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MFSA Extends Compliance Outcomes-Based Supervision to All Financial Services Sectors in 2025

The Malta Financial Services Authority (MFSA) has published its [Supervisory Priorities](#) for 2025, outlining the Authority's continued commitment to fostering market integrity, consumer protection, and financial stability. This document details the MFSA's supervisory focus areas for 2025, building on its compliance outcomes-based approach to supervision introduced in 2024.

Initially implemented through a pilot project in digital finance regulation and trust beneficial ownership registers, Compliance Outcomes-Based Supervision will now be applied across all financial services sectors in 2025 to sustain this approach as a cornerstone of the Authority's supervisory framework. Compliance outcomes-based supervision puts focus on the tangible results achieved by supervised entities in key areas during supervisory interactions and ensures alignment with the pre-determined outcomes. The application of this approach to the supervision of the entire Maltese financial services sector will enhance the MFSA's ability to uphold its main statutory objectives to safeguard market integrity, consumer protection and financial stability.

Commenting on the publication, Kenneth Farrugia, Chief Executive Officer of the MFSA, said: *"Our Supervisory Priorities for 2025 reflect the MFSA's continuous commitment to addressing the evolving challenges and opportunities within the Maltese financial services industry. Building on the successes of our compliance outcomes-based approach, we aim to deliver measurable regulatory results that support sustainable growth and robust governance and compliance standards within the sector. Collaboration with national and international stakeholders remains paramount to our mission as we continue to enhance our supervisory effectiveness."*

The 2025 supervisory priorities expand upon the strategic objectives set out in the MFSA Strategic Statement published in 2023, namely delivering agile and proactive regulation; sustaining a resilient, internationally networked financial sector; promoting good governance and compliance; embracing innovation; and engaging with the public.

The MFSA is once again highlighting seven supervisory priorities, which are Governance, Risk and Compliance (GRC); Financial Crime Compliance; Consumer Protection and Education; Resilience of Supervised Entities; Sustainable Finance; Digital Finance; and Cross-Border Supervision.

The MFSA's Chief Officer Supervision, Christopher P. Buttigieg commented on the publication: *"The compliance outcomes-based approach to supervision has proven to be an*

effective tool in achieving regulatory results and complementing our risk-based framework. In 2024, we engaged extensively with industry stakeholders, conducting over 1,000 supervisory engagements and providing clear guidance to bolster compliance and transparency. In 2025, our focus will remain on refining this approach, addressing emerging risks, and working closely with stakeholders to further enhance the resilience and integrity of Malta's financial sector. Our priority also remains on maintaining the effective supervision of cross-border business and aligning with the European Supervisory Authorities' focus on supervisory convergence. We will continue to ensure our priorities converge with our EU peers, fostering greater supervisory consistency and collaboration across the Union."

The MFSA 2025 Supervisory Priorities document can be found on the [MFSA website](#).

About MFSA

The Malta Financial Services Authority (MFSA) is the single regulator of financial services in Malta, covering banks, insurance companies, investment services, trusts and pensions. In 2018, the MFSA became the first European regulator to develop a framework to regulate virtual financial assets. The MFSA's mission, as enshrined in its Strategic Statement, is to enhance its position as an independent, proactive and trustworthy supervisory authority with the main purpose of safeguarding the integrity of markets and maintaining stability within the financial sector, for the benefit and protection of consumers. The MFSA licenses over 2,000 entities to operate in the financial services sector.

