

10 March 2021

MFSA and MDIA Issue First Joint Consultation on VFASPs

The Malta Financial Services Authority ('MFSA'), together with the Malta Digital Innovation Authority ('MDIA'), has today [issued](#) a consultation document to obtain industry feedback in relation to the proposed adoption of Innovative Technology Arrangement (ITA) certification with the MDIA in relation to applicants of Virtual Financial Assets services licence and licence holders (VFASPs).

Herman Ciappara, Head, Virtual Financial Assets at the MFSA said, "the proposal will provide an additional layer of assurance on the technology being adopted, thus making the VFA framework more robust." Stephen McCarthy, CEO of MDIA added, "through MDIA audits and certification, with their focus on applying appropriate due diligence on the underlying technology, the proposed changes to the VFA framework will mitigate further technology risks and strengthen user and investor protection."

The [document](#) includes several proposals including: making ITA certification with the MDIA a requirement for the licensing of VFASPs, synergies that alleviate any potential duplication and added costs that may occur with the introduction of the MDIA certification, as well as proposed implementation guidelines.

The Consultation is open until 30 March 2021. Industry participants and interested parties are invited to submit their feedback via email to VFA@mfsa.mt.

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 and MDIA issue consultation on ITA certification for VFASPs

