

1 November, 2021

MFSA marks three years since the launch of the ground-breaking Virtual Financial Assets Framework

The introduction three years ago of a framework by Malta Financial Services Authority to regulate virtual financial assets was ground-breaking at the time but has since been adopted by numerous regulators as a way to prevent money-laundering and terrorism financing, according to the Authority's CEO Joseph Gavin.

Dr Gavin was speaking during a panel interview marking the third anniversary since the Authority launched its Virtual Financial Assets Framework – making Malta one of the first jurisdictions in the world to license crypto operators. This was done primarily to protect investors, ensure market integrity and financial soundness.

Since then, the Authority registered 23 VFA agents, two Whitepapers and authorised 15 VFA service providers. These achievements were reached by following the highest standards in the industry and focusing on quality instead of quantity which were crucial elements to guarantee sustainable growth of the sector.

Experts from the Authority's FinTech Supervision function spoke about the evolution of the Authority's FinTech Strategy – launched in 2019 – and the establishment of the MFSA FinTech Regulatory Sandbox, and how the ensuing membership of the European Forum for Innovation Facilitators and the Global Financial Innovation Network enabled the sharing of best practices with other jurisdictions.

The Authority is currently geared towards the implementation of the Digital Finance Package launched in 2020 by the European Commission, aimed at creating a regulatory landscape which is conducive to sustainable, technology-enabled financial services. This is already closely aligned with the MFSA's vision as stated in its FinTech Strategy and with the MFSA's approach towards Virtual Financial Assets.

It is within this context that the MFSA will be focusing on three foundational elements going forward, namely (i) regulation, (ii) monitoring and (iii) capacity with the aim to follow global practices and to establish Malta as an international FinTech hub which supports technology-enabled financial innovation built on international standards. This will contribute to sustainable growth within the financial services market and promotes investor protection, market integrity and financial soundness.

Want to know more about FinTech and the MFSA? Watch the panel interview [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. The MFSA licenses over 2,000 entities to operate in the financial services sector.



@MFSA marks three years since the launch of the ground-breaking Virtual Financial Assets Framework

