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The MFSA publishes Document Outlining its Risk-Based Approach to Supervision

As part of its continuing commitment to improve accountability and transparency, the Malta Financial Services Authority (MFSA) today [published a document](#) articulating its approach to risk-based supervision.

"This document serves to explain our risk-based approach to supervision, whilst clarifying how safeguards against financial crime risks have been integrated in the process," commented the MFSA's Chief Officer - Supervision, Christopher Buttigieg.

A risk-based approach enables the MFSA to better allocate its resources, supervisory programmes and procedures based on the unique risk profile of each firm. "To increase our supervisory effectiveness, we adopt a risk-based approach to supervision which considers prudential, conduct and financial crime risks associated with the firms we oversee," concluded Dr Buttigieg.

Whilst the aim of this document is to provide an insight into the risk-based approach to supervision adopted by the MFSA, the principles of risk management and mitigation are not limited to supervision but are applied by the MFSA in the exercise of its other core functions, such as authorisation, operations and enforcement.



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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.