

15 April 2021

MFSA outreach to Company service Providers not holding an MFSA licence: Application before 16 May is mandatory to be able to continue providing services under transitional arrangements

The MFSA today met virtually with over 500 company service providers (CSPs) as part of its efforts to support the industry by providing a comprehensive overview of the CSP reform and its implementation, as well as facilitating the new authorisation process.

Emily Benson, Head, stated that the aim of the CSP reform is three-fold: to ensure fit and proper standards, to be assured that CSPs adhere to applicable legal and AML/CFT requirements on an ongoing basis and to apply a risk-based and proportionate regulatory approach. "The CSP reform will place Malta at the forefront of good international practice, protecting the integrity of the financial system and the broader economy from undesired and illegal activity."

Angela Thorns, Senior Analyst, explained the three main changes brought about by the reform:

- warranted professionals providing CSP services to third parties, by way of business¹, will be required to apply for MFSA authorisation
- the introduction of three classes of CSPs
- the change from registration to authorisation for all CSPs, including those already in possession of a Certificate of Registration.

Jessica Agius, Analyst, briefed participants about the CSP legislative framework which is well-supplemented with Exemption Regulations, Fees Regulations, Rules, Guidance Notes and Application Procedures to support the sector in understanding its regulatory obligations under the new CSP regime.

Alison Cortis, Senior Technical Expert and Petra Camilleri, Senior Manager, led a Q&A session where they addressed questions asked by the participants.

The MFSA has started receiving [applications](#) for CSP authorisation, and the timeframe for applications to be submitted to the LH Portal closes on 16 May 2021. All applications (under and over-threshold) will be authorised, declined, or provisionally authorised by 16 November 2021. Provisionally authorised CSPs are to comply with the provisions of the CSP Act until 16 November 2022 or until such time as their application is approved or declined, whichever is the earlier. Corporate service providers can only continue to operate under the transitional arrangements if they would have applied for CSP authorisation by the 16 May.

The Authority has also published guidance on the application of the CSP Act and Frequently Asked Questions (FAQs) which can be accessed through the dedicated CSP page on the [MFSA's website](#).

¹ The MFSA has issued a [Guidance Note](#) on the application of the phrase "by way of business" in terms of the Company Services Providers Act, Chapter 529 of the Laws of Malta).

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.



@MFSAoutreach to Company service Providers not holding an MFSA licence sector

