

02 March 2023

MFSA Focusing on Industry's Resilience in its Supervisory Plans for 2023

Digital finance and sustainable finance are also among its top priorities

The Malta Financial Services Authority (MFSA), Malta's sole regulator of financial services, has [released](#) its Supervisory Priorities for 2023. These build on the strategic objectives set out in the recently published MFSA Strategic Statement, hence ensuring that the Authority's regulatory activities are aligned with its overall mission and vision, and its strategy to become a more resilient and efficient jurisdiction

The Authority is highlighting three ongoing Supervisory Priorities which are considered crucial in the context of its day-to-day processes and are emphasised again this year:

- Governance, Risk & Compliance;
- Financial Crime Compliance; and
- Consumer Protection & Education.

These are followed by three high-level priorities for 2023 which are cross-sectoral and, for the achievement of which, each of the MFSA's nine supervisory functions is contributing:

- Resilience of Our Supervised Entities;
- Digital Finance; and
- Sustainable Finance.

The [MFSA's Strategic Statement](#) is structured around five pillars: Delivering agile and proactive regulation; Sustaining a resilient, internationally networked financial sector; Promoting good governance and compliance; Embracing innovation; and Engagement with the public. The strategic statement and supervisory priorities are therefore closely linked, with the supervisory priorities building on the Strategic Statement by providing more detailed and granular actions to achieve the broader vision.

The Supervisory Priorities for 2023 were identified following careful consideration of the market environment and regulatory developments, as well as the European Supervisory Authorities' priorities, those of the European Central Bank (ECB) and the direction provided by the European Commission. The recommendations of international standard setters, and MFSA's own regulatory and supervisory experience were also taken into account.

MFSA Chief Officer Supervision Dr Christopher P. Buttigieg commented that “As we face new challenges in the post-Covid world, we will continue to focus our supervision on governance, sustainability of business models and operational resilience. Active participation in EU fora and cooperation with the European Supervisory Authorities, the ECB and national competent authorities, continue to be high on our agenda. This ensures that MFSA’s supervisory practices are convergent with those of other competent authorities at European level, thereby strengthening mutual trust between us and other financial supervisors. This is crucial for Malta’s reputation as an international financial centre.”

The MFSA uses a risk-based approach to supervision and has a variety of regulatory and supervisory tools available to address identified risks. These tools include supervisory interactions such as inspections and meetings, supervisory and thematic reviews, and mystery shopping. The outputs from these tools can lead to enhanced supervision and monitoring, investigations, remediation plans, and enforcement action when compliance breaches and failures are identified.

The comprehensive Supervisory Priorities document can be viewed 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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