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MFSA Thematic Review Aims to Continue Strengthening Further Governance and Compliance Standards

The Malta Financial Services Authority (MFSA) recently published a "[Dear CEO](#)" letter outlining the results of a thematic review focused on governance and compliance within the Trustee and Company Service Provider (TCSP) sector.

While the MFSA acknowledges the positive strides made by TCSPs in investing in compliance tools and resources, it also highlights areas for improvement to align practices with regulatory expectations. TCSPs are encouraged to conduct gap analyses and take prompt corrective actions where necessary, to ensure compliance and strengthen their governance structure. The letter hence serves as a roadmap for TCSPs to align their operations with the Authority's expectations.

The findings will also inform future supervisory activities, including upcoming thematic reviews planned for 2024.

Commenting on the findings, MFSA's Deputy Head of the TCSPs Supervision function, Petra Camilleri said: "TCSPs play a crucial role in facilitating business activity and acting as gatekeepers to Malta's financial system. Through this review, we positively observed an increased commitment to enhance governance structures and compliance practices. This is a testament to the sector's dedication to maintaining high standards. We are confident that through the sharing of best practices in this "Dear CEO" letter, we will see further improvements across the sector that are ultimately aimed at ensuring a more resilient TCSP sector in Malta."

Christopher P. Buttigieg, MFSA's Chief Officer Supervision added "This Thematic Review underscores our ongoing commitment to fostering robust governance and compliance standards within Malta's financial landscape. While we commend the strides made by TCSPs, it's imperative to continuously assess and enhance practices to ensure alignment with evolving regulatory expectations."

The MFSA remains committed to providing guidance and support to drive enhancements in the governance and compliance culture within the sector. On 7 May 2024, the Authority will be organising an international conference at The Hilton Hotel focusing on Malta's TCSP regulation, licensing process, and pioneering initiatives in this sector. The conference will also discuss the latest National Risk Assessment and efforts to combat financial crime within this sector. Registration for the event is open 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 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.

