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MFSA's Thematic Review on Trusts Beneficial Ownership Reporting Aims to Enhance Transparency

The Malta Financial Services Authority (MFSA) has recently published a "[Dear CEO](#)" letter underscoring significant advancements and remaining challenges in the reporting of beneficial ownership information for trusts in the Trusts Ultimate Beneficial Ownership Register (TUBOR). This initiative aims to improve the timeliness and quality of data reported on the register, ensuring robust compliance and transparency within the financial sector.

The MFSA has observed a significant improvement in the accuracy and timeliness of beneficial ownership information reported on TUBOR, as well as a positive trend among authorised trustees toward investment in ongoing training and establishing robust internal controls.

The thematic review, however, also identified areas for improvement to align industry practices with regulatory expectations. Trustees are encouraged to conduct a gap analysis to ensure compliance with the expectations set by the Authority, address any gaps identified and implement effective systems and controls to ensure complete, accurate and up-to-date reporting of beneficial ownership on TUBOR.

The findings outlined in the "[Dear CEO](#)" letter will inform future supervisory activities including thematic reviews and other outreach programmes as part of the MFSA's outcomes-based approach to supervision. This strategy will continue to build on the MFSA's risk-based approach to achieve concrete regulatory outcomes.

Commenting on the findings, MFSA's Deputy Head of TCSPs Supervision, Petra Camilleri said: "Ensuring the availability of beneficial ownership information of legal persons and trusts through beneficial ownership registers is crucial for Malta to maintain its sound reputation in this regard. It is therefore very encouraging to note constant improvements in levels of reporting by trustees, who are also investing in further training and internal controls. This "Dear CEO" letter aims to increase awareness of the MFSA's expectations in this sphere, and further improve the reliability of the information in the register."

MFSA's CEO Kenneth Farrugia added: "Beneficial ownership transparency is a key focus for international standards-setting bodies in combatting financial crime. This thematic review underscores the MFSA's commitment to fulfilling these obligations. While improvements

are noted, trustees should critically assess the findings and address any operational gaps to align with our approach.”

The MFSA remains committed to providing guidance and support to the TCSPs industry through various supervisory tools including the publication of thematic reviews, outreach programmes and other supervisory initiatives in order to continue fostering a strong compliance culture as well as to improve the quality and the timeliness of the data reported on the register.

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.

