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## MFSA publishes a Discussion Paper reviewing the Asset Management Strategy, aimed at boosting this important sector

The Malta Financial Services Authority has published a [Discussion Paper](#) for stakeholders reviewing the Asset Management Strategy, aimed at boosting this important sector.

This [Discussion Paper](#) is the first to be issued under the new CEO, Joseph Gavin, and reflects the importance that he is assigning to this sector. The emphasis will also be reflected in the strategy for the Authority as a whole for the period beyond 2021.

Over the past decade, Malta has proved particularly attractive to fund platforms, managers and administrators, who are able to service local or international funds from Malta, as well as to wealth managers, high-net-worth individuals and family offices, which benefit from the country's wide range of investment vehicles. However, refreshing the regulatory approach to this sector at a strategic level is necessary to mitigate headwind challenges encountered by market players as the regulatory and competitive landscapes at an international level continue to evolve.

The strategy sets out a range of regulatory initiatives, including improvements to the MFSA's internal processes as well as proposed revisions to the framework for asset managers and investment funds in Malta, seeking to improve the attractiveness of Malta as a preferred jurisdiction.

One of the primary aims of the Asset Management Strategy is to ensure the continued stability and soundness of the sector through effective regulation, and facilitating business by means of streamlined, pragmatic and dynamic policy-making. In this respect, the Discussion Paper focuses on revisiting certain existing regulatory frameworks with the aim of making the regime more pragmatic and accessible. It also focuses on the development of potentially new regulatory frameworks, as well as on initiatives directed towards the enhancement of MFSA authorisation and supervisory processes.

The Strategy also encapsulates a more holistic approach to asset management, ensuring a stronger business relationship with existing fund managers, as well as greater industry and regulatory outreach and collaboration with local key stakeholders and institutions.

The promotion of a healthy and resilient financial sector must not disregard the importance of good governance and high compliance standards, which are in fact key priorities that the MFSA intends to keep fostering.

The MFSA is seeking feedback from stakeholders prior to proceeding with detailed proposals on the implementation of the initiatives presented in this document. It is also inviting participants to contribute unilaterally on proposals that may contribute to the further growth of the asset management industry.

The consultation is open to the public until 17 December 2021. Industry participants and interested parties are invited to send their responses via email to [AssetManagementStrategy@mfsa.mt](mailto:AssetManagementStrategy@mfsa.mt).

The proposals put forward in this [Discussion Paper](#) are not binding and are subject to further internal assessment and analysis to be undertaken by the Authority, following receipt of the representations received.

## OVERVIEW

- The financial services industry directly accounts for 7% of the Maltese economy and around 5% of the total workforce.
- As at December 2020, there were an estimated €23 billion aggregated assets managed by approximately 70 local asset managers.
- As at June 2021, there were 518 funds registered in Malta and the aggregate NAV of Malta-domiciled funds reached €17.7 billion.

## 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 Vision 2021, 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.



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