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MFSA Ensures Enforcement Actions are Fair, Proportionate, Dissuasive and Effective – 134 Actions Taken Out of 387 Investigations Concluded in 2024

Following the recent publication of the [Annual Report for 2024](#), the Malta Financial Services Authority (MFSA) has now published a more in-depth [overview of the enforcement work carried out during the year](#). As Malta's single regulator of financial services, the MFSA is responsible for conducting investigations into potential breaches of financial services laws and regulations by authorised entities or individuals.

The scope of an investigation is to obtain a full understanding of the issues identified and determine whether an enforcement action is merited. In taking the necessary regulatory actions, which can vary from a public reprimand, the imposition of directive or of an administrative penalty, to the suspension or cancellation of a licence, the MFSA intends to educate those in breach, and to deter future non-compliance.

In 2024, the Enforcement Function within the MFSA was working on a total of 612 ongoing investigations with 220 of the total investigations relating to unauthorised persons, including financial scams. *"In 2024, we significantly strengthened our efforts to investigate individuals and entities potentially offering financial services in Malta without the required authorisations. The MFSA remains resolute in its message: any unauthorised financial services activity will be taken seriously and addressed through appropriate enforcement action,"* said MFSA's Head of Enforcement function Edward Grech.

The most investigated sector was Investment Services (187), followed by Company Service Providers (91) and Capital Markets (43). Non-submissions of statutory documentation accounted for almost half of the investigations in 2024. Other prevailing issues included governance and internal control deficiencies, fitness and properness, shortcomings of the market abuse regulation and market manipulation.

60% of the total ongoing investigations were concluded in 2024 and a total of 134 enforcement actions were imposed. The total sum of penalties issued last year amounted to €926,485, with 120 of the cases receiving a penalty due to non-submission of statutory documents. Timely reporting of all submissions is of utmost importance for the MFSA to be able to carry out its supervisory work. This enables the Authority to understand whether licensed entities are complying with its rules. While the Authority has observed a decrease

in the number of statutory documentations that were not submitted within the stipulated timeframes for some financial services sectors, the numbers for other sectors have remained the same. The investment services and insurance and pensions sectors were the ones receiving the highest amount of penalties. In 2024, the MFSA continued to address these issues by imposing a considerable higher amount of enforcement action than in previous years.

In relation to penalties issued in 2024, the Authority entered into a settlement agreement with licence holders in 38 of the cases. As per its [policy published in 2022](#), settlement agreements provide financial entities with the possibility of resolving investigations in the shortest time possible.

All administrative measures and penalties, as well as settlement notices issued by the MFSA in 2024 can be viewed on the official website of the MFSA - The process for publishing enforcement actions is outlined in the [MFSA's Publication Policy](#). In terms of this policy the MFSA can also publish enforcement action on an anonymous basis where, a public notice would cause disproportionate damage to the entity or individual involved and when the administrative measures imposed are in relation to non-material breaches and the administrative penalty imposed does not exceed €30,000. Anonymity does not apply however to cases that are appealed in front of the Financial Services Tribunal or where any judicial proceedings are instituted against the MFSA, given that the identity of the investigated person would have been made public during the proceedings.

Commenting on the ongoing enforcement work that is carried out, MFSA's Chief Enforcement Officer Dr Michelle Mizzi Buontempo said: *"During 2024, the Authority continued working on raising greater awareness of the standards that should guide the activities and conduct of operators in the financial services industry. We are committed to continue fostering a strong compliance culture, with a focus on transparency in our processes as well as ensuring proportionality in our approach."*

A full overview of the [MFSA's enforcement work in 2024](#) is available on the MFSA's 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.

