to report pay gap data, and creating mechanisms for identifying and remedying unjustified differences in pay.

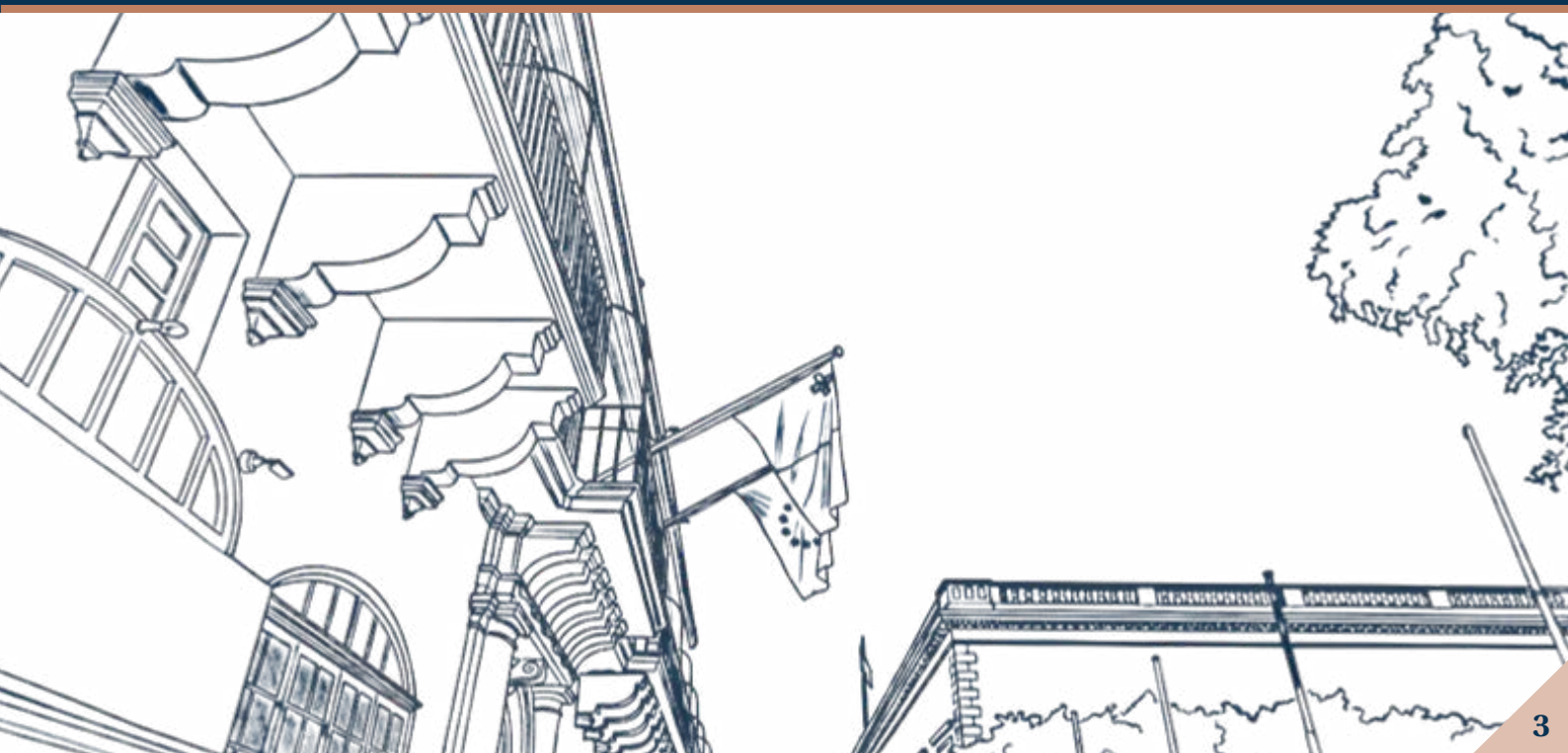


Implementation in Malta

On 5 June 2026, Malta published the Equal Pay (Transparency and Reporting) Regulations, 2026 ('the Regulations'), implementing the EU Pay Transparency Directive into Maltese law. The Regulations were issued under the Employment and Industrial Relations Act, Chapter 452 of the Laws of Malta. The purpose of these Regulations is to regulate equal pay for equal work or work of equal value in line with the Directive, a principle which was already in existence under Maltese law.

The Regulations apply to employers in both the public and private sectors and to workers who have an employment relationship as defined under the Employment and Industrial Relations Act. Pre-employment transparency rights also apply to applicants for employment.

The Regulations appoint the Department for Industrial and Employment Relations as the Monitoring Body who is responsible for monitoring and supporting the implementation of national measures adopted under these Regulations.



What You Need to Do

Employers: Practical Compliance Steps

01 Review pay structures

Employers should review whether their pay structures support equal pay for equal work or work of equal value. This means assessing whether pay differences can be explained by objective, gender-neutral and bias-free criteria, such as **performance, competence, skills, effort, responsibility, working conditions** and any other factors which are relevant to the specific job or position.

02 Document pay-setting and pay progression criteria

Employers must adopt and maintain **written policies or criteria** setting out the objective and gender-neutral criteria used to determine workers' pay, pay levels and pay progression. Those written policies or criteria must be accessible to workers at all times.

Employers with fewer than 50 workers are exempt from the pay progression aspect of that requirement, but employers with 25 or more workers must still internally document the criteria used to determine pay, pay levels and pay progression. Employers with fewer than 25 workers remain bound by the principle of equal pay for equal work or work of equal value in terms of the Regulations.

03 Update recruitment practices

Employers should ensure that **job adverts and job titles are gender-neutral**. Employers should also provide applicants with information on the initial pay or pay range for the role, and any applicable collective agreement provisions, before the recruitment process is concluded. Employers must refrain from asking applicants about their pay history.

04 Answer worker information requests

Workers have the right to request written information on their individual pay level and average pay levels, broken down by sex, for categories of workers performing the same work or work of equal value.

Employers must inform all workers annually of their right to receive this information and of the steps required to exercise that right.

05 Retain relevant data

Employers must retain information or data relating to workers' pay information rights for at least five years. Any processing of personal data under the rules must comply with the General Data Protection Regulation.

06 Prepare Pay Gap Reports where applicable

Employers with at least 100 workers must prepare a **Pay Gap Report**. The Pay Gap Report must include information such as the gender pay gap, the gender pay gap in complementary or variable components, the median gender pay gap, the median gender pay gap in complementary or variable components, the proportion of female and male workers receiving complementary or variable components, the proportion of female and male workers in each quartile pay band, and the gender pay gap by categories of workers.

07 Address unjustified pay differences

Where gender pay differences are not justified by objective, gender-neutral criteria, employers must remedy the situation within a reasonable period of time in consultation with the Monitoring Body, which may consult the employees' representatives and the Equality Body if required.

Employers subject to reporting must conduct a **joint pay assessment** if the Pay Gap Report shows a difference in average pay of at least 5% in any category of workers, the difference is not satisfactorily justified by objective, gender-neutral criteria, and the employer has not remedied the difference within six months of submitting the pay reporting.

Employees: Key New Rights

•	Right to salary information before the end of the recruitment process
•	Protection from pay history questions
•	Right to information during employment
•	Right to clarifications
•	Protection against victimisation
•	Right to bring claims
•	Right to lost pay and compensation

Reporting Timeline at a Glance

Date / period	Requirement
2026	For worker information requests made in 2026, the information to be provided must relate only to pay relative to the year 2026.
1 January 2026 to 31 December 2026	This is the first reporting reference period for employers with 250 or more workers and for employers with 150 to 249 workers.
7 June 2027	<p>Employers with 250 or more workers must provide pay gap information by this date and annually thereafter.</p> <p>Employers with 150 to 249 workers must provide pay gap information by this date and every three years thereafter.</p>
1 January 2030 to 31 December 2030	This is the first reporting reference period for employers with 100 to 149 workers.
7 June 2031	Employers with 100 to 149 workers must provide pay gap information by this date and every three years thereafter.
Six months after Pay Gap Report	A joint pay assessment may be triggered if an unjustified pay difference of at least 5% in a category of workers is not remedied within six months of submission of the pay reporting.

Penalties and Enforcement

A person who contravenes the Regulations may be guilty of an offence and liable on conviction to a fine of not less than €2,500 and not more than €5,000.

Where the offence consists of, or is connected with, a breach of the principle of equal pay for equal work or work of equal value on the basis of gender and intersectional discrimination, the offender may be liable to a fine of not less than €5,000 and not more than €7,000.

The Industrial Tribunal may also issue interim orders where a worker or interested party establishes prima facie evidence of a breach of the principle of equal pay for equal work or work of equal value on the basis of gender. Such interim orders may require cessation of an alleged infringement or the adoption of specific measures necessary to ensure compliance.

Data Protection & Confidentiality

Pay transparency compliance will often involve the processing of personal data. The Regulations require personal data processed under the relevant pay information, reporting and joint assessment provisions to be handled in accordance with the General Data Protection Regulation.

Personal data processed under those provisions must not be used for any purpose other than applying the principle of equal pay for equal work or work of equal value. Where disclosure would directly or indirectly reveal the pay of an identifiable worker, access is limited to workers' representatives, the Equality Body and the Monitoring Body.

How Can We Help

Pay transparency is not only a compliance obligation. It is an opportunity to strengthen trust, improve governance and reduce employment risk.

Mamo TCV Advocates can help your organization meet these new obligations, identify gaps, and implement practical policies and processes aligned with the new Maltese pay transparency framework.

Mamo TCV Advocates can also support employees in enforcing their employment rights under the Regulations, including in proceedings before the Industrial Tribunal. Our team has successfully assisted employees in obtaining redress where the principle of equal pay for equal work or work of equal value has been breached.

For a tailored discussion on how the EU Pay Transparency Directive and the Maltese implementing Regulations may affect your organization, please contact:

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