

21 February 2022

The MFSA Consults on a Legal Provision on Settlement Processes

The Malta Financial Services Authority (Authority) is currently working on proposed changes to strengthen the process leading to a settlement agreement with a person under investigation for possible breaches of the regulatory framework applicable to them and falling within the remit of the Authority.

Without prejudice to all powers that may be exercised by the Authority in terms of the MFSA Act or any other law, the current MFSA Act does not explicitly provide for the Authority entering into settlement discussions, and it is therefore issuing a consultation process proposing the provision that should be added to the Act.

The proposed legislative provision shall cater for instances where the Authority and the person concerned agree on the terms of settlement.

It must be stressed that any settlement agreement reached will still always involve the imposition of an administrative measure. However, resolving investigations by means of a settlement agreement will ensure that investigations are concluded in a more efficient manner, safeguarding further the general interests and legitimate expectations of consumers of financial services, which is a core function and objective of the MFSA.

The Authority has recently concluded a consultation process on settlement policy. Settlement processes will be developed further linking them to the proposed legislative provision.

Any comments or feedback in relation to this legislative provision are to be addressed to the Enforcement function within the MFSA by sending an email to enforcement@mfsa.mt, referring to this Consultation, by not later than **14 March 2022**.

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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