

7 April 2021

## MFSA Outlines Expectations in Fund Management Sector

The Malta Financial Services Authority has today issued the fourth volume of the publication '[The Nature and Art of Financial Supervision](#)'.

The document provides an overview of the Authority's approach to the supervision of Fund Managers, Collective Investment Schemes, Recognised Persons and Custodians of Collective Investment Schemes. It highlights the main observations made by the MFSA through the supervisory engagements conducted in 2020, sets out the Authority's findings, and identifies the best practices which are expected of licence holders. It then highlights the Authority's supervisory focus for 2021 and the regulatory developments which may be expected over the coming year.

MFSA's Chief Officer Supervision and CEO *ad interim*, Dr Christopher P. Buttigieg, commented that "the MFSA applies the highest level of scrutiny in its supervisory work and processes. This publication highlights the MFSA's supervisory work in the fund management sector and sets out our expectations. As highlighted in the document, it is important to note that the supervisory team has incorporated an AML/CFT aspect into all its onsite inspections. This will lead to the Authority identifying and addressing any existing vulnerabilities in this respect."

Doreen Balzan, Head of the Authority's Securities and Markets Supervision function added that "the Authority plans to continue building on the work carried out over the past year to ensure the integrity of the markets, the financial soundness of operators and, of course, the protection of consumers of financial services."

The publication is part of the MFSA's commitment to ensure that the financial services system remains stable and resilient in order to fulfil its role as a main economic contributor and as a conduit for other equally important sectors of society. The Authority also expects licence holders to take note of the contents of this publication and conduct a self-assessment exercise with respect to the recommendations being made. Subsequently, licence holders should address any weaknesses identified, as applicable.

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.



@MFSA outlines expectations in fund management sector

