

8 July 2025

MFSA Launches Consultation on Proposed Framework for the Introduction of Sukuk

The Malta Financial Services Authority (MFSA) has launched a public consultation on proposed amendments to the Capital Markets Rules, marking a significant step in the development of a dedicated regulatory framework for sukuk – Shariah-compliant financial instruments – within Malta’s capital markets.

This initiative underscores the MFSA’s strategic commitment to fostering innovation and diversity in Malta’s capital markets. Recognising the growing global relevance of Islamic finance, the Authority is taking proactive steps to create a clear and enabling environment for the introduction and structuring of Islamic financial products, with an initial focus on sukuk.

The proposed rules aim to introduce specific provisions to facilitate the issuance of sukuk on the Institutional Financial Securities Market (IFSM). As part of its consultation on the proposed amendments to the Capital Markets Rules applicable to the IFSM, the MFSA is inviting feedback from stakeholders on the introduction of these provisions.

Through this initiative, the MFSA is expanding the potential of the local capital markets, and also signalling its intent to cultivate a robust and adaptable financial ecosystem capable of embracing diverse investment needs and ethical priorities. Furthermore, this move is expected to attract new investment streams and in parallel, strengthen Malta’s global competitiveness.

Commenting on this initiative, MFSA’s Chief Executive Officer Kenneth Farrugia stated: *“As interest in Islamic finance continues to grow globally, the Authority wants to ensure that Malta’s capital markets are open, inclusive and aligned with international developments. Through this initiative, we aim to provide clarity and confidence to issuers and investors interested in structuring, issuing or investing in sukuk. It builds on the Authority’s ongoing efforts to open our markets to innovative and alternative financial instruments and supporting the diversification of funding instruments available on our markets”.*

The Consultation Document is [available](#) on the Authority’s website.

Interested parties are encouraged to send their comments by email to spi_consultations@mfsa.mt by not later than 8 August 2025.

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.

