

Overview of the Malta Financial Services Authority

The global financial services system has become increasingly integrated, with increasing emphasis on international standards and co-ordination, which Malta has embraced. Malta's goal is to operate at the heart of the global financial regulatory system, as an active, responsible and sophisticated participant, maintaining the respect and trust of its peers. The Malta Financial Services Authority ["MFSA"] is the focus of policy, expertise, and supervision, with statutory responsibility for most aspects of financial stability and regulation. Its ability to balance the need for regulation with the need to allow the financial services an efficient operating environment is central to the success of Malta's financial services sector.

The MFSA requested the regulatory consultancy Promontory Financial Group to carry out an overview of its the operations and identifying the developments that are necessary for its continued evolution of the Authority to meet the challenges and opportunities that come with its growing responsibilities in regulation and supervision. The report is available on the [MFSA website, www.mfsa.com.mt](http://www.mfsa.com.mt), under [About Us > Reports](#).

The report highlights the dynamic nature of the regulatory and supervisory roles of the MFSA. Though Malta escaped most of the downsides of the global financial crisis that erupted in 2008, Malta has been party to the many regulatory changes that have recently been adopted across the European Union, largely driven by the consequences of that crisis. This has led to the development and implementation of complex international regulations such as MiFID II, Solvency II and CRD IV. The headcount at the MFSA has nearly doubled between 2010 [168] and 2016 [318]. For Malta to be a contributing team player in European financial management, the MFSA will need to continue to be able to recruit the staff in the quantity and of the quality to meet its duties.

Similarly, the MFSA is undertaking radical reviews of its organisation processes and its IT systems to ensure both technical capability and the efficient use of its staff. The MFSA allocates its resources and attention on a "risk basis". By tailoring its efforts towards the sectors of highest exposure and potential risk. The MFSA currently applies its most intense surveillance upon systemically important banks. As resources are developed, the report reinforces the need to extend this intrusive supervision to lower-priority Less Systemically Important Institutions and also Financial Institutions where the number of licensed entities is growing exponentially.