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MFSA Adds Sustainable Finance to 2022 Supervisory Priorities

Sustainable finance has been added as a supervisory priority for 2022 by the Malta Financial Services Authority, complementing others that remain unchanged since 2021.

This year, the supervisory priorities were split into cross-sectoral and horizontal themes, in addition to those priorities that remain sector-specific in nature.

Financial Crime Compliance and Corporate Governance & Compliance Culture remain key cross-sectoral MFSA focus areas for the third consecutive year. These two pillars complement each other and support the jurisdiction's objective to raise governance, and anti-money laundering and counter-terrorist financing standards. They also remain national priority focus areas as they continue to shape Malta's reputation as a jurisdiction for serious operators.

The deployment of resources towards key areas of risk and non-negotiable workload has become necessary, with the MFSA aiming to achieve its supervisory coverage through a wide range of supervisory engagements such as supervisory interactions (inspections and meetings), supervisory reviews, thematic reviews, Supervisory Review and Evaluation Processes, and mystery shopping.

With regards to corporate governance, the Authority will shortly be issuing a Code for MFSA-authorized entities.

ICT Risk & Cybersecurity, and FinTech & Innovation remain a key priority and have been combined as one priority re-named Digital Finance: Operational Resilience & Innovation.

The MFSA has also established two horizontal priorities: monitoring the impact of COVID-19; and conduct of business – consumer protection.

The priorities for 2022 were identified following careful consideration of the market environment, regulatory developments, the European Union's Strategic Priorities, the work programs of the European System of Financial Supervision, recommendations of international standard setters, and regulatory and supervisory experience.

MFSA Chief Officer Supervision Dr Christopher P. Buttigieg, commented that, "Publishing annual supervisory priorities provides an important mechanism to set and communicate supervisory focus areas for the upcoming calendar year. By establishing our priorities, we are better placed to build capacity in key risk and priority areas, being proactive in the face of ongoing developments within the financial services sector. In this year's publication we

also provide insight on our supervisory engagement tools, paving the way for future communication on how the MFSA applies its risk-based supervisory engagement."

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



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