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MFSA Sets New Direction for Financial Crime Compliance with Strategy 2026

New strategy establishes a forward-looking supervisory framework focused on risk, outcomes and collaboration, supporting Malta's alignment with evolving EU anti-money laundering reforms and the establishment of AMLA.

The Malta Financial Services Authority (MFSA) has published its Financial Crime Compliance (FCC) Strategy 2026, setting out a forward-looking framework to strengthen Malta's approach to combating financial crime across the financial services sector.

The Strategy outlines the Authority's priorities for addressing emerging financial crime risks, enhancing supervisory effectiveness and supporting Malta's continued alignment with evolving European Union anti-money laundering (AML) and counter-terrorist financing (CFT) requirements.

Building on the foundations established by previous strategic documents, the Strategy set out the Authority's priorities for the coming years, while aligning the Authority's ongoing efforts with recent developments in the EU's supervisory landscape. As Malta's single regulator of financial services, the MFSA has a vested regulatory interest in preventing authorised persons from being used to facilitate financial crime.

Through this Strategy, the Authority reaffirms its commitment to embedding financial crime compliance considerations throughput the regulatory lifecycle, thereby supporting the integrity, resilience and soundness of Malta's financial services sector, while contributing to the effectiveness of the jurisdiction's wider financial crime compliance framework.

Strengthening Risk-Based and Outcomes-Driven Supervision

Built on a risk-based and outcomes-driven supervisory model, the FCC Strategy 2026 ensures that supervisory resources are directed towards higher-risk sectors and activities while promoting effective compliance outcomes. The Strategy also adopts a lifecycle approach to oversight, covering the authorisation, supervision and enforcement stages of regulated entities.

The FCC Strategy 2026 is structured around six strategic pillars:

- Risk-based supervision
- Outcomes-based supervision
- Lifecycle oversight of authorised entities
- Streamlined regulatory coordination and oversight
- Stronger coordination and collaboration

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- Enhanced industry outreach and engagement

Supporting Malta's Alignment with EU AML Reforms

The Strategy reflects the MFSA's ongoing commitment to safeguarding the integrity, stability and resilience of Malta's financial system. It also prepares the Authority and industry for significant developments at European level, including the implementation of the EU AML legislative package and the establishment of the Anti-Money Laundering Authority (AMLA).

As part of this framework, the MFSA will strengthen cooperation with domestic and international stakeholders, including competent authorities, law enforcement agencies and industry participants, supported by enhanced information-sharing and coordination mechanisms.

The Authority will also continue to support authorised entities through guidance, supervisory initiatives and industry engagement aimed at strengthening financial crime compliance and addressing evolving AML and CFT risks.

Reinforcing the Integrity of Malta's Financial System

Kenneth Farrugia, Chief Executive Officer of the MFSA, said:

"This Strategy sets out a clear and structured approach to strengthening financial crime compliance across the sector. By adopting a risk-based, outcomes-driven framework and enhancing collaboration at both national and European level, we are reinforcing the resilience and integrity of Malta's financial system."

The publication of the FCC Strategy 2026 reinforces the MFSA's role as a proactive and forward-looking regulator committed to maintaining Malta's position as a credible, resilient and well-regulated financial services jurisdiction.

About MFSA

The Malta Financial Services Authority (MFSA) is the single regulator of financial services in Malta, covering banks, insurance companies, investment services, trusts and pensions. In 2018, the MFSA became the first European regulator to develop a framework to regulate virtual financial assets. The MFSA’s mission, as enshrined in its Strategic Statement, is to enhance its position as an independent, proactive and trustworthy supervisory authority with the main purpose of safeguarding the integrity of markets and maintaining stability within the financial sector, for the benefit and protection of consumers. The MFSA licenses over 2,000 entities to operate in the financial services sector.