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MFSA publishes Shareholding Policy for Credit Institutions and Insurance Companies

- A robust regulatory assessment process of shareholding structures is critical in ensuring that qualifying shareholders are in a position to carry out their responsibilities and contribute to the effective governance of an institution and its decision-making process,
- MFSA publishes a new policy framework, setting out the MFSA's assessment of shareholding structures of credit institutions and insurance companies and the risk appetite in relation to the assessment of shareholding structures of such entities,
- Prospective applicants for such licences are advised that the MFSA has no risk appetite for limited shareholding structures that may adversely impact the overall governance, financial soundness and resiliency of a licence holder.

The Malta Financial Services Authority today published a [Shareholding Policy directed at Credit Institutions and Insurance Companies](#). The Policy sets out the MFSA's assessment of shareholding structures of credit institutions and insurance companies and also the risk appetite in relation to the assessment of shareholding structures of such entities. Prospective applicants for such licences are advised that the MFSA has no risk appetite for limited shareholding structures that may adversely impact the overall governance, financial soundness and resilience of a licence holder.

The Policy provides a comprehensive overview of the MFSA's approach to the assessment of shareholding structures and explains how the Authority assesses the acquisition of shareholding in prospective and existing credit institutions and insurance companies. It also addresses the impact that this may have on the overall governance arrangements. A robust regulatory assessment process of shareholding structures is critical in ensuring that qualifying shareholders are in a position to carry out their responsibilities and contribute to the effective governance of an institution and its decision making. In assessing the shareholding structure of prospective credit institutions and insurance companies, as part of the overall governance arrangements of an entity, the MFSA follows and applies the relevant European, as well as the national regulatory framework, which transposes and reflects European Directives.

"The Shareholding Policy for Credit Institutions and Insurance Companies complements other efforts being made by the MFSA in promoting good corporate governance practices across the financial services industry," said the MFSA CEO, Joseph Cuschieri.

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.



@MFSA publishes Shareholding Policy for Credit Institutions and Insurance Companies