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MFSA publishes Feedback Statement on the Stakeholder Consultation on Revisiting the Corporate Governance Framework

The MFSA today published a Feedback Statement following a Consultation on revisiting the Corporate Governance Framework. The Authority received several responses from a wide range of industry participants and interested parties and carefully considered all feedback received.

In its [Strategic Plan 2019-2021](#), the Authority committed “to enhance governance, culture and conduct across all different sectors, contributing towards strengthened accountability, market trust, and transparency.” With the [Consultation Document on Revisiting the Corporate Governance framework for entities authorised by the MFSA and Listed entities](#), the MFSA set out several proposals to promulgate a comprehensive principles-based, cross-sectoral Corporate Governance Code, supplemented by sector-specific MFSA Rules and complementing guidelines/ sectoral codes.

In determining its positions as set out in the Feedback Statement, the MFSA has focused on raising Corporate Governance standards for authorised persons, ensuring that governance is considered a top priority and embedded in firms’ culture by the governing body and senior management. Furthermore, the Authority is mindful of the potential impact of the proposed Code on the various types of entities falling within the scope of the framework and ensured that a ‘one-size-fits-all’ approach is avoided, whilst, however, ensuring that the overall governance standards increase.

In this respect, the MFSA will be issuing a list of principles of Good Corporate Governance applicable to all authorised persons on a ‘best effort basis’. These principles are expected to be then supplemented by both further industry engagement and, particularly, additional policy work focused on this area, as further explained in the Feedback Statement. Following due consideration of the responses received, the framework will be issued applicable for authorised persons only, and the current Codes of Governance for Listed Entities and Prospects will be retained.

Clare Farrugia, Head of Strategy, Policy and Innovation, stated that “the publication of the MFSA Code of Corporate Governance and related policy work, will be a strategic step forward in achieving higher corporate governance standards by authorised persons. In implementing this holistic framework, the Authority remains committed to continuing engaging further with industry stakeholders and ensuring that good governance culture is properly embraced”.

MFSA’s Chief Officer, Strategy, Policy and Innovation, Dr Michael Xuereb, also welcomed the substantial and overall positive feedback received, noting that consultations with stakeholders are crucial for the success of MFSA’s initiatives. He commented that “the adoption of the highest standards of corporate governance within the financial services market is key to ensuring the stability and integrity of the financial market, to enhancing public confidence, whilst fostering trust between authorised entities, investors and the general public.”

The Feedback Statement is publicly available on the MFSA website and can be accessed from [here](#).

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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