Syllabus and study guide

Business Law Malta (K3 MLA)



December 2027 to June 2028

Designed to help with planning study and to provide detailed information on what could be assessed in any examination session.

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1. Overall aim of the syllabus

The overall aim of the syllabus is to develop knowledge and understanding of the general legal framework, and of specific legal areas relating to business, recognising the need to seek further specialist legal advice where necessary.

2. Introduction to the syllabus

The syllabus for K3 MLA, Business Law, starts with an introduction to law and the Malta legal system such as types of law, the court system and sources of law. It then leads into the area of contract law which underpins business transactions.

The syllabus then covers a range of specific legal areas relating to various aspects of business of most concern to accounting and finance professionals: employment law and business and company law. These laws include the formation and constitution of companies, capital and the financing of companies, and the management and administration of companies. The syllabus also covers insolvency law.

Next aspects of criminal law relevant to accounting and finance professionals are covered including market abuse, money laundering, bribery and corruption, cybercrime, and fraudulent and wrongful trading.

The syllabus concludes with a focus on intellectual property law.

3. Main capabilities

On successful completion of this exam, candidates should be able to:

- Understand the Malta legal system and different types of law
- Explain contract law, including the formation of contract and breach of contract
- Understand employment law, including the contract of employment, and dismissal and redundancy
- Understand specific legal areas relating to business law and company law, including agency law and partnerships, the formation and constitution of companies, the financing and capital of companies, the management and administration of companies and legal aspects of insolvency law
- Understand criminal law relevant to accounting and finance professionals, including market abuse, money laundering, bribery and corruption, cybercrime, and fraudulent and wrongful trading
- Explain intellectual property law, which includes the protection of intellectual property.

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4. Intellectual levels

This course of study assesses both knowledge and skills within an accounting or business context. The assessment of knowledge is denoted by a superscript ^{K} and the assessment of skills is denoted by the superscript ^{S} shown at the end of each learning outcome.

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5. The syllabus

A Law and the legal system

1. Types of law
2. Sources of law
3. Legal system

B Contract law

1. Formation of contract
2. Breach of contract and remedies

C Employment law

1. Contract of employment
2. Dismissal and redundancy

D Business and company law

1. Agency law and partnerships
2. Corporations and legal personality
3. The formation and constitution of companies
4. Capital and the financing of companies
5. The management and administration of companies
6. Legal and regulatory framework for audit

E Insolvency law

1. Company liquidation

F Criminal law

1. Market abuse
2. Money laundering and the funding of terrorism
3. Bribery and corruption
4. Computer misuse and cybercrime
5. Fraudulent and wrongful trading

G Intellectual property law

1. The protection of intellectual property

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6. Detailed study guide

A Law and the legal system

1. Types of Law

a) Explain the nature and definition of law.[K]

b) Explain different types of law.[K]

2. Sources of law

a) Explain the relevance of jurisprudence in judgments.[K]

b) Explain the principal sources of law, including the differences between enacted law, customary law and legal doctrine.[K]

3. Legal system

a) Explain the structure and hierarchy of the courts.[K]

b) Explain the jurisdiction of the courts.[K]

B Contract law

1. Formation of contract

a) Explain the conditions essential to the validity of a contract and the formal requirements applicable to different types of contract.[S]

b) Summarise the differences between internal and external requisites.[S]

c) Explain the meaning of an offer, and how it differs from an invitation to treat.[S]

d) Explain the termination of an offer.[S]

e) Explain the meaning and consequence of acceptance.[S]

2. Breach of contract and remedies

a) Explain the meaning and effect of breach of contract, and the remedies available for breach.[S]

b) Explain the remedies available for breach of contract.[S]

C Employment law

1. Contract of employment

a) Explain the differences between employees and the self-employed.[S]

b) Explain the differences between full-time and part-time employment.[K]

c) Explain the nature of the contract of employment.[S]

d) Explain the terms of a contract of employment and the information to be given to employees in the absence of a contract.[S]

e) Explain the concept of probation.[S]

f) Explain the protection afforded to employees to ensure due receipt of wages.[S]

2. Dismissal and redundancy

a) Explain the nature of definite and indefinite term contracts of employment.[S]

b) Explain termination of definite and indefinite term contracts of employment.[S]

c) Explain what is meant by redundancy, termination on grounds of redundancy and the operation of the rules relating to redundancy.[S]

d) Explain termination for a good and sufficient cause.[S]

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e) Explain the remedies available to those who have been subject to unfair dismissal or redundancy.[S]

D Business and company law

1. Agency law and partnerships

a) Explain the formation of an agency relationship and a mandate relationship.[S]

b) Explain the rights and obligations of both parties to an agency relationship and a mandate relationship.[S]

c) Explain the nature of the different types of commercial partnerships.[S]

d) Explain the formation of partnerships, including the contents of partnership deeds and the procedure to make changes thereto.[S]

e) Explain the rights and obligations of partners in relation to partnership activity and its management, including the potential liability of the partners for partnership debts.[S]

2. Corporations and legal personality

a) Summarise the differences between sole traders, commercial partnerships and companies.[K]

b) Explain different types of companies, in particular private and public companies, including single member private companies and private exempt companies, as well as small companies and small groups and the procedure to change the status of a company.[S]

c) Explain the meaning of limited liability and the effect of separate legal personality.[K]

d) Explain the instances where separate personality will be ignored and the corporate veil be lifted.[K]

3. The formation and constitution of companies

a) Describe the procedure for registering companies, both public and private, and the role of the Registrar.[K]

b) Describe the statutory books, records and returns that companies must keep or make.[K]

c) Explain the effect of a company's statutory documents including the content and effect of the memorandum of association.[S]

d) Explain the contents of the model articles of association.[K]

e) Explain the procedure to effect changes to the company's constitutional documents.[S]

4. Capital and the financing of companies

a) Summarise the different types of share capital.[K]

b) Summarise the differences between various classes of shares and the rights of the holders thereof, and the procedure for altering class rights.[S]

c) Explain the procedure for the allotment of shares, including increases in capital for a non-cash consideration.[S]

d) Explain the meaning of loan capital and debenture.[K]

e) Summarise the differences between loan capital from share capital and explain the different rights held by shareholders and debenture holders.[S]

f) Explain the concept of a company charge in the form of a pledge of shares.[S]

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g) Explain the doctrine of capital maintenance and capital reduction, including a serious loss of capital.[S]

h) Explain the rules governing the distribution of dividends in both private and public companies.[S]

5. The management and administration of companies

a) Explain the role of directors in the operation of a company, and the different types of directors, such as executive/non-executive directors and shadow directors.[S]

b) Explain the ways in which directors are appointed, can lose their office, and the disqualification of directors.[S]

c) Summarise the differences between the powers of the board of directors, the managing director/chief executive, and individual directors to bind their company.[S]

d) Explain the duties that directors owe to their companies, and the controls imposed by law over transactions between directors and their companies, including loans.[S]

e) Explain the appointment procedure relating to, and the duties and powers of, a company secretary.[S]

f) Explain the appointment procedure relating to, and the duties and rights of, a company auditor, and their subsequent removal or resignation.[S]

g) Explain the duty of care of accountants and auditors.[S]

h) Summarise the differences between types of company meetings: general meetings and annual general meetings.[K]

i) Summarise the differences between types of resolutions: ordinary, special and written.[S]

6. Legal and regulatory framework for audit

a) Explain the need for the legal and professional framework including:[S]

(i) Public oversight of the audit and assurance practice.
(ii) The impact of MSFA's Code of Principles of Good Corporate Governance Guidelines for Listed Entities and MSFA's Corporate Governance Guidelines for Public Interest Companies on audit and assurance practice.
(iii) The role of audit committees and impact on audit and assurance practice.

E Insolvency law

1. Company liquidation

a) Explain the meaning of, and procedure involved, in voluntary liquidation, including members' and creditors' voluntary liquidation.[S]

b) Explain the meaning of, and the procedure involved, in compulsory liquidation.[S]

c) Explain the role of the liquidator and the exercise of their powers in both voluntary and compulsory liquidation procedures.[S]

d) Explain the order in which company debts are to be settled.[S]

e) Interpret the financial position of a company and explain whether it is insolvent.[S]

f) Explain the company recovery procedure as an alternative to the liquidation of a company.[S]

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g) Explain the corporate recovery procedure.[S]

h) Explain the role of the courts and the special controller in a corporate recovery.[S]

F Criminal law

1. Market abuse

a) Explain the nature of, and legal control over, market abuse.[S]

2. Money laundering and the funding of terrorism

a) Explain the nature of, and legal control over, money laundering and the funding of terrorism, including the implementation of the relative policies, procedures and controls.[S]

3. Bribery and corruption

a) Explain the nature of, and legal control over, bribery and corruption.[S]

4. Computer misuse and cybercrime

a) Explain the nature of, and legal control over, computer misuse and cybercrime.[S]

5. Fraudulent and wrongful trading

a) Explain the nature of, and legal control over, fraudulent and wrongful trading.[S]

G Intellectual property law

1. The protection of intellectual property

a) Explain intellectual property rights, including copyright, patents, trademarks, designs, the law of passing off and the controls over the use of company names.[S]

b) Explain the remedies for the unlawful use of intellectual property.[S]

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7. Reading list

David Joseph Attard, *The Maltese Legal System*, Volume I, 2nd edition, Malta University Press, 2013.
David Joseph Attard, *The Maltese Legal System*, Volume II (Parts A and B): Constitutional and Human Rights Law, Malta University Press.
Andrew Muscat, *Principles of Maltese Company Law*, 2nd edition, 3 volumes, Malta University Press, 2019 (1st edition: Malta University Press, 2007).
Prof. V. Caruana Galizia, Notes on the Contract of Sale and on other Contracts, Gh.S.L. Publications, Faculty of Laws, University of Malta, 1966.
Dr Philip Farrugia Randon, The Word of the Court – Volumes 7 and 13, Mid-Med Bank Ltd., 1992-1993.
Cian Giorgio, Trabucchi Alberto, 2005. Commentario breve al Codice Civile, CEDAM, Milan, 2016.
Financial Intelligence Analysis Unit's Implementing Procedures,
https://fiaumalta.org/procedures-guidance-2/implementing-procedures/
MFSA guidance notes
University of Malta dissertations and thesis on relevant topics

8. Approach to examining the syllabus

The syllabus is assessed by a two-hour computer-based examination.

The examination will consist of 50 two-mark multiple choice questions (MCQs).

All questions are compulsory.

9. Guide to ACCA examination structure and delivery mode

The structure of examinations varies, depending on the level of the qualification.

The Knowledge examinations contain 100% compulsory questions to encourage candidates to study across the breadth of each syllabus.

All Knowledge examinations are assessed by two-hour computer-based examinations.

The pass mark for all Knowledge examinations is 50%.

10. Guide to ACCA examination assessment

ACCA reserves the right to examine anything contained within the study guide at any examination session. This includes knowledge, techniques, principles, theories, and concepts as specified.

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For specified financial accounting, audit and tax examinations, except if indicated otherwise, ACCA will publish examinable documents once a year to indicate exactly what regulations and legislation could potentially be assessed within identified examination sessions. Regulation issued, or legislation passed on or before 31 August annually, will be assessed from 1 September of the following year to 31 August of the year after. Please refer to the examinable documents for the exam (where relevant) for further information.

For most examinations (not tax), regulation issued or legislation passed in accordance with the above dates may be examinable even if the effective date is in the future. The terms 'issued' or 'passed' relate to when regulation or legislation has been formally approved.

The term 'effective' relates to when regulation or legislation must be applied to entity transactions and business practices.

The study guide offers more detailed guidance on the depth and level at which the examinable documents will be examined. The study guide should therefore be read in conjunction with the examinable documents list, where applicable.

11. Learning hours and education recognition

The ACCA Qualification does not prescribe or recommend any particular number of learning hours for examinations because study and learning patterns and styles vary greatly between people and organisations. This also recognises the wide diversity of personal, professional and educational circumstances in which ACCA candidates find themselves.

As a member of the International Federation of Accountants, ACCA seeks to enhance the education recognition of its qualification on both national and international education frameworks, and with educational authorities and partners globally. In doing so, ACCA aims to ensure that its qualifications are recognised and valued by governments and regulatory authorities and employers across all sectors. To this end, ACCA qualifications are currently recognised on the educational frameworks in several countries. Please refer to your national education framework regulator for further information about recognition.

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