

# 2021

Annual Report

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© Malta Financial Services Authority

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## List of Abbreviations

<b>AI</b>	Artificial Intelligence
<b>AIFMD</b>	Alternative Investment Fund Managers Directive
<b>AIFMs</b>	Alternative Investment Fund Managers
<b>AIFs</b>	Alternative Investment Funds
<b>AML/CFT</b>	Anti-Money Laundering and Countering the Financing of Terrorism
<b>ARCO</b>	Audit and Risk Committee
<b>BI</b>	Business Intelligence
<b>BR</b>	Banking Rule
<b>CASP</b>	Crypto-Asset Service Provider
<b>CIS</b>	Collective Investment Scheme
<b>CRD</b>	Capital Requirements Directive
<b>CRR</b>	Capital Requirements Regulation
<b>CSP</b>	Company Service Provider
<b>CSRD</b>	Corporate Sustainability Reporting Directive
<b>DLT</b>	Distributed Ledger Technology
<b>DORA</b>	Digital Operational Resilience Act
<b>EBA</b>	European Banking Authority
<b>ECB</b>	European Central Bank
<b>EEA</b>	European Economic Area
<b>EIOPA</b>	European Insurance and Occupational Pensions Authority
<b>EMIR</b>	European Market Infrastructure Regulation
<b>ESA</b>	European Supervisory Authority
<b>ESG</b>	Environmental, Social and Governance
<b>ESMA</b>	European Securities and Markets Authority
<b>ESRB</b>	European Systemic Risk Board
<b>EU</b>	European Union
<b>ExCo</b>	Executive Committee
<b>FIAU</b>	Financial Intelligence Analysis Unit
<b>FIDA</b>	Financial Data Access
<b>FSA</b>	Financial Supervisors Academy
<b>GDP</b>	Gross Domestic Product
<b>GVA</b>	Gross Value Added
<b>HICP</b>	Harmonised Index of Consumer Prices

<b>ICT</b>	Information and Communication Technology
<b>IFD</b>	Investment Firms Directive
<b>IMF</b>	International Monetary Fund
<b>IOSCO</b>	International Organization of Securities Commissions
<b>IRRd</b>	Insurance Recovery and Resolution Directive
<b>JFSA</b>	Journal of the Financial Supervisors Academy
<b>JSTs</b>	Joint Supervisory Teams
<b>MAR</b>	Market Abuse Regulation
<b>MiCA / MiCAR</b>	Markets in Crypto-Assets Act/Regulation
<b>MiFID</b>	Markets in Financial Instruments Directive
<b>MiFIR</b>	Markets in Financial Instruments Regulation
<b>NPIF</b>	Notified Professional Investor Fund
<b>NSO</b>	National Statistics Office
<b>ORSA</b>	Own Risk and Solvency Assessment
<b>PSD</b>	Payment Services Directive
<b>PSR</b>	Payment Services Regulation
<b>RCIS</b>	Retail Collective Investment Schemes
<b>RegCo</b>	Regulatory Committee
<b>RRF</b>	Recovery and Resilience Facility
<b>SCR</b>	Solvency Capital Requirements
<b>SFDR</b>	Sustainable Finance Disclosure Regulation
<b>SFTR</b>	Securities Financing Transaction Regulation
<b>SIs</b>	Significant Institutions
<b>SLPFs</b>	Special Limited Partnership Funds
<b>SMEs</b>	Small and Medium-sized Enterprises
<b>SOP</b>	Standard Operating Procedure
<b>SQA</b>	Supervisory Quality Assurance
<b>SREP</b>	Supervisory Review and Evaluation Process
<b>SSM</b>	Single Supervisory Mechanism
<b>STOR</b>	Suspicious Transaction and Order Report
<b>TER</b>	Total Expense Ratio
<b>TUBOR</b>	Trusts Ultimate Beneficial Ownership Register
<b>UCITS</b>	Undertakings for Collective Investment Schemes in Transferable Securities
<b>VFA</b>	Virtual Financial Asset



# Our Mission

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To be an independent, proactive and trustworthy supervisory authority whose purpose is to safeguard the integrity of markets and maintain stability within the financial sector for the benefit and protection of consumers.

# Chairman's Foreword



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**Confidence is built on strong governance, on the prevention of financial crime, on institutions that act with integrity and on a regulator that is trusted to set and uphold the standards that make participation in the market worthwhile.**

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The financial services sector has always been more than just an engine of economic activity. At its core, it is an expression of trust: the trust that citizens place in institutions to safeguard their savings, support their ambitions and underpin the stability of the society in which they live. It is with this mindset that I reflect on 2025: a year of considerable momentum, meaningful challenges, and important progress.

In 2025, Malta's economy continued to demonstrate remarkable resilience. The Maltese economy's real Gross Domestic Product (GDP) grew by 4.0%, significantly outpacing the euro area's 1.4%, with the financial services sector being a consistent and significant contributor to this success. Moreover, financial activities generated around €1.3 billion in gross value added (GVA), representing 7.3% of Malta's total GVA, while employing approximately 6.2% of the national workforce. Pay levels in the sector remained circa 36% higher than the national average, thus reflecting the specialised skills required.

Yet growth brings its own complexity. 2025 saw notable shifts in the ownership landscape of several prominent institutions, with shareholder changes introducing new energy and strategic direction into parts of the market. We also witnessed a discernible migration toward innovation-driven licence applications, as competitive forces reshaped what financial services can indeed look like. These are welcome developments, carrying the promise of broader customer reach, more accessible services and reduced costs. However, with this comes a responsibility – both for the industry and us as regulators – to ensure that the interests of consumers are consistently protected through every transition. We remain acutely aware that innovation and competition can amplify risks if not carefully managed, reinforcing the importance of proactive supervision and timely intervention.

The broader European regulatory environment in 2025 was itself in a state of evolution. A renewed emphasis on simplification, burden reduction and smarter regulation signalled a meaningful shift in how the relationship between oversight and growth is being approached. The Omnibus Package, in particular, introduced a degree of uncertainty that the industry is still absorbing, proposing changes to frameworks even as those same frameworks are still coming into force. Navigating this requires agility from regulators and the regulated alike. The MFSa has sought to be a constructive partner in this process, deepening consultative engagement with industry and ensuring that Maltese voices are heard in the fora where European policy is shaped.

Two longer-horizon themes deserve particular attention as we look ahead. The first is sustainability. Capital markets have an indispensable role to play in directing investment toward a more sustainable and prosperous future. The European initiatives around the Capital Markets Union and the Savings and Investments Union reflect a shared ambition to connect the resources of retail investors to projects that generate enduring economic and social value. For Malta, with a population navigating a demographic transition toward an ageing population, these developments carry real significance, offering a pathway toward greater financial independence for citizens and reduced pressure on public finances in the years to come.

The second is digitalisation. The tokenisation of assets, the rise of crypto-asset service providers, and the progressive digitisation of financial infrastructure are reshaping the sector at a fundamental level. The entry into force of MiCA in January 2025 marked a watershed moment, translating what had been a pioneering national vision into a common European framework. Its implementation has encountered challenges, and key questions about the long-term architecture of crypto regulation at the European level remain open. What is clear is that getting this right, for competitiveness, for consumer protection, and for financial stability, will be one of the defining regulatory challenges of the years ahead.

Underlying all of this is a simple but enduring truth: the financial services sector can only fulfil its role in society from a foundation of confidence. Confidence is built on strong governance, on the prevention of financial crime, on institutions that act with integrity and on a regulator that is trusted to set and uphold the standards that make participation in the market worthwhile. As at 2025, the Authority supervised 2,413 authorised entities, supported by a workforce of 575 employees - reflecting the scale and responsibility of this mandate. That is the work to which the MFSa and its dedicated staff remain committed, and it is work that I believe is making a genuine and lasting difference.

I am grateful to my colleagues on the Board, to the executive leadership team and to every member of staff whose efforts have made 2025 a year of substantial achievement. My thanks also go to the industry, whose constructive engagement continues to be an essential part of how good regulation is made. The road ahead is demanding, but it is grounded in strong foundations that give us both resilience and confidence for what lies ahead.

**Jesmond Gatt**  
Chairman



# Our Vision

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To be a leading, forward-looking financial services regulator, having the respect and trust of the industry and the general public, contributing towards a strong and dynamic financial sector.

# CEO Statement



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**We remain committed to modernising our frameworks, processes and infrastructure to meet the demands of an increasingly complex environment. to ensure that we are an innovative and effective supervisor.**



Looking back on 2025, it is clear that the financial services sector remains a key driver of the Maltese economy. In a year characterised by global shifts and rapid technological evolution, the MFSA has not merely reacted to change but has actively sought to shape it. Safeguarding financial stability, ensuring market integrity and protecting consumers of financial services remain at the forefront of our mission. Moreover, we remain committed to modernising our frameworks, processes and infrastructure to meet the demands of an increasingly complex environment.

## A Modernised Legislative Framework

A cornerstone of our efforts over the past year has been the comprehensive overhaul of the MFSA Act. We recognise that for the Authority to remain an efficient and effective regulator, our legislative foundations need to be revisited from time to time to enhance organisational efficiency and clarity in our decision-making processes. These amendments are designed to provide additional clarity to certain provisions and, crucially, to streamline the effectiveness of various processes, including appeals to the Financial Services Tribunal. Furthermore, significant new regulatory tools, such as settlement agreements and mystery shopping, are being introduced.

To ensure that these changes (and others) are implemented effectively, we have extended our current strategic cycle through to 2026, allowing the Authority to fully deliver on its core objectives while remaining agile enough to pivot toward new priorities that emerged during this implementation phase.

## From Quantity to Quality

Perhaps the most significant shift in 2025 is the full-scale implementation of our Compliance Outcomes-Based supervisory model across all sectors. Historically, regulatory success was often measured by the volume or frequency of interactions; however, we have now moved decisively toward prioritising the quality and long-term impact of our oversight.

This supervisory model ensures that regulation adds tangible value to the sector rather than acting as a bureaucratic hurdle. By focusing on outcomes, we are better able to assess whether firms are truly embedding a culture of compliance and consumer protection within their operations. To support this intensive, high-quality oversight, we have revised our supervisory fees - the first such revision in over ten years - to better reflect the current level of resources, expertise and effort required to conduct effective, risk-based supervision in today's increasingly complex market environment.

## Strengthening Market Integrity and Financial Stability

Market integrity is the bedrock of international trust. Throughout 2025, the MFSA has placed a heavy focus on crisis preparedness and resolution planning, particularly within the banking sector. We have integrated innovative tools to tackle financial crime, ensuring that our governance expectations are translated into enforceable, high-level standards.

Anti-Money Laundering and Combating the Financing of Terrorism remain a core supervisory priority. We have continued to invest heavily in the systems and coordination necessary to strengthen Malta's overall framework, ensuring that we are not only compliant with international standards but also striving to lead by example. This work is bolstered by strong inter-authority coordination, including at local level. The increasingly interconnected and cross-border nature of financial services requires strong collaboration both locally and internationally. Throughout the year, the Authority continued to strengthen engagement with domestic stakeholders including the Central Bank of Malta, the Financial Intelligence Analysis Unit, the Sanctions Monitoring Board, the Malta Business Registry, the Malta Tax & Customs Administration, the Malta Police Force, the Malta Security Service, the Office of the Arbiter for Financial Services and the Office of the Attorney General. We also deepened cooperation with European Supervisory Authorities, peer regulators, other national competent authorities, including intelligence and law enforcement authorities, international bodies and diplomatic partners to support supervisory convergence, financial stability and the fight against financial crime.

## Embracing Digital Innovation and Modernisation

Positioning Malta as a forward-looking jurisdiction requires a proactive stance on digital finance. In 2025, we focused on the holistic integration of the EU Digital Finance package and the Markets in Crypto-Assets (MiCA) Regulation. While we acknowledge the inherent challenges of a rapidly developing industry, particularly with respect to digitalisation, we are committed to ensuring that the technology delivering financial services is both robust and secure.

Our commitment to modernisation is reflected in our budget: technology represents our second-highest budget allocation in 2025. This strategic rationale underpins our transition toward data-driven supervision. Central to this is the ongoing rollout of the SCMS platform, which streamlines regulatory workflows and enhances our data governance capabilities, allowing us to act on real-time insights.

Because technology is only as effective as the people who operate it, we are also significantly investing in a future-ready workforce through the [Financial Supervisors Academy](#). By providing our staff with continuous professional development in emerging areas, we ensure that our human capital remains as sophisticated as the entities we regulate.

### Digital Transformation programme

In 2025, we continued investing in the future of our organisation through our ongoing multi-year digitalisation journey.

As part of this transformation, we are re-engineering our authorisations business processes with the objective of delivering a digital-first experience in our interactions with the industry, while establishing end-to-end digital workflow orchestration as the foundation for the ongoing development and implementation of the Supervisory Cycle Management System.

At the same time, we are strengthening data quality and data governance as key enablers for the broader use of AI in the longer term. The intended role of AI is to support MFSA officials in their day-to-day work by improving efficiency, consistency and analytical insight, while ensuring that supervisory judgement, accountability and final decision-making remain firmly human-led. The Authority is also actively collaborating with other local entities, including the FIAU, to streamline data collection and, where possible, reduce the volume of data requested from licensed entities without compromising the effectiveness of supervisory oversight.

Digitalisation is the foundation for a more agile, responsive, and forward-looking regulator: one that is better equipped to meet evolving demands and which delivers with confidence in an increasingly complex environment.

### Global Engagement and Burden Reduction

Our success is inherently linked to our relationship with stakeholders. Through the MFSA's Stakeholder Panel and by liaising with the Malta Financial Services Advisory Council, we have strengthened our dialogue with the industry, fostering feedback loops that provide supervisory clarity.

We are also acutely aware of the administrative pressures on authorised entities and, to this end, are actively working to reduce administrative burdens by aligning with the European Omnibus Package and simplifying compliance reporting in coordination with bodies such as the FIAU and the Central Bank of Malta.

On the international stage, we have sustained our engagement with European Supervisory Authorities and peer regulators. This ensures that Malta's interests are effectively represented in international fora and that we remain at the forefront of supervisory convergence. Furthermore, our sustained engagement with diplomatic missions and foreign law enforcement agencies supports the cross-border cooperation necessary to combat global financial crime.

### Building a Resilient and Trusted Financial System

The achievements of 2025 would not have been possible without the dedication of our staff including the mentoring and dedication provided by the respective Chiefs, Heads of Functions and exemplary individuals dedicating time, effort and sacrifice to deliver change and effective supervision within the Authority. We are thankful also for the policy direction, constructive challenge and unwavering support provided by our Chairman and members of the Board of Governors, constant backing from the Ministry for Finance, and the constructive engagement with stakeholders. As we move toward the conclusion of our current strategic cycle in 2026, we remain committed to a future defined by resilience, innovation and international trust.

We will continue working to ensure that Malta's financial services sector is not only resilient today but proactive in addressing the global challenges of tomorrow.

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**Because technology is only as effective as the people who operate it, we are also significantly investing in a future-ready workforce through the Financial Supervisors Academy.**  
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**Kenneth Farrugia**  
 Chief Executive Officer

# Our Values

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## Integrity

A fundamental part of our mission, guiding our actions and decisions



## Dependability

To act in a reliable, transparent and accountable manner at all times



## Independence

To perform the Authority's duties without external influence



## Trustworthiness

To act with fairness, objectivity and respect when dealing with consumers and licence-holders



## Excellence

To have the right competencies to combine quality with efficiency to demonstrate professionalism and to contribute to the setting of high standards





Our  
**Identity**

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## Organisation

The MFSA was established in 2002 by the Malta Financial Services Authority Act (Cap. 330). The Authority is the single regulator for the financial services sector in Malta, including credit and financial institutions, securities and investment service companies, recognised investment exchanges, insurance companies and intermediaries, pension schemes, company service providers, trustees and crypto-assets. The MFSA is also responsible for the regulation and oversight of the capital markets in Malta.

## Board of Governors

The Board of Governors is responsible for establishing the policies and risk parameters to be pursued by the Authority. The Board determines policies by following guidelines issued by the Government and outlined in the MFSA Act. It is also responsible for advising Government on matters relating to the development and regulation of the financial services sector.



**Mr Jesmond Gatt**  
Chairman



**Mr Kenneth Farrugia**  
Chief Executive Officer  
*Non-voting member of the Board*



**Dr Anton Bartolo**  
Member  
*Appointed Deputy Chairman in February 2026*



**Dr Carl Brincat**  
Member



**Mr Joseph Caruana**  
Member



**Mr Alexander Demarco**  
Member  
*Appointed in February 2026*



**Mr Mark Galea**  
Member



**Dr Stephanie Vella**  
Member

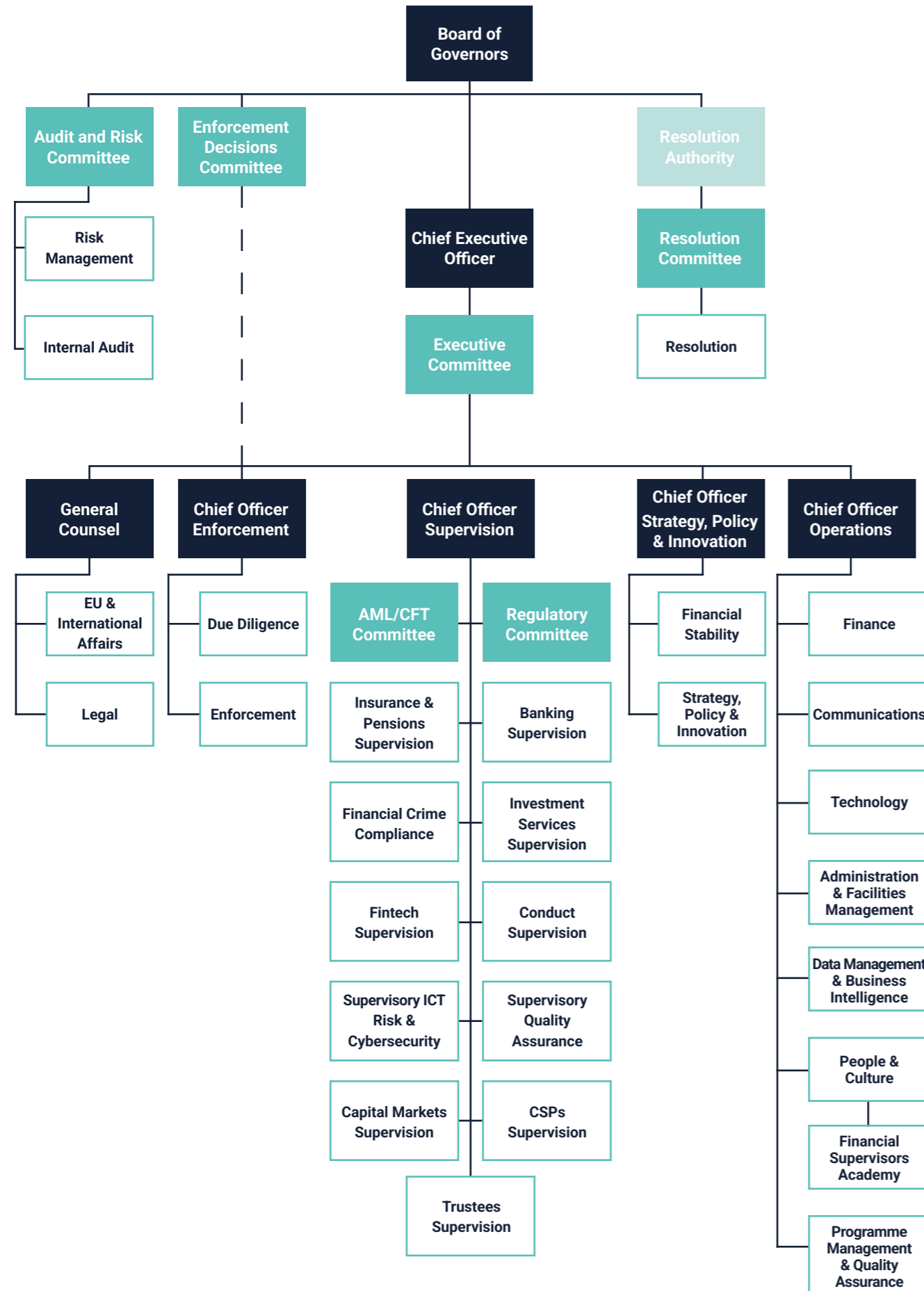


**Prof. Philip von Brockdorff**  
Member



**Mr John Sammut**  
Secretary

## Organisational Chart



## Executive Committee

The Executive Committee, appointed in terms of Article 9 of the MFSA Act, is the main organ of the Authority, being responsible for the implementation of the strategy and policies of the MFSA. Approvals related to regulation as well as those required for the issuing of licences and other authorisations also fall under the responsibility of this Committee. It is also entrusted with the monitoring and supervision of entities licensed or authorised by the Authority in the financial services sector, as well as the enforcement of the regulatory framework in this same sector. It also makes recommendations to, and otherwise assists, the Board of Governors in the admissibility to listing of financial instruments. Moreover, ExCo is responsible for the overall performance of the Authority including its financial affairs, human resources, and ancillary services, as well as the general coordination and management of the Authority's administrative and operational affairs.



**Mr Kenneth Farrugia**  
Chief Executive Officer and  
Chair of ExCo



**Prof. Christopher P. Buttigieg**  
Chief Officer Supervision



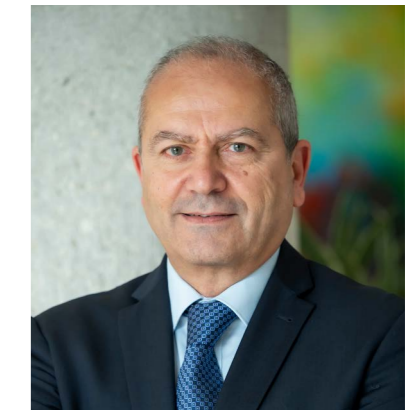
**Dr Michelle Mizzi Buontempo**  
Chief Officer Enforcement



**Dr Edwina Licari**  
General Counsel



**Ing. Ivan Zammit**  
Chief Officer Operations



**Dr Michael Xuereb**  
Chief Officer Strategy,  
Policy and Innovation  
(until 23 April 2025)



**Ms Rosalie Tanti**  
Secretary

## Audit and Risk Committee

The Audit and Risk Committee is established by and reports to the Board of Governors and operates in accordance with Article 12A of the Malta Financial Services Authority Act (Cap. 330) and the ARCO Charter. The ARCO supports the Board of Governors in meeting its oversight responsibilities of the internal governance, internal controls, financial statements, risk management and internal audit functions of the Authority.

### Members

<b>Prof. Philip von Brockdorff</b>	Audit Chairperson
<b>Dr Stephanie Vella</b>	Audit Deputy Chair
<b>Dr Anton Bartolo</b>	Risk Chairperson
<b>Mr Raymond Filletti</b>	Risk Deputy Chair
<b>Mr John Sammut</b>	Secretary



Audit and Risk Committee members

## AML/CFT Committee

The objective of this Committee is to act as a consultative forum and advise the Executive Committee, through its Chair, on matters relating to Anti-Money Laundering and Countering the Financing of Terrorism. Specifically, this Committee's remit revolves around facilitating the Authority's AML/CFT-related strategic decision-making with implementing efforts and relevant controls, pursuant to both European and international standards and expectations, in a streamlined and consistent manner across the MFSA's Directorates.

### Members

<b>Prof. Christopher P. Buttigieg</b>	Chairperson
<b>Dr Michael Xuereb</b>	Deputy Chair
<b>Mr Paul Caruana</b>	Member
<b>Mr Stephen Galea</b>	Member
<b>Ms Margherita Privitera</b>	Member
<b>Mr Matthew Scicluna</b>	Member
<b>Mr Eric Micallef</b>	Secretary
<b>Ms Maria Callus</b>	Alternate Secretary



AML/CFT Committee members

## Regulatory Committee

The Regulatory Committee has been established as a sub-committee of the Executive Committee. Following the introduction of the Delegation of Authorisations Framework in October 2023, the Regulatory Committee acts as a decision-making body for the approval and issuing of licences and other authorisations to the extent specified in the Delegation of Authorisations Framework. The RegCo is an advisory body to the Chief Officer Supervision for the monitoring and supervision of natural persons and entities in the financial services sector within the regulatory and supervisory remit of the MFSA. The drafting of new regulatory rules and regulations, issuing of policy from a supervisory perspective and new legal frameworks are also discussed at RegCo. RegCo is composed of the Chief Officer responsible for Supervision as its Chair and the Heads of the Supervisory functions. The Chief Officer responsible for Supervision updates the Executive Committee on an ongoing basis on the discussions and decisions made at the level of the Committee.

### Members

<b>Prof. Christopher P. Buttigieg</b>	Chairperson
<b>Ms Lorraine Vella</b>	Deputy Chair
<b>Dr Petra Camilleri</b>	Member
<b>Ms Alison Cortis</b>	Member
<b>Dr Christopher Aquilina</b>	Member (Appointed April 2026)
<b>Mr Alan Decelis</b>	Member
<b>Ms Catherine Galea</b>	Member
<b>Mr Ian Meli</b>	Member
<b>Mr Camille Pepos</b>	Member (Until February 2026)
<b>Dr Sarah Pulis</b>	Member
<b>Mr Ray Schembri</b>	Member
<b>Mr Matthew Scicluna</b>	Member
<b>Dr Michelle Whitehead</b>	Secretary



## Directorates

The Authority operates through five directorates, each of which addresses core functional areas:



There are also other functions which operate independently of the directorates:



## Supervision Directorate



### Banking Supervision

The function is responsible for the processing of authorisation and supervision of banks, in line and in accordance with the Single Supervisory Mechanism framework. In terms of the latter framework, the European Central Bank has the ultimate responsibility for the licensing decisions of all credit institutions. The direct supervision of Significant Institutions in Malta falls under the remit of the ECB and is carried out through Joint Supervisory Teams made up of officials from the ECB together with officials from the Banking Supervision function. Other credit institutions are supervised directly by Banking Supervision officials. In all cases, offsite monitoring of financial, operational, and qualitative data is carried out on an ongoing basis and is also complemented by periodic onsite inspections, regulatory communications, and competence interviews with key function holders and Board members, as required.



### Capital Markets Supervision

The Capital Markets Supervision function ensures fairness, efficiency, and transparency in financial markets while also protecting investors. This is achieved through a range of policy and supervisory measures at different stages including the primary market, secondary market and post-trading. The function processes applications for admissibility to listing on regulated markets in Malta, grants approvals of prospectuses in terms of the Prospectus Regulation and regulates companies having securities listed on the local regulated markets. It also oversees trading activity on the capital markets and authorises and supervises trading venues, central securities depositories, benchmark administrators, Central Counterparties, Financial Market Infrastructures operating on a Distributed Ledger Technology platform and crowdfunding platforms.



### Company Service Providers Supervision

This function oversees company service providers—entities or individuals offering corporate services such as company formation, directorship, secretarial services, and registered office or business addresses. It is responsible for authorising and supervising these providers to ensure compliance with legal and regulatory frameworks. A risk-based supervision approach is adopted to protect clients and safeguard Malta's financial system, given the gatekeeping role of these providers. Additionally, the function identifies areas for regulatory improvement and collaborates with stakeholders, including other regulatory bodies and industry representatives, to enhance the framework.



### Conduct Supervision

The Conduct Supervision function oversees how regulated entities design products and services and manage their relationships with consumers. It aims to ensure fair, honest, and professional treatment of consumers, strengthen consumer protection, address emerging risks, and lead the MFSA's initiatives on consumer education and financial literacy.



### Financial Crime Compliance

The Financial Crime Compliance function is dedicated to enhancing the MFSA's role in preventing the use, involvement, and/or facilitation of Authorised Persons in money laundering, financing of terrorism and other financial crimes. The function supports the Authority's authorisation and supervisory teams in their operations across all sector-specific functions. Through the establishment of a bilateral Memorandum of Understanding, the function also collaborates with the Financial Intelligence Analysis Unit, the Sanctions Monitoring Board, and other national and international stakeholders.



### Insurance and Pensions Supervision

Insurance and Pensions Supervision is responsible for the prudential oversight of authorised insurance and reinsurance undertakings, insurance intermediaries, retirement schemes, retirement funds, and retirement service providers. This includes business carried out in an EU member state or the European Economic Area via freedom of services and freedom of establishment.



### FinTech Supervision

The FinTech Supervision function oversees the authorisation and supervision of entities operating within the crypto-assets and financial institutions sectors, while also providing cross-sectoral expertise on digital finance and FinTech-related policy initiatives. Its responsibilities include supervising entities licensed under the Markets in Crypto-Assets Act (MiCA), the Virtual Financial Assets framework, and the Financial Institutions Act, covering activities such as crypto-asset services, payment services, electronic money issuance, lending, leasing, foreign exchange, and money brokering. The function also leads the development and implementation of the MFSA's FinTech Strategy and Regulatory Sandbox, and coordinates the implementation of the EU Digital Finance Package. Through close collaboration with other supervisory functions, it monitors technological developments and emerging risks, helping ensure that the regulatory framework remains effective, responsive, and future-focused.



### Investment Services Supervision

The Investment Services Supervision function is responsible for authorising and supervising investment firms, fund managers, collective investment schemes, depositaries, recognised private collective investment schemes, registered tied agents, and recognised fund administrators. Through its supervision, the function assesses compliance with prudential requirements emanating from European Directives and local legislation and regulations. To support its supervisory work, the function actively participates in working groups and committees within the European Supervisory Authorities.



### Supervisory ICT Risk and Cybersecurity

The Supervisory ICT Risk and Cybersecurity function is a cross-sectoral unit which, using a risk-based approach, supervises Authorised Persons in the area of ICT and cybersecurity risk management. In view of the industry's increased dependency on ICT third-party providers, this kind of supervision also takes into consideration ICT third-party risk. This function is involved throughout the entire supervisory lifecycle and encompasses additional processes such as incident reporting. As it prepares itself and the industry for compliance with the Digital Operational Resilience Act, its work also interfaces with macroprudential tools for cyber resilience.



### Supervisory Quality Assurance

Supervisory Quality Assurance (SQA) is a control function, serving as a second line of defence within the MFSA, with the main objective of developing a quality-focused culture within the supervisory functions. The function provides assurance to management regarding the quality of supervisory activities and deliverables, specifically in terms of consistency, effectiveness, efficiency and timeliness. SQA is involved from inception in new projects and whenever there are changes in supervisory procedures.



### Trustees Supervision

The Trustees Supervision function oversees the authorisation and supervision of trustees and fiduciary service providers, including private foundation administrators. It ensures compliance with regulatory frameworks to protect clients and mitigate risks, given the sector's gatekeeping role in the financial system. A risk-based approach is applied, using regulatory data to determine the depth and frequency of supervision.

## Enforcement Directorate



### Due Diligence

The Due Diligence function ensures that individuals holding or proposed for key positions within MFSA licensed entities are of good repute as part of broader fitness and properness assessments. It also handles ongoing due diligence and name screening, to further safeguard integrity across the financial services sector, as well as value-adding contributions ranging from international cooperation and information exchange, vetting prospective highly skilled individuals and specialised integrity assessments for specific types of corporate applications.



### Enforcement

The Enforcement Function investigates potential breaches of financial services laws, unlicensed activities, and financial fraud. It may recommend enforcement action, including administrative penalties and other measures. It also issues warnings, guidelines, and enforcement notices to protect investors, promote awareness and ensure compliance across entities supervised by the MFSA.

## Strategy, Policy and Innovation Directorate



### Financial Stability

The Financial Stability function identifies and mitigates systemic risks to ensure the resilience of the financial sector and broader economy, leading quantitative analysis, supporting supervisory and resolution functions with macro perspectives, impact assessments and market intelligence. This research facilitates engagement with stakeholders like the European Central Bank, European Systemic Risk Board and International Monetary Fund. Collaborating with other authorities, the function contributes to policy implementation and participates in technical workstreams within international fora.



### Strategy, Policy and Innovation

The Strategy, Policy and Innovation function delivers strategic advice and policy analysis across financial services, supporting the MFSA's strategic cycle and regulatory frameworks. It identifies emerging risks and opportunities, strengthens Malta's regulatory framework, promotes innovation and access to financial products, and ensures proactive alignment with evolving international standards to position Malta competitively.

## Operations Directorate



### Administration and Facilities Management

The function oversees building management services, including security, cleaning, travel, hospitality, reception, and transport. It ensures a safe, functional work environment for staff through regular preventive maintenance and refurbishment projects. Additionally, the function handles the procurement of goods and services in strict compliance with Public Procurement Regulations.



### Communications

The Communications function strategically manages all internal and external channels to cultivate positive stakeholder relationships and ensure that MFSA employees, licence-holders, and the general public remain thoroughly informed. Serving as the Authority's official brand guardian, the team oversees all digital, social, and offline media platforms. Furthermore, the function is responsible for designing and executing targeted consumer and industry education campaigns, managing media relations, and coordinating corporate events that uphold the MFSA's regulatory reputation and public engagement.



### Data Management and Business Intelligence

The Data Management and Business Intelligence function sits at the core of the Authority's digitalisation and data transformation agenda. It is responsible for data governance, data quality and the Authority's overall data architecture, and operates the centralised records management office. The function manages the central data warehouse and BI analytics platform, providing dashboards and insights to support users across the Authority. Within this framework, it holds responsibility for the development of the Supervisory Cycle Management System, which digitalises and orchestrates core supervisory processes.



### Finance

The Finance function manages the finances of the Authority and provides support to other functions for financial matters such as revenue collection, payments, payroll, financial control, budgetary control and management information preparation. The function also administers the MFSA's financial control framework ensuring compliance with established policies and controls. Furthermore, the team is also responsible for the submission of statutorily required financial information to Parliament.



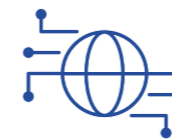
### People and Culture

The People and Culture function provides the human resources essential for the fulfilment of the MFSA's mandate, covering recruitment, retention, and learning and development. Adopting an HR Business Partner approach to talent management, the function places employees at the heart of the Authority's mission, reflecting the drive being undertaken to bring about change and organisational growth. The team implements other staff-related provisions, including the MFSA Ethics Framework, Occupational Health and Safety, and training programmes under the Financial Supervisors Academy.



### Programme Management and Quality Assurance

The Programme Management and Quality Assurance function ensures strategic alignment across the Authority, enabling it to achieve operational efficiency and effectiveness through digitisation and digitalisation. The function provides a holistic programme oversight to the MFSA's ExCo, aligns project priorities with the strategic objectives and articulates a project's interdependencies to plan demand capacity. Programme Management is also responsible for the quality assurance of project deliverables and operational process improvements.



### Technology

The Technology function is responsible for information systems, technology operations, governance and planning. The team leverages cutting edge technology, industry standards and methodologies to provide reliable services to the rest of the organisation and to the financial services sector. Technology facilities are attained through research, design, planning, network and security architecture, systems infrastructure, software development, business applications and platforms, service and support, IT risk management, and information security. To support its mandate, the function actively participates in European Supervisory Authorities' committees and working groups.

## Legal and International Affairs Directorate



### EU and International Affairs

The EU and International Affairs function ensures that the MFSA has an active role in international forums. The function coordinates relations with international organisations and memoranda of understanding with foreign regulators, as well as handling exchange of information requests. The function advises Government on the formulation of financial services policy, mainly relating to proposals issued by the European Commission, particularly when it comes to taking a national position in this sector.



### Legal Affairs

The Legal Affairs function provides legal advice across the organisation, also drafting and/or vetting legal documents involving the Authority. The function attends to any MFSA-related litigation matters, including the preparation and filing of judicial acts, any legal or judicial submissions, as well as any other work necessary in preparation for court or tribunal sittings. The function also coordinates and oversees the legislative process falling under the administration of the MFSA, including amendments or new laws required to transpose EU Directives or implement EU Regulations.

## Other MFSA Functions



### Internal Audit

The Internal Audit function is accountable to the Audit Committee and reports to the Board of Governors. The function is responsible for evaluating and improving the effectiveness of the internal risk management, control, and governance processes, to help the Authority achieve its objectives in a systematic and disciplined manner.



### Resolution

Operating independently from the Supervisory Directorate, the Resolution function manages resolution-planning activities for credit institutions and investment firms. It shapes Resolution Framework policies and legislation, with future oversight extending to insurance and central counterparties. The function advises the MFSA's Resolution Committee, which acts as the decision-making body, on choosing liquidation or resolution and applying specific resolution tools. It also serves as the Secretariat to the Depositor Compensation Scheme, Investor Compensation Scheme and Protection and Compensation Fund, supporting their respective Management Committees in overseeing depositor, investor and policyholder protection arrangements in accordance with the applicable regulatory framework.



### Risk Management

The Risk Management Function oversees risk across the Authority, ensuring effective frameworks, processes, and methodologies for identifying, assessing, monitoring, and reporting risks aligned with strategic objectives. It supports strong internal controls and governance, provides independent challenge to risk owners, and promotes disciplined risk management within the Authority's risk appetite. The function reports to the Audit and Risk Committee and the Board of Governors to ensure effective oversight.





**Our  
People and  
Organisation**

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## Our People

### Building Capability Through People

At the MFSA, our people are the foundation of our ability to deliver effective supervision and safeguard Malta's financial system. During the year, the Authority continued to strengthen its workforce, broaden expertise across the organisation and invest in initiatives that enhance employee engagement, learning, and collaboration.

Through targeted recruitment, structured development programmes, and digital HR innovation, the Authority is building the capabilities required to respond to an increasingly dynamic regulatory landscape.

In parallel, initiatives introduced during the year focused on improving the employee journey: from onboarding and development to recognition and internal connectivity, reinforcing a workplace culture that values professionalism, collaboration, and continuous improvement.

# 575

Employees  
(Across the Authority)

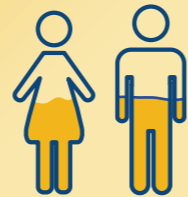


# 53%

Female

# 47%

Male



# 90

 International Employees

From **32** countries



Average age of

# 35.5 years



# 45

 students participating in the Pre-Graduate Programme

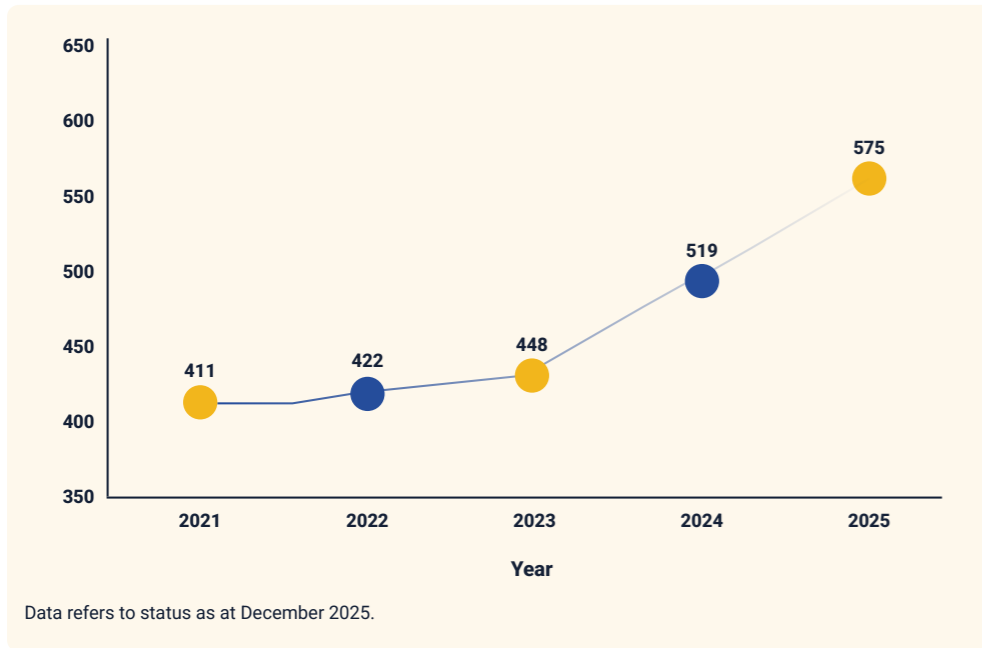
I'm grateful to work at an organisation that invests in its people. Ongoing mentoring, learning opportunities, and a diverse team have played a key role in my professional and personal growth, while allowing me to learn from different perspectives and experiences.

**Nicola Debono**

HR Business Partner  
People & Culture



## Workforce Growth



**+40%**  
Workforce  
growth  
since 2021

## Our Academic Specialisations

Banking & Finance	International Relations	Financial Services Management
Accountancy	Business Enterprise	Business & Computing
Economics	Criminology	ICT
Insurance	Law	

## Developing Expertise and Knowledge

A highly skilled workforce is essential for effective financial supervision. Throughout the year, the Authority continued to invest in structured learning programmes designed to advance regulatory expertise, technical competence, and leadership capabilities.

The [Financial Supervisors Academy](#) (FSA) continued to play a central role in bolstering supervisory expertise across the Authority. Through a combination of technical training, knowledge-sharing initiatives, and collaboration with international institutions, the Academy supports the continuous development of the MFSA's workforce.

During the year, the Academy organised and facilitated more than 26,000 hours of training, covering both internally delivered programmes and external professional development opportunities. Over 9,000 hours of training were delivered internally, across approximately 60 sessions covering 50 training topics, ranging from soft skills to highly specialised regulatory and supervisory subjects. This equated to an average of 45.6 training hours per employee, reflecting the Authority's strong commitment to continuous learning.

To support the growing demand for training and the expanding workforce, the Academy introduced a home-grown digital training management system. Since its launch in September 2025, the platform has processed almost 2,000 external training applications and more than 1,000 internal training registrations, significantly streamlining training administration and reducing manual processing by approximately 80%.

## Learning & Development

2025

Total Training Hours

**26,245**

Average Training Hours per Employee

**45.6**

Training Topics Covered

**54**

Training Sessions Delivered

**61**

## Learning Ecosystem at MFSA



From the start, I've felt supported by a team that values effort and encourages growth. It's an environment that recognises hard work and offers real opportunities to develop. My experience here reflects a culture that helps people progress with confidence.

### Hashmita Fernando

Assistant Manager  
Internal Audit



## Promoting Knowledge Exchange

The year also marked the launch of the [Journal of the Financial Supervisors Academy](#), an open-access publication designed to bridge academic research and supervisory practice. The inaugural edition featured 10 articles authored by 16 contributors from both academia and regulatory institutions, including the European Securities and Markets Authority, the Bermuda Monetary Authority, Bocconi University, the World Federation of Exchanges, and the University of Luxembourg. The first volume was formally presented to the President of Malta at San Anton Palace, reflecting Malta's commitment to regulatory excellence and academic collaboration.

Complementing this initiative, the Academy also introduced the FSA Knowledge Hub, a digital platform that promotes continuous learning and collaboration with international regulators. The Hub features expert articles, podcasts, and insights on emerging regulatory developments, further strengthening the Authority's knowledge-sharing culture and professional development ecosystem.



### JFSA Journal

an open access platform, bridging academic research and supervisory practice



### FSA Knowledge Hub

A digital platform promoting continuous learning and collaboration with international regulators



### Expert articles

- Podcasts
- Insights on emerging developments

## Enhancing the Employee Experience

During the year, several initiatives were introduced to improve how employees connect with the organisation and access people-related services. These initiatives focused on strengthening onboarding processes, increasing visibility of People & Culture services, and promoting a culture of recognition across the organisation. Key developments included the relaunch of the onboarding experience, the revamp of the People Hub intranet portal, and the introduction of a digital employee recognition feature within the HR Information System. These initiatives are designed to elevate employee engagement, enhance accessibility to people services, and reinforce a culture of appreciation across teams. Investments in modern workplace technology also ensured employees are equipped with faster and more reliable devices, improving productivity and enabling teams to perform their supervisory responsibilities more efficiently.

## International Knowledge Exchange

Participated

**790+**

Times

In

**150+**

International Forums

Meetings with joint European Supervisory Authorities and other European Institutions.

**130+**

Seconded National Experts

**3**

Personnel Swaps with European Supervisory Authorities

**1**

Schuman Programme Secondments Hosted

**6**

## Employee Journey at MFSA



## Supporting Wellbeing and Community Engagement

Employee wellbeing remains a central component of the Authority's people strategy. The focus over the year was on strengthening the working environment and supporting engagement beyond the workplace.

Several workspaces were upgraded with new ergonomic workstations, improved lighting, refreshed layouts and enhanced décor, creating a more comfortable and productive environment, while the reception area was modernised to offer a more welcoming setting for employees and visitors alike. Key air-conditioning infrastructure across part of the building was also replaced with more energy-efficient systems, improving climate control and reliability while supporting the Authority's sustainability objectives.

Alongside these improvements, the Authority continued to support employees through its hybrid working model, confidential counselling services and comprehensive health and life insurance cover. The MFSA Social Committee organised a range of events to strengthen collaboration and support community initiatives, and internal awards recognised the dedication, collaboration and professional excellence shown by staff throughout the year.



Working at the MFSA offers meaningful exposure at both European and international levels. We contribute actively to key supervisory discussions at the European Supervisory Authorities (ESAs), work closely with peer authorities, and are recognised as a respected voice across the European supervisory community.

### Ivan Carl Saliba

Technical Advisor  
Office of the Chief Officer  
Supervision



## Employee benefits



### Growth & Recognition



#### Performance management

Clear goals & recognition of achievements



#### Recognition & rewards

Celebrating contributions & milestones



#### Internal mobility opportunities

Supporting career growth across the Authority



#### Professional memberships & Academic sponsorships

Investing in expertise & our people

### Flexibility & Work-Life Balance



#### Hybrid work arrangements

Supporting flexibility & productivity



#### Flexible working & casual Fridays

Work in ways that suit our people



#### Extra days of vacation leave

Time to rest, recharge & enjoy



#### Equal opportunities employer

Inclusive culture with fair opportunities

### Health & Well-being



#### Health & life insurance

Coverage employees and their family



#### Employee support programme

Support for personal & work challenges



#### On-site medical support

Trained first aiders & AEDs on-site



#### Visual display unit risk assessments

Assessments for safer workplace

### Community & Culture



#### Leadership & team events

Building connections across teams



#### Corporate social responsibility

Making a positive impact together



#### Team building events

Strengthening team spirit & collaboration



#### Employee discounts & perks

Exclusive offers that add value

## Looking Ahead

As the Authority continues to expand, it remains focused on ensuring that workforce growth is accompanied by strong cultural alignment, leadership capability, and opportunities for professional development.

The increasing diversity of the workforce, including generational diversity and international expertise, presents both opportunities and responsibilities. By investing in leadership development, structured onboarding, and knowledge-sharing mechanisms, the Authority aims to strengthen collaboration across teams and maintain a cohesive organisational culture. Looking ahead, the MFSA will continue to prioritise initiatives that strengthen employee engagement, support professional development, and reinforce the Authority's position as an employer of choice.



### Social Committee Events

# 19



## Employee Corporate Events



## Building a Resilient Digital Infrastructure

Throughout 2025, the MFSA continued to strengthen its digital infrastructure, supervisory technologies, and cybersecurity capabilities to support a more resilient, data-driven, and future-ready regulatory environment. Key initiatives focused on enhancing supervisory reporting systems, strengthening operational resilience, supporting DORA readiness, and modernising the Authority’s technology ecosystem in line with evolving European regulatory expectations.

01

### Modernising Supervisory & Reporting Platforms

Significant enhancements were introduced to supervisory platforms and reporting systems, including improvements to FinHub and the LH Portal in line with evolving European Supervisory Authority requirements. Key developments strengthened supervisory workflows, enhanced risk-rating capabilities, and supported the onboarding of MiCA-related reporting processes.

A major milestone during the year was the transition of banking return submissions to a cloud-based XBRL platform, improving scalability, reporting accuracy, and supervisory data analysis capabilities. These developments strengthened the Authority’s ability to process high-volume reporting more efficiently while further aligning Malta’s supervisory infrastructure with EU-wide digital standards.

#### Key Highlights



**Cloud-Based Reporting**  
Improved scalability



**XBRL Platform**  
Enhanced data accuracy



**Supervisory Analytics**  
Data-driven supervision



**MiCA Reporting**  
EU-aligned reporting

Enhanced supervisory workflows and reporting infrastructure aligned with evolving EU digital standards.

### Supervisory Digital Transformation

The MFSA continued advancing its supervisory digital transformation agenda through initiatives aimed at modernising supervisory operations, strengthening information accessibility, and supporting greater automation across supervisory workflows.

#### Key Achievements

- Developed the business, data, and governance foundations required to support a centralised supervisory cycle management platform.
- Advanced the design and implementation of the SCMS Authorisations phase, establishing the foundations for the first release planned in 2027.
- Established critical foundations for the Authority’s future information management framework, enabling improved data accessibility, consistency, and interoperability across supervisory functions.
- Progressed process harmonisation activities across multiple supervisory and regulatory workstreams to support more consistent and efficient supervisory operations.

#### Strategic Impact

Positions the MFSA for more efficient, data-driven supervision by creating a single source of truth for supervisory information, reducing manual effort, strengthening information governance, and laying the foundations for future analytics and AI-enabled supervisory capabilities.

#### Strategic Outcomes



Single source of truth



More efficient workflows



Stronger information governance



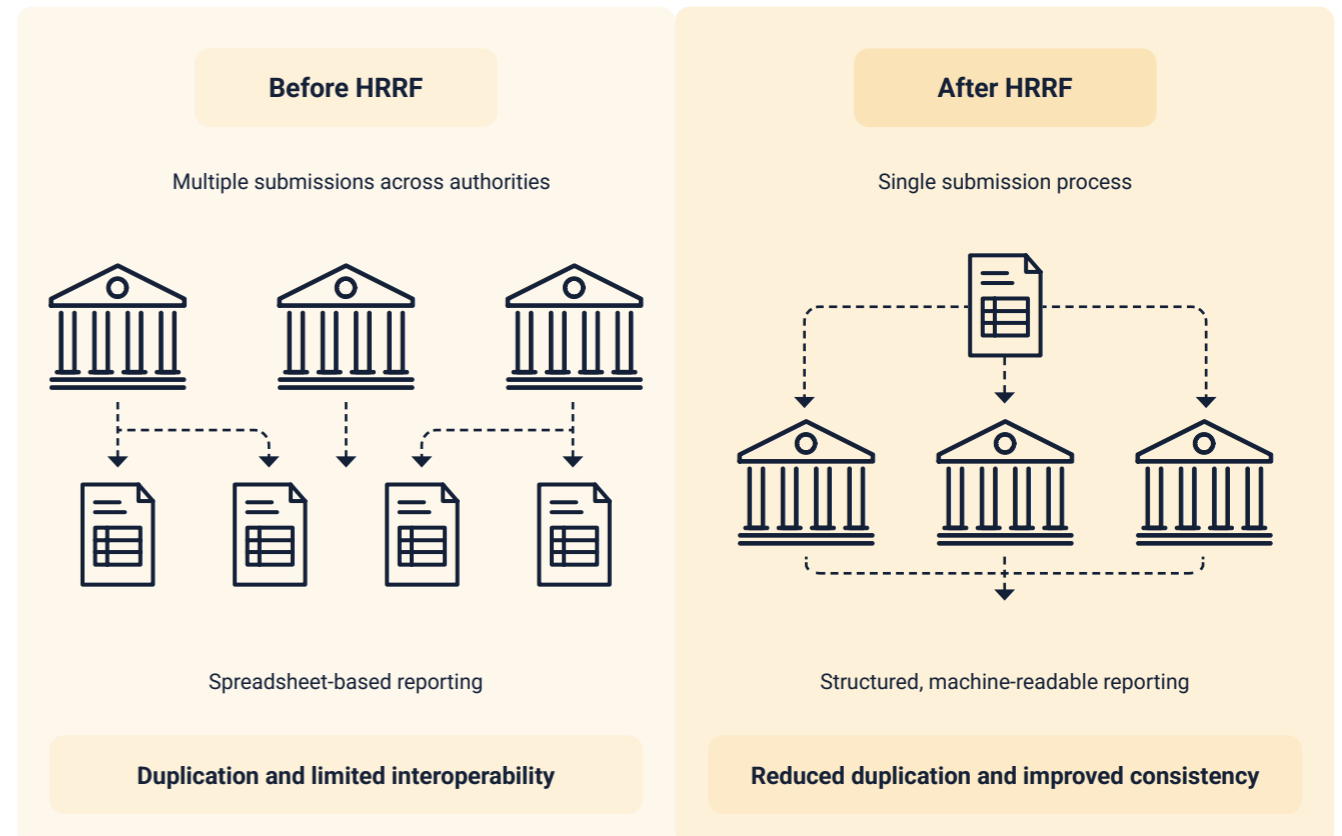
Foundations for analytics & AI-enabled supervision

## Harmonised Regulatory Reporting Framework (HRRF)

The MFSA progressed work on the Harmonised Regulatory Reporting Framework (HRRF), a long-term transformation initiative aimed at simplifying and modernising regulatory reporting across sectors.

#### Key Achievements

- Successfully launched the Financial Institutions pilot, demonstrating how a single submission process can reduce duplication of regulatory data across the MFSA and FIAU while simplifying reporting obligations for financial institutions.
- Refined the long-term reporting architecture, transitioning from spreadsheet-based reporting towards structured, machine-readable data formats to support automation, interoperability, future analytics, and AI capabilities.
- Established the foundations for a multi-year, sector-by-sector implementation programme, with future harmonisation activities planned across additional sectors including Company Service Providers and Trusts.
- Achieved a significant reduction of more than 9,000 MFSA data points, supporting the Authority’s simplification and burden-reduction objectives.



Reduction of

**9,000+**

MFSA data points through reporting simplification initiatives.

#### Strategic Impact

HRRF is a long-term transformation initiative that will progressively simplify regulatory reporting across sectors, reducing administrative burden on licence holders, improving data consistency, and supporting more efficient, technology-enabled supervision.

## 02 Strengthening Digital & Operational Resilience

The MFSA delivered key technological and supervisory enablers supporting readiness for the Digital Operational Resilience Act (DORA). During the year, the Authority deployed incident-reporting ecosystems, structured reporting workflows, and systems supporting oversight of ICT-related incidents and third-party dependencies across the financial sector.

These initiatives strengthened the Authority's ability to coordinate sector-wide responses and reinforced Malta's broader operational resilience framework.

The operational architecture supporting the Register of Information was also finalised during the year, enhancing visibility over critical ICT third-party dependencies across the financial sector.

### Key Focus Areas



ICT Incident Reporting



DORA Readiness



Third-Party Oversight



Operational Resilience

### Supporting Statements

- Enhanced ecosystems and structured workflows to detect, report, and monitor incidents.
- Strengthened supervisory capabilities in line with the Digital Operational Resilience Act.
- Improved visibility over ICT third-party dependencies and critical services.
- Reinforced Malta's resilience framework and sector-wide response capabilities.

## 03 Supporting International Digital Collaboration

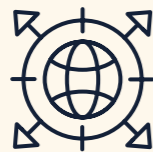
Supporting international engagement and collaboration remained an important focus throughout the year. The MFSA delivered a digital platform ahead of the meeting of IOSCO's Growth and Emerging Markets Committee and the European Regional Committee hosted in Malta in November, enabling secure information sharing and engagement with international stakeholders.

A dedicated website was also launched to support more than 200 international delegates attending the event, further reinforcing the Authority's commitment to operational excellence and international supervisory cooperation.

### International Collaboration Highlights



200+ International Delegates



IOSCO Digital Platform



International Supervisory Collaboration



Secure Digital Engagement

### Supporting Statements

- Secure information sharing and engagement with international stakeholders.
- Strengthening global regulatory ties and supervisory cooperation.
- Supporting safe and efficient digital communication and collaboration.

I began my journey within the MFSA as a pre-graduate officer. Through mentorship, hands-on experience and trust from my team, I was able to grow both personally and professionally. Transitioning into a full-time role has been a meaningful milestone and I'm proud to continue building my career at the MFSA.

### Jake Cassar Randich

Junior Analyst  
Insurance & Pensions  
Supervision





Our  
**Strategy**

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The period following the [2024 Strategic Update](#) was marked by significant developments at both local and international levels. From shifts in global monetary policy to ongoing geopolitical uncertainty and rapid advances in digital finance, the financial services sector continued to evolve rapidly. Against this backdrop, the MFSA remained vigilant in delivering on its supervisory and regulatory responsibilities, while further enhancing its internal capabilities, digital infrastructure, and supervisory approach.

The [2025 Strategic Update](#) demonstrates the Authority's progress in the execution of its strategic agenda. It highlights the translation of strategy into tangible outcomes, reinforcing the role of the MFSA as an effective regulator. Covering the five strategic pillars set out in the 2023-2025 [Strategic Statement](#), the following update outlines key achievements and initiatives delivered as at the end of 2025.

While the [Strategic Statement](#) was originally intended to cover the period 2023–2025, the strategic term has been extended through 2026. This extension reflects both the substantial progress achieved to date and the need to fully deliver several ongoing initiatives, while also allowing the Authority to respond to new priorities that emerged during the implementation of the strategy. In doing so, the MFSA is ensuring that its strategic agenda remains relevant, responsive, and aligned with the evolving needs of the financial services sector.



## Five Strategic Pillars

**01**



Agile and Proactive Regulation

**02**



A Resilient and Internationally Connected Financial System

**03**



Good Governance and Compliance

**04**



Innovation and Digital Transformation

**05**



Public Engagement and Outreach

## PILLAR I Agile and Proactive Regulation

Enhancing supervisory effectiveness through innovation, proportionality, and efficiency.

In 2025, the MFSA continued to refine its regulatory and supervisory frameworks to better respond to a rapidly evolving financial environment. The focus remained on simplifying processes, strengthening regulatory tools, and ensuring alignment with European and international standards.



### Streamlining supervision

- What we Delivered**
- Rolled out outcomes-based supervision across all supervisory functions
  - Advanced a modular “submit once” reporting model
  - Launched consolidated reporting pilots with the Central Bank of Malta

**Impact** Supervision became more targeted and efficient, reducing duplication and improving the quality and usability of regulatory data.



### Improving regulatory processes

- What we Delivered**
- Strengthened ongoing name-screening and fit and proper assessments
  - Integrated European Supervisory Authorities platforms
  - Enhanced coordination with the FIAU on AML/CFT supervision

**Impact** More consistent authorisation processes and stronger gatekeeping across the financial sector.



### Ensuring effective transposition and coordination

- What we Delivered**
- Timely and proportionate transposition of EU legislation
  - Expanded stakeholder consultations and engagement
  - Active participation in EU-level implementation discussions

**Impact** Greater legal clarity and smoother implementation of new regulatory frameworks.



### Streamlining legal and regulatory frameworks

- What we Delivered**
- Issued the Conduct of Business Rulebook for Credit Institutions
  - Simplified the Company Service Providers framework
  - Advanced initiatives under the Asset Management and Capital Markets Strategy, including:
    - Revised Sponsors’ Regime
    - Updated Guidance on Shariah-Compliant Funds
    - Progressed on the development of a Sukuk framework

**Impact** A more coherent and accessible regulatory framework supporting market development and innovation.



### Enhancing risk identification and monitoring

- What we Delivered**
- Enhanced conduct and prudential risk models
  - Integrated sustainability-related risk indicators
  - Developed a dedicated stress-testing framework for the insurance sector

**Impact** Improved ability to identify emerging risks and take earlier supervisory action.

## PILLAR II A Resilient and Internationally Connected Financial System

Promoting stability through cooperation, preparedness, and effective crisis management.

The MFSA maintained its effort in reinforcing the resilience of Malta’s financial system by deepening domestic and international cooperation and enhancing crisis preparedness frameworks.



### Deepening institutional cooperation

- What we Delivered**
- Expanded engagement with domestic and international counterparts
  - Progressed Memoranda of Understanding with key institutions
  - Improved coordination with the FIAU and law enforcement authorities
  - Increased participation in European and international regulatory fora

**Impact** Stronger supervisory coordination and more effective cross-border information exchange.



### Enhancing crisis preparedness and resolution

- What we Delivered**
- Developed a Domestic Crisis Management Framework
  - Advanced resolution planning for credit institutions
  - Conducted internal and EU-level simulation exercises
  - Introduced a multi-annual resolvability testing programme

**Impact** Greater preparedness to respond to financial stress scenarios and safeguard financial stability.



## PILLAR III Good Governance and Compliance

Embedding strong governance and a culture of compliance across the sector.

The MFSA furthered the translation of high-level regulatory principles into clear and enforceable expectations, reinforcing governance and compliance as foundations of sustainable financial services.




**Reinforcing governance frameworks**

**What we Delivered**

- Advanced sector-specific governance standards
- Embedded enhanced governance requirements within Markets in Crypto-Assets Regulation and financial institutions frameworks
- Developed a General Code of Conduct for Decision Makers

**Impact** More robust governance practices and greater accountability across regulated entities.



**Driving compliance through engagement and supervision**

**What we Delivered**

- Issued 25 “Dear CEO” letters outlining supervisory expectations
- Conducted thematic reviews, inspections, and workshops
- Addressed key areas including market abuse, European Market Infrastructure Regulation reporting, audit committees, and sustainability

**Impact** Improved industry awareness, stronger compliance culture, and clearer supervisory expectations.

## PILLAR IV Innovation and Digital Transformation

Supporting responsible innovation while advancing supervisory capability

Innovation continues to reshape financial services. In 2025, the MFSA focused on enhancing its ability to supervise emerging technologies while enabling innovation within a robust regulatory framework.




**Building supervisory expertise**

**What we Delivered**

- Expanded specialised training through the [Financial Supervisors Academy](#)
- Delivered programmes on sustainable finance, climate risk, and ESG regulation
- Introduced certification pathways for continuous professional development

**Impact** Stronger internal expertise to address emerging and complex risks.




**Implementing the Digital Finance Package**

**What we Delivered**

- Implemented the Markets in Crypto-Assets Regulation through legislation, rulebooks, and first authorisations
- Contributed to EU discussions on Payment Services Directive, Payment Services Regulation, and Financial Data Access
- Increased collaboration with the Central Bank of Malta

**Impact** Positioned Malta effectively within the evolving European digital finance landscape.



**Supporting new and innovative business models**

**What we Delivered**

- Updated frameworks for single-family offices and investment structures, and published a position paper on the tokenisation of fund units.
- Advanced initiatives in Islamic finance, aircraft leasing, and pension regimes
- Conducted horizon scanning and launched the Payments Landscape study

**Impact** Enhanced readiness for emerging business models and future regulatory developments.



## PILLAR V Public Engagement and Outreach

Fostering dialogue, transparency, and financial literacy.

The MFSA remained committed to expanding its engagement with industry and the public, promoting transparency, education, and informed decision-making.



### Engaging with stakeholders

**What we  
Delivered**

- Hosted industry conferences on insurance and asset management
- Delivered targeted workshops on MiCA and insurance practices
- Expanded digital communication and outreach

**Impact**

Stronger dialogue with stakeholders and improved industry preparedness.



### Promoting thought leadership and knowledge sharing

**What we  
Delivered**

- Launched the [Journal](#) of the [Financial Supervisors Academy](#)
- Provided an open-access platform for regulatory research and insights

**Impact**

Greater visibility and contribution to thought leadership in financial regulation.



### Building future talent

**What we  
Delivered**

- Partnered with the University of Malta to launch a postgraduate programme in Financial Regulation and Compliance
- Expanded staff exchange programmes with European authorities

**Impact**

Enhanced professional standards and long-term capacity building across the sector.





**Our  
Work**

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## Who We Regulate

**2,413 Authorised Entities**

A diverse and multi-sector financial services landscape under supervision in 2025.

### Authorised Persons by Sector

Number of Active Authorisations



**+16%**  
growth  
in active  
authorisations  
since 2021



## Authorisations in 2025



## Supervisory Approach

The scale and diversity of authorised persons require a risk-based and proportionate supervisory framework, that puts particular focus on significant institutions, those with complex structures and those that present emerging risks. In fulfilling its mission, throughout 2025 the Authority engaged with regulated firms across all sectors according to its supervisory priorities for the year.

In 2025, the MFSA continued to advance a more integrated and technology-enabled supervisory approach. Supervision increasingly draws on shared data, thematic analysis and emerging risk indicators to assess firms holistically across prudential, conduct, governance, financial crime and digital resilience dimensions. Enhanced reporting and incident-notification tools have improved the quality and timeliness of supervisory information, supporting earlier risk detection and more targeted engagement. Stronger coordination across internal functions has further reinforced the Authority's ability to respond proportionately to emerging risks and maintain an effective, forward-looking supervisory framework.

Supervisory interactions remain at the heart of the MFSA's regulatory approach. During the year, the Authority engaged extensively with authorised entities through inspections, meetings, thematic reviews, and other supervisory exercises designed to assess firms' practices, address emerging risks, and promote high standards of compliance and governance across the financial services sector.

## Ongoing Supervisory Priorities

Governance, Risk & Compliance

Financial Crime Compliance

Consumer Protection & Education

## Focused Supervisory Priorities for 2025

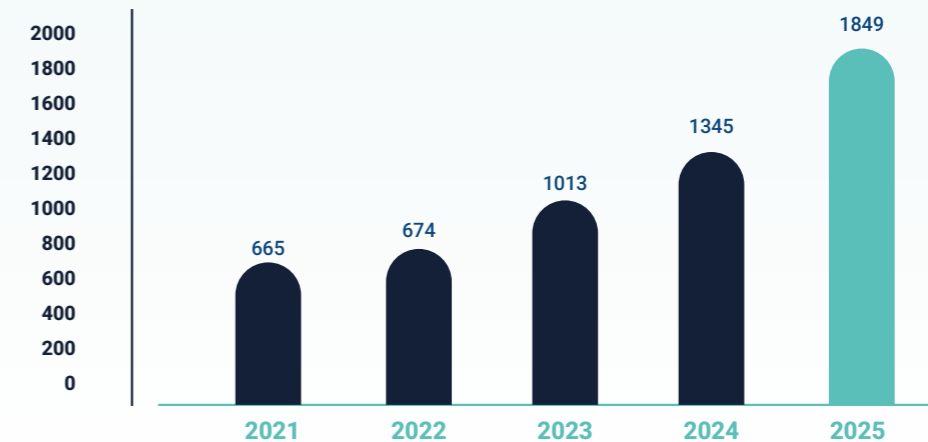
Resilience of Supervised Entities

Sustainable Finance

Digital Finance

Cross-Border Supervision

Supervisory Interactions





### Supervision across Sectors

In 2025, the MFSA continued to deepen its supervisory approach across the financial services sector, with a clear focus on governance, resilience, data quality, market integrity and proportionate implementation of new regulatory requirements. Across banking, investments, capital markets, insurance, fintech, trustees and company service providers, supervisory work combined targeted reviews, onsite inspections, thematic exercises, supervisory meetings and regulatory outreach.

A common thread across all sectors was the increasing use of compliance outcomes-based supervision, enabled by greater use of data, enhanced communication of supervisory expectations, and more targeted engagement with boards, senior management and control functions. This enabled the Authority to focus more directly on whether firms were delivering the governance, control and risk outcomes expected of them, while remaining responsive to emerging risks, digitalisation, sustainability requirements and cross-border developments.

### Tackling Financial Crime

In 2025, the MFSA reinforced its risk-based approach to tackling money laundering, terrorist financing and sanctions evasion. Financial crime considerations were further integrated into prudential, conduct and authorisation supervision, supported by close cooperation with national and European counterparts. Targeted supervisory engagement and thematic work reinforced expectations on governance, screening and controls, contributing to a more resilient financial system and enhanced jurisdictional credibility.

### Banking: resilience and readiness

Banking supervision in 2025 centred on resilience and preparedness for a changing prudential environment. The MFSA maintained extensive engagement with credit institutions during the year, holding 110 supervisory meetings alongside SREP-related interactions, fit and proper assessments, onsite inspections and thematic reviews. Supervisory work focused on long-term sustainability, the robustness of internal governance and risk management frameworks, and the resilience of capital and liquidity positions.

A major area of focus was the integration of climate and environmental risks into the prudential framework. With the introduction of the Capital Requirements Regulation III and Directive VI, the Authority continued guiding institutions on embedding ESG risks within governance, risk management, stress testing and reporting. A proportionate approach was adopted, recognising that Less Significant Institutions would need time to build these capabilities, with fuller integration expected between 2026 and 2027.

The year also saw continued emphasis on transparency. The MFSA published The Supervision of Online Deposit Platforms, analysing banks' funding through online deposit platforms and setting out prudential expectations, and SREP Benchmarking and Supervisory Effectiveness, providing a five-year overview of SREP outcomes for Less Significant Institutions. In December, the Authority also issued a Dear CEO letter on the Supervision of Credit Institutions' Cross-border Activities, clarifying prudential and conduct expectations for institutions operating across borders.

At a European level, the MFSA remained highly engaged, participating in 38 European fora and attending 212 meetings during the year. This facilitated supervisory convergence, monitoring of regulatory developments and closer alignment with European peers.

**Key Outcome** Reinforced supervisory convergence and closer alignment with European regulatory developments through active international engagement.

### Investments: control, oversight and investor protection

In the investment services and asset management sectors, supervisory work focused on governance, control functions, outsourcing, liquidity risk and investor protection. Throughout the year, the MFSA engaged with boards, senior management and committee members to assess whether governance frameworks remained proportionate to firms' business models and operational complexity.

A key development in 2025 was the introduction of four supervisory outcomes for the sector. For asset managers, these focused on the adequacy of control functions within Alternative Investment Fund Managers and Undertakings for Collective Investment Schemes in Transferable Securities management companies, and the effectiveness of oversight over outsourcing arrangements. For investment firms, the Authority focused on recovery planning and on compliance with the Control of Assets Regulation where credit institutions also provide investment services.

Supervisory Area	Focus	Key Findings	Supervisory Response
Governance & Control Functions	Oversight of AIFMs and UCITS management companies	Weak escalation frameworks and outdated procedures identified	Enhanced supervisory engagement with boards and committees
Outsourcing Oversight	Review of 21 supervised entities	Weak due diligence and potential letter-box structures observed	Follow-up supervisory action and governance reviews
Recovery Planning	Review of 21 investment firms	Plans often too generic and insufficiently tailored	Firms requested to enhance recovery planning frameworks
Investor Protection	Review of Total Expense Ratios (TERs)	46 funds identified with high TERs	Certain licence holders requested to submit cost reduction plans
Liquidity Risk Management	Readiness for AIFMD II liquidity management tools	Some firms lacked liquidity stress testing and pre-trade checks	Increased supervisory focus on liquidity governance
Sustainable & Digital Finance	SFDR, ESG terminology, MiCA and DORA preparedness	Greenwashing and disclosure risks monitored	Ongoing supervisory engagement and policy guidance

**Key Outcome** Strengthened governance, control functions and investor protection frameworks across investment services and asset management sectors.

## Capital Markets: transparency and market integrity

In capital markets, the MFSA pursued an active supervisory programme across trading venues, Distributed Ledger Technology (DLT) market infrastructures, crowdfunding service providers, the Central Securities Depository, and entities subject to the Markets in Financial Instruments Regulation, the European Market Infrastructure Regulation, the Securities Financing Transactions Regulation, the Market Abuse Regulation and listed entity transparency requirements.

Data-driven supervision remained central. Transaction reporting analytics under MiFIR, EMIR and SFTR were used to assess data quality, reconciliation processes and reporting governance, while enhanced dashboards supported earlier identification of trading anomalies, reporting gaps and inconsistencies in reference data.

A major focus was the supervision of listed entities, particularly governance effectiveness, Audit Committee oversight, transparency and investor communication. The Authority engaged directly with Audit Committees on matters such as board composition and independence, ICT and outsourcing risks, control functions, business model resilience, succession planning and fit and proper arrangements. From a market development perspective, 2025 was a record year, with the approval of 24 equity and debt issuances for admissibility to listing.

The MFSA also introduced four compliance outcomes for the capital markets sector, covering sustainability reporting under the Corporate Sustainability Reporting Directive and the EU Taxonomy, MiFIR transaction reporting quality, EMIR Refit implementation, and corporate governance, including gender diversity and Principle 3 compliance. In this context, 15 issuers were selected for onsite inspections focused on Audit Committee effectiveness.

Alongside this, market integrity remained a key priority. The Authority engaged with licensed entities on orders and transactions that may have warranted a Suspicious Transaction and Order Report, reinforcing expectations around internal surveillance and timely escalation. Supervisory work also continued to support responsible innovation, with attention given to ESG disclosures, greenwashing risk, DLT-related arrangements and operational resilience under the DLT Pilot Regime.

**Key Outcome** Introduced targeted compliance outcomes focused on sustainability reporting, transaction reporting quality and corporate governance effectiveness.

## Insurance and Pensions: risk, resilience and reform

The year under review was marked by strong supervisory engagement, continued authorisation activity and progress on important regulatory and policy initiatives. The Authority continued to see sustained interest from international firms seeking to establish regulated insurance entities in Malta, resulting in extensive engagement with prospective applicants on governance, substance, risk management, financial soundness and sustainability expectations.

Supervisory work remained risk-based and forward-looking, combining onsite inspections, supervisory meetings and desk-based financial, actuarial, governance and risk analysis. The Compliance Outcomes-Based framework was also applied across the sector, with particular focus on the effectiveness of risk management functions, the oversight role of Independent Non-Executive Directors, the quality of data submitted through regulatory returns, and the effectiveness of outward reinsurance arrangements, especially where third-country reinsurers were involved.

Cross-border business remained a supervisory priority, with the MFSA dedicating substantial resources to cooperation and information-sharing with host authorities. This included reassessments of cross-border activity through inspections and joint supervisory work, including a focused onsite inspection in Greece during 2025.

Outsourcing, reinsurance and actuarial oversight also featured prominently. Supervisory work assessed delegated authority arrangements, continuity of service for policyholders, and the appropriateness of assumptions used in Solvency Capital Requirements and Own Risk and Solvency Assessment projections. The Authority's work in this area aimed to ensure that reinsurance is used as a sound risk management tool rather than for regulatory arbitrage.

Sustainability continued to move further into mainstream supervision. The MFSA assessed how supervised entities were incorporating ESG factors into business strategy, governance, operating models and risk management, supported by desk-based reviews of ORSAs, investment policies and risk registers. In the pensions sector, supervisory work also covered ESG disclosures, Scheme Particulars and implementation planning by Retirement Scheme Administrators.

The year also saw progress on broader policy initiatives, including work on the transposition of the Insurance Recovery and Resolution Directive and the publication of a consultation aimed at enabling the introduction of an auto-enrolment pensions framework in Malta.

**Key Outcome** Progressed key regulatory reforms, including IRRD transposition and development of an auto-enrolment pensions framework.

## FinTech: Supervision for a changing digital market

In fintech supervision, work focused on financial institutions and firms transitioning from the Virtual Financial Assets framework to MiCA. The Authority concentrated on governance, safeguarding, outsourcing, business resilience and MiCA readiness, with the objective of ensuring that digital and innovative business models are underpinned by sound operational and control frameworks.

For financial institutions, the MFSA conducted more than 50 supervisory meetings and eight onsite inspections, supported by thematic reviews on business resilience and governance. These reviews identified recurring weaknesses, particularly among smaller firms, including concentration risk, lean governance, weak self-assessments of outsourcing arrangements and gaps in business continuity planning, succession planning and financial stress testing. These findings informed a Dear CEO letter on Business Resilience issued during the year.

In the digital assets space, the MFSA carried out four onsite inspections on firms transitioning to the MiCA framework. These assessments focused on whether the governance, compliance, operational and risk management arrangements presented during the authorisation process were properly designed and effectively embedded in practice. While larger international firms generally demonstrated stronger readiness, smaller firms were encouraged to reassess the sustainability of their business models.

A major regulatory milestone was the issuance of the MiCA Rulebook in March 2025. The MFSA also remained active in European and bilateral engagement on Crypto-Asset Service Provider authorisations and supervisory convergence, helping to support aligned application of the new regime.

**Key Outcome** Assessed MiCA readiness and governance effectiveness of transitioning digital asset firms through focused onsite inspections.



## Trustees and CSPs: transparency, governance and accountability

In the trustees sector, the Authority continued to build on its pilot compliance outcomes-based supervisory work focused on the Trusts Ultimate Beneficial Ownership Register, with attention centred on two objectives: the accuracy of beneficial ownership information reported by trustees, and the timeliness of that reporting. These outcomes were selected in view of the sector's important AML/CFT dimension and the growing international focus on the availability of beneficial ownership information. Supervisory inspections were used to identify the weakest-performing entities and to drive remedial action, with further industry outreach planned for 2026.

Governance, risk and compliance remained central to trustee supervision, alongside a thematic focus on the segregation of funds and assets, an area of particular importance given the risks of misuse of client assets. The MFSA also increased engagement with security trustees in the context of secured bond issues, especially those approaching maturity.

For Company Service Providers, the MFSA applied its compliance outcomes-based approach to two priority areas: the adequacy of the risk management function and the oversight exercised when arranging for other persons to act as directors and/or company secretaries. The first review involved supervisory meetings with 10 CSPs, while the second took the form of a thematic questionnaire issued to 50 CSPs. A Dear CEO Letter on CSP risk management was issued in November 2025, and a further communication on director and company secretary oversight is expected in 2026.

Alongside this supervisory work, 2025 also saw a significant reform of the CSP framework. Amendments to the Company Service Providers Act were brought into force in May, accompanied by updates to the CSP Rulebook, the introduction of a new Rulebook for Limited CSPs, revised guidance and new notification requirements for Restricted CSPs. The MFSA also continued to engage closely with the Malta Business Registry, the FIAU and industry representatives to support implementation and communicate supervisory expectations.

**Key Outcome** Reinforced risk management and oversight expectations through targeted supervisory reviews and thematic assessments.



## Enforcement – Higher investigation volume, targeted outcomes

In 2025, the MFSA handled a high volume of investigations while continuing to take proportionate enforcement action across a range of regulatory breaches. The year also saw further work to improve transparency, consistency and internal processes, reinforcing the Authority's broader supervisory and market integrity objectives.



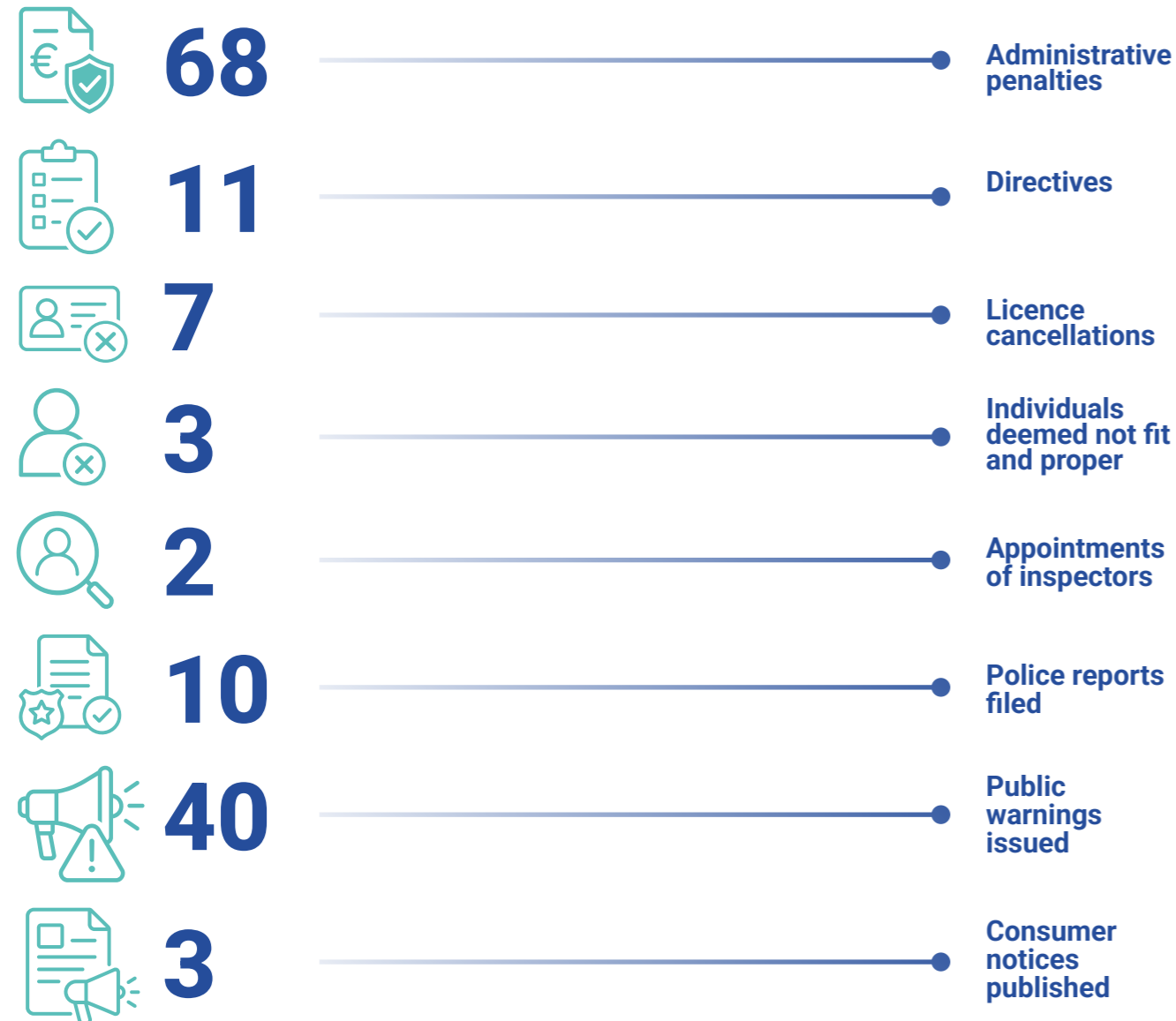
## Ongoing investigations by sector and complexity

	Complex Investigations	Non-Complex (including late submissions)
Capital Markets	14	96
Investment Services	24	239
Individuals	15	-
Virtual Financial Assets	1	14
Scams	-	241
Unauthorised	6	106
Financial Institutions	6	21
Insurance & Pensions	6	27
Trustees	5	56
CSPs	5	57
Credit Institutions	2	2

## The volume of investigations

The volume of investigations increased significantly in 2025. This reflects continued supervisory intensity and a strong focus on identifying, assessing and progressing cases across the financial services sector. Compared to 2024, the largest increase in investigations during 2025 was in cases involving late/non-submission of regulatory submissions which increased by 218 cases, while complex investigations increased by 7 cases, investigations in relation to unauthorised CSPs increased by 16 cases and non-complex investigations increased by 91. Enforcement action covered a range of measures, with administrative penalties accounting for the largest share of formal outcomes during the year.

### Enforcement actions taken in 2025



Sectors	Cancellation of Licence	Directives	Settlements	Appointments of inspectors	No longer deemed as fit and proper	Administrative penalties excluding settlements	Total amount of € imposed
Investment Services	6	5	10	-	-	22	€225,143
Capital Markets	-	-	3	-	-	7	€164,600
Company Service Providers	-	1	9	-	-	5	€143,150
Trustees	-	-	3	-	-	4	€27,160
Financial Institutions	1	2	-	2	-	3	€8,300
Insurance & Pensions	-	-	1	-	-	1	€2,320
Individuals	-	3	-	-	3	-	-

## The directives imposed in 2025 included the following:

- Cease with immediate effect the provision of unauthorised financial services activities.
- Refrain from onboarding new clients and from providing existing clients with any new or additional services.
- Refrain from destroying, altering or amending in any way documentation related to the provision of any services which require prior authorisation or registration from the MFSA.
- Divest from all involvements approved by the Authority, held directly and/or indirectly.
- Remove any reference to licensable activities in the objects clause contained in the Memorandum and Articles of Association.
- Prohibited from accepting any new positions, which necessitate the approval of the Authority including shareholding positions in entities or in relation to activities licensed and/or otherwise supervised by the MFSA.
- Amend policies and procedures as requested by the Authority, in order to have effective systems and procedures in place and to report the progress made to such to the MFSA on a monthly basis.

### Main reasons for enforcement actions



**2025 — 492**  
Investigations concluded

## Updates in 2025

Settlement Policy updated

Annual enforcement report for 2024 published

### Due Diligence and Integrity Screening

In 2025, the Due Diligence Function completed around 1,400 reports on individuals, supporting fitness and propriety assessments and broader integrity checks across the supervisory lifecycle. The MFSA also adopted a new name-screening solution, supported the launch of the European Supervisory Authorities fitness and propriety information exchange system, and concluded its participation in the Kleptotrace Project, reinforcing cross-border cooperation and more data-driven risk detection.

#### Due Diligence in 2025



1,400 reports on individuals completed



New name-screening solution fully adopted



Supported launch of the ESA fitness and propriety platform



Participation in Kleptotrace completed





Our  
**Impact**

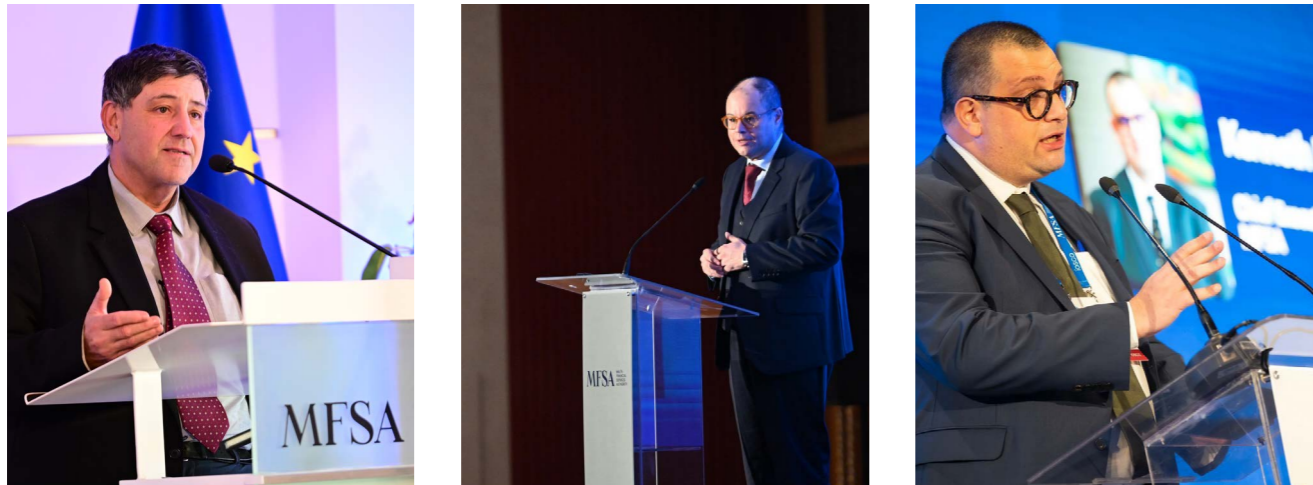
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## Industry Engagement

### Clearer Expectations. Stronger Sectors. Better Outcomes for Consumers.

A well-informed financial services industry is better equipped to serve consumers, manage risks, and respond to change. In 2025, the MFSA bolstered its engagement with regulated firms, professional bodies, industry representatives, and international stakeholders through conferences, workshops, guidance, and regular communication.

This engagement had a clear purpose: to make regulatory expectations easier to understand, support better compliance, and encourage stronger standards across the financial sector. In turn, this helps promote a more resilient, transparent, and trustworthy financial system for consumers.



### 2025 at a Glance



### During the year, the MFSA organised four major conferences:



These events brought together local and international regulators, industry leaders, academics, technology experts, and market participants to discuss key developments shaping financial services.

The Authority also organised five targeted workshops, attended by 567 participants, covering topics such as listed entities' continuing obligations, financial literacy, company service providers, Markets in Crypto-Assets Regulation conduct requirements, and claims handling practices. These sessions helped translate regulatory requirements into practical action and gave participants the opportunity to clarify expectations directly with the Authority.

Throughout 2025, the MFSA issued 125 circulars to keep the industry informed of regulatory updates, supervisory expectations, and emerging risks. These were complemented by Dear CEO letters, Q&A documents, policy clarifications, position papers, and other publications to all the regulated sectors.

The MFSA maintained active dialogue with firms and stakeholders. In banking, engagement focused on regulatory preparedness, supervisory reporting, authorisations, cross-border activity, resolution reporting, and crisis preparedness. In capital markets, the Authority communicated expectations on sustainability reporting, market abuse obligations, company announcements, share buyback programmes, and orderly market conduct. In insurance, pensions, and investment services, engagement strengthened the discussion on innovation, governance, risk management, policyholder protection, and investor outcomes.

The MFSA also strengthened outreach on technology and resilience. Through the Cyber Finance Summit, DORA-related training, sector-specific events, and supervisory communications, the Authority reinforced the importance of cybersecurity, operational resilience, and preparedness in an increasingly digital financial system.

### Key Outcomes:



## How We Protect Consumers


### Fair Treatment. Clear Information. Safer Choices.

Protecting consumers is central to the MFSA's work. In 2025, the Authority focused on ensuring that financial services providers treat customers fairly, communicate clearly, and offer products and services that meet consumers' needs.

**01** 

**Monitor**

- 3,932 Social media posts identified as advertisements
- 1,809 Reviewed
- 30 Website reviews
- 410 Conduct-related returns reviewed

**02** 

**Intervene**

- 38 Supervisory interventions on marketing material
- 6 Credit institutions mystery shopped
- 60+ Mystery shopping visits
- Remediation plans agreed with firms

**03** 

**Support Better Outcomes**

- Complaints handling reviews
- Product value-for-money assessments
- Reviews of fees, disclosures and sales processes
- Focus on fair, clear and not misleading information

## Outcomes-based supervision



The MFSA applied an outcomes-based supervisory approach, looking beyond whether firms had policies in place to assess whether these were delivering fair and practical results. Supervisory work covered complaints handling, marketing communications, sales processes, product value, disclosure practices, and consumer-facing information across banking, insurance, investment services, pensions, financial institutions, and crypto-asset service providers.

### Complaints handling



In complaints handling, the MFSA reviewed whether consumers had accessible and effective ways to raise concerns. The Authority identified areas for improvement, including governance, record-keeping, root-cause analysis, and escalation processes. It also reviewed marketing material to ensure information was fair, clear, and not misleading. In 2025, the MFSA identified 3,932 social media posts considered to be advertisements, reviewed 1,809 of them on a risk basis, and held 38 supervisory interactions with firms where changes were required. It also completed 30 website reviews and assessed 410 conduct-related returns to detect possible risks early.

### Fair Value



Consumer protection work also focused on value for money. In insurance, the MFSA assessed whether products delivered fair value to policyholders, considering costs, remuneration, claims outcomes, and policy documentation. In pensions and retail funds, the Authority reviewed costs borne by consumers, including selected pension schemes and UCITS funds with higher expense ratios.

### Mystery Shopping



In banking, the MFSA carried out a mystery shopping exercise across six credit institutions. This tested the quality of information given to potential customers asking about payment accounts, consumer loans, home loans, and credit cards. The findings were discussed with the banks concerned, and remediation plans were agreed. The MFSA also reviewed financial institutions offering consumer credit and payment accounts, focusing on creditworthiness assessments, fee disclosures, pre-contractual information, and information made available to consumers.



#### Key Outcomes:

- 01 Stronger consumer protection through targeted supervision and early intervention
- 02 Improved transparency and communication from financial service providers
- 03 Better outcomes for consumers through fair value and clear product information
- 04 More informed and confident consumers

## Financial Literacy and Consumer Awareness

### Helping People Make Safer Financial Decisions



The MFSA also expanded its public outreach and financial literacy activity. In 2025, it delivered **52 outreach initiatives**, compared with **28** in 2024.

In 2025 the MFSA delivered

# 52

financial literacy initiatives

vs

# 28

initiatives in 2024



86% increase  
year on year

These initiatives were coordinated through the MFSA's Financial Literacy Committee, which brings together representatives from supervisory, enforcement, financial crime, communications, and other specialist functions across the Authority to deliver a consistent and effective approach to financial education and consumer awareness.

In 2025, the MFSA delivered 52 financial literacy initiatives through face-to-face sessions, TV and radio appearances, podcasts, school visits, local council events, and collaborations with organisations such as JA Malta, the Malta Stock Exchange, the Malta Association of Small Shareholders, and GEMMA.

Topics included scams, online safety, banking, investments, capital markets, insurance, pensions, crypto-assets, payment services, and the role of the MFSA. Major initiatives included the campaign "From Tap to Transfer – Making Sense of Banks and Payment Service Providers", participation in [World Investor Week](#), a campaign on crypto investing, and outreach on misselling, cold calling, and pensions.



### Recognised for excellence

The MFSA's ongoing efforts in this area were also recognised through a Special Award at the JA Malta Financial Capability Conference, with particular emphasis on the Authority's [Greenwashing campaign](#).



### What we talked about in 2025



Scams



Banking



Insurance



Capital Markets



Investor Financial  
Literacy



Crypto-Assets



MFSA's Role



Pensions



Payment Services  
Institutions

## Growing Digital Presence

### Reaching More People Online

The MFSA's digital reach grew strongly in 2025, helping the Authority share consumer guidance, scam warnings, updates, and financial literacy content more widely.

#### Website Visits

**1,314,000**

in 2025

70% Increase



**772,848**

in 2024

f

in 2024

**4,876**

in 2025

**7,205**

in

in 2024

**25,032**

in 2025

**28,774**

ig

in 2024

**1,698**

in 2025

**2,047**

### What we share



Consumer guidance



Regulatory updates



Scam warnings and alerts



Financial literacy education

## Financial Stability: Keeping Malta's Financial System Resilient

Financial stability means ensuring that Malta's financial system can continue to function well, even when faced with economic shocks, market stress, cyber threats, or global uncertainty.

In 2025, the MFSA continued to monitor risks that could affect the wider financial system. This helped the Authority identify vulnerabilities early, support supervisory action, and contribute to policy decisions aimed at safeguarding Malta's economy and consumers.

Risk Monitoring	Cross-Sector Assessments	Stress Testing & Forward-Looking Analysis	Cyber & Digital Risk	Emerging Risks
Monitored global uncertainty, geopolitical tensions, trade disruptions and their potential impact on local financial markets.	Conducted assessments across banking, insurance, investment services, funds and other parts of the financial system.	Used stress testing, scenario analysis, risk dashboards and network mapping to understand vulnerabilities and emerging risks.	Monitored cyber risk and digital resilience as financial services became increasingly dependent on ICT systems.	Assessed climate-related risks, crypto-asset developments and the growing use of artificial intelligence in financial services.

Collaboration remained central to this work. The MFSA worked closely with supervisory and resolution teams across the Authority, and with the Central Bank of Malta through the Joint Financial Stability Board. This cooperation helped advance key initiatives, including the review of buffers for systemically important institutions and measures linked to sector-wide risks. The function also engaged with international organisations, credit rating agencies, European authorities, and specialist working groups.

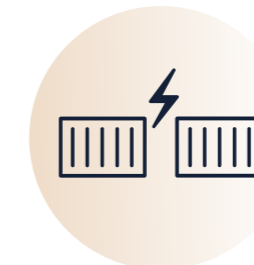
### Risks We Monitor



#### Macro & Market Risks



Geopolitical tensions



Trade disruptions



Real estate exposure

#### Digital & Emerging Risks



Cyber risk



Climate-related risks



Crypto-assets



AI

## Resolution and Crisis Preparedness

As Malta's Resolution Authority, the MFSA plays a central role in safeguarding financial stability by ensuring that banks and other relevant institutions can be managed effectively in times of stress or failure, without disruption to essential services, consumers or the wider economy. In 2025, the Authority continued to enhance the national resolution framework, with a clear focus on preparedness, operational readiness and alignment with European standards.

Resolution planning and resolvability assessments remained core priorities. The MFSA worked closely with local credit institutions to address impediments to resolvability and enhance their capacity to operationally execute resolution strategies if required. This was supported by increased emphasis on testing and simulation, including the development of a Multi-Annual Testing Programme tailored to the risk profile and complexity of selected institutions.

Crisis preparedness was further reinforced through close cooperation with European counterparts, including the Single Resolution Board, the European Central Bank and the European Banking Authority. During the year, the MFSA participated actively in EU-level workstreams and jointly conducted comprehensive dry-run exercises, strengthening coordination and ensuring readiness across authorities. In parallel, progress continued on key policy initiatives, including work on a national bank liquidation framework and the transposition of the Insurance Recovery and Resolution Directive, further enhancing the robustness of Malta's crisis-management framework.



## Digital Resilience and Cybersecurity

### Protecting Consumers in an Increasingly Digital Financial System



As financial services become more digital, the MFSA continued to focus on the resilience of the systems and technology that consumers rely on every day.

In 2025, the Authority strengthened its supervisory work in line with the Digital Operational Resilience Act, which became fully applicable during the year. This included greater oversight of how financial entities manage ICT risks, report major technology-related incidents, and depend on third-party technology providers.

The MFSA carried out 127 supervisory engagements, including onsite inspections, thematic reviews, desktop reviews, and questionnaires. These assessments looked at whether firms had the right strategies, policies, procedures, tools, and controls in place to remain resilient during digital disruption.

The Authority also observed improvements in major ICT incident reporting during the year, both in the number and quality of reports submitted. This helps the MFSA identify trends, understand emerging cyber threats, and assess risks that may affect the wider financial sector.

Further progress was made through the national implementation of threat-led penetration testing frameworks, which help test the ability of certain financial entities to withstand advanced cyber threats. This work strengthens Malta's digital financial resilience and supports consumer protection by helping ensure that financial services remain secure, reliable, and available when consumers need them.

#### What is DORA?

The Digital Operational Resilience Act helps ensure financial firms can prevent, withstand, and recover from ICT disruptions. It sets clear expectations for how firms manage technology and cyber risks, understand their reliance on third-party ICT providers, and report major technology-related incidents. It also encourages firms to test their systems and response plans, while supporting better coordination between regulators across Europe. For consumers, this helps make digital financial services safer, stronger, and more reliable.



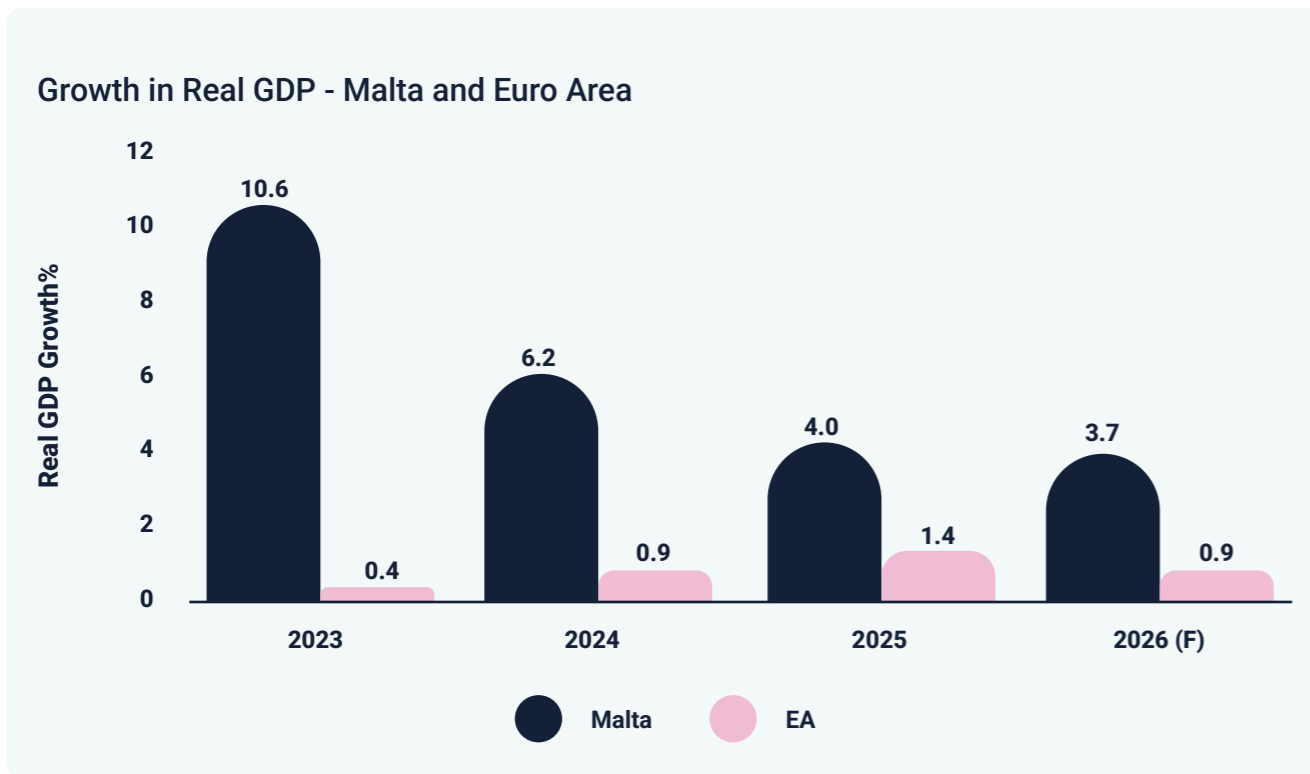
# State of the **Financial Industry**

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## Malta's Economic Performance

Malta's economy remained resilient in 2025, despite the year being characterised by significant external headwinds. Economic activity continued to expand at a pace well above the European average albeit at a slower rate when compared to previous years, reflecting strong domestic demand and continued contribution of export-oriented services.

The Maltese economy's real Gross Domestic Product grew by 4.0% in 2025, significantly outpacing the euro area, where growth stood at 1.4%.<sup>1</sup> This performance places Malta among the fastest growing economies within the European Union. Malta's economic expansion continues to be supported by strong private and public expenditure, robust investment activity, and sustained growth in the services sectors.



Source: Eurostat and the European Commission European Economic Forecast (Spring 2026)

According to the European Commission Spring Forecast, the Maltese economy is expected to grow by 3.7% in 2026, 2.8 percentage points higher than the forecast for the Euro area for the same period<sup>2,3</sup>. The forecasted growth will be driven by continued robust public and private spending, alongside a strong export performance, supported by sustained growth in the services sector.

While underlying domestic fundamentals remain supportive, the economic outlook remains subject to elevated global uncertainty. Ongoing developments affecting key shipping routes in the Gulf region are contributing to elevated energy prices alongside volatility in global commodity prices, which could place upward pressure on inflation relative to current forecasts.

Nevertheless, Malta enters this period from a position of relative strength. Solid economic fundamentals coupled with a comparatively more benign fiscal position, enhance the economy's capacity to absorb external shocks and support continued resilience.



<sup>1</sup> Eurostat Databrowser – GDP and main components

<sup>2</sup> European Economic Forecast, Spring 2026, European Economy Institutional Papers 341 May 2026.

<sup>3</sup> The European Commission forecasts are informed by a downside path whereby physical and logistical constraints continue to limit oil and gas exports from the Gulf countries well into early 2027.

## Malta's Key Economic Indicators

Indicator	2023	2024	2025	2026 (F)*
	(%)	(%)	(%)	(%)
Real GDP growth (% yoy)	10.6	6.2	4.0	3.7
Financial services real GVA growth (% change yoy)	-4.8	5.7	0.9	N/A
Inflation (HICP, % change yoy)	5.6	2.4	2.4	2.7
Unemployment (%)	3.5	3.2	3.1	3.0
General government balance (% of GDP)	-4.4	-3.4	-2.2	-2.2
General government gross debt (% of GDP)	46.9	45.9	46.4	46.2

Source: Eurostat, where \* refers to the European Commission European Economic Forecast (Spring 2026)

Labour market conditions remain tight, with demand continuing to exceed supply, particularly in high-skilled occupations. Employment grew by 3.9% in 2025, supported by foreign workers. Despite these pressures, the unemployment rate, which stood at 3.1% in 2025, remained among the lowest in the European Union, and is expected to drop to 3.0% in 2026.<sup>4</sup>

Public finances have also shown gradual improvement. The general government deficit-to-GDP ratio fell from -3.4% in 2024 to -2.2% in 2025, one percentage point lower than the euro area average, driven by GDP and tax revenue growth. Public debt remained contained, with the debt-to-GDP ratio standing at 46.4% in 2025, and forecasted to be marginally lower in 2026, providing a degree of fiscal space compared to many euro area economies.

At the same time, the government has maintained its commitment to energy price stabilisation measures, including subsidies aimed at shielding households and businesses from volatility in international energy markets. Nevertheless, the fiscal outlook remains sensitive to external developments, particularly those affecting energy prices, tourism flows and overall economic activity.

Inflationary pressures have eased significantly compared with previous years, with the Harmonised Index of Consumer Prices (HICP) standing at 2.4% in 2025. The Maltese economy's high degree of openness means that inflation dynamics remain sensitive to developments in international commodity prices and global supply conditions. So far these pressures have been contained due to the government's commitment to keeping retail energy prices stable, though this comes at the expense of increased government spending. However, indirect upward pressures on inflation are likely to emerge, particularly in transport, food and services, especially if the conflicts persist. Indeed, the EC anticipates that inflation will pick up to 2.7% in 2026, remaining lower than that forecasted for the Euro Area (3.0%).

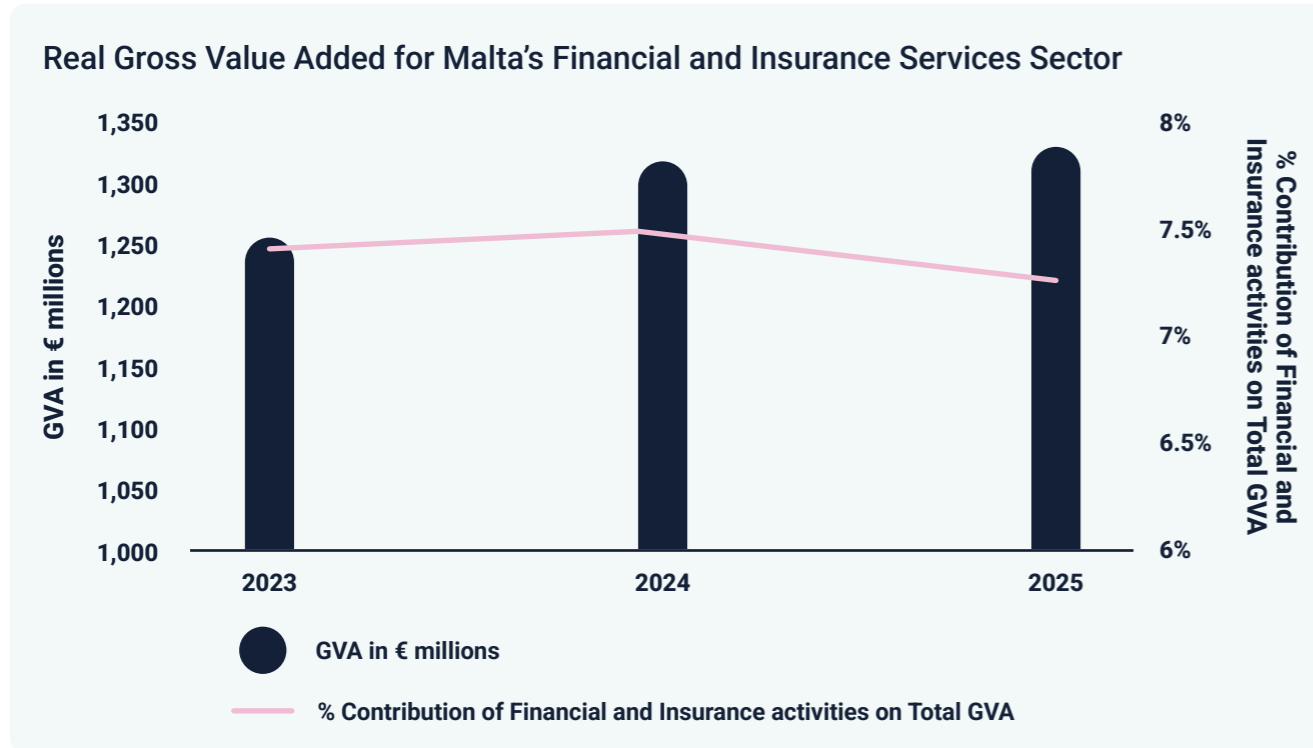


<sup>4</sup> NSQ Malta - Unemployment Rate: December 2025

## The Role of the Financial Services Sector

Financial services continue to play a central role in Malta's economic performance, reinforcing their importance within the country's predominantly services-based economy.

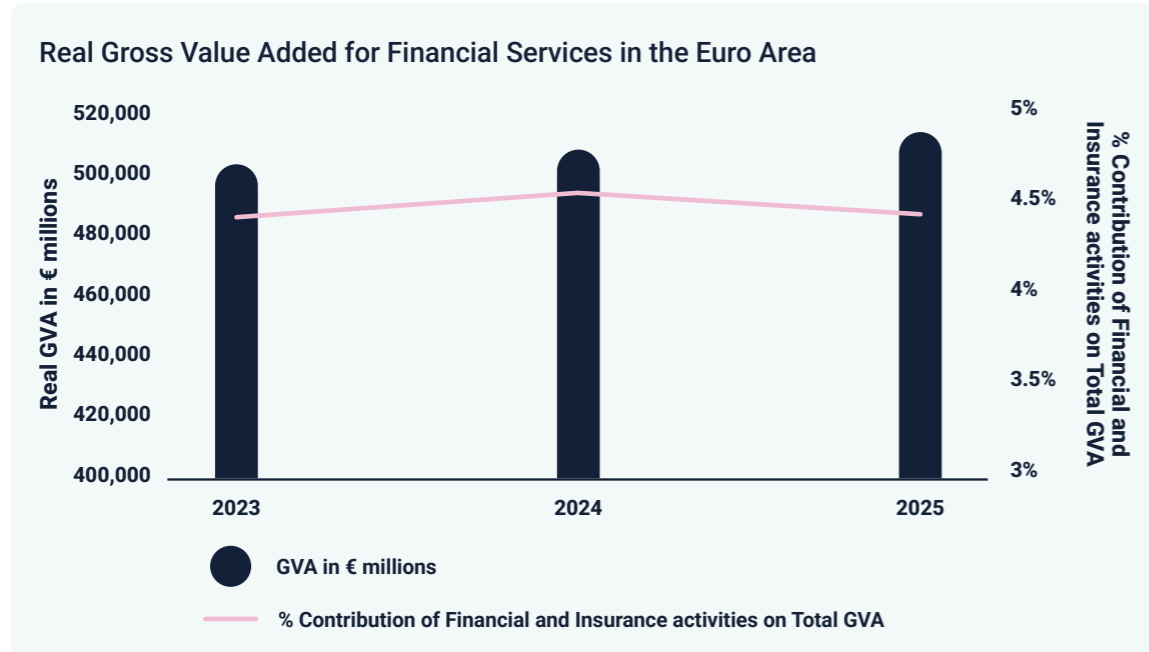
### Financial Industry Gross Value Added



Source: National Statistics Office

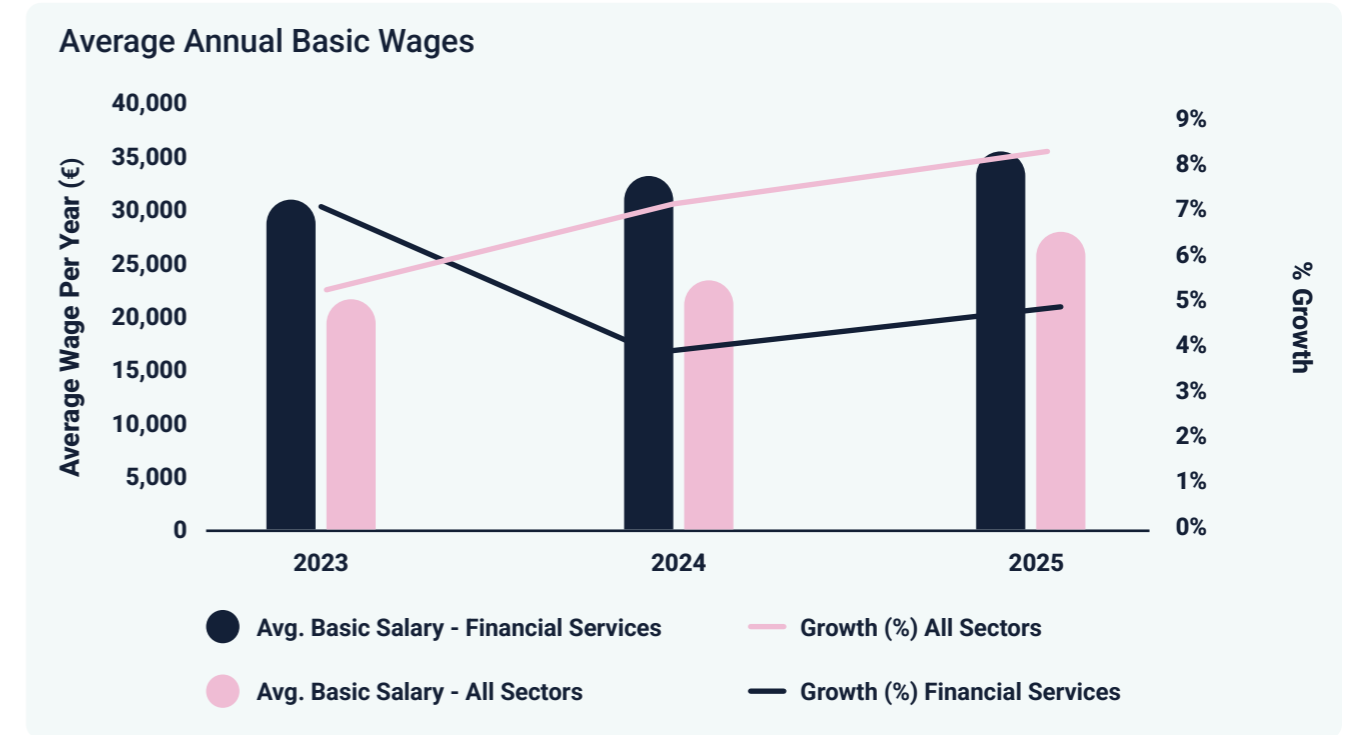
In 2025, financial and insurance activities generated around €1.3 billion in Gross Value Added, representing 7.3% of Malta's total real GVA. The contribution of this sector remained broadly stable over recent years, reflecting its enduring role within an increasingly diversified economic landscape.

The financial services sector plays a bigger role in Malta's economy than in the euro area, where financial and insurance activities make up about 4% of total economic output.



Source: Eurostat

## Employment and Wages in the Financial Sector



Source: National Statistics Office

The financial services sector remains a key provider of high-skilled jobs in the economy. As of December 2025, it employed around 6.2% of the national workforce, broadly unchanged from the previous year.

Pay levels in the sector remain significantly higher than the national average, exceeding it by approximately 36%, reflecting the specialised skills required within the industry.

### Economic Developments and Financial Sector Implications

Strong domestic demand, ongoing credit growth and an expanding property market have supported both economic activity and financial sector profitability. However, these trends highlight the need to ensure that households, businesses and financial entities maintain resilience against potential shifts in economic conditions.

Given the openness of the Maltese economy, external shocks can quickly affect domestic activity through multiple channels, including financial markets and tourism. In this context, maintaining prudent lending practices, robust capital and liquidity buffers and continued monitoring of sectoral risks remain crucial to preserve financial stability, while supporting sustainable growth.



## Global Economic Environment

### Real GDP growth (2025 data)

**3.4%**

Global Economy

**1.9%**

Advanced economies

**4.4%**

Emerging Market and Developing Economies

The global economic environment has remained resilient in 2025 despite heightened uncertainty where global growth stood at 3.4% in 2025. According to projections by the International Monetary Fund (IMF), global economic growth is expected to slow to 3.1% in 2026, with diverging trends persisting across advanced and emerging economies<sup>5</sup>. Under a severe scenario, the IMF expects that growth would be around 2% in 2026<sup>6</sup>.

Global trade has shown resilience despite an increasingly complex tariff environment, supported in part by strong demand for technology-related exports, partially offsetting declines in other sectors. While momentum in high-tech sectors is expected to moderate, these industries will remain important contributors to growth, particularly in advanced economies that stand to benefit from productivity gains linked to new technologies, including AI.

At the same time, global economic policy uncertainty remains elevated. Shifts in trade policy, such as tariff increases and retaliatory measures, continue to pose risks to global supply chains and economic activity. These developments have indeed prompted the European Union to accelerate efforts to diversify trade relationships, including advancing new trade agreements with countries in South America and India, while further strengthening its economic ties with the United Kingdom following its withdrawal from the EU. The EU is also working to ensure the entry into force of the EU-US trade deal. While these shifts in trade policy may enhance trade integration over the longer term, in the short term they may also place renewed pressure on inflation dynamics and financial market conditions.

Geopolitical tensions also remain an important source of downside risk. The conflict in the Middle East continues to contribute to volatility in energy and commodity markets, increasing uncertainty in global financial markets and potentially affecting growth prospects.

Increasing competition among advanced economies in the development and deployment of AI represents a dual-edged dynamic. While AI offers significant potential to enhance productivity and support long-term growth, it also introduces emerging financial stability considerations. These include heightened operational concentration risks, particularly where critical technologies and infrastructure are dominated by a limited number of providers, as well as increased exposure to technology-related disruptions.

Closely linked to these developments is the evolving landscape of cyber risk, also with the advent of frontier AI Models, which remains a key and growing threat. The current global economic and geopolitical environment is likely to contribute to both the frequency and sophistication of cyber incidents. This, in turn, may have implications for the operational resilience of financial institutions and the broader interconnectedness of the financial system.

## Euro Area Economic Developments

Economic growth within the euro area remains comparatively subdued. According to projections by the European Commission, euro area GDP is projected to grow by 0.9% in 2026 (1.4% in 2025).

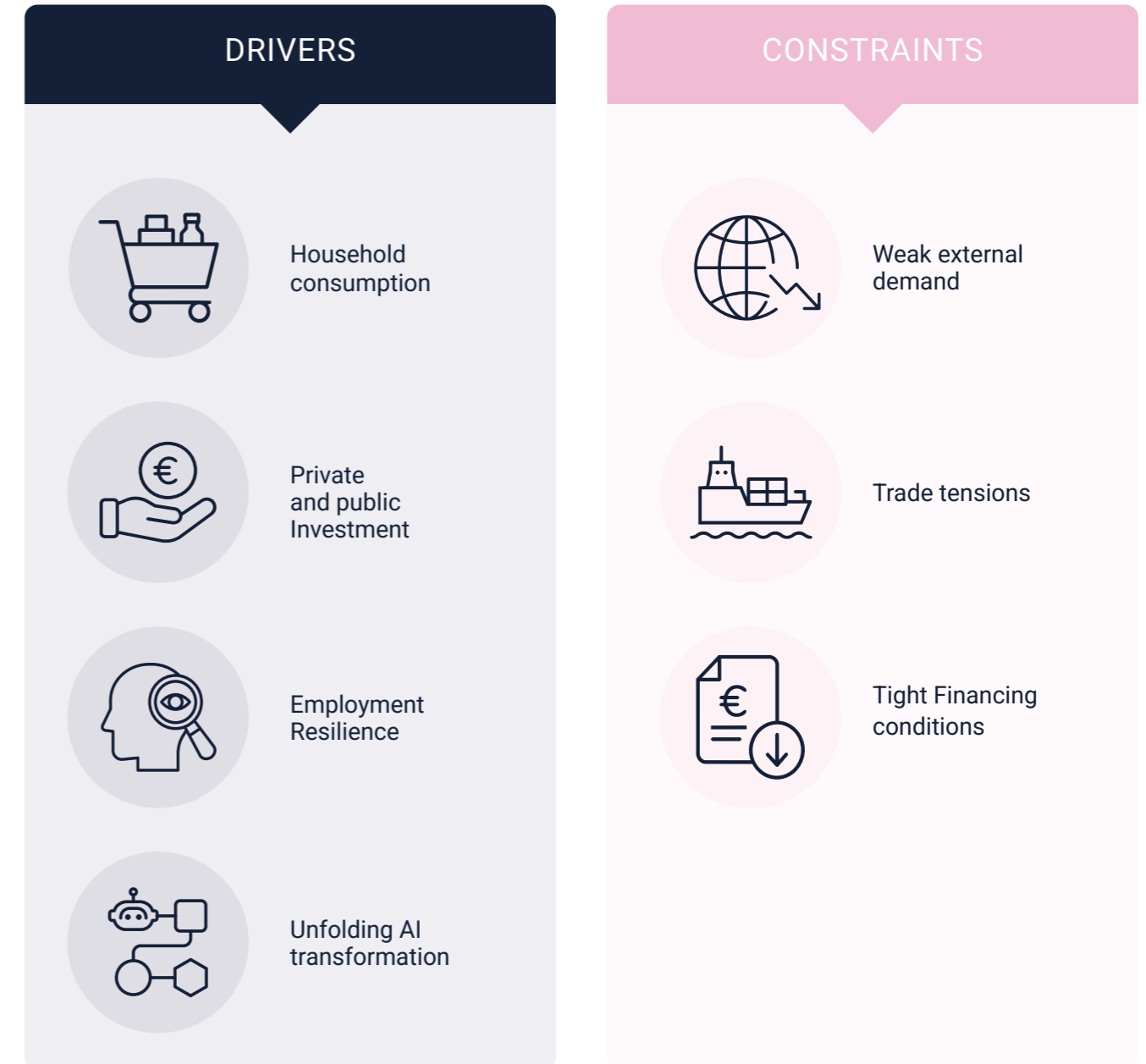
This modest expansion is primarily supported by resilient labour market conditions and continued investment, particularly in areas linked to digitalisation and EU-funded programmes. However, growth is being constrained by higher energy prices, tighter financing conditions and subdued external demand, which weigh on consumption, investment and export performance. Headline inflation is forecasted to diverge from the European Central Bank's 2% target, due to geopolitical developments and renewed increases in energy prices which are expected to exert upward pressures on price dynamics.

At the same time, fiscal developments present an additional area of concern in several euro area economies. Government deficits are projected to gradually widen, partly due to increased defence spending, higher interest expenditure and other fiscal measures. Persistent fiscal pressures, combined with external uncertainties, could lead to tighter financial conditions and greater volatility in financial markets.

<sup>5</sup> IMF World Economic Outlook – April 2026

<sup>6</sup> The IMF's severe scenario envisages continued strains in energy markets extending into next year, alongside a potential shift in inflation expectations and tighter financial conditions.

## Euro Area Growth: Drivers vs Constraints



## Legislative and Regulatory highlights

Several important new laws and regulations were introduced in 2025 at both European and National level, shaping the operating environment for the financial services sector. These developments reflect ongoing efforts to strengthen financial stability, enhance consumer protection, support market integrity, and promote innovation across the industry. The following section highlights the most significant regulatory and legislative changes across the various segments of the financial services sector.

### European Landscape



#### Sustainable Finance

In November 2025, the European Commission proposed revisions to the Sustainable Finance Disclosure Regulation, aimed at improving the clarity and usability of sustainability-related disclosures. The proposal introduces a simplified classification framework for investment products, grouping them into three categories: sustainable, transition, or Environmental, Social and Governance Basics. This is intended to reduce the risk of greenwashing and enhance investor understanding.

Earlier, in January 2025, the European Commission also introduced the Omnibus I Package, which aims to streamline several key elements of the EU sustainable finance framework, including the Corporate Sustainability Reporting Directive, Corporate Sustainability Due Diligence Directive, and the EU Taxonomy Regulation. The proposals aim to simplify reporting requirements and clarify the scope of application.

On 9 December 2025, the Council of the Europe Union (Council) and the European Parliament reached a political agreement on these simplification measures, bringing the proposal closer to implementation. It was signed off by the Council on 24th February 2026.

#### Payments

The Instant Payments Regulation, which entered into force in January 2025, marks an important step towards faster and more efficient payments across the European Union. From 9 January 2025, payment service providers were required to enable customers to both receive and send instant euro payments, with the sending requirement taking effect by October 2025. The Regulation also introduces safeguards, including limits on fees for instant transfers and a verification of payee mechanism aimed at reducing fraud risks.

In parallel, negotiations continued on broader reforms to the European Union's payments framework. Following legislative proposals issued in 2023, including the Payment Service Directive 3 and the Payment Services Regulation, EU institutions continued negotiations throughout 2025. These reforms will strengthen customer protection and enhance transparency of fees. On 27 November 2025, the Council and the European Parliament reached a political agreement on the proposed reforms.

#### Market Integration Package

On 4 December 2025, the European Commission published the Market Integration Package, representing a major step towards creating a more integrated and efficient EU financial market. The initiative forms part of the broader effort to advance the EU's Savings and Investments Union, with the aim of making it easier for households and businesses to invest across borders and improve the allocation of capital across Member States.

The package proposes updates to a wide range of financial rules, including rules governing trading venues, investment funds, market infrastructures and crypto-asset activities. By reducing fragmentation across national markets, the package is expected to facilitate cross-border financial services.



### Insurance

The Insurance Recovery and Resolution Directive, published on 8 January 2025, establishes a harmonised framework to better prepare insurers for financial distress. It introduces key requirements, including the preparation of recovery and resolution plans, early intervention powers for supervisory authorities and resolution tools designed to manage or resolve failing insurers in an orderly manner, protecting policyholders and safeguarding financial stability. Member States are required to transpose the Directive into national laws by 29 January 2027, with the new regime becoming applicable from 30 January 2027.

In parallel, updates to the Solvency II Directive were also published, with application set for 30 January 2027. The revised framework aims to enhance proportionality by simplifying certain reporting and disclosure requirements, particularly for smaller insurers. It also introduces new tools to monitor potential risks to financial stability and expands the integration of climate and sustainability considerations within the insurance sector.

### Credit Institutions

In June 2025, EU institutions reached a political agreement on reforms to the EU's framework for managing failing banks. The reforms aim to improve the resilience of the banking system, improve the handling of bank failures, and enhance the protection of depositors, thereby contributing to overall financial stability.

Following the rollout of the updated bank capital framework under Capital Requirements Regulation III (CRR III) and Capital Requirements Directive VI (CRD VI), the European Banking Authority (EBA) published a series of technical standards to support the application of the new rules. These include standards on how banks should measure and report operational risk, and guidance on the prudential treatment of off balance sheet exposures. The EBA also launched consultations on revisions to disclosure requirements, covering areas such as Environmental, Social and Governance (ESG) risks, equity exposures, and exposures to non-bank financial intermediaries.

Throughout 2025, the EBA worked with national supervisory authorities on the development of the new Pillar III Data Hub, a centralised platform designed to improve public access to prudential information on EU banks. The platform became operational in January 2026, marking an important step towards greater transparency and comparability in banking sector disclosures.

### Digital

On 17 January 2025, the EU's new Digital Operational Resilience Act came into force. The framework aims to strengthen the digital operational resilience of financial entities, by ensuring that they can withstand, respond to and recover from Information and Communication Technology related disruptions and cyber incidents.

During the year, several technical standards were introduced to support the application of the framework, including requirements for financial entities to maintain and submit a Register of Information detailing their critical ICT systems and third-party dependencies.

In parallel, developments also took place in the EU's regulatory approach to AI. On 19 November 2025, the European Commission proposed targeted adjustments to the AI Act aimed at facilitating implementation. The proposed changes include adjustments to timelines for high risk systems, enhanced oversight powers for the newly established EU AI Office, and simplified requirements aimed at reducing administrative burdens for SMEs.



All figures are stated as at May 2026 unless otherwise indicated.

## Local Landscape

### Investment Sector

In 2025, Malta amended its Investment Services Act to create a legal framework for Special Limited Partnership Funds. The changes set out the legal framework governing the establishment and operation of such funds, including disclosure requirements in prospectuses, and allow SLPFs to be included within the Notified Collective Investment Scheme framework.

The MFSA also expanded the Notified Professional Investor Fund framework to include self managed funds alongside enhanced due-diligence requirements for service providers supporting these structures.

Additional reforms facilitated cross-border activity, including provisions allowing Maltese authorised Alternative Investment Fund Managers to directly manage European AIFs.

Supervisory reporting was also reinforced through updated templates, including the introduction of the Total Expense Ratio within the Annual Fund Return. Further amendments aligned Maltese rules with the EU Investment Firms Directive, enhancing regulatory consistency.

On 3 October 2025, amendments bolstered the MFSA's powers by expanding the list of Markets in Financial Instruments Regulation provisions that may trigger administrative penalties. The MFSA also updated several Investment Services Rulebooks on 7 October 2025, including those applicable to service providers and Alternative Investment Funds and Retail Collective Investment Schemes glossaries. A further update to reporting templates for Markets in Financial Instruments Directive investment firms was issued on 16 December 2025, streamlining data requirements, improving validation checks and checks and expanding the list of jurisdictions to be reported in regulatory returns.

### Insurance

Regulatory developments enhanced the insurance sector framework. On 16 April 2025, the MFSA announced amendments to several insurance legislations, covering business conduct, the Insurance Protection and Compensation Fund, and the legal framework governing the winding up of insurance undertakings.

Further initiatives focused on strengthening consumer protection and improving supervisory data, and included the publication of Claims Handling Guidelines, establishing minimum standards for claims management, and updates to the Conduct Related Data Return, enhancing the granularity and quality of supervisory data.

### Credit Institutions

The MFSA introduced several regulatory updates aimed at strengthening governance, data integrity, and risk management. On 12 February 2025, the MFSA introduced a new Banking Rule (BR/31), establishing requirements for banks in relation to data accuracy and regulatory reporting. The rule aligns the Maltese framework with relevant European guidelines aimed at improving data integrity and reporting standards. On 16 May 2025, the MFSA also updated Banking Rule (BR/14) on outsourcing arrangements and Banking Rule (BR/24) on internal governance. These amendments reflect developments concerning ICT and security risks, under DORA.

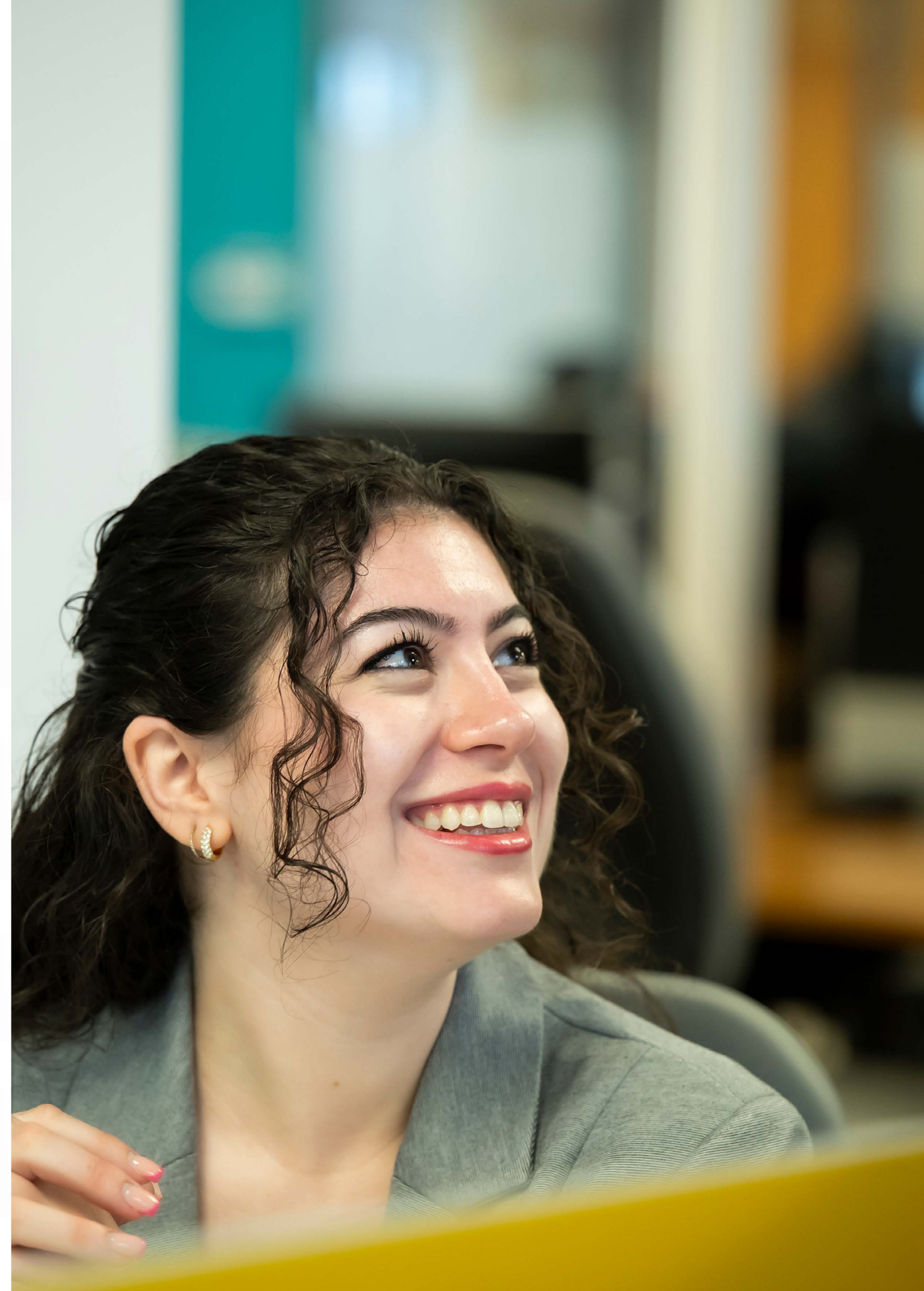
Additional communication issued, addressed credit purchasers and the implementation of the Consumer Credit Directive.

### Company Service Providers

On 19 May 2025, the MFSA announced amendments aimed at bolstering the Company Service Providers Act. These amendments mainly affect individuals who act as directors, company secretaries, or hold similar positions across multiple companies. In particular, the revised framework introduces clearer thresholds and distinguishes between registration and notification. These measures are intended to enhance regulatory oversight while ensuring greater transparency regarding individuals providing Company Service Provider related services.

### Crypto-Assets

Further progress was made in implementing the Markets in Crypto-Assets Regulation. On 17 January, the European Securities and Markets Authority clarified the rules and transition periods for Crypto-Asset Service Providers, based on European Commission guidance. At the national level, the MFSA published and subsequently updated the Markets in Crypto-Assets Regulation Rulebook establishing the regulatory framework applicable to entities under Malta's Markets in Crypto-Assets Act. These updates also included amendments affecting payment institutions and electronic money institutions. In addition, on 4 April, the MFSA informed licensed Crypto-Asset Service Providers of the introduction of a new regulatory reporting template, the Crypto-Asset Service Provider Return, which forms part of the ongoing supervisory reporting framework for the sector.





# Financial Statements

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## Board of Governors' Report

The Governors present their report and the audited financial statements for the year ended 31 December 2025.

### Principal activities

The Malta Financial Services Authority (the 'MFSA' or 'the Authority') is the single regulator for financial services in Malta, which incorporates credit institutions, financial and electronic money institutions, securities and investment services companies, regulated markets, insurance companies, pension schemes, trustees, CASP and VFA service providers. The MFSA also acts as the Resolution Authority and is also responsible for the approval of prospectuses and admissibility to listing of securities on regulated markets in Malta. The Authority is a fully autonomous public institution and reports to Parliament on an annual basis. Prior to 30 April 2018, the MFSA also managed the Registry of Companies ('the Registry').

### Review of the business

The Governors hereby report a deficit of €1,313,049 for the financial year 2025 (2024: deficit of €4,602,068). The Authority has recorded a further increase of € 12,480,398 (37%) in income over 2024 (2024: an increase of 10% over 2023), mainly on Investment Services, Banking, and Financial Institution supervisory fees. During 2025, the intention of the Authority was to continue to invest in its human resources and capacity building, as well as in technology and business intelligence, all in line with the MFSA's long term Strategic Plan. The increase on such investments was that of a 15% over 2024. There was also an increase in professional services mainly on enforcement and compliance services, and other costs associated to travelling.

Throughout 2025, the MFSA delivered on its responsibilities by conducting more supervisory interactions and carrying out its enforcement work effectively. In line with its Strategic Statement launched in 2023, the Authority has continued to strengthen its outreach, mainly by organising industry briefings and conferences, actively promoting and enabling insight-sharing across the financial sector. It has also maintained regular engagement with the industry through several circulars and guidance notes, as well as with consumers and the media through the timely dissemination of notices, warnings, and educational campaigns with a strong focus on financial literacy. Complementing these initiatives, the MFSA continued to play a key role in the framing of national and EU-wide policies by actively contributing to meetings on legal, technical and regulatory developments with other supervisory bodies and competent authorities.

### Results and surplus funds

The statement of comprehensive income is set out on page 112. During 2025 and 2024, no surplus funds for the financial year were payable to Government, in terms of the Malta Financial Services Authority Act, 1988.

### Governors

The Governors of the Authority who held office during the year were:

Mr Jesmond Gatt, B.Sc (Hons) – Chairman

Mr Kenneth Farrugia, B.Accty (Hons), FIA, CPA (pc), MA (Business Ethics) – (Non-Voting)

Dr Anton Bartolo, LL.D.

Dr Carl Brincat, LL.D.

Mr Joseph Caruana, MBA (Executive), DPA, FIAB, MIM

Mr Mark Galea, BCom. Hons (Banking & Finance)

Dr Stephanie Vella, BCom. (Hons) (Econ.) (Melit.), MA (Econ.) (Melit.), PhD (Melit.)

Prof. Philip von Brockdorff, BA (Hons) (Melit.), MSc. (Econ.) (Wales), DPhil. (York), Grad. CIPD (UK)

### Statement of Governors' responsibilities

With effect from 17 February 2026, the following persons have been re-appointed as members of the Board of Governors.

Mr Jesmond Gatt, B.Sc (Hons) – Chairman

Mr Kenneth Farrugia, B.Accty (Hons), FIA, CPA (pc), MA (Business Ethics) – Chief Executive Officer

Dr Anton Bartolo, LL.D.

Dr Carl Brincat, LL.D.

Mr Joseph Caruana, MBA (Executive), DPA, FIAB, MIM

Mr Mark Galea, BCom. Hons (Banking & Finance)

Dr Stephanie Vella, BCom. (Hons) (Econ.) (Melit.), MA (Econ.) (Melit.), PhD (Melit.)

Prof. Philip von Brockdorff, BA (Hons) (Melit.), MSc. (Econ.) (Wales), DPhil. (York), Grad. CIPD (UK)

Mr Alexander Demarco, B.A. (Hons) Economics; MSc Economics University of Warwick UK (appointed on 17 February 2026)

In preparing the financial statements the Governors are responsible for;

- ensuring that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the EU and the Malta Financial Services Authority Act, 1988;
- selecting and applying appropriate accounting policies;
- making accounting estimates that are reasonable in the circumstances;
- ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Authority will continue in operation as a going concern.

The Governors are also responsible for designing, implementing and maintaining internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and that comply with the Malta Financial Services Authority Act, 1988. They are also responsible for safeguarding the assets of the Authority and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements of the Authority for the year ended 31 December 2025 are included in the Annual Report 2025, which is being made available on the Authority's website. The Governors are responsible for the maintenance and integrity of the Annual Report on the website in view of their responsibility for the controls over, and the security of, the website. Access to information published on the Authority's website is available in other countries and jurisdictions, where legislation governing the preparation and dissemination of financial statements may differ from requirements or practice in Malta.

On behalf of the board



**Mr Jesmond Gatt**  
Chairman



**Mr Kenneth Farrugia**  
Chief Executive Officer

Malta Financial Services Authority,  
Triq l-Imdina,  
Zone 1, Central Business District,  
Birkirkara CBD 1010  
Malta

15 June 2026

## Independent Auditors' Report

To the stakeholders of the Malta Financial Services Authority

Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of the Malta Financial Services Authority (the Authority) set out on pages 111-130, which comprise the statement of financial position as at 31 December 2025, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of the Malta Financial Services Authority as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU and have been prepared in accordance with the requirements of the Malta Financial Services Authority Act.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Authority in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) in Malta, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Matters

Our report, including the opinions, has been prepared for and only for the Authority's stakeholders as a body in accordance with Public Administration Act and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior written consent.

### Other Information

The Board members are responsible for the other information. The other information comprises the Board of Governors' statement report. Our opinion on the financial statements does not cover this information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

In addition, in light of the knowledge and understanding of the Authority and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Board of Governors' Report. We have nothing to report in this regard.

### Responsibilities of the Board Members

The Board members are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and the requirements of the Malta Financial Services Authority Act, and for such internal control as the Board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board members are responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Authority or the Government of Malta has plans to dissolve it or to cease operations, or has no realistic alternative but to do so.

## Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but, is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board members.
- Conclude on the appropriateness of the Board members' use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Authority's ability to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.



## Report on Other Legal and Regulatory Requirements

We have responsibilities to report to you if, in our opinion:

- The information given in the Board of Governors' Report is not consistent with the financial statements.
- Adequate accounting records have not been kept.
- The financial statements are not in agreement with the accounting records and returns.
- We have not received all the information and explanations we require for our audit.
- Certain disclosures of Governors' emoluments specified by law are not made in the financial statements, giving the required particulars in our report.

We have nothing to report to you in respect of these responsibilities.

Bernard Charles Gauci (Partner)  
for and on behalf of

**CLA Malta**  
Certified Public Accountants  
The Core  
Valley Road  
Msida MSD 9021  
Malta  
15 June 2026

## Statement of financial position

	NOTES	As at 31 December	
		2025	2024
		€	€
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	18,254,738	18,103,785
Right-of-use assets	11	910,110	1,352,487
Intangible assets	6	1,722,377	709,654
Financial assets at amortised cost	7	1,111,232	1,113,199
<b>Total non-current assets</b>		<b>21,998,457</b>	21,279,125
<b>Current assets</b>			
Trade and other receivables	8	5,874,197	6,085,018
Cash and cash equivalents	9	9,763,385	10,402,542
<b>Total current assets</b>		<b>15,637,582</b>	16,487,560
<b>Total assets</b>		<b>37,636,039</b>	37,766,685
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Capital fund	12	1,164,687	1,164,687
Revaluation reserve	13	6,151,769	6,151,769
Employee pension fund reserve	14	1,525,001	1,450,001
Reserve fund		12,911,900	14,299,949
<b>Total equity</b>		<b>21,753,357</b>	23,066,406
<b>Non-current liabilities</b>			
Trade and other payables	10	3,789,923	2,466,195
Lease liabilities	11	171,973	622,206
<b>Total non-current liabilities</b>		<b>3,961,896</b>	3,088,401
<b>Total liabilities</b>			
Trade and other payables	10	11,428,979	11,162,439
Lease liabilities	11	491,807	449,439
<b>Total current liabilities</b>		<b>11,920,786</b>	11,611,878
<b>Total liabilities</b>		<b>15,882,682</b>	14,700,279
<b>Total equity and liabilities</b>		<b>37,636,039</b>	37,766,685

The notes on pages 114-130 are an integral part of these financial statements.

The financial statements on pages 111-130 were approved by the Board of Governors and were authorised for issue on 15 June 2026. These were signed on its behalf by:

**Mr Jesmond Gatt**  
Chairman

**Mr Kenneth Farrugia**  
Chief Executive Officer

## Statement of comprehensive income

	NOTES	Year ended 31 December	
		2025	2024
		€	€
Income	18	25,595,841	16,215,181
Government subvention	19	20,800,000	17,700,262
Operating expenses	15	(48,950,220)	(40,677,785)
Other income	20	1,202,044	1,988,590
<b>Operating deficit for the year</b>		<b>(1,352,335)</b>	<b>(4,773,752)</b>
Finance income	17	85,250	216,826
Finance expenses	17	(45,964)	(45,142)
<b>Deficit for the year – total comprehensive income</b>		<b>(1,313,049)</b>	<b>(4,602,068)</b>

The notes on pages 114-130 are an integral part of these financial statements.

## Statement of changes in equity

	NOTE	Employee pension fund reserve				Total
		Capital fund	Revaluation reserve	Reserve Fund	Total	
		€	€	€	€	€
Balance at 1 January 2024		1,164,687	6,151,769	1,375,001	18,977,017	27,668,474
<b>Comprehensive income</b>						
Appropriation from income statement		-	-	-	(4,602,068)	(4,602,068)
Transfer to pension fund reserve	14	-	-	75,000	(75,000)	-
Total comprehensive income for the year		-	-	75,000	(4,677,068)	(4,602,068)
<b>As at 31 December 2024</b>		<b>1,164,687</b>	<b>6,151,769</b>	<b>1,450,001</b>	<b>14,299,949</b>	<b>23,066,406</b>
Balance at 1 January 2025		1,164,687	6,151,769	1,450,001	14,299,949	23,066,406
<b>Comprehensive income</b>						
Appropriation from income statement		-	-	-	(1,313,049)	(1,313,049)
Transfer to pension fund reserve	14	-	-	75,000	(75,000)	-
Total comprehensive income for the year		-	-	75,000	(1,388,049)	(1,313,049)
<b>As at 31 December 2025</b>		<b>1,164,687</b>	<b>6,151,769</b>	<b>1,525,001</b>	<b>12,911,900</b>	<b>21,753,357</b>

The notes on pages 114-130 are an integral part of these financial statements.

## Statement of cash flows

	NOTES	Year ended 31 December	
		2025	2024
		€	€
<b>Cash flows generated from/(used in) operating activities</b>			
Cash generated from/(used in) operations	22	2,177,883	(3,231,609)
Net cash generated from/(used in) operating activities		2,177,883	(3,231,609)
<b>Cash flows used in investing activities</b>			
Purchase of property, plant and equipment	5	(1,399,100)	(2,456,308)
Purchase of intangible assets	6	(1,040,110)	(773,999)
Interest income from investing activities	17	85,250	216,826
Net cash used in investing activities		(2,353,960)	(3,013,481)
<b>Cash flows used in financing activities</b>			
Capital repayments of lease liabilities		(491,818)	(719,295)
Net cash used in financing activities		(491,818)	(719,295)
<b>Net movement in cash and cash equivalents</b>		<b>(667,895)</b>	<b>(6,964,385)</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>10,402,542</b>	<b>17,393,163</b>
<b>Expected credit losses movement</b>		<b>28,738</b>	<b>(26,236)</b>
<b>Cash and cash equivalents at end of year</b>	9	<b>9,763,385</b>	<b>10,402,542</b>

The notes on pages 114-130 are an integral part of these financial statements.

## Notes to the financial statements

### 1. Summary of material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 1.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and the requirements of the Malta Financial Services Authority Act, 1988. They have been prepared under the historical cost convention as modified by the fair valuation of the land and buildings class of property. The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain accounting estimates. It also requires the Governors to exercise judgement in the process of applying the Authority's accounting policies (see Note 4 – Critical accounting estimates and judgements).

During 2025, the Authority reported a deficit of €1,313,049 (2024: €4,602,068) and a net current asset position of €3,716,796 (2024: €4,875,682). The Governors have taken cognisance of the overall performance and cash flow position of the Authority and to that effect, a system of pre-approval of the annual subvention as approved by the House of Representatives has been agreed and established. This will be based on annual and 5-year forecasts of revenues and expenditure. On this understanding, the Board of Governors have determined that there is a reasonable expectation that the Authority will have adequate resources to continue its operations for the foreseeable future. For this reason, these accounts have been prepared on a going concern basis.

#### 1.2 Foreign currency translation

##### (a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euro, which is the Authority's functional and presentation currency.

##### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

All foreign exchange gains or losses are presented in the Statement of comprehensive income.

#### 1.3 Property, plant and equipment

All property, plant and equipment is initially recorded at historical cost. Land and buildings, comprising mainly the Authority's offices, are shown at fair value based on periodic valuation, less subsequent depreciation of buildings. Valuations are carried out on a regular basis such that the carrying amount of property does not differ materially from that which would be determined using fair values at the end of the reporting period. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Authority and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income and shown as a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against the revaluation reserve directly in equity; all other decreases are charged to profit or loss.

Items of property, plant and equipment comprise land and buildings, furniture, fixtures and fittings, and equipment, and are initially recognised at acquisition cost. Subsequently they are carried at acquisition cost less subsequent depreciation and impairment losses.

Land is not depreciated as it is deemed to have an indefinite life. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amount to their residual values over their estimated useful lives, as follows:

	%
Land and buildings	1
Furniture, fixtures and fittings	20
Equipment	20

Buildings are depreciated over an estimated useful life of 75 years while improvements carried out on leased property are depreciated over the lease period, which is three years.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with carrying amount and are recognised in the income statement. When re-valued assets are sold, the amounts included in the revaluation reserve relating to the assets are transferred to retained earnings.

#### 1.4 Intangible assets

##### Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of four years. Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

Costs directly attributable to the implementation and configuration of software systems are capitalised as part of the cost of the intangible asset where the recognition criteria are met. Such costs remain classified as intangible assets under construction until the related system is substantially complete and available for use.

#### 1.5 Financial assets

##### 1.5.1 Classification

From 1 January 2018, the Authority classifies its financial assets in the following measurement categories;

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. The Authority's financial assets are classified at amortised cost.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held-for-trading, this will depend on whether the Authority has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The Authority reclassifies debt instruments when, and only when, its business model for managing those assets changes.

##### 1.5.2 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Authority commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Authority has transferred substantially all the risks and rewards of ownership.

### 1.5.3 Measurement

Subsequent measurement of debt instruments depends on the Authority's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Authority classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

From 1 January 2018, the Authority assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Authority applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables - see note 1.6 for further details.

### 1.5.4 Impairment of financial assets

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of IFRS 9 Financial Instruments from 1 January 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements.

The measurement of expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument. The Authority considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'.

From 1 January 2018, the Authority assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

## 1.6 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less loss allowance.

The Authority makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Authority uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

Trade receivables are assessed for impairment by the Authority on a collective basis as they have been grouped based on the days past due, possessing shared credit risk characteristics.

## 1.7 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at face value. Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

## 1.8 Trade and other payables

Trade payables comprise obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

## 1.9 Provisions

Provisions for legal claims are recognised when the Authority has a present legal or constructive obligation as a result of past events. It is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

The Authority has chosen to account for a specific provision related to certain debtors, rather than establishing a general provision covering all debtors.

## 1.10 Revenue recognition

The Authority recognises revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the entity, and when specific criteria for each of the Authority's activities have been met, as described below:

- Income from application fees is recognised upon receipt of the application.
- Income from annual supervisory fees is recognised by reference to the stage of completion of the transaction, which equates to a systematic recognition of revenue as it accrues over time.
- Interest income from investments is reported on an accrual basis using the effective interest method.

## 1.11 Leases

The Authority has changed its accounting policy for leases where the Authority is the lessee. The new policy is described below and the impact of the change is described in Note 2.

### *Accounting policy as from 1 January 2019*

The Authority leases office spaces. Rental contracts are typically made for fixed periods ranging from two to three years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Authority.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities comprise the net present value of the fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Authority, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Authority where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third-party financing was received.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease payments due within 12 months are classified as current, and if not, they are presented as non-current liabilities.

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability.

Right-of-use assets are generally depreciated over the lease term on a straight-line basis.

Payments associated with short-term leases of vehicles and land are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

*Accounting policy as at 31 December 2018*

Until 31 December 2018, leases in which a significant portion of the risks and rewards of ownership were not transferred to the Authority as lessee were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

**1.12 Government subvention and EU grants**

Grants from the Government, including national Government and EU, are recognised at their fair value, where there is a reasonable assurance that the grant will be received, and the Authority will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

**2. Application of new and revised International Financial Reporting Standards (IFRSs) and IFRS sustainability disclosure standards**

**2.1 New Standards adopted as at 1 January 2025**

During the year ended 31 December 2025, the Authority has applied a number of amendments to IFRS issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on 1 January 2025. Their adoption did not have any material impact on the disclosures or on the amounts reported in these financial statements.

- Lack of exchangeability (Amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates)

On 15 August 2023, the IASB issued Lack of Exchangeability which amended IAS 21 The Effects of Changes in Foreign Exchange Rates (the Amendments). The Amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The Amendments require an Authority to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency.

**2.2 Standards, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Authority**

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods and that the Authority has decided not to adopt early.

The following amendments are expected to be effective for the annual reporting period beginning 1 January 2026 (following the EU endorsement process):

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS7)
- Annual Improvements to IFRS Accounting Standards – Volume 11

The following standards and amendments are expected to be effective for the annual reporting period beginning 1 January 2027 (following the EU endorsement process):

- IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new accounting standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as 'the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Authority is still in the process of assessing the impact of the new accounting standard, particularly with respect to the structure of statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Authority is also assessing the impact on how information is grouped in the financial statements.

- IFRS 19 Subsidiaries without Public Accountability: Disclosures (standard issued on 9 May 2024 and amendments issued on 21 August 2025)
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency (issued on 13 November 2025)

**3. Financial risk management**

**3.1 Financial risk factors**

The Authority's activities potentially expose it to a variety of financial risks namely market risk, credit risk and liquidity risk. The Authority's risk management is coordinated by the Board of Governors and focuses on actively securing the Authority's short to medium term cash flows by minimising the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

The Authority does not actively engage in trading of financial assets for speculative purposes, nor does it write options. The most significant financial risks that the Authority is exposed to are described below.

(a) Market risk

In view that the investments in Malta Government Stocks (see Note 7) are accounted for at amortised cost, the Governors do not consider that the Authority is exposed to significant market risk.

(b) Credit risk

The Authority's exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below. The Authority's exposures to credit risk as at the end of the reporting periods are analysed as follows:

	NOTES	2025	2024
		€	€
Financial assets at amortised cost	7	1,111,232	1,113,199
Trade and other receivables	8	2,732,161	911,564
Cash and cash equivalents	9	9,763,385	10,402,542
		<b>13,606,778</b>	12,427,305

The Authority assesses the credit quality of its customers taking into account financial position, past experience and other factors. It has policies in place to ensure that sales of services are affected to customers with an appropriate credit history. The Authority monitors the performance of its receivables on a regular basis to identify incurred collection losses, which are inherent in the Authority's receivables, taking into account historical experience.

The Authority's receivables, which are not impaired financial assets, are principally in respect of transactions with customers for whom there is no recent history of default. Management does not expect any losses from non-performance by these customers. None of the Authority's financial assets are secured by collateral.

As at 31 December 2025, trade receivables of €571,494 (2024: €473,030) were impaired, and the amount of the provisions in this respect are equivalent to these amounts. Reversal of provisions for impairment arises in those situations where customers recover from unfavourable circumstances and accordingly start meeting repayment obligations. The Authority does not hold any collateral as security in respect of the impaired assets. Amounts are net of expected credit losses as outlined in Note 1.5.

Total expected credit losses for the year recognised under trade and other receivables and cash and cash equivalents amounting to a total of €91,962 (2024: €102,857).

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	2025	2024
	€	€
Balance at beginning of year	61,551	36,013
Increase/(Decrease) in loss allowance on trade receivables	17,843	25,538
<b>Balance at end of year</b>	<b>79,394</b>	<b>61,551</b>

Credit risk in relation to cash and cash equivalents and held-to-maturity investments is considered to be limited, since the counterparts and issuer are reputable banks, and the Government of Malta, respectively.

#### (b) Liquidity risk

The Authority is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise trade and other payables (Note 10). Prudent liquidity risk management includes maintaining sufficient cash and committed credit lines to ensure the availability of an adequate amount of funding to meet the Authority's obligations.

The Authority monitors liquidity risk by reviewing expected cash flows and ensures that no additional financing facilities are expected to be required over the coming year. The Authority's liquidity risk is not deemed material in view of the matching of cash inflows and outflows arising from expected maturities of financial instruments.

### 3.2 Capital risk management

The Authority's equity, as disclosed in the statement of financial position, constitutes its capital. The Authority's objectives when managing capital are to safeguard the respective entity's ability to continue as a going concern in order to provide returns and benefits for stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. The Authority's equity is maintained in line with the provisions set within the Malta Financial Services Authority Act, 1988.

In view of the nature of the Authority's activities and its financial position, the capital level as at the end of the reporting period is deemed adequate by the Governors.

### 3.3 Fair values of financial instruments

The table on the following page analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as Level 1 in view of the quoted prices (unadjusted) in active markets for identical assets or liabilities.

The following table presents the Authority's assets and liabilities whose fair value at the respective dates is disclosed below:

	Level 1
	€
<b>31 December 2025</b>	
Financial assets at amortised cost	1,111,232
<b>31 December 2024</b>	
Financial assets at amortised cost	1,113,199

At 31 December 2025 and 2024 the carrying amounts of cash at bank, receivables, payables and accrued expenses reflected in the financial statements are reasonable estimates of fair value in view of the nature of these instruments or the relatively short period of time between the origination of the instruments and their expected realisation.

## 4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of the Governors, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1.

## 5. Property, plant and equipment

	Land and Buildings	Furniture, fixtures and fittings	Equipment	Total
	€	€	€	€
<b>Year ended 31 December 2024</b>				
Opening net book amount	15,413,287	159,958	1,271,159	16,844,404
Additions	17,049	277,409	2,161,850	2,456,308
Reclassification from AUC IT account	10,170	-	39,724	49,894
Depreciation charge	(115,486)	(117,490)	(1,013,845)	(1,246,821)
Closing net book amount	15,325,020	319,877	2,458,888	18,103,785
<b>At 31 December 2024</b>				
Cost or valuation	16,232,972	3,298,524	11,805,241	31,336,737
Accumulated depreciation	(907,952)	(2,978,647)	(9,346,353)	(13,232,952)
Net book amount	15,325,020	319,877	2,458,888	18,103,785
<b>Year ended 31 December 2025</b>				
Opening net book amount	15,325,020	319,877	2,458,888	18,103,785
Additions	2,251	117,767	1,249,756	1,369,774
Reclassification from Intangible assets	-	-	29,326	29,326
Depreciation charge	(106,857)	(122,689)	(1,018,601)	(1,248,147)
Closing net book amount	15,220,414	314,955	2,719,369	18,254,738
<b>At 31 December 2025</b>				
Cost or valuation	16,235,223	3,416,291	13,084,323	32,735,837
Accumulated depreciation	(1,014,809)	(3,101,336)	(10,364,954)	(14,481,099)
Net book amount	15,220,414	314,955	2,719,369	18,254,738

#### Fair value of land and buildings

The Authority's office building was revalued on 31 December 2022 by independent professionally qualified valuers. The valuation was conducted by DeMicoli & Associates (a firm of architects). The book value of the property was adjusted to the revaluation and the resultant surplus was credited to the revaluation reserve (refer to Note 13). The Board of Governors has reviewed the carrying amount of the property as at 31 December 2025 and no further adjustments to the carrying amount were deemed necessary as at that date taking cognisance of developments that occurred during the current financial year.

The Authority is required to analyse non-financial assets carried at fair value by level of the fair value hierarchy within which the recurring fair value measurements are categorised in their entirety (Level 1, 2 or 3). The different levels of the fair value hierarchy have been defined as fair value measurements using:

- Quoted prices (unadjusted) in active markets for identical assets (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2);
- Inputs for the asset that are not based on observable market data (that is, unobservable inputs) (Level 3).

The recurring property fair value measurement at 31 December 2025 uses significant unobservable inputs and is accordingly categorised within Level 3 of the fair valuation hierarchy.

The Authority's policy is to recognise transfers into and out of fair value hierarchy levels as of the beginning of the reporting period. There were no transfers between different levels of the fair value hierarchy during the year ended 31 December 2025.

A reconciliation from the opening balance to the closing balance of non-financial assets for recurring fair value measurements categorised within Level 3 of the value hierarchy, is reflected in the table above.

*Valuation processes*

The valuation of the property is performed regularly on the basis of valuation reports prepared by independent and qualified valuers. At the end of every reporting period, management assesses whether any significant changes in the major inputs have been experienced since the last external valuation. Management reports to the Board of Governors on the outcome of this assessment.

When an external valuation report is prepared, the information provided by the valuers – and the assumptions and the valuation models used by the valuers – are reviewed by the Chief Operations Officer (COO). This includes a review of fair value movements over the period. When the COO considers that the valuation report is appropriate, the valuation report is recommended to the Board of Governors. The Board of Governors considers the valuation report as part of its overall responsibilities.

*Valuation techniques*

The Level 3 fair valuation of the Authority's land and buildings was determined by using a comparative approach whereby the current selling prices and rental values of similar developments were compared in order to obtain an equitable rental value of the property. The significant unobservable inputs in the valuation include:

Equivalent rental values based on the actual location, type and quality of property supported by current market rents for similar properties.

Capitalisation rates based on actual location, size and quality of the property and taking into account market data at the valuation date.

*Information about fair value measurements using significant unobservable inputs (level 3)*

Description	Significant unobservable inputs			
	Fair value at 31 December 2025	Valuation technique	Equivalent rental value	Capitalisation Rate
	€		€	%
Office building	15.5m	Comparative and Investment method	0.96m	6.25

The higher the rental yield and the lower the capitalisation rate, the higher the fair value. Conversely, the lower the rental value and the higher the capitalisation rate, the lower the fair value.

*Historical cost of land and buildings*

If the land and buildings were stated on the historical cost basis, the amounts would be as follows:

	2025	2024
	€	€
Cost	10,836,135	10,836,135
Accumulated depreciation	(1,601,053)	(1,492,692)
Net book amount	9,235,082	9,343,443

**6. Intangible assets**

	Computer Software
	€
<b>At 31 December 2024</b>	
Cost	953,735
Accumulated depreciation	(244,081)
Net book amount	709,654
<b>Year ended 31 December 2025</b>	
Opening net book amount	709,654
Amortisation charge	(27,387)
Reclassifications to property, plant & equipment	(29,326)
Additions	1,069,436
Closing net book amount	1,722,377
<b>At 31 December 2025</b>	
Cost	1,993,845
Accumulated depreciation	(271,468)
Net book amount	<b>1,722,377</b>

## 7. Financial assets at amortised cost

Financial assets include the following investments:

	2025	2024
	€	€
<b>Non-current</b>		
Financial assets at amortised cost	1,111,232	1,113,199
As at 31 December	1,111,232	1,113,199

The movements during the year in financial assets at amortised cost, which comprise Malta Government Stocks, were as follows:

	2025	2024
	€	€
Opening net book amount	1,113,199	1,115,171
Amortisation	(1,967)	(1,972)
Closing net book amount	1,111,232	1,113,199

## 8. Trade and other receivables

	2025	2024
	€	€
<b>Current</b>		
Trade receivables – gross	3,300,527	1,382,336
Less: Loss allowance on trade receivables	(571,494)	(473,030)
Trade receivables – net	2,729,033	909,306
Other receivables	3,128	2,258
Prepayments	2,974,392	2,378,388
Accrued income	167,644	2,795,066
	5,874,197	6,085,018

Trade receivables are net of expected credit losses as per note 3.1. Expected credit losses amount to €79,394 (2024: €61,551) respectively.

## 9. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following:

	2025	2024
	€	€
Cash in hand and cash at bank	9,763,385	7,422,803
Treasury Bills	-	2,979,739
	9,763,385	10,402,542

Cash and cash equivalents are net of Expected credit losses as per note 3.1. Expected credit losses amount to €12,568 (2024: €41,306).

## 10. Trade and other payables

	2025	2024
	€	€
<b>Non-current</b>		
Deferred government subvention	3,789,923	2,466,195
<b>Current</b>		
Trade and other payables	1,769,600	2,782,794
Other payables	336,134	562,940
Indirect taxation	770,066	910,565
Accruals	4,758,245	4,651,127
Deferred government subvention	948,932	591,548
Deferred income	2,846,002	1,663,465
	11,428,979	11,162,439

## 11. Lease liabilities

This note provides information on leases where the Authority is a lessee.

(i) Amounts recognised in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

	2025	2024
	€	€
<b>Right-of-use assets</b>		
Vehicles	85,311	118,370
Offices	824,799	1,234,117
	910,110	1,352,487
<b>Lease liabilities</b>		
Current	491,807	449,439
Non-current	171,973	622,206
	663,780	1,071,645

## (ii) Amounts recognised in the statement of comprehensive income

The statement of comprehensive income shows the following amounts relating to leases:

	2025	2024
	€	€
<b>Depreciation charge of right-of-use assets</b>		
Vehicles	33,418	32,189
Offices	454,045	373,844
	<b>487,463</b>	406,033
Interest expense (included in finance cost note 17)	38,867	38,753

## 12. Capital fund

The capital fund of €1,164,687 represents the initial contribution by the Government to the Authority in 1989 upon its establishment.

## 13. Revaluation reserve

	2025	2024
	€	€
As at 31 December	6,151,769	6,151,769

The revaluation reserve is not distributable and represents the accumulated fair value movements on the Authority's land and buildings.

During 2022, the office building was revalued to Euro 15.5m by independent professional qualified valuers (note 5). The book value of the property was adjusted to the revaluation and the resultant surplus was credited to the revaluation reserve.

## 14. Employee pension fund

	2025	2024
	€	€
Balance as at 1 January	1,450,001	1,375,001
Transfer for the year	75,000	75,000
As at 31 December	<b>1,525,001</b>	1,450,001

The employee pension fund reserve has been created to set aside reserves to prepare for the potential employee pension fund that may be set up for the benefit of the employees at the opportune time.

## 15. Expenses by nature

	2025	2024
	€	€
Employee costs (Note 16)	31,582,473	27,388,653
Other staff costs	1,414,559	1,075,246
Depreciation of property, plant and equipment (Note 5)	1,248,147	1,246,821
Amortisation of intangible assets (Note 6)	27,387	43,379
Amortisation of right of use asset (Note 11)	487,463	406,033
Increase/(decrease) on loss allowance on trade receivables	98,464	52,683
Bad debts	1,222	40,691
Expected credit losses	(10,895)	51,774
Provision for litigation	-	323,688
Professional fees	816,676	629,571
Regulatory support fees	-	17,895
Enforcement and compliance fees	375,942	318,959
Communications and events	391,027	212,516
Governors' emoluments	107,000	113,870
IT professional services	658,784	699,312
Licenses and maintenance	3,594,904	2,171,320
Other expenses	8,157,067	5,885,374
<b>Total operating expenses</b>	<b>48,950,220</b>	40,677,785

Fees charged by the auditor for the statutory audit amount to € 18,500 (2024: €15,000).

## 16. Employee costs

	2025	2024
	€	€
Wages and salaries	30,078,311	26,073,987
Social security costs	1,504,162	1,314,666
	<b>31,582,473</b>	27,388,653

Average number of persons employed by the Authority during the year:

	2025	2024
Professionals	549	484
Administration	66	74
	<b>615</b>	558

## 17. Finance income & expenses

	2025	2024
	€	€
<b>Finance income</b>		
Interest on treasury bills	28,892	159,967
Interest on financial assets held at amortised cost	56,358	56,859
	<b>85,250</b>	216,826
<b>Finance expenses</b>		
Interest expense on right-of use-asset	38,867	38,753
Bank charges	7,097	6,389
	<b>45,964</b>	45,142

## 18. Income

	2025	2024
	€	€
Trustees and CSPs supervision	1,024,572	646,230
Applications	2,243,965	1,127,658
Capital markets supervision	2,070,832	699,548
Investment services supervision	5,369,018	3,740,777
Fintech supervision	877,967	947,501
Insurance and pensions supervision	3,416,721	2,671,271
Banking supervision	7,900,332	5,018,173
Financial institutions supervision	2,692,434	1,364,023
<b>Total income</b>	<b>25,595,841</b>	16,215,181

## 19. Government subvention

The government subvention represents a contribution by Government towards the Authority to ensure that it has adequate resources to continue its operations and meet its obligations as the single regulator for financial services in Malta.

## 20. Other income

	2025	2024
	€	€
EU grants designated for specific due diligence purposes	2,626	9,804
Other income – Government Subvention	1,195,316	1,974,671
Other income	4,102	4,115
	<b>1,202,044</b>	1,988,590

EU funds designated for specific due diligence purposes amounting to €2,626 at 31 December 2025 (2024: €9,804) are amortised to profit or loss over the term of the service concession.

## 21. Tax expense

Section 30 of the Malta Financial Services Authority Act, Cap 330, exempts the Authority from any liability to pay income taxes.

## 22. Cash generated from operations

Reconciliation of operating deficit generated from operations:

	2025	2024
	€	€
Deficit for the year	(1,313,049)	(4,602,068)
Adjustments for:		
Depreciation of property, plant and equipment (Note 5)	1,248,147	1,246,821
Depreciation of intangible assets (Note 6)	27,387	43,379
Depreciation of right-of-use assets (Note 11)	487,463	406,033
Amortisation of investment (Note 7)	1,967	1,972
Increase/(decrease) in loss allowance on trade receivables (Note 8)	98,464	52,682
Interest on right of use (Note 17)	38,867	38,753
Interest income (Note 17)	(85,250)	(216,826)
Modification to lease	-	(23,064)
Expected credit losses	(10,895)	51,774
Changes in working capital:		
Movement in trade receivables	94,514	(3,713,492)
Movement in trade payables	1,590,268	3,482,427
<b>Cash (used in)/generated from operations</b>	<b>2,177,883</b>	(3,231,609)

## 23. Commitments

	2025	2024
	€	€
<b>Capital Expenditure</b>		
Capital expenditure that has been contracted for but not yet accounted for in the Financial Statements	125,096	305,958
Capital expenditure that has been authorised by the Board of Governors but has not yet been contracted for	5,908,882	5,565,157

## 24. Contingencies

The Authority has not provided for claims instituted against it by a number of persons on the basis that the proceedings are still at an early stage and the potential financial impact and probable outcome of these claims has as yet not been quantified.

## 25. Comparative information

Certain comparative figures disclosed in the main components of these financial statements have been reclassified to conform with the current year's presentation format for the purpose of fairer presentation.

## 26. Statutory information

The Malta Financial Services Authority is the single regulator for financial services in Malta enacted by virtue of the Malta Financial Services Authority Act, 1988 and reports to the Maltese Parliament.

On 20 March 2018, by virtue of Act No. VI of 2018, Articles 2(2) and 6, it had been established that the Registry of Companies shall no longer form part of the Malta Financial Services Authority.



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**Appendices**

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## Appendix 1: Financial Services Legislation published in 2025

### Primary Legislation

1. Company Service Providers (Amendment) Act, 2025  
- Enacted through Act X of 2025, on 16 May 2025
2. Various Financial Services Laws (Amendment) Act, 2025  
- Enacted through Act XI of 2025, on 16 May 2025
3. Various Financial Services Laws (Amendment No. 2) Act, 2025  
- Enacted through Act XXIX of 2025, on 5 August 2025

### Secondary Legislation

1. Investment Services Act (Special Limited Partnership Funds) Regulations, 2025  
- Published as Legal Notice 30 of 2025 on 7 February 2025
2. Investment Services Act (Prospectus of Collective Investment Schemes) (Amendment) Regulations, 2025  
- Published as Legal Notice 31 of 2025 on 7 February 2025
3. Investment Services Act (Notified CISs)(Amendment) Regulations, 2025  
- Published as Legal Notice 32 of 2025 on 7 February 2025
4. Supervisory Consolidation (Credit Institutions) (Amendment) Regulations, 2025  
- Published as Legal Notice 44 of 2025 on 21 February 2025
5. Investment Services Act (Supervisory Consolidation) (Capital Requirements Directive) (Amendment) Regulations, 2025  
- Published as Legal Notice 45 of 2025 on 21 February 2025
6. Administrative Penalties, Measures and Investigatory Powers (Amendment) Regulations, 2025  
- Published as Legal Notice 46 of 2025 on 21 February 2025
7. Financial Markets Act (Green Bonds) Regulations, 2025  
- Published as Legal Notice 55 of 2025 on 14 March 2025
8. Investment Services Act (Alternative Investment Fund Manager) (Passport) (Amendment) Regulations, 2025  
- Published as Legal Notice 60 of 2025 on 18 March 2025
9. Investment Services Act (Fees) (Amendment) Regulations, 2025  
- Published as Legal Notice 61 of 2025 on 28 March 2025
10. Retirement Pensions Act (Fees) (Amendment) Regulations, 2025  
- Published as Legal Notice 62 of 2025 on 28 March 2025
11. Insurance Distribution Act (Fees) (Amendment) Regulations, 2025  
- Published as Legal Notice 63 of 2025 on 28 March 2025
12. Financial Markets (Fees) (Amendment) Regulations, 2025  
- Published as Legal Notice 64 of 2025 on 28 March 2025
13. Financial Institutions Act (Safeguarding of Funds) (Amendment) Regulations, 2025  
- Published as Legal Notice 67 of 2025 on 4 April 2025
14. Company Service Providers Act (Fees) (Amendment) Regulations, 2025  
- Published as Legal Notice 89 of 2025 on 16 May 2025
15. Company Service Providers (Exemption) (Amendment) Regulations, 2025  
- Published as Legal Notice 90 of 2025 on 16 May 2025

16. Recovery and Resolution (Amendment) Regulations, 2025  
- Published as Legal Notice 102 of 2025 on 10 June 2025
17. Trusts and Trustees Act (Register of Beneficial Owners) (Amendment) Regulations, 2025  
- Published as Legal Notice 133 of 2025 on 11 July 2025
18. Supervisory Consolidation (Investment Firms Directive) (Amendment) Regulations, 2025  
- Published as Legal Notice 152 of 2025 on 29 July 2025
19. Supervisory Consolidation (Credit Institutions) (Amendment No. 2) Regulations, 2025  
- Published as Legal Notice 153 of 2025 on 29 July 2025
20. Investment Services Act (Supervisory Consolidation) (Capital Requirements Directive) (Amendment No. 2) Regulations, 2025  
- Published as Legal Notice 154 of 2025 on 29 July 2025
21. Investment Services Act (Provision of Investment Services and Activities by Third-Country Firms) (Amendment) Regulations, 2025  
- Published as Legal Notice 155 of 2025 on 29 July 2025
22. Investment Firms Directive (Administrative Penalties, Measures and Investigatory Powers) (Amendment) Regulations, 2025  
- Published as Legal Notice 156 of 2025 on 29 July 2025
23. Investment Services Act (Supervisory Review Investment Firms Directive) (Amendment) Regulations, 2025  
- Published as Legal Notice 157 of 2025 on 29 July 2025
24. Credit Institutions (Fees) (Amendment) Regulations, 2025  
- Published as Legal Notice 158 of 2025 on 29 July 2025
25. Recovery and Resolution (Amendment No. 2) Regulations, 2025  
- Published as Legal Notice 171 of 2025 on 5 August 2025
26. Investor Compensation Scheme (Amendment) Regulations, 2025  
- Published as Legal Notice 186 of 2025 on 2 September 2025
27. Depositor Compensation Scheme (Amendment) Regulations, 2025  
- Published as Legal Notice 187 of 2025 on 2 September 2025
28. Crowdfunding Service Providers (Fees) Regulations, 2025  
- Published as Legal Notice 196 of 2025 on 12 September 2025
29. Malta Financial Services Authority Act (European Crowdfunding Service Providers for Business) (Fees)(Repeal) Regulations, 2025  
- Published as Legal Notice 197 of 2025 on 12 September 2025
30. Malta Financial Services Authority Act (European Crowdfunding Service Providers for Business) (Repeal) Regulations, 2025  
- Published as Legal Notice 198 of 2025 on 12 September 2025
31. Algorithmic Trading (Amendment) Regulations, 2025  
- Published as Legal Notice 212 of 2025 on 3 October 2025
32. Multilateral Trading Facilities and Organised Trading Facilities (Amendment) Regulations, 2025  
- Published as Legal Notice 213 of 2025 on 3 October 2025
33. Regulated Markets and Market Operators (Authorisation Requirements) (Amendment) Regulations, 2025  
- Published as Legal Notice 214 of 2025 on 3 October 2025
34. Financial Markets Act (MiFID and MiFIR Administrative Penalties, Measures and Investigatory Powers) (Amendment) Regulations, 2025  
- Published as Legal Notice 215 of 2025 on 3 October 2025
35. Investment Services Act and Banking Act (MiFID and MiFIR Administrative Penalties, Measures and Investigatory Powers)(Amendment) Regulations, 2025  
- Published as Legal Notice 216 of 2025 on 3 October 2025

36. Investment Services Act (Exemption)(Amendment) Regulations, 2025  
- Published as Legal Notice 217 of 2025 on 3 October 2025
37. Markets in Financial Instruments (Amendment) Regulations, 2025  
- Published as Legal Notice 218 of 2025 on 3 October 2025
38. Position Limits and Position Management Controls in Commodity Derivatives and Reporting (Amendment) Regulations, 2025  
- Published as Legal Notice 219 of 2025 on 3 October 2025
39. Banking Act (Consumer Credit) Regulations, 2025  
- Published as Legal Notice 265 of 2025 on 18 November 2025
40. Financial Institutions Act (Consumer Credit) Regulations, 2025  
- Published as Legal Notice 266 of 2025 on 18 November 2025
41. Declaration of Bank Holidays Order, 2025  
- Published as Legal Notice 280 of 2025 on 5 December 2025
42. Various Financial Services Laws (Amendment) Act, 2025 (Act No. XI of 2025) – Commencement Notice  
- Published as Legal Notice 300 of 2025 on 26 December 2025
43. Financial Markets (Fees) (Amendment No. 2) Regulations, 2025  
- Published as Legal Notice 301 of 2025 on 26 December 2025
44. Financial Markets (Sponsors) Regulations, 2025  
- Published as Legal Notice 302 of 2025 on 26 December 2025
45. Insurance Business Act (Fees) (Amendment) Regulations, 2025  
- Published as Legal Notice 303 of 2025 on 26 December 2025
46. Malta Financial Services Authority Act (Indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds) (Fees) Regulations, 2025  
- Published as Legal Notice 304 of 2025 on 26 December 2025

### Ancillary legislation – competence shared with other entities

1. Companies Act (SICAV Incorporated Cell Companies)(Amendment) Regulations, 2025  
- Published as Legal Notice 291 of 2025 on 23 December 2025
2. Companies Act (Recognised Incorporated Cell Companies)(Amendment) Regulations, 2025  
- Published as Legal Notice 292 of 2025 on 23 December 2025
3. Companies Act (Investment Companies with Variable Share Capital)(Amendment) Regulations, 2025  
- Published as Legal Notice 293 of 2025 on 23 December 2025

## Appendix 2: Rules Issued or Amended in 2025

### Banking

#### Banking Rule BR/31 on data integrity and reporting standards for supervisory compliance – New

The Rule on data integrity and reporting standards for supervisory compliance was issued on 12 February 2025 implementing EBA Guidelines on the resubmission of historical data under the EBA Reporting Framework (EBA/GL/2024/04) in the case of errors, inaccuracies, and other changes in the data reported.

(Circular dated 12 February 2025)

#### Banking Rule BR/15 on Capital buffers of credit institutions authorised under the Banking Act 1994 – Amended

The amended Rule was issued on 14 March 2025 to update several cross-references to other paragraphs in the Rule, and to other legislation.

(Circular dated 14 March 2025)

#### Banking Rule BR/14 on Outsourcing by credit institutions and BR/24 on internal governance of credit institutions – Amended

The amended Rule was issued on 16 May 2025 to reference the updated EBA Guidelines on ICT and Security Risk Management (EBA/GL/2025/05) following the entry into force of Regulation (EU) 2022/2554 (DORA Regulation), outlining requirements relating to ‘payment service user relationship management’.

(Circular dated 16 May 2025)

#### Banking Rule BR/05 on the Liquidity Requirements of Credit Institutions and Annex I to Banking Rule BR/29 on exposures associated with high risk – Repealed

The Rules were repealed on [5 August 2025](#) because of the developments in the EU Regulatory Framework. The Rules on the liquidity requirements for credit institutions are harmonised within the European Union through the Capital Requirements Regulation and other Regulations issued thereunder, including Commission Delegated Regulation (EU) 2015/61 on Liquidity Coverage Requirements, while in the case of Annex I to BR/29, the course of action followed the EBA’s repeal of the Guidelines specifying the types of exposures to be associated with high risk on 16 May 2025.

(Circular dated 5 August 2025)

#### Banking Rule BR/06 on Statutory Financial Information to be submitted by credit institutions authorised under the Banking Act 1994 – Repealed

BR/06 was repealed on 19 December 2025 following a joint review by the MFSA and the Central Bank of Malta aimed at streamlining data collection, reducing duplicative reporting and ensuring full alignment with the “report once” and “single point of entry” principles.

(Circular dated 19 December 2025)

### Capital Markets

#### Chapter 1 of the Capital Markets Rules – Amended

Chapter 1 of the Capital Markets Rules was amended on 17 February 2025 to revise Rule 1.2 and Appendix 1.3 relating to issuers’ obligations to pay MFSA fees in relation to applications for Admissibility to Listing. The amendments were mainly introduced to reflect the coming into force of Subsidiary Legislation 345.28 which introduced new fees.

(Circular dated 17 February 2025)

## Capital Markets Rules applicable to Proxy Advisors – New

On 6 August 2025, the Authority issued a new set of Capital Markets Rules applicable to Proxy Advisors. These Capital Markets Rules apply to Proxy Advisors appointed in terms of the Financial Markets Act. One of the main pillars and drivers of the SRD II rests on the extensive transparency requirements surrounding proxy advisors (Article 3j). The scope of these Capital Markets Rules is wide to cover services provided by proxy advisors to shareholders with respect to shares of companies which have their registered office in a Member State (not necessarily Malta) and the shares of which are admitted to trading on a regulated market situated or operating within a Member State (not necessarily Malta). The Authority would be required to monitor proxy advisors which have their registered office/head office/establishment in Malta.

(Circular dated 6 August 2025)

## Chapter 5 of the Capital Markets Rules – Amended

Chapter 5 of the Capital Markets Rules was amended on 5 September 2025 to transpose part of the requirements of the European Single Access Point (ESAP) package and to amend the definition of a Takeover Bid in Chapter 11 of the Capital Markets Rules. The amendments introduced new requirements relating to the accessibility of information on the ESAP and became effective immediately.

(Circular dated 5 September 2025)

## Company Service Providers Supervision

### Company Service Providers Rulebook – Amended

The CSP Rulebook was amended pursuant to the changes made to the Company Service Providers Act by virtue of Act X of 2025, published on 16 May 2025, to reflect such changes, particularly in view of the introduction of two categories of company service providers and the revision of the number of involvements which can be held by Under Threshold Class B CSPs.

(Circular dated 19 May 2025)

### Limited Company Service Providers Rulebook – New

Following the changes to the Company Service Providers Act by virtue of Act X of 2025 this new Rulebook was introduced specifically for a new category of CSPs namely Limited Company Service Providers establishing specific obligations and requirements which Limited CSPs are expected to comply with taking into account the nature of their activities.

(Circular dated 19 May 2025)

## FinTech

### The Markets in Crypto-Assets (MiCA) Rulebook – New

The publication of MiCA Rulebook which represented a significant step towards the implementation of the Markets in Crypto-Assets Regulation in Malta established a comprehensive and strict set of Rules that entities falling within the scope of the Markets in Crypto-Assets Act are obliged to comply with (Circular dated 11 March 2025). The MiCA Rulebook includes requirements that Crypto-Asset Service Providers (CASPs) and Issuers of Asset-Referenced Tokens are required to comply with as well as it includes rules with regards to the notification of whitepapers to the MFSA. On 16 June 2025, the Rulebook was updated primarily to apply the Guidelines which were published by ESMA.

(Circular dated 16 June 2025)

### Financial Institutions Rule FIR/01 – Amended

FIR/01 was amended twice during the year. The first amendment on 11 February 2025 introduced additional information requirements applicable to applicants for a payment services licence or registration in view of the DORA Amending Directive (EU) 2022/2556 which amended PSD2 (Directive (EU) 2015/2366) (Circular dated 11 February 2025). On 14 October 2025, FIR/01 was further updated to provide greater clarity on the MFSA's authorisation process and to provide guidance on the definition of a financial institution, including the notion of activities being carried out on a regular or habitual basis.

(Circular dated 14 October 2025)

### Financial Institutions Rule FIR/02 – Amended

FIR/02 was amended on 28 May 2025 to remove references to the EBA Guidelines on ICT and security risk management (EBA/GL/2025/02), the scope of which had been reduced.

(Circular dated 28 May 2025)

### Financial Institutions Rule FIR/03 – Amended

FIR/03 was updated several times during the year. The first amendment on 11 March 2025 essentially introduced a section outlining the Delegated Acts, Regulations, Technical Standards and Guidelines applicable to issuers of E-Money Tokens (Circular dated 11 March 2025). On 28 May 2025, FIR/03 was predominantly updated to insert the procedure by which compliance with conditions for requesting participation in designated payment systems is assessed (Circular dated 28 May 2025). On 16 June 2025, a rule was inserted to clarify the process to be followed where an issuer of EMTs wishes to submit a MiCA Article 60(4) notification (Circular dated 16 June 2025). Finally, on 20 November 2025, new rules were inserted for Account Information Service Providers to enhance supervisory expectations and amend the reporting requirements

(Circulars dated 11 March, 28 May, 16 June, 20 November 2025)

## Insurance and Pensions Supervision

### Chapters 1, Annex II of Chapter and Chapter 8 of the Insurance Rules and Chapters 1, 2, 8, 9, 10 of the Insurance Distribution Rules – Amended

On 5 March 2025, the MFSA issued a [Consultation Document on the Proposed Amendments to the Insurance Rules and the Insurance Distribution Rules](#) (MFSA Ref: 02-2025) proposing a number of amendments to different Chapters of the Insurance Rules and the Insurance Distribution Rules. Following the lapse of the consultation period on 26 March 2025 and internal discussions held on the feedback received, on 16 of April 2025, the MFSA issued the final amendments and a [Circular](#) to inform the market that the amendments were issued.

(Circular dated 16 April 2025)

## Investment Services

### Amendments to the Investment Services Rulebooks in relation to Non-Retail Fund Structures and Self-Managed NPIFs

The MFSA amended various Investment Services Rulebooks to introduce the Special Limited Partnership Fund (SLPF) as an additional vehicle for structuring non-retail funds, including NPIFs, PIFs, NAIIFs and AIFs. The amendments also introduced procedures relating to the approval and amendment of Limited Partnership Agreements and extended relevant supplementary provisions to SLPFs. In addition, the Notified PIF framework was revised to allow for the establishment of self-managed NPIFs, including amendments relating to reporting obligations, DDSP registration requirements, conversion procedures and the introduction of a new supplementary section setting out the applicable regulatory requirements.

(Circular dated 12 February 2025)

### Amendments to the MiFID Firms Quarterly Reporting and Appendix 2B

The MFSA updated the MiFID Firms Quarterly Reporting and Appendix 2B templates to reflect changes introduced by the Investment Services Act (Fees) Regulations, 2024. New template versions apply to submissions from 2 January 2025 onwards, ensuring alignment of regulatory reporting with revised fee requirements.

(Circular dated 7 March 2025)

### Various Amendments to the Investment Services Rulebooks in the Context of EuVECA and EuSEF Regulations

The MFSA amended the Investment Services Rulebooks to clarify and facilitate the establishment of fund structures as EuVECA and EuSEF funds. The amendments addressed eligibility criteria, removed certain restrictions, including lending and passporting limitations, and aligned requirements with EU frameworks following updates to the Financial Institutions Act.

(Circular dated 30 May 2025)

## Amendments to the MiFID Firms Quarterly Reporting, Fund Managers Appendix 2B and Annual Fund Return

The MFSA updated reporting templates for MiFID firms, fund managers, and collective investment schemes to reflect recent guidance. Key changes include enhanced disclosures on retail clients, ESG complaints, financial metrics, and bank exposures, as well as the introduction of TER reporting in the Annual Fund Return.

[\(Circular dated 16 June 2025\)](#)

## Amendments to the Investment Services Rulebooks in relation to the Money Market Funds Regulations

The MFSA amended the Investment Services Rulebooks to implement updated ESMA Guidelines on stress test scenarios under the Money Market Funds Regulation. The amendments introduced revised methodologies and required MMFs, AIFMs and UCITS managers to apply the updated framework to ensure alignment with EU standards.

[\(Circular dated 7 August 2025\)](#)

## Amendments to the Investment Services Act, Banking Act, various Subsidiary Legislation and Investment Firms' Rules

The MFSA implemented extensive legislative and rulebook amendments to fully transpose the Investment Firms Directive (IFD). Changes span primary laws, subsidiary legislation, and Rules, including updates to capital requirements, consolidated supervision, and supervisory powers, ensuring alignment with EU requirements.

[\(Circular dated 1 September 2025\)](#)

## Various Amendments to the Investment Services Rulebooks

The MFSA introduced amendments to various Investment Services Rulebooks to enhance regulatory clarity and consistency. Key changes include new obligations on licence surrender and passporting notifications, addition of SPV definitions, deletion of outdated guidance, and targeted updates to MiFID and PIF rules, with largely editorial revisions.

[\(Circular dated 7 October 2025\)](#)

## Amendments to the MiFID Firms Quarterly Reporting and Updates to the IFR EBA Reporting Framework

The MFSA updated the MiFID Firms' Quarterly Reporting template to streamline data collection, remove redundant fields, and enhance validations, alongside revised guidance. It also introduced EBA Reporting Framework 4.2 changes, including updated file naming conventions and migration to XBRL-CSV format, applicable from end-2025 and March 2026 reporting periods respectively.

[\(Circular dated 16 December 2025\)](#)

## APPENDIX 3: MEMORANDA OF UNDERSTANDING (MOU) IN FORCE

### Bilateral MoUs with Foreign Regulators

Entity	Scope of Agreement
Albanian Financial Supervisory Authority	Non-bank financial markets
Andorran Financial Authority	Insurance
Australian Prudential Regulation Authority	Banking and insurance
Austrian Financial Market Authority	Credit institutions
Belgian Banking and Finance Insurance Commission	Banking
Bermuda Monetary Authority	Insurance, credit institutions and trusts
Cayman Islands Monetary Authority	Credit institutions, insurance, securities and trusts
Central Bank of San Marino	Securities, insurance, and banking
Central Bank of Uzbekistan	Cooperation and exchange of information
China Banking Regulatory Commission	Banking
China Securities Regulatory Commission	Securities
Cyprus Central Bank	Credit institutions
German Federal Financial Supervisory Authority	Banking, securities and insurance (primarily Banking)
Gibraltar Financial Services Commission	Banking, securities and insurance
Guernsey Financial Services Commission	Banking, investment services, insurance and fiduciary services
Indian International Financial Services Centres Authority	Cooperation and exchange of information
Isle of Man Financial Services Commission	Securities and banking
Isle of Man Insurance and Pensions Authority	Mutual assistance and exchange of information
Jersey Financial Services Commission	Mutual assistance and exchange of information
Mauritius Financial Services Commission	Securities, insurance and pensions
National Bank of Serbia	Cooperation and exchange of information in the Virtual Digital Assets Sector
Netherlands Central Bank	Banking
Portugal Central Bank	Credit institutions

Portugal Securities Market Commission	Securities
Qatar Financial Centre Regulatory Authority	Banking, financial and insurance related business
Slovakia National Bank	Banking, insurance and securities
South Africa Financial Services Board	Securities, insurance and pension funds
Turkey Banking Regulation and Supervision Agency	Banking
Turkey Capital Markets Board	Securities
UAE Abu Dhabi Global Market Financial Services Regulatory Authority	Banking, securities and insurance
UAE Dubai Financial Services Authority	Securities, credit institutions, insurance and trusts
USA Nebraska Department of Insurance	Insurance
UK Financial Conduct Authority	Banking, insurance and investment services
	Securities
Ukraine National Securities and Stock Markets Commission	Securities and markets
Vatican Financial Information Authority	Financial institutions
Vietnam National Financial Supervisory Commission	Banking, securities and insurance

## Bilateral MoUs with Local Authorities

Entity	Scope of Agreement
Accountancy Board	Framework for co-operation, mutual assistance, and exchange of information between the two entities
Central Bank of Malta	Payment and securities settlements systems; Exchange of information in the fields of financial services; Joint financial stability board, Financial market infrastructures
Commissioner for Voluntary Organisation	Framework for co-operation, mutual assistance and exchange of information between the two entities, for the purpose of assisting each other in the discharge of their own respective functions
Financial Intelligence Analysis Unit (FIAU)	Cooperation; Rendering of mutual assistance and exchange of information in the field of AML/CFT compliance supervision Formalise cooperation and exchange of information; and the allocation of responsibilities in ensuring compliance by subject persons with their obligations under the Prevention of Money Laundering Act (PMLA) and National Interest Act (NIA)
Malta Business Registry (MBR)	Framework for co-operation, mutual assistance and exchange of information between the two entities
Office of Fair Competition	Mutual assistance and exchange of information
Malta Police Force	To provide a framework for the parties to cooperate and communicate constructively for the purpose of assisting each other in the discharge of their own respective functions

## Multilateral MoUs and Protocols

Entity	Scope of Agreement
European Central Bank Third Country Branches	Multilateral Memorandum of Cooperation between the ECB and NCAs of participating Member States in their capacity as supervisors of third-country branches
EEA, Bank of England and Financial Conduct Authority	Assistance in cross-border (re)insurance establishments, cross-border groups, and special purpose vehicles.
European Insurance and Occupational Pensions Authority (EIOPA)	Insurance and occupational pensions
European Securities and Markets Authority (ESMA)	Securities
Financial Supervisory Authorities, Central Banks and Finance Ministries of the EU	Cross-border financial stability
International Organization of Securities Commissions (IOSCO)	Securities, administrative arrangement for the transfer of personal data with non-EEA Authorities
Mediterranean Partnership for Securities Regulators	Cooperation and exchange of information
Ministry of Finance, the Economy and Investment and Central Bank of Malta	Co-operation in the management of financial crisis situations
Nissan College	Group-wide insurance related supervision of the Nissan Group
The Institute of Directors (IoD UK) and the Institute of Directors Malta Branch (IoD Malta)	Setting up of a joint initiative between IoD Malta and the MFSA for the scope of improving board education and standards
International Association of Insurance Supervisors (IAIS)	Exchange of information in insurance regulatory and supervisory matters
MGA, Sanctions Monitoring Board, FIAU, MFSA	Formalise their cooperation and exchange of information, and the allocation of responsibilities in ensuring compliance by subject persons with their relevant obligations under the PMLA and NIA

## Agreements by means of Letters with Foreign Regulators

Entity	Scope of Agreement
Commissione Nazionale per le Società e la Borsa (CONSOB)	Securities
Swiss Financial Market Supervisory Authority (FINMA)	Banking and securities

## Appendix 4: Litigation in connection with the MFSA's exercise of its Regulatory and Supervisory Functions

### PENDING APPEALS BEFORE THE FINANCIAL SERVICES TRIBUNAL AS AT DECEMBER 2024

1. FX-CAM Consulting and Advertisement Ltd (formerly Sensus Capital Markets Ltd) v MFSA (Case Ref: FST 02/16)
2. Heikki Niemela, Mika Lehto, Nemea plc, Nevestor SA, Nemea Bank plc v MFSA (Case Ref: FST 04/16)
3. Heikki Niemela, Mika Lehto, Nemea plc, Nevestor SA, Nemea Bank plc v MFSA (Case Ref: FST 10/16)
4. Heikki Niemela, Mika Lehto, Nemea plc, Nevestor SA, Nemea Bank plc v MFSA (Case Ref: FST 01/17)
5. Pilatus Holding Ltd v MFSA (Case Ref: FST 02/18)
6. Johannes Helmut, Michael Bauer, Claude-Anne Sant Fournier, Hamidreza Ghanbari, Robert L. Klingensmith, Luis Felipe Rivera and Mustafa Cetinel in their personal capacities as directors of Pilatus Bank plc and for and on behalf of Pilatus Bank plc v MFSA (Case Ref: FST 03/18)
7. Portmann Capital Management Ltd v MFSA (Case Ref: FST 04/18)
8. Portmann Capital Management Ltd v MFSA (Case Ref: FST 05/18)
9. Signia Holding Ltd & Satabank plc v MFSA (Case Ref: FST 06/18)
10. Signia Holding Ltd & Satabank plc v MFSA (Case Ref: FST 03/20)
11. Corporate & Commercial FX Services Limited v MFSA (Case Ref: FST 04/20)
12. Dennis Muscat v MFSA (Case Ref: FST 05/20)
13. Signia Holding Ltd & Satabank plc v MFSA (Case Ref: FST 08/20)
14. Phoenix Payments Ltd v MFSA (Case Ref: FST 01/21)
15. MC Trustees (Malta) Limited v MFSA (Case Ref: FST 02/21)
16. Integrated-Capabilities (Malta) Ltd v MFSA (Case Ref: FST 04/21)
17. Iosif Galea v MFSA (Case Ref: FST 05/21)
18. Portmann Capital Management Ltd v MFSA (Case Ref: 04/22)
19. Atom Trustees v MFSA (Case Ref: 06/22)
20. S&D Yachts Limited v MFSA (Case Ref: FST 02/24)
21. Tyke Holding Limited v MFSA (Case Ref: FST 03/24)
22. Jorge Insurance Limited v MFSA (Case Ref: FST 04/24)

### PENDING COURT CASES/APPEALS AS AT 31 DECEMBER 2024

#### *Court of Appeal (Civil, Inferior)*

23. Portmann Capital Management Ltd v FIAU & MFSA (Case Ref: 95/2018 LM)
24. Christian Ellul et v MFSA et (Case Ref: 37/2024 LM)
25. Christian Ellul et v MFSA et (Case Ref: 42/2024 LM)
26. Investar plc v MFSA (52/2024 LM)
27. Clayton Formosa v MFSA (61/2024 LM)
28. E&S Consultancy Ltd v MFSA (62/2024 LM)
29. Christian Ellul v MFSA (63/2024 LM)
30. Karl Schranz v MFSA (64/2024 LM)
31. Joseph Grioli et v MFSA (103/2024 LM)

#### *Civil Court, First Hall (Constitutional Jurisdiction)*

32. Phoenix Payments Ltd v MFSA et (Case Ref: 272/2021 TA)
33. Iosif Galea v MFSA et (Case Ref: 49/2022 FDP)
34. Clayton Formosa v MFSA et (Case Ref: 23/2023 GG)
35. Alexander Mangion et v MFSA et (Case Ref: 453/2023 AB)
36. Christian Ellul et v MFSA et (Case Ref: 502/2024 DC)

#### *Civil Court (First Hall)*

37. Pilatus Holding Ltd et v MFSA (Case Ref: 936/2018 MS)
38. Dennis Muscat v MFSA (Case Ref: 237/2021 MS)
39. Mortar Holding Services Company Ltd v Satabank plc et (Case Ref: 94/2022 GG)
40. Lifestar Holding plc et v MFSA et (Case Ref: 292/2022 DC)
41. Oneka Aircraft Leasing Limited v Pilatus Bank plc et (Case Ref: 1048/2022 FDP)

#### *Civil Court (Commercial Section)*

42. All Invest Company Limited v X (888/2013 ISB)
43. Maltese Cross Financial Services Ltd v X (204/2015 ISB)
44. Av Mark Refalo noe v Brian Tonna Pro Et Noe (827/2017 ISB)
45. MFSA v The Timeless Uranium Fund SICAV plc (Case Ref: 79/2022 ISB)
46. MFSA v The Timeless Precious Metals Fund SICAV plc (Case Ref: 80/2022 ISB)
47. MFSA v Sierra Madre Gold & Silver Venture Capital Fund SICAV plc (Case Ref: 81/2022 ISB)
48. Tyke Holding Limited v Absolute Holding Limited et (Case Ref: 49/2024 ISB)

#### *Constitutional Court*

49. Carmel Cortis et al v Prim Ministru et al (Case Ref: 21/2019/1)

## Appendix 5: Other Information

The following clickable headings link directly to the relevant web page

[Administrative Measures and Penalties](#)

[Circulars Issued](#)

[Consultation Documents](#)

[Surrendered Licences](#)

[Authorised Persons](#)

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