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MFSA Strengthens Malta's Islamic Finance Sector with New Shariah-Compliant Fund Framework

The Malta Financial Services Authority (MFSA) has [published](#) a completely revised Guidance Note for Shariah-Compliant Funds, reinforcing Malta's growing position as a hub for Islamic finance. This revision follows a comprehensive review designed to improve both the clarity and the practical application of the original framework.

The updated Guidance Note enhances regulatory transparency and aligns with the latest international standards and market developments in Islamic finance. It forms part of the MFSA's broader strategy to modernise Malta's financial services framework and attract high-quality investment from global Islamic markets.

The new framework introduces greater clarity for fund promoters, managers, and Shariah Advisory Boards, simplifying compliance and strengthening Malta's appeal as a jurisdiction for Shariah-aligned financial products. It complements other MFSA initiatives, including the Authority's work on sukuk and other Islamic capital market instruments.

Clare Farrugia, Head of Strategy, Policy and Innovation at the MFSA, commented: *"The updated Guidance Note reflects the MFSA's objective to deliver a transparent, accessible, and internationally aligned framework for Shariah-compliant funds. By modernising the structure and enhancing regulatory clarity, we aim to minimise uncertainty for market participants and reinforce Malta's position as a jurisdiction of choice for Islamic investment structures."*

This revision marks another step in the MFSA's ongoing efforts to ensure that Malta's financial regulatory environment remains responsive, inclusive, and globally competitive.

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.

