

11 May 2020

MFSA publishes its Annual Report and Financial Statements for the year ending 31 December 2019

The financial services sector grew by 2.3% year on year in terms of direct Gross Value Added (GVA) **reaching a total of €657m, generating 430 new jobs reaching a total of 12,230 jobs** - representing almost 5% of total employment in Malta. The indirect effect of financial services in the Maltese economy is estimated to be between 9-10% of GVA.

The Malta Financial Services Authority has today published its audited financial statements and annual report which looks back on the key areas of work and transformational projects undertaken by the organisation throughout 2019. Highlights from the year under review include:

- The launch of the MFSA's Vision 2021, FinTech Strategy and the development and publication of the MFSA's 3- year strategic plan 2019 – 2021,
- Launch and implementation of our Technology and Data Management transformation programme,
- A relentless focus on consumer awareness, educational campaigns and retail investor protection through increased onsite inspections and enforcement of new rules,
- Implementation of the International Monetary Fund (IMF) and MONEYVAL reform programmes,
- Restructuring of the MFSA's organisational and operating model to strengthen the MFSA's ability to address current and future challenges,
- Development of a new risk management function and risk framework, paving the way for a risk-based approach in our supervisory programme,
- Development of a new fee policy framework so that the Authority becomes self-funded by 2024-2025. This was complemented by a detailed 5-Year Business plan and an economic impact assessment,
- The setting up of a new Financial Crime Compliance Team (FCC) with the help of international experts - increased AML/CFT focused onsite examinations as agents of the FIAU.

Professor John Mamo, Chairman of the MFSA said:

"The Authority has made great strides forward in 2019 particularly in the development of its vision and strategic framework for 2019-2021 but also in the areas of risk management and the alignment of cross-sectoral priorities into the Authority's supervisory objectives. During the year under review, the Authority also developed a detailed corporate governance code which, amongst other things, strengthens the roles of the risk and audit committees hence enabling the Board of Governors to exercise its governance responsibilities more effectively."

Joseph Cuschieri, CEO of the MFSA said:

“Over the last year we have made good progress in strengthening our organisational capacity and building solid foundations for the Authority to become a stronger, technology and data-driven regulator. The year under review was characterised by a strong ramp-up in the implementation of strategic reforms agreed with the IMF and the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL) which also include major efforts in resourcing and investment in upskilling of our staff.

Looking ahead, our priority will be focused on the implementation of the reform programme agreed with the IMF and MONEYVAL but also the challenges created by the COVID-19 outbreak to make sure that the most vulnerable are protected from the financial repercussions of the pandemic but also to ensure that markets keep working well and mitigate any impacts on financial stability. This may impact our attention on other long-term priorities.

Some of the key reforms currently in the pipeline include the new capital markets strategy, asset management strategy, the FinTech ecosystem, innovation, banking legislation overhaul, cybersecurity & ICT risk standards and the CSP framework amongst other programmes”.

ENDS

Notes to Editors:

1. The 2019 MFSA Annual Report may be accessed from [here](#),
2. See attached fact sheet – “[MFSA 2019 in Numbers](#)”,
3. See attached “[Explanatory note to the 2019 Audited Financial Statements](#)”,
4. This year the MFSA has taken an environmentally friendly approach and for the first time it will not be printing its Annual Report,
5. For more information about the MFSA please visit www.mfsa.mt



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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. In 2018, 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 2,200 entities are licensed by the MFSA to operate in the financial services sector, which directly account for 6% of the economy total.