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## MFSA Guides Financial Entities to Ensure Customers Make Informed Investment Decisions

The Malta Financial Services Authority (MFSA) recently concluded a series of workshops targeted at insurance companies, intermediaries, and investment services to unfold the transformative potential of the EU Retail Investment Strategy Package.

The EU Retail Investment Strategy Package, adopted by the European Commission on 24 May 2023, aims to make the EU a safer place for citizens to invest in the long term, by enhancing the information provided to retail investors through disclosure rules, increasing cost transparency by standardising the presentation and terminology on costs, and ensuring that retail clients have a clear annual view of their portfolio's performance.

The EU Package aims to address potential conflicts of interest, combat misleading marketing, and maintain high standards of professional qualifications for financial advisors. It is also intended to encourage financial literacy, reduce administrative burdens for professional investors, and enhance supervisory cooperation.

Lead by Head of Conduct Supervision Dr Sarah Pulis, the workshops covered a range of topics including disclosures, inducements, suitability assessment, value for money, marketing and communications practices, and more.

Dr Pulis commented on the initiative, "The proposed Retail Investment Package will bring significant changes to the rules for many financial products and services offered to retail customers. While some proposals spark intense debate, the ultimate goal of bolstering consumer confidence in financial markets and encouraging retail investor participation remains the desirable outcome."

## 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 Strategic Statement, 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.

