MFSA
MALTA FINANCIAL SERVICES AUTHORITY

Supervisory & Enforcement Effectiveness

Headcount & Resourcing

Legend: Compliance ● Support Services ●

Year	Compliance	Support Services
2017	217	61
2018	224	82
2019	262	116
2020	316	114
2021 (to date)	317	113

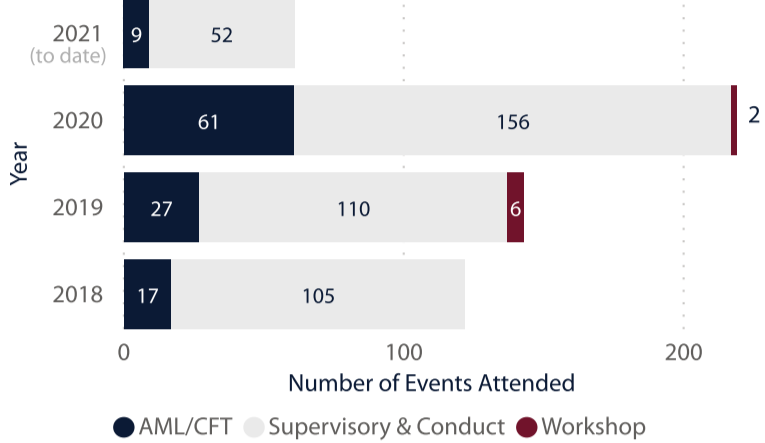*Y-axis: Number of Employees*
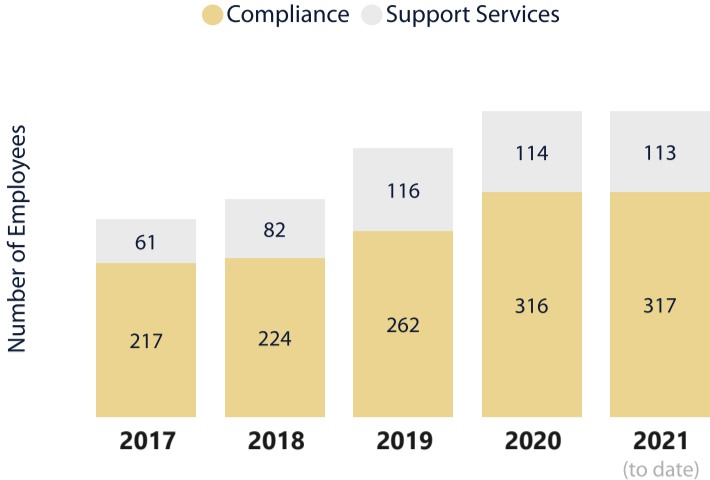
Headcount increased by 100 (+**26.4%**) between 2017 & 2019 and is projected to reach a total of 446 by the end of FY 2020.

Training & Workshops

Year	AML/CFT	Supervisory & Conduct	Workshop
2021 (to date)	9	52	
2020	61	156	2
2019	27	110	6
2018	17	105	

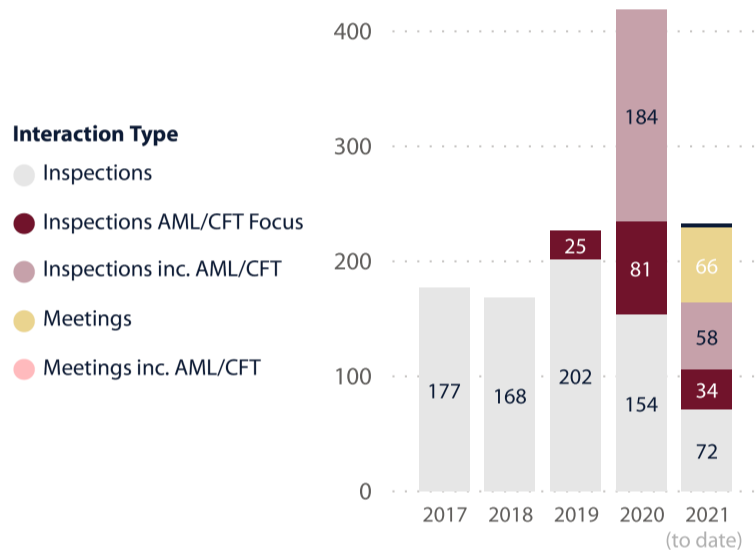*X-axis: Number of Events Attended*

Legend: ● AML/CFT ● Supervisory & Conduct ● Workshop

The MFSA continues to organise internal training and seminars to enhance the skill sets of its human resources capacity. The launch of the Financial Supervisors Academy in **2020** complements these initiatives and opens such training to other regulators and supervisors. The **FSA** serves as a platform to enable debate between stakeholders and discussion on best practices on key topics in financial supervision.

Supervisory Examinations

Interaction Type
- ● Inspections
- ● Inspections AML/CFT Focus
- ● Inspections inc. AML/CFT
- ● Meetings
- ● Meetings inc. AML/CFT

Year	Inspections	Inspections AML/CFT Focus	Inspections inc. AML/CFT	Meetings	Meetings inc. AML/CFT
2017	177				
2018	168				
2019	202				
2020	154	81	184		
2021 (to date)	72	34	58	66	

MFSA started carrying out **AML/CFT** focused supervisory visits as agents of the FIAU from 1st July 2019. The MFSA also started integrating an **AML/CFT** supervisory component into its conduct and prudential supervisory programme.

Enforcement Actions

Year	Enforcement Actions
2017	23
2018	19
2019	14
2020	52
2021	12
Total	120

*Y-axis: Number of Enforcement Actions*
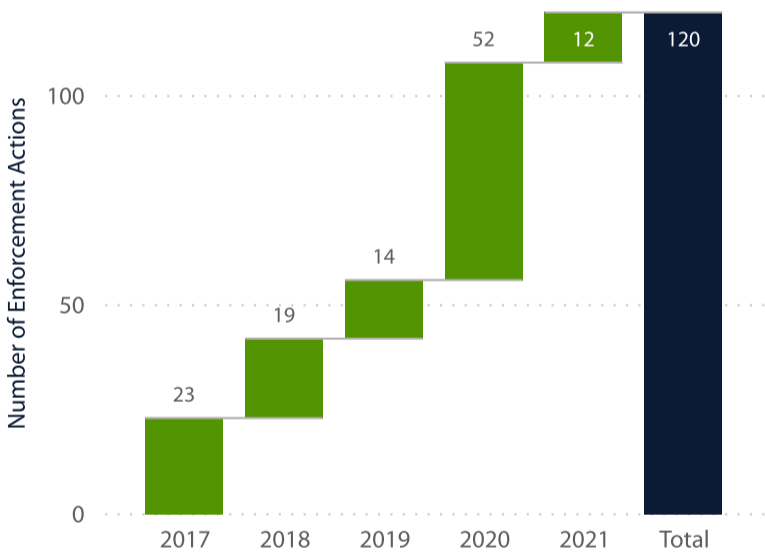
Fines issued for years 2017 – 2019 amounted to a combined total of **€1.2m**. As a result of increased on-site examinations and pending cases, the number of enforcement actions are expected to **continue increasing**. Until **May 2021** the administrative penalties imposed amounted to a total of **€215,400**.

Geographical Structure of Maltese bank deposits

2020

- 61.15%
- 20%
- 18.85%
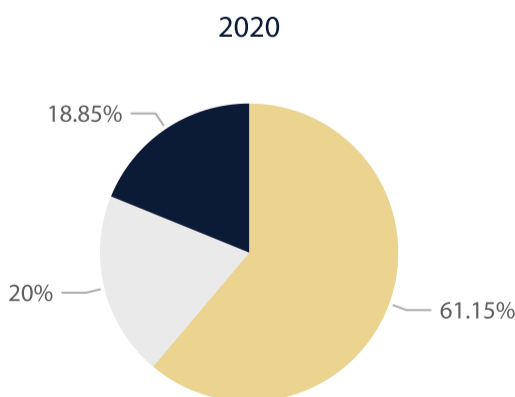
All banks have undergone **AML/CFT** risk assessments and have been categorised according to their risk profile.

2019

- 56.63%
- 26.14%
- 17.23%

Legend: **Area** ● Malta ● Non-EU ● EU
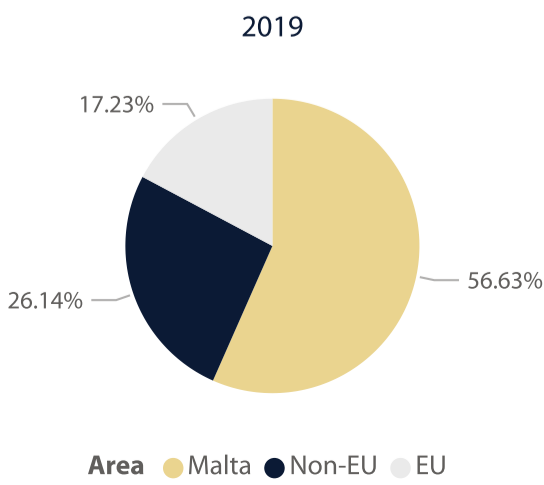
Measures to strengthen supervisory effectiveness & mitigate risk exposure

Investment in IT solutions, knowledge management tools and supervisory automation systems including business intelligence tools.

Strengthen risk analysis and conduct regular sensitivity analysis on selected vulnerabilities in line with the new risk management framework.

Continue the capacity building exercise to address gaps in technical, enforcement and supervisory resources (broaden skills set).

Increase in number, intensity and risk orientation of on-site inspections for credit & financial institutions.

Strengthen prudential and conduct supervision to raise the quality of governance and control environment of licensed institutions.

Ensure the MFSA adopts a new 5-year business model based on a cost recovery fee policy to ensure long-term stable funding and full financial autonomy.

Improve timeliness of enforcement action.

Invest more in AML/CFT training to improve understanding of ML/TF risks, sanctions monitoring to raise compliance standards across the industry.

Enhance intelligence gathering, due diligence and ongoing monitoring of fit and properness of individuals and their involvements while operating in the financial services sector.

Strategic priorities for the next 3 years

1

Focus on the ongoing strategic engagement between the MFSA, FIAU and financial services players and practitioners to establish a common understanding of ML/TF risks, conduct expectations and the application of Malta's regulatory framework.

2

Complete the implementation of the MFSA's technology and knowledge management programme to improve data analysis, decision support and reporting.

3

Continue increasing frequency and intensity of on-site inspections of banks, FIs and other licensed institutions using a risk-driven approach.

4

Continue boosting the MFSA's capacity building efforts, broadening of skill sets and application of modern risk analysis tools.