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MFSA publishes its Annual Report and Financial Statements for the year ending 31 December 2020

Despite the adverse circumstances generated by the COVID-19 pandemic the Maltese financial services sector saw an increase of 5.5% in real Gross Value-Added rate **which grew to €1.028 billion** in 2020.

The Malta Financial Services Authority has today published its [Annual Report and audited Financial Statements for the year 2020](#). The report provides an overview of the Authority's activities during the year under review - a year which was inevitably shaped by the spread of the COVID-19 pandemic.

Despite the challenges which this brought about, the Authority remained on course to achieve its targets as set out in its [Strategic Plan](#), as its workforce moved to work remotely, embracing virtual meetings, outreach and inspections. The Maltese financial services sector in general also weathered the shocks stemming from the onset of COVID-19 well, generating an increase in aggregate gross value which amounted to Eur1.028 billion, with employment in the sector growing by 7.6% over 2019.

Highlights from the year under review include:

- A higher number of supervisory inspections totalling 419, marking an 84% increase from 2019 and a 149% increase over 2018 figures.
- The integration of Anti-money laundering (AML) and Combatting the Funding of Terrorism (CFT) at the core of the Authority's risk assessment and supervisory frameworks. The MFSA conducted 81 supervisory inspections on behalf of the FIAU, both as full-scope (comprehensive) and focused (targeted) inspections.
- The processing of 265 applications for authorisation, 25% of which were withdrawn or refused.
- Ongoing monitoring of the effect of COVID-19 and Brexit on the sector including its effects on financial stability.
- Significant enhancements and investment in the human resource of the Authority, with a total of 16,383 hours of training provided to MFSA staff. In 2020, the Authority also set up the Financial Supervisors Academy which provides training programmes to employees, as well as to other regulators, supervisors, policymakers and academics outside of the MFSA.
- The continued implementation of the Authority's Technology Strategy whilst reaping the results of recent investments.
- A focus on ensuring stability, continuity, and growth for both the Authority and the sector.
- Continued focus on investor protection and consumer education.
- 52 enforcement actions taken, with the Authority issuing a total of €975,462 in administrative penalties, as opposed to the combined total of €1.2M issued in the three years between 2017 and 2019.

- A tenfold increase in the number of registered beneficial owners of trusts with more than 3000 declarations being registered.

Professor John Mamo, Chairman of the MFSA stated: "Despite the adverse circumstances generated by the pandemic, we are pleased to note that the Maltese financial services sector continued to grow and generate employment opportunities over the past year. We remain determined to steer the sector to a higher threshold of long-term sustainability, also through the integration of new areas of supervision and potential growth."

Dr Christopher P. Buttigieg, CEO ad interim and Chief Officer Supervision at the MFSA added: "In 2020, the MFSA continued to augment its capacity and capabilities, producing supervisory performance results. The Authority delivered on commitments made with international standard setters and on projects which had been mapped out in our strategic plan. We are encouraged by the fact that as eventful as 2020 was, and as ambitious as our strategic targets are, the Authority and the sector have remained steady on course. Looking ahead, the Authority shall be focusing on bringing stability for the long-term benefit of the financial services sector, providing continuity, and fostering the sustainable growth of the sector. By focusing on these three pillars, we shall continue achieving positive results."

The 2020 Annual Report also features a chapter on the History of financial services regulation in Malta, penned by Dr John A. Consiglio, a former member on the MFSA Board of Governors.

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. The MFSA licenses over 2,000 entities to operate in the financial services sector.



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