

MORE FOR MALTA

Joe Bannister of Malta Financial Services Authority (MFSA) talks about the increasing interest in the country and why progress shows no signs of slowing down



Captive Review (CR): What developments have had the most impact on Malta over the past 12 months?

Joe Bannister (JB): There have been a whole host of various initiatives that have impacted Malta over the last year. In regards to securities, we have launched a notified alternative investment fund (AIF), which, essentially, are not licensed but still follows the AIFMD where the managers takes full responsibility. Therefore, in contrast to other jurisdictions that have launched what they called registered AIFs, we called them notified so the regulator must know what is going on. There is a notification period of 10 working days. This notified AIF has worked hugely in our favour in terms of attraction, although, it has not been the largest contributor to our success this year.

We have experienced major interest in regards to our cell structure, the PCC, and we are currently the only EU member state who can offer this exclusive structure. Additionally, the structure is seeing even more traction as a direct result of the UK's EU referendum vote. There has been quite an uptake and a lot



Professor Joe Bannister

Professor Joe Bannister is chairman of the Malta Financial Services Authority (MFSA). The MFSA is the single licensing and supervisory authority for all financial services activity. The Authority is an autonomous public institution set up by law. Overseen by the MFSA, the sector includes credit institutions, insurance business, investment services, pensions and trust management and recognised investment exchanges that provide a wide range of products and services on the domestic and internal markets. The MFSA is further responsible for the consumer awareness and education in the financial services sector. It also manages Malta's Registry of Companies.

of companies are registering their interest.

We have also licensed the first Reinsurance Special Purpose Vehicles (RSPV) and there is already one cell.

Moreover, these major developments have been contributing to the thriving Malta indus-

try over the past 12 months. All have been received very well and have worked in confluence to drive interest in the island from the UK and Europe alike. Not only are some of our developments in line with that of Europe and follow similar global trends but we are also singled out by the exclusivity offered through our PCC structure.

CR: What are its key attractions and how does it uphold them?

JB: Due to our historic relationship with the UK, our legal system – alongside other aspects of day-to-day life – borrows many elements from that of the UK. Fundamentally, what Malta can offer is a very friendly and homely service which has been able to take the best factors from the UK, as well as mainland Europe, and incorporate them into our legal system. Additionally, the small size of the island creates an atmosphere which is welcoming and communication is as fast as it is personal. Being able to organise and attend meetings with all on the island, including the regulator, is an easy and seamless process.



Again, the traditional contact between Malta and the UK is unique, which can be emphasised in our use of the English. The relationship has always been very good and there is continuous contact. Essentially, the UK is like our big brother. Obviously, if the UK leaves the EU then there will be a shift in the dynamics.

Furthermore, all major accountancy firms can be found on the island and there is a well-established history of insurance in Malta. Training programmes are easy to come by and the nation continues to embed itself as an insurance powerhouse.

CR: How does the location of Malta help attract interest?

JB: Malta's connections to mainland Europe and the UK are superb. There is no issue and the journey is quick. I have recently worked with a company who flew in from London in the morning for a meeting, attended the meeting and then departed back for London in the late afternoon. This emphasises just how connected the island is. If you can wake up at

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home, come here and conduct business and be back home for dinner then I think we're in a pretty good spot.

CR: What future advancements can we expect from Malta over the next year? How does it plan to evolve and what market trends may affect its evolution?

JB: Initially, the start of year was relatively

slow due to the implementation of Solvency II. Companies had to come to terms with the changes and allow the dust to settle. After May/June the interest suddenly soared and it was immediately evident that the year would be good. Currently, the number of enquiries remains high and compared to the last year, the applications have also seen growth. Although, despite this positive year, I am sure that next year will be even better.

In regards to future advancements, we like to take a step back and look at the industry on the island, in particular regulation, and see how we can make things more efficient for companies to operate. This is due to our natural sense of innovation and our drive to continue succeeding.

Brexit is also dominating the debate across the globe but it is up to companies to decide whether they want to stay or go, and, ultimately, to make the decision as to what is best for them. For us, we are talking to a number of companies so we are rather positive about the effect that Brexit might have on the industry in Malta. 🇲🇹