

13 November 2020

MFSA publishes document on the Supervision of Credit Institutions

- The publication provides an overview of how the MFSA supervises banks.
- It highlights work conducted by the Banking Supervision function in relation to credit institutions, during the past year, identifying the general findings and prevalent risks.
- **The publication sets out the MFSA's expectations for credit institutions.**

The Malta Financial Services Authority (MFSA) has today issued the first Volume of the publication "The Nature and Art of Financial Supervision". This publication, which is the first in a series of sector-specific publications from the Authority's Supervision Directorate, describes how the MFSA regulates and supervises the Maltese banking sector, specifically credit institutions.

The document provides an overview of supervisory work conducted over the past year, summarising the main findings and risks identified and sets out the Authority's expectations. The MFSA emphasises that credit institutions should take note of this publication and conduct a self-assessment exercise with respect to the recommendations being made. Subsequently, they should address any weaknesses identified, as appropriate.

The Head of the Authority's Banking Supervision function, David Eacott, stated that "credit Institutions should take careful note of this publication and assess their compliance with recommendations made. As part of our work for 2021, which will build on that conducted in 2020, we will amongst other things be assessing the approach taken by banks in this respect."

MFSA Chief Officer Supervision and Chief Executive Officer ad interim, Christopher P. Buttigieg, commented that "The role of banks in the financial services system is crucial. Today's publication provides an overview of our work as regulators of the sector and sets out our expectations."

The document is publicly available on the [MFSA website](#).

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.



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