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MFSA Guides Listed Entities on the New EU Sustainability Reporting Rules to Increase Transparency for Investors

On 29 April, the Malta Financial Services Authority hosted an event, inviting over 90 listed entities to learn more about their new obligations under the Corporate Sustainability Reporting Directive (CSRD) which entered into force in January 2023.

The new EU rules require listed companies and large corporations to publish reports on the environmental, social and governance risks they face, and on how their activities impact people and the environment. This is aimed at improving transparency and at helping investors and other stakeholders to evaluate the sustainability performance of companies, as part of the European green deal.

As Malta's largest listed entities prepare to apply the new rules for the first time in the 2024 financial year, for reports published in 2025, the MFSA is providing guidance on listed companies' sustainability reporting requirements, particularly the transition from the Non-Financial Reporting Directive (NFRD) to the CSRD.

Several industry stakeholders and partners joined MFSA speakers in delivering presentations on current observations and lessons learnt, as well as supervisory expectations. These were complemented by a number of engaging panel discussions, one of which saw the intervention of Alessandro d'Eri from the European Securities and Markets Authority who shared some valuable insights on best practices.

This event forms part of the EU Technical Support Instrument (TSI) Multi-Country Project which the MFSA is participating in, together with the national competent authorities of Croatia, Poland, and Romania. The project is implemented through funding by the EU through the TSI, in cooperation with the DG REFORM.

MFSA's Head of Capital Markets Lorraine Vella, who also spoke at the event, remarked: "As a regulator, we are aware that sustainability reporting poses a steep learning curve, which is why we will continue to educate, guide and engage with the industry to build the required capacity. Sustainability reporting goes beyond mere regulatory compliance, involving structural and cultural adoption of sustainability principles. The Authority

encourages companies to use sustainability reporting as a strategic enabler to focus their business in the right direction, potentially also tapping into new opportunities.”

The MFSA is committed to contribute to the achievement of national and EU sustainability goals. It will continue working towards the integration of sustainability-related requirements into its supervisory processes while promoting stakeholder engagement to ensure that listed companies and other supervised entities are kept abreast of applicable regulatory expectations and receive the support they need.

More on the EU TSI Project:

The TSI Project seeks to contribute to institutional, administrative, and growth-sustaining structural reforms in the four participating jurisdictions, by assisting national authorities to improve their capacity to design, develop and implement reforms. This is done specifically by enhancing supervisory capacity in the field of sustainable finance, while supporting supervisory convergence among competent authorities in the implementation of this framework.

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.

