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Raising the Bar for Company Service Providers: the MFSA publishes Feedback Statement on proposed reforms to the CSP Framework

- All CSPs will now require an MFSA authorisation
- Over 50 responses received from various stakeholders
- CSP reform in line with MFSA's strategic objectives

The Malta Financial Services Authority (MFSA) has today published its feedback statement following a consultation document on Raising the Bar for Company Service Providers (CSPs) issued during the last quarter of 2019.

The Feedback Statement puts forward a reform which will generally raise standards for CSPs across the board, with one of the most salient changes being that a number of persons, who currently are exempt from, or who currently do not require registration, are being brought within the scope of the CSP Act and therefore subject to an authorisation requirement.

The Authority received over 50 responses from a wide range of industry participants and interested parties, which were all carefully considered. Whilst some proposals were retained, others have been revised. In doing so, the MFSA has kept its strategic objectives of: [i] generally raising standards for CSPs by upgrading and converging the requirements of the current framework to establish a more robust, coordinated, and proportionate risk-based approach; and [ii] addressing key recommendations made by international institutions; at the forefront of its agenda.

MFSA CEO Joseph Cuschieri, commented that "the role of Company Service Providers in our financial system is crucial. Today's publication is a major milestone in reforming the applicable framework. We have taken note of the responses received to our proposals and have sought to achieve a proportionate approach which raises standards across the board, but which does not act as a barrier to entry for sole practitioners and SMEs."

The new Framework will provide for a stepped approach which will allow stakeholders enough time to align themselves to the new requirements.

The Feedback Statement is publicly available on the MFSA website and can be accessed from [here](#).

About MFSA

The Malta Financial Services Authority (MFSA) is the single regulator of financial services in Malta, covering banks, insurance companies, investment services, trusts and pensions. As of last year, the MFSA became the first European regulator to develop a framework to regulate virtual financial assets. The MFSA's mission, as enshrined in its Vision 2021, is to enhance its position as an independent, proactive and trustworthy supervisory authority with the main purpose of safeguarding the integrity of markets and maintaining stability within the financial sector, for the benefit and protection of consumers. Over 2,300 entities are licensed by the MFSA to operate in the financial services sector, which makes up 11% of the Maltese Gross Domestic Product.



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