

Strategic Update 2024

Securing Our Future as a Resilient and Efficient Jurisdiction

January 2025

Contents

1. Foreword by the Chairman	04
2. CEO's message	06
3. Introduction	08
4. Defining the Context	10
The Economic Landscape	11
The Financial Services Sector	12
The EU Policy Environment	14
5. Progress on the Strategic Objectives	16
Pillar I - Delivering agile and proactive regulation	17
Pillar II - Sustaining a resilient, internationally networked financial sector	26
Pillar III - Promoting good governance and compliance	33
Pillar IV - Embracing innovation	36
Pillar V - Engaging with the public	43
6. Concluding Remarks	50
Annex – A Detailed Look at Our Milestones	52

Foreword



Jesmond Gatt
Chairman

Within a dynamic and increasingly competitive financial services environment, it is crucial that we remain agile, innovative, and transparent. This becomes even more relevant considering recent events experienced by the industry, ranging from the aftermath of the pandemic to extended interest rate hikes and geopolitical tensions. The focus on sustainability and technological advancements give rise to both opportunities and challenges, as regulatory initiatives in these areas continue to feature prominently.

It is against this background that this strategic update is being published, serving as a checkpoint on our roadmap, to keep us accountable and guide our thinking as we navigate the complexities of the industry.

Reflecting on the first half of our strategic term, the Authority has made substantial strides in leveraging its adaptability, driving its efforts towards achieving its strategic priorities. We recognise our responsibility and the pivotal role we play in regulating this evolving sector, seeking to deliver on a number of milestones and emphasising our commitment to foster a reliable, efficient and inclusive financial services sector.

With consumer protection, market integrity and financial stability at the forefront of our strategic agenda, we remain committed to engaging proactively with the evolving financial services landscape by delivering agile regulation, promoting the highest levels of good governance and compliance, and embracing innovation. Our emphasis on public engagement is a cross-cutting priority and an indispensable tool in aligning our efforts with those of the industry, as is collaboration with other stakeholders, including our international counterparts.

Whilst extending my gratitude to our team for their dedication in implementing our strategic priorities, I also extend my thanks to stakeholders for supporting the Authority on its ongoing journey towards securing our future as a resilient and efficient jurisdiction.

CEO's Message



Kenneth Farrugia
Chief Executive Officer

This Strategic Update reaffirms our commitment to fostering an environment where effectiveness, innovation and engagement are prioritised in the context of increasing competition and evolving consumer expectations. Over the past months, the Strategic Statement (2023 – 2025) has guided our collective efforts towards a shared goal, with significant progress being delivered across all five strategic pillars at this interim mark.

Delivering agile and proactive regulation - Targeted investments have allowed the Authority to further equip its core functions with the technology and professional development required to swiftly and effectively address regulatory opportunities, challenges and risks. Streamlining supervision, improving regulatory processes and enhancing coordination have been fundamental initiatives in promoting an agile and proactive regulatory environment.

Sustaining a resilient, internationally networked financial sector - In its efforts to position Malta as a dynamic, reliable, and trustworthy financial services jurisdiction, substantial work has been undertaken by the Authority to engage with national, European and international policymakers, competent authorities and stakeholders. Building and maintaining these relationships not only promotes coordinated regulatory efforts, but also ensures a high level of crisis preparedness.

Promoting good governance and compliance - The Authority has continued its efforts to strengthen corporate governance standards in the sector by promulgating frameworks focused on accountability, transparency, and sound management practices. The launch of sector-specific codes and various regulatory publications aimed at promoting compliance are a testament to this.

Embracing innovation - With sustainable and digital finance taking centre-stage, the Authority has developed its expertise and capacity to meet new supervisory challenges in these areas. Several other initiatives catering to emerging or innovative business models (such as Protected Cell Companies and Notified PIFs) have also progressed significantly.

Engaging with the public - Stakeholder engagement remains a crucial element in the successful implementation of the Authority's strategy. By liaising with industry experts, local and foreign counterparts as well as the general public, the Authority continued to foster a collaborative and inclusive effort to deliver tangible results.

Whilst this publication provides an update on the achievements and ongoing initiatives linked to the various strategic projects, it has also allowed us to take stock of those areas in which the Authority is behind schedule in the implementation of certain initiatives.

The aforementioned milestones could not have been achieved without the passion and commitment of our team. I am confident that by continuing to work together with our industry partners and stakeholders and embracing our shared vision, we will succeed in building a sustainable future for Malta's financial services sector.

The launch of the [Strategic Statement \(2023-2025\)](#) has reaffirmed the continued commitment of the Malta Financial Services Authority ('MFSA' or 'the Authority') to its objectives - protecting the consumer of financial services and safeguarding the integrity and stability of the market over the long term. The strategic direction outlined by the Authority was designed to address an increasingly complex financial landscape characterized by evolving regulatory demands. The strategic statement identified 27 strategic priorities, which have been thematically grouped under five core pillars:



On an international level, the financial services sector has faced unprecedented challenges over the past few years, including the disruptive impact of the COVID-19 pandemic. Although the immediate effects of the pandemic have subsided, the broader macroeconomic environment remains marked by heightened uncertainty. Persistent issues such as rising inflation, volatile energy markets, and geopolitical tensions continue to pose challenges for national economies and financial systems alike. Within this context, the MFSA has made it a priority to ensure the resilience of Malta's financial services sector.

This document seeks to provide an interim review of the achievements and ongoing initiatives under the strategic statement, **as at June 2024**. This Strategic Update (2024) marks the halfway point of our strategic term and demonstrates the MFSA's commitment to maintaining the momentum required to meet its strategic objectives whilst addressing evolving industry dynamics, stakeholder needs, and regulatory developments on both the local and global scale.

Achieving the strategic priorities outlined under each pillar requires a concerted focus on capacity-building and the digitalisation of processes – these are two critical drivers that enable the Authority to be proactive in the face of emerging challenges whilst delivering on its mandate.

Ongoing collaboration with both national and international stakeholders remains central to the MFSA's strategy. By engaging with European and global regulatory counterparts, financial institutions, and the wider public, the MFSA ensures that its regulatory approach is not only compliant with international standards but also tailored to the unique characteristics of Malta's financial system.

Introduction

Defining the Context

The Economic Landscape

The period between the great financial crisis and the onset of the COVID-19 pandemic was characterised by loose unconventional monetary policies implemented to combat stagnant economic growth and deflation in the USA and the Eurozone, in particular. The resulting ultra-low interest rates, along with a build-up of underutilised liquidity, pushed digitalisation, product innovation, margin compression and more aggressive risk appetites, with these becoming the main transformative forces within the financial services sector. This environment changed rapidly after 2021, as aggressive inflationary forces arose due to conflict, trade disputes, geopolitical tensions and worsening supply chain bottlenecks. This brought about sustained interest rate hikes and the tightening of monetary policy by central banks. This tightening would only begin to abate in June 2024, with the European Central Bank (ECB) cutting its three key rates ahead of the Federal Reserve.

Within the Euro area, this shift in the financial ecosystem increased interest rate margins and profitability for credit institutions. On the other hand, however, it led to higher borrowing costs for governments, businesses and households. The higher borrowing costs negatively impacted public finances, and influenced the increase in operating profits seen by financial institutions (as a result of higher interest rates), as loan serviceability worsened, whilst the value of safe assets fell. Despite these headwinds, the exacting macroprudential regulations implemented within the Eurosystem prevented contagion from the March 2023 USA banking turmoil from spilling over into the European Union (EU) and Euro Area banking systems.

The entrenched phenomenon of subdued interest rate pass-through in Malta lessened the

impact on debt servicing costs due to the ECB's monetary policy tightening, whilst the relative quality of Maltese sovereign debt shielded local retail and institutional investors from the rapid price swings seen elsewhere.

Malta's economy persisted in its growth during the first half of 2024. Real Gross Domestic Product grew by 4.4% when compared to June 2023, driven by strong private consumption and exports, and supported by elevated immigration and tourism activity as well as strong private investment.

Employment in the Maltese financial services sector saw sustained annual growth since 2014. Relative to the whole economy, this remained stable at around the 5.0% level, for a number of years. Since 2014, the Maltese financial services sector has contributed an average of 8.7% of the total Gross Value Added (GVA) to the economy, having been as high as 9.9% whilst not falling below 7.4%. In June 2024, this contribution stood at €471.2 million, or 9.3% of the total GVA generated throughout the economy.



The Financial Services Sector

The advent of technologically sophisticated financial products and services, such as virtual financial assets, blockchain, and cryptocurrencies, as well as the digitalisation of banking, has driven the continued evolution of the MFSA as a regulator that is ahead of the curve of EU Bloc level regulations, such as MiCA¹ and DORA², thereby solidifying Malta's outlook as a prime ecosystem for the financial business of the future.

As at the end of June 2024, the Maltese banking sector consisted of 19 credit institutions and two EU branches of third country credit institutions. The total assets of the banking sector stood at €49.2 billion at the end of June 2024, an increase of 6.2% from the end of 2023. The total loans and advances issued by the banking sector remained stable at €30.2 billion, whilst total deposits with the Maltese banking sector stood at €42.4 billion as of the end of June 2024, representing an increase of 8.0% when compared to the end of the previous year. Overall, the Maltese banking sector remains robust, with the banks therein exhibiting a diverse array of business models. The sector has continued to grow steadily in asset size whilst being supported by a secure base of deposits combined with judicious lending strategies. The sector

weathered the headwinds of the COVID-19 pandemic and Malta's grey listing well, exhibiting a resilience evidenced by sound capital ratios, healthy liquidity positions, and declining non-performing loan ratios.

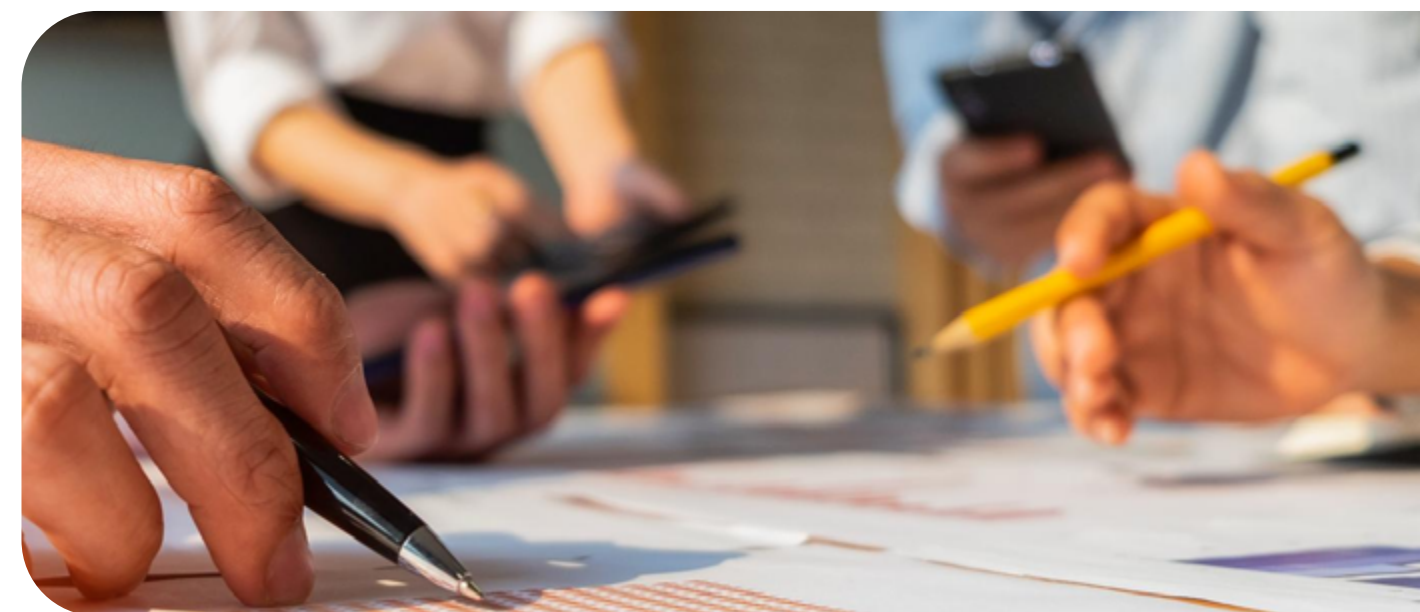
The financial institutions sector has grown steadily in recent years and is almost entirely geared towards providing online payment and electronic money services on a cross-border basis. The sector is made up of 56 institutions (as at June 2024) and is heavily reliant on technology-based infrastructures. The same applies in the area of virtual financial assets, chiefly made up of 15 VFA service providers which are currently transitioning to the new regulatory framework provided by MiCA and the wider [EU Digital Finance Package](#)

As of June 2024, 503 investment funds were domiciled in Malta, reflecting a 1.9% decrease compared to the end of 2023. Despite this decrease in the number of funds licenced, the total net asset value (NAV) of Malta-domiciled funds grew by 8.9%, reaching €21.5 billion, driven by strong revaluation gains and a significant rise in NAV reported by Notified Alternative Investment Funds (NAIFs). Overall, the sector demonstrated resilience amid challenges.

The Maltese insurance sector boasts a mature domestic market, mainly consisting of life and non-life insurance companies, as well as a thriving international sector, including captives, direct underwriters and reinsurers. As at June 2024, 66 insurance undertakings were authorised to carry on business activities in terms of the Insurance Business Act, including 7 insurance undertakings which are authorised to carry on affiliated business and 13 authorised as Protected Cell Companies (PCCs). Total assets of insurance undertakings amounted to €17.5 billion in June 2024, with a moderate shift in aggregate assets from reinsurance to direct insurance undertakings seen over the preceding year. The insurance companies' overall solvency position remains strong, well above the 100% threshold.

From a financial stability and macroprudential perspective, Malta's financial services sector is not immune to risks and challenges. One area that requires particular attention is the banking sector's credit risk concentration

in the real estate market, particularly in residential mortgages, as in a worst-case scenario, this concentration could amplify the impact of a downturn in the housing market. Among licenced funds and insurer undertakings, retaining and attracting new investors remains one of the main issues, although heterogeneity in these sectors is present. In addition, certain specific business models in insurance segments (e.g. life business) exhibit possible market environment and profitability pressures. The open nature of Malta's economy and its reliance on external financial flows make it susceptible to global shocks and shifts in investor sentiment. At this juncture, added uncertainty arises from intensified geopolitical risks in the Middle East. While these risks are generally considered manageable within the financial system, they necessitate proactive monitoring and resolution planning to safeguard against potential instability, a task which the MFSA is now well-equipped for.



1. Markets in Crypto-Assets Regulation – Regulation (EU) 2023/1114
2. Digital Operational Resilience Act – Regulation (EU) 2022/2554

The EU Policy Environment

The EU is currently at a crucial juncture as it prepares for the 2025-2029 EU cycle, marked by the formation of a new European Commission and the inauguration of a newly elected European Parliament. Given the current geopolitical climate, Europe is faced with major challenges, including immigration pressures, an ageing population, and persistent competitiveness issues amid an underperforming economy. In addition, the unsustainable rise in Eurozone public debt demands urgent attention. The complexity of these challenges continues to grow, and they cannot be resolved swiftly, especially when considering the slow pace of co-decision-making within EU institutions. As a new European cycle begins, there is a clear need for greater political resolve to effectively address the pressing issues facing the EU.

Emphasis on the impact of Artificial Intelligence (AI) and technology on the EU has taken centre stage. Digital policy focused on AI aims to strike a balance between the EU's drive to be a leader in innovation, and the establishment of safeguards for the sector. Due consideration was also given to the environmental transition. To the EU, curbing climate change and environmental degradation is not only a legal and moral obligation, but it is also a significant

opportunity. If the green transition is executed well, it will enhance the Union's competitiveness.

Despite significant progress, a single and competitive Capital Market Union (CMU) remains high on the EU political agenda. Regulatory and other barriers continue to hamper the smooth movement of investments and related services. While considerable progress has been achieved on a number of legislative measures, further work is required to strengthen the Union's financial and capital markets to meet the Union's evolving economic needs, channel private funding towards investment and the green transition, foster innovation and growth, and improve access to capital funding for EU companies and SMEs³. The recent Draghi and Letta Reports provide further insights in this respect.

A number of EU legislative dossiers were recently finalised, including the Banking Package (CRD VI/CRR II), the Solvency II Directive, the Insurance Recovery and Resolution Directive, the Listing Package, the ESG Ratings Regulation, the Alternative Investment Fund Managers Directive (AIFMD) II, MIFID III, and the EU Green Bonds Regulation⁴.



Negotiations will continue with the European Parliament on other legislative dossiers, including the Retail Investment Strategy (RIS), the Crisis Management and Deposit Insurance (CMDI), and the Benchmark and Reporting Requirements Regulations, with the ultimate aim of reaching a political agreement in the short term.

Discussions will also continue on the Financial Data Access (FIDA) and Payment Services Packages. The Banking Union is another important initiative for the single market, and it remains high on the EU political agenda. The EU banking sector is one of the most integrated and harmonised sectors, with the level of integration and harmonisation being very high when compared to both other EU policy areas and international policy.

A sound regulatory framework is crucial for the proper functioning of the EU's financial

market. The fast-paced revolution in the economic landscape, driven by technology as well as political and societal forces, calls for a stronger push to complete the remaining EU legislative dossiers. The MFSA's Strategy continues to be aligned with Europe's ambitious financial services reforms, which remain essential to fostering sustainable and inclusive growth. This offers major potential for benefits in terms of jobs, growth and financial resilience. In the coming years, financing the green and digital transitions will require increased levels of capital to support innovation. The completion of the CMU plays a crucial role in leveraging capital markets and investors to scale up and accelerate the green transition. Moreover, the rapid development and deployment of digital technologies, and the entry of new, highly innovative FinTech firms, are expected to continue changing the way the traditional financial ecosystem operates.

3. In this respect, over the past year, the MFSA has contributed and provided advice on policy discussions that took place at European level (ECOFIN Council and Eurogroup) on the future of the CMU.

4. The MFSA was actively involved during the respective negotiation processes of these legislative dossiers.

Progress on the Strategic Objectives

Over the past months, the MFSA has made substantial progress toward achieving its strategic objectives for the 2023-2025 strategic term. A range of initiatives geared towards enhancing the Authority’s ability to fulfil its mandate have been implemented across various strategic priorities.

Key milestones have been achieved since the publication of the Strategic Statement under all five strategic pillars:



Pillar I - Delivering agile and proactive regulation

The Authority remains committed to promoting a regulatory environment that is agile, proactive, and responsive to the rapidly changing financial landscape. To this end, the Authority has been investing significantly in information technology and the professional development of its staff complement whilst enhancing efficiencies across its core functions – supervision, enforcement and regulation. Central to these efforts is a focus on capacity building, particularly in human resources and digital transformation,

ensuring the MFSA is well-equipped to swiftly detect, investigate, and address critical regulatory concerns.

The Authority has also embarked on a project to strengthen financial and operational independence through further efficiency gains, and proposed changes to its institutional funding structure. In this respect, the revision of authorisation and supervisory fees is crucial.

Furthermore, the MFSA is committed to reducing bureaucracy, enhancing the regulatory framework, and improving authorisation and supervisory processes. Ongoing efforts to promote transparency and accountability aim to make regulatory, operational, and enforcement policies more visible and accessible. In parallel, the MFSA also continues to deepen collaboration with both local and international regulatory bodies. Through these initiatives, the MFSA seeks to safeguard financial stability, tackle emerging risks, and support the sustainable development of Malta's financial services sector.

A. Streamlining supervision

The Authority continuously seeks ways on how to become more efficient through the harmonisation and streamlining of its authorisation and supervisory processes. Various initiatives have been implemented to ensure that the Authorisation Charter is adhered to whilst ensuring that the process remains robust. The introduction of the [Delegation of Authorisation Framework](#) aims to reduce the pressure on certain aspects of the authorisation process by empowering supervisory functions to authorise certain types of licenses on a risk-based approach. The application by a single entity for multiple licenses is managed through a lead function, intended to reduce duplication of requests for documentation. Moreover, the ongoing

initiative to implement a new Supervisory Cycle Management System (SCMS) for the Authority will further align, automate and improve the authorisation process.

The supervisory process is also being further streamlined to harmonise supervisory expectations across the financial sector. An internal onsite re-engineering project has been successfully implemented, using an internal digital platform to communicate with supervised entities and at the same time serve as a repository for the documentation required. This interim process will serve as a business requirement to the SCMS in the next phases of its design and implementation. Furthermore, desk-based reviews are also undergoing a streamlining exercise to seek commonalities and define a standardised workflow.

Similarly, the MFSA digitisation and digitalisation programmes aim to enable more streamlined and automated supervisory processes. Through these programmes, the MFSA has already achieved the centralisation of its most critical data and records together with an increased ability to analyse data more reliably and efficiently. A series of tactical initiatives and upskilling of staff has enabled improved data quality and analytics.

At the core of these programmes is data governance. A formal framework has been successfully launched, a data architecture

blueprint for streamlining both externally and internally collected supervisory data was designed, and work is currently underway on its implementation within a licensing and onboarding context.

Notably, towards the beginning of this year, the Authority started shifting its supervisory approach towards an Outcomes-Based Supervision model as outlined in the [Supervisory Priorities 2024](#). The MFSA has embarked on a pilot project involving three supervisory functions, setting supervisory programmes based on specific outcomes with the aim of testing specific areas of the supervisory landscape and aligning and assessing the impact with the Authority's statutory objectives. The Authority is utilising various supervisory tools in its assessments and will have a more defined picture of whether the MFSA's expectations are being complied with by the end of 2024.

The results of these supervisory interactions will be published with the Supervisory Priorities for 2025, together with further statistics on the results obtained. The Authority's expectations on the level of compliance towards each outcome will also be published. Additionally, the MFSA aims to provide further guidance and allow time for remediation by the respective supervised entities before carrying out re-testing to verify the achievement of the predetermined outcomes. Moving forward, the Authority

plans to implement this process throughout the entire supervisory directorate.



B. Improving regulatory processes

The MFSA has continued to strengthen its checks on the integrity of persons occupying key posts within the financial services industry. In this regard, it has employed a robust ongoing screening solution, underpinned by a structured methodology that seeks to continuously monitor approved individuals for good repute. The MFSA has also embedded new controls that will enable it to carry out deep dives into any concerns that emanate from this screening.

Operational efficiency is also envisaged to be enhanced through the upcoming implementation of the European Supervisory Authorities' Fitness & Propriety platform. This will enable the Authority to make swift enquiries about the good standing of individuals who are approved in other Member States. This platform will also allow for collaboration, information exchange and the sharing of experiences between competent authorities.

The Authority will shortly be revisiting its approach towards the collection of documentation for corporate entities in relation to new applications and changes in shareholding. This initiative will enable the Authority to achieve a consistent approach, and reduce the duplication of requests to the industry, ultimately leading to a more efficient authorisation process. A formalised plan in this respect is expected between Q4 2024 and Q1 2025.

With the aim of improving transparency vis-à-vis expectations and processes, in November 2022, the MFSA issued a Settlement Policy aiming at resolving investigations in the shortest possible time to ensure efficiency and productivity. The Settlement Policy contains principles guiding the MFSA and investigated persons on the settlement process, including several exceptions which preclude the MFSA from entering into settlement discussions. The Settlement



Policy also contains information on: [i] timelines to be abided by to ensure efficiency, [ii] the reduction of administrative penalties (where applicable), [iii] the publication to be issued once a settlement agreement is reached, and [iv] the termination of settlement discussions. The [Settlement Policy](#) has been published on the MFSA website. Since the issuing of the Settlement Policy, the MFSA was, on an ongoing basis, ensuring that the principles envisaged therein reach the aim of resolving investigations in an efficient manner. In fact, recently the MFSA embarked on a review process to amend the Settlement Policy based on the experience obtained during the settlement discussions which occurred these past years. The MFSA will soon be publishing the second version of the Settlement Policy, as updated.

Subsequently, in 2023, the Authority published the [Administrative Measures & Penalties - Publication Policy](#). The main aim of this policy is to establish principles for the MFSA to adopt when publishing enforcement measures imposed on investigated persons, whilst complying with the underlying principle that such measures should not only act as a deterrent but also keep the public informed. Furthermore, the MFSA is working towards publishing the procedures it adopts in carrying out investigations and taking enforcement action.

C. Ensuring effective transpositions/ implementation and enhanced coordination

The Authority remains committed to providing all the necessary support to ensure that EU laws are transposed and implemented by Malta in a timely manner, whilst ensuring that elements of proportionality, enforceability, the interoperability of technical requirements and the identification of opportunities for the local market within the parameters of EU and national law, are duly considered.

To bolster the transposition process and to make it more effective, the Authority has been taking steps to strengthen its stakeholder outreach. In this respect, it has *inter alia* launched a Stakeholders Panel wherein upcoming EU laws and ongoing EU transpositions are *inter alia* discussed. Engagement with stakeholders also ensures a smoother transition process for those entities falling within scope by facilitating preparatory adjustments within the market.

Additionally, MFSA officials participate in the transposition workshops organised by the EU Commission. Such workshops serve as a platform through which the Commission can provide the Authority with more practical guidance on the respective EU legislative instruments. This is very often also followed up bilaterally with representatives from DG

FISMA⁵ within the EU Commission, in order to obtain any legal clarifications that may be required in the process of transposition. Engagement with other National Competent Authorities (NCAs), with the aim of exchanging implementation best practices, is also an adopted practice of the Authority.

D. Streamline existing legal and regulatory frameworks

1) A Conduct of Business Rulebook for Credit Institutions

A draft Conduct of Business Rulebook for Credit Institutions, which will include the conduct-related requirements for credit institutions, was issued for [consultation](#) between the 19 February 2024 and the 16 May 2024. An overview of the proposed Rulebook was also provided to the MFSA stakeholders' panel on 20 March 2024. The Authority is currently analysing and considering feedback received and will shortly be publishing a Feedback Statement and the final version of the Rulebook. In the context of this project, subsidiary legislative instruments will also be issued to clarify the regulatory remit of the Malta Competition and Consumer Affairs Authority and the MFSA, in particular on the supervision of the granting of consumer loans and mortgages by credit institutions.

2) Streamlining the framework for Company Service Providers

In 2024, the MFSA kickstarted various initiatives aimed at further streamlining the legislative and regulatory framework applicable to Company Service Providers (CSPs). This effort is in fulfilment of the commitment taken by the MFSA, following the reform of the CSP framework in 2020, to review the framework within five years of its launch whilst also addressing the MFSA's commitment in terms of its strategic priorities. In January 2024, the MFSA issued an updated CSP Rulebook reflecting amendments to the requirements for regulatory submissions, taking a more proportionate approach and adjusting the level and depth of regulatory returns and submissions to the size and nature of the authorised CSPs, particularly considering the unique features of business models for individuals authorised as CSPs. In addition, the MFSA has also commenced discussions with all stakeholders concerned, including industry representative bodies and other competent authorities, on further revising the regulatory and supervisory framework applicable to CSPs.

3) Capital Markets Strategy

The Authority has also continued to advance its Capital Markets Strategy through various



initiatives. One key development is the design of a credit risk framework, which is being developed to guide the Authority in assessing and reviewing applications for admissibility to listing on the Malta Stock Exchange. Furthermore, the Authority maintains direct and interactive engagement with the industry, regularly providing updates to the Malta Financial Services Advisory Council (MFSAC) on progress related to both the credit risk framework and the Green Bonds regime.

Given the critical role of sponsors, who are often the first point of contact for prospective issuers and serve as the first line of defence in preventing persons who are not fit and proper from accessing the Maltese capital markets, the Authority places particular importance on their responsibilities. The MFSA believes that clarifying its expectations regarding sponsors' duties could improve the quality of submissions made by sponsors and, in turn, reduce the time to market for applications for admissibility to listing. In light of this,

the Authority is proposing to strengthen the current regulatory framework for sponsors. This initiative aims to introduce more targeted requirements for firms wishing to act as sponsors on the local regulated market and to clearly define the MFSA's expectations in this area.

E. Identify and monitor prudential and conduct risks

Prudential risk models are run annually, with the resulting ranking determining the level and frequency of supervisory interactions to be carried out by the Authority. To this end, significant progress has been achieved in strengthening the interface between macroprudential and micro-prudential supervision, enhancing collaboration, and providing targeted technical guidance through comprehensive risk assessments and policy recommendations. This is supported by cross-sectoral assessments, which continue to evolve to address both ongoing and

5. Directorate-General for Financial Stability, Financial Services and Capital Markets Union

emerging risks. The risk assessment toolkit integrates both quantitative and qualitative approaches, with ongoing efforts to further enhance its robustness through advanced financial modelling techniques. These models, designed to capture the effect of emerging macroprudential threats, are essential for conducting impact assessments and identifying early signs of vulnerabilities. Progress has also been made in developing a tool to quantify the effects of both internal and external shocks on credit institutions' capital and liquidity positions. Moreover, understanding the interconnectedness of Malta's financial system remains a critical priority. This is supported through the in-house financial sector contagion model, which has undergone continuous enhancements to provide deeper insights into systemic risks.

Similarly, the Authority currently runs Conduct Risk Models for Investment Firms and Insurance Companies. These models assign a conduct risk score to such entities based on the conduct data which is periodically reported to the Authority. These models assist the Authority in focusing its

supervisory efforts on areas and entities which present the highest conduct risks. This approach is risk-based and serves to ensure that the Authority's resources are deployed in a more efficient manner. Furthermore, any emerging trends would be identified at an early stage and can thus be addressed in a timely manner, ensuring a preventive approach.

Whilst each type of authorisation requires its own distinct risk model given the exigencies of each respective sector, the MFSA aims to achieve a final risk score for all supervised entities by consolidating prudential and conduct risks, together with AML, ESG and ICT risks.

F. Addressing ICT risks and Digital Finance challenges

Within the context of the legal implementation of Digital Operational Resilience Act (DORA), the Authority has published a [Consultation Document](#) and a subsequent [Feedback Statement](#) on the legal measures necessary to implement DORA and transpose its amending

directive (Directive (EU) 2022/2554). The respective legislative process is currently ongoing. The Authority has also published important [policy updates](#), such as clarity on the interplay between locally applicable guidelines and DORA.

From an operational perspective, the Authority has also been working, under the guidance of the ESAs, to implement the necessary solutions to facilitate new obligations emanating from DORA – such as the reporting of incidents and the register of information, in line with the technical standards emanating from DORA.

The Authority has also taken steps towards the national implementation of a Threat-Led Penetration Testing (TLPT) Framework in accordance with the TIBER-EU framework in Malta, as mandated by DORA. The Authority has published a [Consultation Document](#) and a subsequent [Feedback Statement](#) in this regard. Internally, work in relation to the drafting of the necessary TLPT procedures, reports and templates is currently underway, in line with the draft DORA TLPT technical standard.

The implementation of DORA also contributes towards the achievement of the [2023-2026 National Cybersecurity Strategy](#), as specifically outlined within the said strategy document.

G. Collaborating with the Joint Financial Stability Board and the European Systemic Risk Board

In alignment with the European Systemic Risk Board Recommendations, the Authority has intensified its efforts to address vulnerabilities in the commercial real estate sector. Through close collaboration with stakeholders, such as the Central Bank of Malta (CBM) and the National Statistics Office, enhanced data collection will enable more in-depth analysis of this increasingly critical area. Furthermore, analytical work on non-bank financial intermediation has also progressed, as this sector continues to expand globally, as highlighted by the European Commission through its recent public consultation.

The Authority increasingly provides country specific insights to international organisations regarding Malta's financial stability, playing a significant role in discussions with the International Monetary Fund, European Central Bank, European Systemic Risk Board, European Supervisory Authorities, and credit rating agencies. The MFSA also remains committed to further developing and expanding its climate change risk assessment, with the objective of quantifying the potential impacts on the Maltese financial system.



Pillar II - Sustaining a resilient, internationally networked financial sector

The MFSA is committed to reinforcing Malta's reputation as a dynamic and reliable financial jurisdiction via its proactive engagement with national, EU, and international policymakers. In this regard, the Authority places a strong emphasis on addressing key areas that impact the regulatory framework, ensuring that policy proposals are well-considered and feasible.

Furthermore, to preserve financial stability, promote market confidence, and facilitate the single market for financial services through a unified supervisory approach, the MFSA continues to work within the European System of Financial Supervision (ESFS) as a member of key authorities, including the European Banking Authority (EBA), the European Insurance and Occupational Pensions Authority (EIOPA), the European Securities and Markets Authority (ESMA), and the European Systemic Risk Board (ESRB). In addition, as the National Resolution Authority,

the MFSA is committed to developing frameworks for the orderly resolution of failing banks in line with the European Single Resolution Mechanism, and in coordination with the Single Resolution Board (SRB).

Moreover, the Authority has strengthened its collaboration with the Financial Intelligence Analysis Unit (FIAU) and other regulatory entities to combat financial crime and money laundering. This effort involves working within the framework of Malta's National Coordinating Committee on Combating Money Laundering and Funding of Terrorism (NCC) and the forthcoming EU AML Authority (AMLA), thereby ensuring convergence and high standards in anti-money laundering and countering the financing of terrorism (AML/CFT) supervision across the EU. Ultimately, the MFSA remains committed to maintaining high regulatory standards, thereby ensuring the sustainability and resilience of the financial system during times of crisis.



A. Maintaining and building new inter-institutional relationships

1) Collaboration with local counterparts

Through its engagement with the NCC, the Authority has taken an active role in coordinating and cooperating with local regulators, authorities, and agencies to ensure a more holistic and streamlined approach to AML/CFT efforts. In addition to this, bilateral meetings are held with local counterparts to enhance engagement, the exchange of information, and collaboration on ongoing tasks. Furthermore, a number of Memoranda of Understanding (MoUs) have been signed with various authorities to promote information sharing, joint engagements, and stronger collaboration.

For example, in relation to the European Single Access Point (ESAP), an internal working group was set up by the Authority,

and a working group at national level comprised of impacted stakeholders was also constituted to analyse and determine the legal and reporting obligations emanating from the ESAP Directive.

2) International collaboration

The proactive approach described above extends beyond local borders, as the MFSA has also entered into MoUs with international authorities and engaged in bilateral discussions to strengthen international relationships and foster greater cooperation with foreign counterparts.

The MFSA has intensified its efforts to finalize both bilateral and multilateral MoUs, particularly with non-EU countries. These agreements serve as key instruments for establishing a convergence of will between the MFSA and its foreign counterparts.

Building on the strong cooperation already in place, bilateral meetings with foreign NCAs continued further reinforcing collaboration. These focus on common areas of interest and address concerns which may arise from time to time.

The MFSA also handles a significant volume of information requests, as both sender and receiver, from foreign NCAs. These requests typically pertain to the supervision and conduct of authorised firms and individuals across the financial services sector, with efforts made to ensure timely and efficient responses. In cases where additional clarification is needed, follow-up meetings are set up.

3) Coordination on legislative matters

Additionally, the MFSA plays a crucial advisory role to the Government, in particular regarding upcoming legislative and non-legislative proposals issued by the European Commission. Regular meetings between MFSA and Government representatives are held to ensure alignment and clarity on positions. The Authority remains actively involved in policy dialogue, negotiations, and the follow-up of EU institutional matters and dossiers, providing constructive feedback to support the attainment of national positions in financial services. At European level, the Authority has worked diligently to enhance internal coordination,

ensuring timely responses and adherence to deadlines in providing MFSA's input. A key aspect of this work involves monitoring upcoming EU initiatives to anticipate developments, thereby allowing the MFSA to take a proactive approach. Moreover, the Authority has stepped up its participation in EU Commission consultations prior to the issuance of proposed legislation. These consultations offer a vital opportunity for the MFSA to advocate Malta's specific interests in the financial services sector.

B. Developing informed, early-stage, coordinated policy positions

The aforementioned MFSA Stakeholders Panel has served as an excellent platform to strengthen the exchange of information regarding emerging issues and facilitates cooperation between the regulator and industry stakeholders in order to raise standards in the financial services sector.

Other entities, such as *inter alia* the FIAU, the CBM, the Accountancy Board, the Malta Business Registry, the Malta Gaming Authority and the Malta Institute of Accountants, are integral towards the formulation of a coherent position on a financial service-related file or topic. To this effect, depending on the topics at hand, meetings with these stakeholders have been set, as necessary.

The MFSA continues to participate in various EU and international fora, while stepping up its efforts vis-à-vis collaboration with other NCAs on areas of common interest. The Authority has also increased its presence in international events such as the EUROFI Financial Forum, which gives participating NCAs the opportunity to have open and in-depth discussions about the latest policy developments impacting the financial services sector.

Additionally, the MFSA has continued to work closely with the Permanent Representation in Brussels (PREU) to ensure that Malta's interests are voiced in the relevant EU fora, through the facilitation of meetings with representatives from the Council Presidency, the EU Commission, the European Parliament and other Member States.

A series of bilateral meetings were held at Maltese embassies in foreign jurisdictions as well as with foreign embassies in Malta to showcase Malta's effectiveness in the financial services industry, such as the regulatory reforms carried out by the MFSA and the authority's plans to strengthen supervision. Bilateral meetings will continue in the months to come.

C. Developing a high level of crisis preparedness within our internal structures

Ensuring a high level of crisis preparedness and crisis management for licence holders falling within the scope of the Resolution Framework is a strategic priority for the jurisdiction and the MFSA. In addition to the ongoing work to update the relevant legislation on insolvency proceedings for credit institutions, the following workstreams remain a priority for the MFSA:

a) Crisis preparedness

The MFSA ensures that all credit institutions falling within scope of the Bank Recovery and Resolution Directive have resolution plans in place and binding MREL⁶ targets, achieved in collaboration with licence holders and the Single Resolution Board. Efforts are also ongoing to continue improving bank resolvability and ensure an effective and efficient process in a resolution scenario. Crisis preparedness requires testing the existing frameworks, whereby banks are requested to test their operational readiness as part of their resolvability assessment, in parallel with internal simulation exercises conducted by the MFSA that test the internal frameworks.

6. Minimum Requirement for Own Funds and Eligible Liabilities

The Authority also participates regularly in discussions both at local and European levels through its active participation in committees and sub-structures to improve the effectiveness of crisis preparedness and management.

b) Development of resolution-related frameworks

These frameworks are constantly updated to take into consideration developments in practices and standards at European level, together with developments in financial markets. Moreover, new internal guidelines and the establishment and/or adjournment of relevant legislation form an integral part of the initiatives undertaken to strengthen further the resolution framework. Most notably, a new legislative framework for an Administrative Bank Liquidation Regime is a key project in this respect. The aim is to make the liquidation process of failed banks, which do not go through a resolution process, more efficient and ensure that creditors receive the adequate proceeds in liquidation.

The current resolution framework covers credit institutions, certain investment firms and central counterparties. In the coming years, the MFSA, as Resolution Authority, is expected to be directly involved in the resolution planning and policy activities covering insurance undertakings. In this vein, the Authority is actively participating in discussions at European level specifically on the establishment of a Recovery and Resolution Directive at EU level.

c) Crisis management

Discussions to maintain and refine crisis management practices, both locally and internationally, are ongoing. Documentation to ensure effective crisis management, both by the MFSA as well as at national level, seeking to minimise the costs attributed to a crisis, is constantly being drafted and kept updated.

D. Implementing the national and EU AML/CFT Strategy

The MFSA is actively involved in NCC meetings discussing key elements of the national AML/CFT framework. These include the National AML/CFT Strategy and the National Risk Assessment (NRA), where feedback is provided on ongoing discussions as well as upcoming developments. The MFSA is also monitoring developments in the proposed EU AML Package to keep abreast of changes and ensure amendments are proactively adopted. Work is also being carried out across sectors to incorporate AML/CFT frameworks within prudential and conduct supervision. These measures include a Money Laundering Reporting Officer (MLRO) questionnaire forming part of prudential examinations, as well as the involvement of the Financial Crime Compliance function of the MFSA as a support function in various prudential examinations on a risk-sensitive basis. Moreover, in line with the MoU signed with the FIAU, the MFSA is involved in AML/

CFT compliance examinations to ensure that licence holders adhere to their regulatory obligations. Additionally, a supervisory cycle is also set by the MFSA in collaboration with the FIAU, where clear targets are established to ensure supervisory effectiveness in line with a risk-based approach.

A key development in the AML/CFT sphere in 2024 was the publication of the AML Package by the EU, consisting of:

- The 6th Anti-Money Laundering Directive (AMLD6);
- The AML/CFT Regulation (AMLR); and
- The Anti-Money Laundering Authority Regulation (AMLAR).

These legislative instruments include changes to the provisions relating to central registers of beneficial owners of corporates and trusts. Since the MFSA is the competent authority designated with the responsibility for the maintenance of the Trusts Ultimate Beneficial Ownership Register (TUBOR),





it will play a key role in transposing and implementing these amended provisions. To this end, the MFSA has already commenced discussions with stakeholders to identify any gaps in its legislative framework and address these in due course through the required transposition, together with any gaps in the infrastructure of TUBOR, in order to align with these new requirements.

The MFSA is also a key contributor to the European Commission's Kleptotrace Project. This initiative seeks to bring together regulatory authorities, investigative agencies, journalists and law enforcement agencies to share knowledge and experiences, build a European front against high-level corruption and develop a platform to facilitate information sharing. This project is currently at an advanced stage.

The MFSA has also continued to collaborate with the CBM to streamline and enhance data sharing with tactical improvements made to reduce duplicate regulatory submissions in some cases. Furthermore, the MFSA and FIAU have collaborated to launch a pilot project in the financial sector seeking to achieve a combined regulatory submission in Q1 2025 and significantly reduce duplicate data collection as far as possible.

Pillar III - Promoting good governance and compliance

Governance, risk management and control systems supported by strong compliance frameworks are essential pillars of the financial services industry. A robust compliance culture is vital for efficient regulation, protecting consumer interests, preserving market confidence, and maintaining financial stability. Thus, ensuring high compliance standards across the sector is crucial to achieving the Authority's objectives and successfully implementing its strategy.

In this regard, the MFSA has made significant progress to ensure that its internal operating procedures are regularly updated to consider the latest trends and challenges pertaining to governance, risk and compliance. In the course of the strategic term, the MFSA has also made significant efforts to strengthen corporate governance standards across all sectors falling within its regulatory remit, establishing a robust and resilient framework that promotes accountability, transparency, and sound management practices. The ongoing guidance and outreach efforts of the Authority demonstrate its commitment to upholding high governance standards, with a focus on sustainability and reputational risk.

A. Placing our good corporate governance programme on a durable platform

Building on the success of the [Corporate Governance Code](#), which was published in 2022, the Authority is now focusing its efforts on sector-specific initiatives. To this effect, the MFSA published a [Corporate Governance Code for Directors of Collective Investment Schemes](#) in October 2023. This sector-specific code addresses the unique governance challenges faced by Collective Investment Schemes (CISs), outlining standards and practices designed to enhance oversight and foster effective management. The introduction of this Code reflects the MFSA's resolve to tailor governance measures in line with the evolving needs of different sectors within the financial services industry. Sector-specific initiatives in this regard are expected to continue.

Furthermore, as part of the Authority's continued effort to enhance the good governance standards of listed entities, the MFSA has undertaken various initiatives, particularly in relation to the work carried out on the Corporate Sustainability Reporting

Directive (CSRD) and the Gender Balance Directive (GBD). In the period leading up to June 2024, the MFSA focused on a wide range of numerous and various outreach activities designed to increase awareness and enhance education on the considerations required by listed entities, including that of corporate governance, to ensure the successful implementation of the CSRD and the GBD, *inter alia* as follows:

- Direct and interactive engagement with listed entities within scope of the Non-Financial Reporting Directive (NFRD), aimed at supporting entities in preparing for the CSRD;
- Continued cooperation in the national efforts required to transpose the CSRD, in collaboration with the Malta Business Registry and the Accountancy Board;
- Continued efforts to transpose the GBD, which is expected to increase representation of the underrepresented gender among directors of listed entities;
- Issuance of circulars to the industry, aimed at keeping the market informed on the latest relevant developments.

B. Launch compliance initiatives designed to ensure, build and maintain confidence levels

1) Regulatory Publications

The Authority regularly publishes 'Dear CEO' letters to share insights, findings, and expectations with the industry based on supervisory interactions. In 2023, four 'Dear CEO' letters were issued, while six



have been published in the first half of 2024. The Authority plans to continue releasing these letters, particularly in line with its outcomes-based approach to supervision. Additionally, two 'Nature and Art of Financial Supervision' publications were released in 2023, with two more published within the first six months of 2024. The Authority also ensures that authorisation, supervision and enforcement statistics are continuously updated on its website. Each year, a Supervisory Priorities document is released to inform the industry about the focus areas for the forthcoming year. This document is aligned with the priorities put forward by the each of the ESAs, past supervisory interactions carried out by the Authority, as well as the MFSA Strategy.

2) Time commitment of approved persons and key function holders

Time commitment plays a crucial role in the Authority's fit and proper assessments. The MFSA is currently working on a study to assess the need to potentially have a framework aimed at enhancing accountability and addressing concerns related to multiple appointments and time commitment of approved persons and key function holders. At both the authorisation stage and through ongoing supervision and enforcement, the MFSA often identifies issues concerning the excessive number of mandates and the insufficient time allocated to specific roles.

Pillar IV - Embracing innovation

In an era of rapid changes in the financial services sector, the Authority is focused on embracing innovation through two key areas: **sustainable finance** and **digital finance**.

Sustainable finance has emerged as a global priority, influencing all aspects of financial regulation. The MFSA has been enhancing its capacity to meet the challenging supervisory responsibilities in this area, integrate environmental, social, and governance (ESG) market monitoring and risk assessment into its supervisory processes, whilst developing the tools to ensure transparency and tackle greenwashing.

Simultaneously, the rise of digitalisation is reshaping the financial services sector, introducing both new opportunities and risks. The MFSA recognises the importance of closely monitoring the impact of FinTech and BigTech, collaborating with EU regulators to adapt prudential frameworks and address non-financial risks. As the EU Digital Finance Package unfolds, investments in technology and training will be crucial to supporting regulatory improvements, and positioning Malta as a competitive jurisdiction in digital finance.

A. Seeking to adopt a best practice approach in the implementation of an integrated sustainable finance supervisory framework

The shift towards a more sustainable financial system is becoming more tangible, particularly following the surging growth of EU regulatory strategy to boost transparency and make ESG issues a primary focus of financial institutions and investors.

The Authority is focusing on enhancing its supervisory capacity in the short to medium term, integrating ESG market monitoring and risk assessment into its supervisory processes, and developing tools to promote transparency and combat greenwashing. This is being done in collaboration with European Supervisory Authorities to ensure convergence and the adoption of a best practice approach in this area. Key efforts include the transposition of the CSRD and the EU Green Bonds Regulation, with stakeholder meetings involving various relevant authorities.

Addressing greenwashing, an obstacle to the green transition, remains a priority for the Authority as it undermines investors' trust



and confidence in financial markets. In this regard, the Authority remains committed to support its licence holders to achieve the green transition and to build a more reliable ecosystem in the sustainable finance market. As part of its engagement with the industry, the MFSA conducted workshops, issued circulars, and held supervisory interactions to communicate expectations for compliance with sustainable finance regulations. Aligning with its strategic objectives, the Authority also integrated sustainable finance into its financial education programmes and participated in seminars and media activities to increase public awareness. In Q1 2024, the MFSA launched a cross-sectoral consumer awareness campaign, which included the creation of a portal entitled '[Go Sustainable – Dodge Greenwashing!](#)' on its website to promote sustainable finance.

In 2023, the MFSA published an [initial study](#) of website disclosures by license holders under the Sustainable Finance Disclosure Regulation (SFDR), outlining its findings, observations, and recommendations for

improvements. This report, based on a supervisory analysis, assessed compliance with the SFDR among investment firms, credit institutions, insurance undertakings, and fund managers providing investment or portfolio management services. The report highlights good practices and sets out the MFSA's high-level expectations in this area.

The MFSA remains committed to participating actively in relevant European and international fora to ensure consistent regulations across borders, which can support sustainable development goals. It has been engaged in the Sustainable Standing Committee (SSC) within ESMA and the sustainable finance project group within EIOPA. These groups focus on embedding sustainability in regulatory frameworks such as Solvency II and the Insurance Distribution Directive. Furthermore, the MFSA participates in the Network for Greening the Financial System (NGFS), collaborating with Central Banks and Supervisory Authorities worldwide to address climate change and advance sustainable finance initiatives.

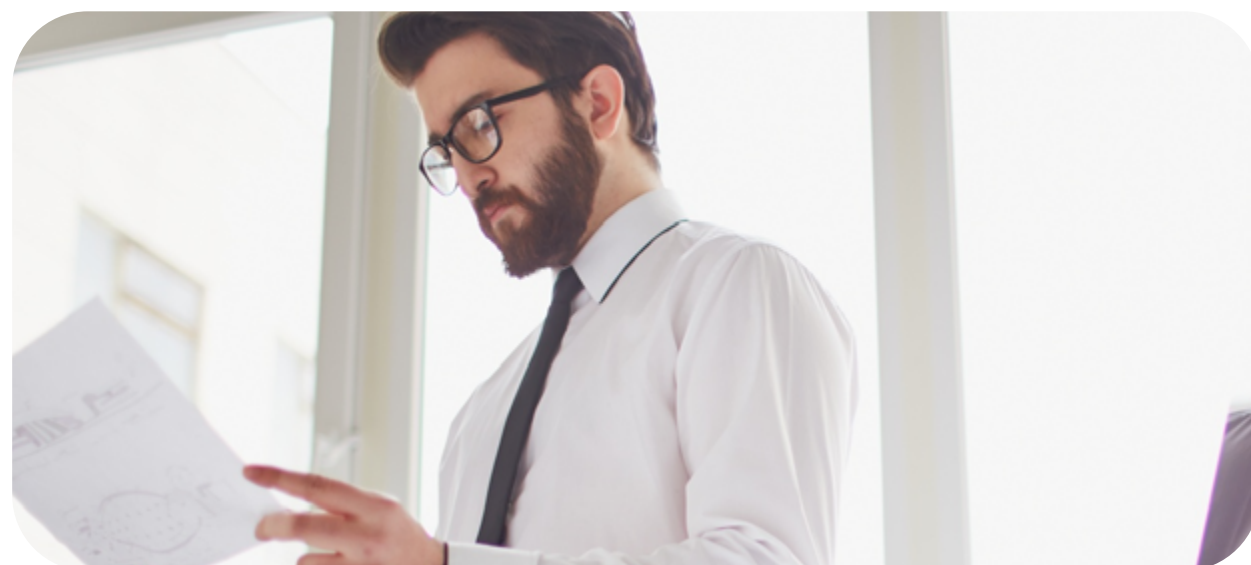
B. Developing our expertise and capacities to meet new supervisory responsibilities

The MFSA, in collaboration with the national competent authorities of Croatia, Poland, and Romania, participated in an 18-month, multi-country project under the EU's Technical Support Instrument (TSI). This initiative, designed to enhance supervisory capacity in the field of sustainable finance, provided crucial technical support to regulatory authorities across these countries. The TSI, an EU-funded mechanism, is aimed at helping Member States implement reforms and strengthen institutions by offering technical expertise, with a particular focus on fostering sustainable development and supporting the EU's green transition.

The outcomes of this project have considerably strengthened the MFSA's technical expertise in the area of sustainability

disclosure and reporting supervision. The project fostered collaboration and knowledge exchange among regulators, experts, practitioners and market operators, building a strong network across participating countries and contributing to greater regulatory convergence across jurisdictions. Additionally, thanks to the organisation of dedicated industry workshops envisaged as part of the project, the MFSA sought to ensure that supervised entities remain well-informed of regulatory expectations in the area.

Through this initiative, the MFSA has continued to develop supervisory materials and tools to effectively supervise sustainability disclosures and reporting requirements, therefore strengthening the integration of sustainability-related requirements into the Authority's supervisory processes. As part of the key deliverables of the project, the Authority can count on a detailed legislative mapping providing an overall assessment



of the EU sustainability-related disclosure and reporting requirements stemming from the key legislative components of the EU Sustainable Finance Package, together with a related analysis of the data needs and collection methods necessary for the supervision of these obligations. Furthermore, a set of supervisory guidance, recommendations, methodologies, tools and related manuals has been developed, including tailored supervisory checklists for each related legislative framework.

The insights and knowledge that the MFSA has gained from this project serve as the foundation upon which the Authority will continue to build, ensuring that the relevant regulatory frameworks and practices evolve to meet the challenges of a sustainable future and better prepare the industry for such developments.

C. Ensuring a holistic implementation of the Digital Finance Package

Apart from the aforementioned transposition and implementation of DORA, the introduction of the Markets in Crypto Assets Regulation (MiCAR) is another key component of the Digital Finance Package. MiCAR will repeal and replace Malta's current Virtual Financial Assets (VFA) framework.

The MFSA has approached this transition in two stages. The first stage, which was

completed earlier in 2024, involved aligning the VFA framework with MiCAR, thus allowing market participants to operate under a MiCAR-equivalent regime approximately a year ahead of MiCAR's applicability. The second stage entails legislative amendments to fully implement MiCAR. This workstream is currently on track and the legislative process is ongoing.

Furthermore, the Digital Finance Package also encompasses the Retail Payment Strategy and the Framework for Financial Data Access. In these areas, the MFSA is actively collaborating with the Central Bank of Malta and participating in European Council meetings.

As part of its ongoing commitment to keep abreast of technological developments in financial services, the MFSA continues to engage with local, EU, and international stakeholders. These discussions focus on innovative business use cases, the use of regulatory sandboxes, and the adoption of best practices in supervisory techniques.

D. Evaluating emerging and innovative business models

The Authority is actively engaged in assessing the risks posed by financial technologies, with a particular focus on cyber risk. As the reliance on digital services grows, addressing cyber threats has become a critical priority both

locally and globally, given the potential for widespread disruptions to financial systems. The work carried out is approached from a macroprudential perspective, assessing the potential impact of these risks on the overall stability of Malta's financial system.

A data-driven approach has been adopted to identify financial entities that are most interconnected with Malta's key economic functions, where cyber incidents could potentially have systemic consequences. Furthermore, initial efforts have been made to map the relationships between third-party service providers, using sample data to gain insight into how these interlinkages could influence the stability of the financial system. The Authority will continue to monitor and assess these risks, with plans to expand research and strengthen collaboration with key stakeholders moving forward.

In terms of sustainable finance, the Authority continues to develop its internal models which help to quantify transition risks. Through its research and participation in the Network for Greening the Financial System, the Authority is currently developing models which are able to better understand transition risk in banks' loan portfolios. Furthermore, efforts are underway to understand the exposure to physical risk for the Maltese insurance undertakings, based on Solvency II data on catastrophic risk.

Other initiatives of the Authority in catering to emerging and innovative business models are outlined below:

1) Insurance

As the sole EU jurisdiction to offer Protected Cell Company (PCC) legislation, the MFSA has consistently sought to enhance this unique proposition. Recent [regulatory advancements](#) have clarified the processes for transferring cells between PCC structures and for winding up individual cells, thereby providing greater operational transparency and efficiency.

In close collaboration with Finance Malta, the MFSA is strategically positioning Malta as an emerging European jurisdiction for Insurance-Linked Securities (ILS). This initiative leverages Malta's comprehensive legal framework for the formation and authorization of Reinsurance Special Purpose Vehicles (RSPVs).

Moreover, Malta uniquely stands out as the only European jurisdiction to have enacted legislation facilitating the establishment of Securitisation Cell Companies (SCCs).

2) Notified Professional Investor Funds

On 18 December 2023, the MFSA [launched](#) a new regulatory framework for Notified Professional Investor Funds (NPIFs). This



framework introduces an additional fund structure in Malta, designed to benefit from a streamlined onboarding process that enhances operational efficiency while complementing the existing fund frameworks. The NPIF framework is governed by a set of proportionate and risk-based criteria, ensuring that regulatory requirements are both effective and appropriately tailored to the specific nature of the funds.

This framework, together with other initiatives mentioned hereunder, leverages on Malta's appeal, among smaller to medium-sized funds and investment firms, as a launchpad for innovative strategies and a hub for sustainable growth.

3) Self-Managed Notified PIF Framework

At present, the NPIF framework does not permit self-managed NPIFs as it mandates the appointment of a third-party manager. In response to evolving market needs, the Authority is proposing to expand this framework to allow for self-managed NPIFs. This proposed framework will be largely consistent with the existing NPIF framework, with specific distinctions pertaining to the management function and certain features and requirements emanating from the AIFMD, in view of the internally managed nature of the scheme.

In June 2024, the Authority launched a consultation process outlining this proposal. The Authority is now actively working on the necessary amendments to the existing regulatory framework for NPIFs to implement this enhancement.

4) Limited Partnership Funds

The lack of an option to establish a Collective Investment Scheme (CIS) as a Limited Partnership (LP) without separate legal personality represents a gap in the local regulatory framework. In light of this, the Authority is actively working to introduce a framework that allows for the establishment of CISs structured as LPs without separate legal personality under Maltese law. This initiative will coexist with the existing option to set up a CIS structured as an LP with separate legal personality.

To this end, a consultation process was launched in February 2024, inviting stakeholders to provide their insights. Currently, the MFSA is in the process of finalising the necessary amendments to the regulatory framework to support this new structure.

5) Single Family Offices

In its strategy document published in March 2023, the Malta Financial Services Advisory Council (MFSAC) identified family offices

as a “new opportunity area” for Malta to position itself as an attractive jurisdiction. The core objective of the initiative is to target the families of high and ultra-high net worth individuals via the development of an appropriate regulatory infrastructure, which builds on the existing framework whilst ensuring the protection of stakeholders’ interests and upholding mandatory governance standards and the integrity of the jurisdiction.

The Authority has looked into this area in collaboration with MFSAC and has considered amendments to the respective regulatory frameworks for NPIFs and Family Trustees to enable the establishment of structures to cater for family offices.



Pillar V - Engaging with the public

A series of initiatives aimed at enhancing public engagement have been undertaken. Central to this objective is the Authority’s commitment to consumer education, where the MFSA provides consumers with essential tools and resources to take informed decisions about financial products and services. Through various educational initiatives, the MFSA enhances understanding of market offerings, associated risks, consumer rights, and the principles of responsible investing. The Authority actively engages with consumers, addressing enquiries and using feedback to refine its outreach efforts, thus effectively closing information gaps.

In its role as regulator, the MFSA prioritises clear communication with regulated entities by delivering regular briefings and publishing best practice guidance to help navigate the ever-evolving regulatory environment. This commitment to transparency is further reflected in outreach programmes that not only disseminate vital information but also gather structured feedback on important issues and developments.

Additionally, the MFSA collaborates with educational institutions and professional training bodies to develop a skilled workforce for the financial sector. By aligning

educational programmes with industry needs, these partnerships support sector growth and resilience, equipping professionals to meet challenges and take up opportunities in areas such as digital finance, global risk and insurance, sustainable finance and ESG, business intelligence and AI.

A. Engaging with stakeholders

By supporting the growth of financial literacy and promoting a stable financial system, the Authority is committed to fostering responsible and informed financial decision-making by investors. In this regard, the MFSA is coordinating with other stakeholders involved in financial literacy initiatives through the MFSAC. This collaboration is instrumental in ensuring that various initiatives taken by different stakeholders are co-ordinated to avoid any overlaps and gaps. Furthermore, the Authority is also collaborating with other stakeholders in this area to ensure more effective outreach.

Internally, the Authority has established a Financial Literacy Committee. This Committee is tasked with designing and implementing strategies that promote a deeper understanding of financial concepts among the public.

As previously highlighted, in 2024, the MFSA launched a consumer campaign to shed light on the issue of **greenwashing**, to emphasise the importance that environmental claims made by financial products and entities are transparent and substantiated. MFSA officials directly engaged with the public during the Public Service Expo in May while a presentation on scams and frauds was delivered to the public in Gozo, in conjunction with Gemma and the Malta Bankers' Association. Officials from the Authority are also delivering a series of lectures to members of the Malta Association of Small Shareholders. Topics include the regulation of crypto assets and the role and function of the MFSA.

Additionally, the Authority participated in a series of television interviews covering a range of topics, including pre-contractual information essentials, understanding investment services, distinguishing between authorised and unauthorised entities, the MFSA's approach to financial crime compliance and the pitfalls of 'cold calling'.

The Authority has also launched a consumer survey with a view to assess the public's perception and appetite for sustainable financial products and is currently assessing the feedback received from this survey with the aim of publishing a report on the findings in due course.

In the coming months, a particular focus will be placed on increasing engagement with children, young adults, and the elderly, aimed at fostering a culture of financial prudence and responsibility across all ages.

B. Increasing our regular engagement and outreach initiatives

The MFSA demonstrated its strong commitment to public engagement through wide-ranging outreach campaigns across multiple platforms, both online and in person, targeting various stakeholders, including industry professionals and financial services consumers. These initiatives are designed to foster confidence and trust in the financial sector by prioritizing the fair treatment of customers as a central element of business culture and values. Further to the aforementioned establishment of the MFSA Stakeholders Panel, below are some key highlights of these efforts.

1) Regulatory briefing sessions

The MFSA's regulatory briefing sessions allow for regular engagement with licensed entities, encouraging the sharing of feedback, including from other stakeholders involved in the financial services sector. Between January 2023 and June 2024, the MFSA held 13 regulatory briefings, hosting over 120 speakers from local and foreign institutions and competent authorities, with over 2,000



participants in attendance. As part of the Authority's events calendar, the following four large conferences were held:

1. Through its Financial Supervisors Academy, the MFSA hosted a highly successful **Sustainable Finance Conference**. The conference brought together esteemed scholars, industry leaders, and regulatory authorities to delve into critical topics surrounding the importance of sustainable finance in shaping a greener and more sustainable financial future.
2. Attended by over 100 bank representatives, the **"Future of Banking Supervision" conference** brought together key figures from the local and EU banking industry, including representatives from the EBA and the European Central Bank. The conference underscored the crucial role banks can play in facilitating a smooth transition to
3. The **MiCA conference** saw the participation of over 500 delegates, including delegates from over 25 European Supervisory Authorities, competent authorities, and ministries situated in 17 different countries. The 32 speakers addressing the conference, including 12 foreign experts and key figures joining from Europe and the US, shed light on the new MiCA regulation which came into force in June 2023 and sets out a framework for the regulation of crypto assets in the EU.
4. The international **conference on regulating Trustees and Company Service Providers (TCSPs)** brought together over 400 delegates, including

a distinguished line-up of speakers, local industry professionals, legal experts, regulatory authorities, and representatives from international organisations, such as MONEYVAL, and foreign competent authorities. The event facilitated the sharing of best practices among the various stakeholders involved, recognising the significant role that TCSPs play in combatting financial crime, also in view of the TCSPs' exposure to risk being highlighted in Malta's National Risk Assessment.

2) Continued outreach initiatives through publications and digital media

In its continuous efforts to enhance transparency and accountability, and in addition to the aforementioned regulatory publications, in November 2023 and April 2024 the MFSA published two reports to provide an overview of the enforcement work carried out by the MFSA in 2022 and 2023, respectively. These publications provide an overview of the investigations and enforcement action

taken subdivided according to the different sectors. Going forward, the Authority aims to publish this report on an annual basis.

Similarly, engaging and innovative content on the MFSA's social media platforms and online media enabled its key messages to be received and understood by various audiences, registering over 3.5 million in social media reach and video views. Maintaining presence in traditional media, including interviews on both television and radio, allowed the MFSA to retain engagement with important segments of its target audiences. Up until June 2024, the MFSA rolled out three consumer education campaigns which complemented its focus on generating confidence and trust in the industry, these being:

- [Inflation – how it affects your finances](#)
- [Crypto – highlighting the benefits and the risks](#)
- [Greenwashing and sustainable finance](#)

The Authority also contributed to the international campaign led by IOSCO during

World Investor Week, mainly through social media posting. The MFSA's participation at key events, such as the Public Service Expo, provided additional platforms for engagement with consumers at large and provided an opportunity for MFSA officers to reiterate key messages and stimulate further awareness.

The MFSA carried out investment in various tools and resources to deliver its message more creatively, including a podcast room that has been setup to facilitate recordings and publish high quality videocasts. Ten podcasts were recorded and published on the MFSA's social media channels, providing the industry with insights and guidance on regulatory updates, touching upon various topics, from changes to insurance regulations to preparedness for DORA.

3) Consultation Exercises

As the terminology implies, a consultation exercise is a process through which the Authority obtains stakeholder feedback

on initiatives which it plans to undertake. These exercises are crucial as they ensure appropriate engagement with the relevant stakeholders and inspire confidence among consumers and industry stakeholders. The Authority consistently takes an open and transparent approach to consultation and has issued various public consultations over the past months. These are accessible on the Authority's [website](#).

C. Working with public and private institutions to identify employment needs, develop training opportunities and new ways of attracting top talent

The Authority, in collaboration with the University of Malta, has launched a new Post Graduate Diploma in Financial Regulation and Compliance. This initiative aims to elevate competency levels across various sectors of the Maltese financial services industry, establishing a new standard endorsed by the MFSA. The curriculum is strategically designed to cover essential topics such as governance and internal



audit, risk management, compliance, MLRO responsibilities, sustainable and digital finance, report writing, and business ethics. Each module equips graduates with a comprehensive toolkit to effectively address industry-specific challenges. With the first semester of the diploma commencing in October 2024, it features a cohort of 32 students with both local and international backgrounds. The programme will include contributions from guest lecturers from the MFSA and the local industry, who will deliver across eight units. Through this initiative, the MFSA seeks to promote the development of specialised expertise, support a pipeline of skilled professionals, and bridge the gap between theory and practice in financial services regulation and compliance.

In addition to these efforts, the MFSA has been engaged in ongoing communication with European Supervisory Authorities and EU NCAs regarding staff exchanges and mobility programmes. Since 2023, 20 MFSA employees have participated in various mobility opportunities and personnel swaps, with incoming secondments into the MFSA also being facilitated. The Authority remains committed to fostering dialogue with European Supervisory Authorities to promote knowledge-sharing, enhance expertise, harmonize regulatory practices, and strengthen the regulatory network across the EU.



Concluding Remarks

As the Authority transitions into the next phase of its strategic term, it remains committed to fostering Malta's growth as a competitive and responsible financial centre.

The Authority fully recognises the dynamics of the regulatory environment both nationally and in Europe. The rapid pace of technological advancement serves as an opportunity, requiring the MFSA to remain flexible and proactive. Digital transformation is essential for the future of the financial services sector. By embracing these changes, the Authority can adapt its regulatory frameworks to better meet the demands of innovation and consumer needs. Furthermore, the focus on sustainable finance and ESG principles will continue to grow in importance and priority.

The Authority remains committed towards managing the complexities of emerging financial products and business models while safeguarding consumer interests and ensuring market integrity. Fostering a robust regulatory framework will be crucial to address the implications of these trends and manage any potential risks.

Looking ahead, the MFSA will focus on both the attainment of the objectives set forth in its current strategic statement and the preparation for future developments in the financial services sector. By investing in its people, systems, and technology, the MFSA aims to fulfil its regulatory duties and create a fair and transparent market for all stakeholders.



Annex – A Detailed Look at Our Milestones

Status as at 30 June 2024

Pillar I – Delivering agile and proactive regulation		
	% Completed	Target Completion
[SP01] Streamline supervision by taking a more agile, risk sensitive and data-driven approach	63%	
[01.1] Augment and enhance the data architecture to achieve a digitalised 360 view of Regulated persons	54%	Dec-26
[01.2] Continue to roll-out and support self-service Business Intelligence analytics throughout the MFSA	100%	Jun-24
[01.3] Design an outcomes-based supervision framework	100%	Jan-24
[01.4] Strengthen the macro-/micro-prudential supervisory interface	63%	Dec-26
[01.5] Streamline the authorisation and supervisory processes related to persons having multiple authorisations	23%	Dec-25
[01.6] Continue to strengthen the MFSA's Business Readiness for Digital Transformation projects	37%	Mar-26
[SP02] Continuously improve regulatory processes	26%	
[02.1] Harmonise, streamline and enhance identified processes related to Authorisation, Supervision and Enforcement for prioritised sectors	50%	Dec-26
[02.2] Streamline and enhance the Fitness and Properness Assessment of authorised individuals	13%	Dec-26

[02.3] Enhance transparency of the Authority's expectations, outcomes and processes	18%	Sep-25
[02.4] Further develop the Financial Stability Monitor to include a number of new and emerging risks	50%	Jul-25
[02.5] Assessment with a view to strengthen referral process from supervision to enforcement	0%	Oct-25
[SP03] Increase operational efficiency through focused investment in our management systems	51%	
[03.1] Procurement and implementation of systems and tools, as core enablers for the MFSA's ongoing digitalisation journey	38%	Dec-26
[03.2] Modernisation of Technological infrastructure	28%	Dec-25
[03.3] Strengthen the Authority's cybersecurity posture	58%	Oct-25
[03.4] Improved internal Governance, Risk and Compliance management purposes	79%	Jun-26
[03.5] Modernisation and upkeep of Physical Infrastructure	54%	Dec-26
[SP04] Strengthen financial and operational independence	44%	
[04.1] Reassessment and implementation of a revised MFSA Fee Structure	44%	Jun-25
[SP05] Contribute towards effective transposition and implementation of Single Market legislation	70%	
[05.1] Ensuring effective transpositions/ implementation and enhanced coordination	39%	Dec-26

[05.2] Ensuring implementation readiness, by ascertaining: (i) early implementation plans; (ii) design of the supervisory framework; (iii) standardised supervisory processes; (iv) enhanced industry alignment	100%	Jun-24
[SP06] Streamline existing legal and regulatory frameworks	23%	
[06.1] Strengthening the regulatory framework	40%	Mar-25
[06.2] Review and update legal frameworks to reflect emerging market needs and address regulatory weaknesses	6%	Dec-26
[SP07] Identify and monitor prudential and conduct risks in a preventive manner	46%	
[07.1] Consolidation of the MFSA's internal Risk Manuals	60%	Dec-25
[07.2] Enhance annual targets on emerging risks to ensure clearer supervisory outcomes	70%	Dec-24
[07.3] Finalise Conduct Risk Model with a view to assigning a conduct risk rating to entities falling within the remit of Conduct Supervision	34%	Jan-25
[07.4] Set up a macro modelling framework that captures the effects of emerging macroprudential threats on the financial soundness of entities	15%	Dec-25
[07.5] Develop a banking sector impact assessment tool, at both entity and industry level, that quantifies the effect on capital and liquidity	68%	Dec-25
[07.6] Enhance the Financial Sector Contagion Model	31%	Dec-25

[SP08] Avoid and eliminate bureaucratic practices	84%	
[08.1] Streamlining of MFSA's decision making processes and practices	84%	Sep-24
[SP09] Align our priorities with the single programming framework at European level	100%	
[09.1] Continue to align MFSA yearly Supervisory Priorities document with European Inter-institutional work programme	100%	Jun-24
[SP10] Address ICT risks and digital finance challenges within the framework of DORA	82%	
[10.1] Implement the necessary legal and policy work, supervisory systems and solutions to facilitate new obligations emanating from DORA	69%	Dec-26
[10.2] Implement a Threat Led Penetration Testing Framework in accordance with the TIBER-EU framework	95%	Dec-24
[SP11] Work with the Joint Financial Stability Board and the European Systemic Risk Board	32%	
[11.1] Implement the ESRB Recommendation on vulnerabilities in the EEA commercial real estate sector	56%	Mar-26
[11.2] Upgrade the Non-bank Financial Intermediation (shadow banking) Analysis	6%	Dec-26
[11.3] Provide country specific input to ESRB/ECB vulnerability assessments	47%	Dec-25
[11.4] Continue building on the MFSA's climate change risk assessment and quantify potential effects on the Maltese financial system.	20%	Dec-25

Pillar II – Sustaining a resilient, internationally networked financial sector		
	% Completed	Target Completion
[SP12] Intensify efforts to maintain and build new inter-institutional relationships	42%	
[12.1] Strengthen collaboration with CBM, MBR, FIAU, SMB, MGA and other public authorities	47%	Dec-26
[12.2] Strengthen MFSA's position in international fora, develop international relationships & engage further with foreign counterparts.	30%	Dec-26
[12.3] Strengthen cooperation and timeliness of exchange of information requests	50%	Dec-26
[SP13] Develop informed, early-stage, co-ordinated policy positions	47%	
[13.1] Advise government in the formulation of policy positions relating to the financial services industry	58%	Dec-26
[13.2] Strengthen engagement and coordination with policy makers and stakeholders, on EU and international legal frameworks	47%	Dec-26
[13.3] Strengthen the alignment with diplomatic channels	35%	Dec-26
[SP14] Maintain an open, healthy and transparent approach to consultation	50%	
[14.1] Creation of a structured and streamlined MFSA process for increased harmonisation, consistency and transparency when issuing public consultations	100%	Jun-24

[14.2] Early engagement with stakeholders, on proposed updates/amendments to regulatory frameworks	50%	Dec-26
[14.3] Explore ways to ensure that appropriate media and channels are used so that the Authority's public consultations also reach consumers, besides authorised entities and practitioners	0%	Dec-26
[SP15] Engage with counterparts to address gaps and overlaps in regulation	58%	
[15.1] Improve data gathering and information sharing with other authorities	27%	Dec-26
[15.2] Seek opportunities to eliminate duplicate information received by local institutions and seek to achieve a Single Point of Entry	100%	Jun-24
[15.3] Actively participate in European level policy projects aimed at reviewing and streamlining reporting requirement frameworks	48%	Dec-25
[SP16] Develop a high level of crisis preparedness	29%	
[16.1] Finalise the MFSA's Business Continuity Plan	45%	Jun-24
[16.2] Ensuring that all credit institutions have binding minimum requirement of own funds and eligible liabilities (MREL)	100%	Jun-24
[16.3] Continue to develop frameworks on recovery and resolution of licensed institutions, in line with European requirements	19%	Dec-26

[16.4] Continue to cooperate with relevant stakeholders to ensure that the National Crisis Management Framework is constantly updated and kept in line with applicable European standards	12%	May-25
[16.5] Continue aligning the MFSA's Resolution Framework in line with the Single Resolution Mechanism including the implementation of SRB/EBA Guidelines, handbooks and technical standards	20%	Dec-26
[16.6] Update legislation on Insolvency Proceedings for credit institutions in line with the IMF recommendations	35%	Dec-24
[16.7] Cooperation with other Authorities to conduct a Simulation Exercise at National Level to test crisis preparedness	0%	Sep-25
[16.8] Enhance internal cross-functional cooperation to enhance responsiveness in the event of a crisis	2%	Feb-26
[SP17] Implement national and EU AML/CFT Strategy within the sector	37%	
[17.1] Participation and alignment with National AML/CFT Strategy	63%	Dec-24
[17.2] Consolidate the integration of AML/CFT in our Authorisations, Prudential and Conduct Supervision framework	76%	Dec-26
[17.3] Proactively monitor and assess developments regarding the proposed EU AML Package	30%	Dec-26
[17.4] Adhere to and enhance the MOU with FIAU and continue to conduct direct AML/CFT supervision on MFSA authorised entities, as agents of FIAU	37%	Dec-26

[17.5] Participate in research-based initiatives to identify the risk factors of transnational high-level corruption and schemes used to circumvent EU sanctions.	15%	Apr-25
[17.6] Continue to develop and strengthen cooperation agreements and support networks with our international and national partners in our fight against financial and organised crime	0%	Feb-26

Pillar III – Promoting good governance and compliance

	% Completed	Target Completion
[SP18] Place our good corporate governance programmes on a durable platform	46%	
[18.1] Identify and promote good governance practices by means of initiatives aimed at promoting best governance practices across the industry	67%	Jun-25
[18.2] Strengthen the MFSA sectoral regulatory frameworks by updating and reviewing existing sector-specific corporate governance codes/guidelines and rulebooks on governance.	40%	Dec-25
[18.3] Continue improving corporate governance standards of listed entities, as part of the proposed MFSA Capital Markets Strategy	32%	Dec-24
[SP19] Launch compliance initiatives designed to ensure, build and maintain confidence levels	63%	
[19.1] Continue to communicate clearly the MFSA's supervisory expectations on compliance	100%	Jun-24

[19.2] Assessing whether an MFSA regulatory regime, aimed at improving accountability of approved persons and key function holders, is required	25%	Jan-25
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Pillar IV – Embracing innovation

	% Completed	Target Completion
[SP20] Seek to adopt a best practice approach in the ongoing implementation of an integrated sustainable finance supervisory framework	39%	
[20.1] Ensure correct and timely implementation of EU Sustainable Finance legislation and convergence measures in consultation with the respective public and private stakeholders	48%	Apr-25
[20.2] Strengthen our participation and collaboration with European and International bodies in implementing and promoting the coherence, cohesiveness, and consistency of the sustainable finance framework	36%	Jun-25
[20.3] Integrate ESG framework requirements into the authorised entities' life cycle and the MFSA's supervisory practice to ensure compliance with the applicable requirements	32%	Dec-25
[SP21] Develop our expertise and capacities to meet the new supervisory responsibilities	65%	
[21.1] Continue developing expertise in Sustainable Finance through upcoming Conferences, technical training, self-paced certifications for self-development	50%	Dec-25

[21.2] Enhance MFSA's capacity and capability to design, develop and implement structured reforms, processes and supervisory tools for the effective monitoring of sustainable finance requirements	80%	Sep-24
[SP22] Ensure a holistic and effective implementation of the Digital Finance Package	51%	
[22.1] Ensure effective implementation of: MiCA; DORA; DLT Pilot Project; ESAP; Retail Payment Strategy	51%	Apr-25
[SP23] Engage with our peers at national, EU and international level	30%	
[23.1] Developing strategies to facilitate innovation in a sustainable manner in collaboration with other local stakeholders	10%	Dec-25
[23.2] Engage with EU and international stakeholders including the ESAs and GFIN in order to share innovative business use cases and the development and adoption of best practices in supervisory techniques	50%	Dec-25
[SP24] Evaluate emerging and innovative business models	47%	
[24.1] Continue work on key FinTech initiatives	16%	Dec-25
[24.2] New strategic regulatory policy initiatives in the field of Asset Management, such as, the development of: [i] a legal framework for funds established as Limited Partnerships without legal personality; and [ii] Notified PIFs	58%	Sep-24
[24.3] Assess the need for developing a cross-industry approach to outsourcing	0%	Feb-26

[24.4] Evaluate emerging opportunities and other Innovative Ideas	50%	Dec-26
[24.5] Assess and evaluate new conduct risks emerging from new business models.	75%	Dec-24
[24.6] Insurance Business Models	80%	Aug-24

Pillar V – Engaging with the public

	% Completed	Target Completion
[SP25] Engage with the Malta Competition and Consumer Affairs Authority and other public institutions	36%	
[25.1] Engagement with secondary and post-secondary educational institutions	49%	Aug-25
[25.2] Engagement with entities providing adult education in financial literacy	50%	Aug-25
[25.3] Enhancing financial literacy in local journalism	0%	Sep-25
[25.4] Maintain and Enhance Consumer Awareness Campaigns and commissioning of Consumer Surveys on particular topics to enable the MFSA enhance and better focus its education campaigns and regulatory engagements	38%	Dec-24
[25.5] Engagement with Consumer Associations	42%	Dec-26
[SP26] Increase our regular engagement and outreach initiatives	100%	

[26.1] Assess the need for the establishment of selected formal stakeholder panel/s with industry stakeholders and associations	100%	Mar-24
[26.2] Continue holding MFSA Regulatory Briefing sessions with the industry	100%	May-24
[26.3] Continue outreach initiatives through publication of documents on various aspects of the MFSA's work.	100%	Mar-24
[SP27] Work with public and private institutions to identify employment needs, develop training opportunities and new ways of attracting top talent to the sector	37%	
[27.1] Collaborate with education institutions for the purposes of creation and development of accredited courses in financial services	23%	Dec-25
[27.2] Identify collaboration opportunities with other EU National Competent Authorities aimed at potential staff exchange and training opportunities for the purposes of enhancing knowledge and experience	50%	Dec-25

