MFSA MALTA FINANCIAL SERVICES AUTHORITY

Circular

22 July 2026

ESMA Publishes Its Common Supervisory Action (“CSA”) for 2026

1. Background and Scope

On 03 July 2026 the European Securities Market Authority (“ESMA”) has launched a Common Supervisory Action (“CSA”) on the Risk Management Function of Alternative Investment Fund Managers, UCITS Management Companies and self-managed funds licensed as UCITS or Alternative Investment Funds (collectively referred as “Management Companies”).

The CSA will be conducted throughout 2026 and 2027 in order to assess the effectiveness of the risk management function in terms of its competence and adequacy of staff compliment, based on key risk-related provisions under the UCITS and AIFMD frameworks.

The CSA will focus primarily on the following areas:

- the governance and organisational arrangements of the risk management function;
- the identification, measurement, monitoring, and management of risks; and
- reporting arrangements to senior management and governing bodies.

2. Way Forward

The Malta Financial Services Authority (“MFSA or the Authority”) will be participating in the ESMA CSA, which will be carried out in two phases:

a) the completion of a self-assessment questionnaire by a selected sample of Management Companies; and
b) follow-up thematic supervisory meetings with a number of selected entities, following the MFSA’s assessment of the responses submitted in the questionnaire.

The MFSA will be reaching out to the selected sample directly to provide further information and the necessary instructions to complete the questionnaire.

Additionally, the Authority will be hosting a webinar on 9 September 2026 to provide further information on the scope, objectives and methodology of the CSA. The webinar will be open to all Management Companies to ensure that all market participants have the opportunity to gain a comprehensive understanding of the CSA and the Authority's supervisory approach. Details of the webinar will be shared with the Compliance Officers of Management Companies, in due course.

3. Contacts

Any queries in relation to this Circular are to be addressed to funds@mfsa.mt.