

14 April 2025

MFSA Notes Improvement in Issuers' Measures to Prevent Insider Trading

As the country's financial regulator, the Malta Financial Services Authority conducts ongoing checks on issuers to ensure that they are abiding by the requirements laid down by the Market Abuse Regulation (MAR).

MAR is a set of rules designed to prevent unfair trading practices in financial markets, such as insider trading and market manipulation. It ensures that all investors have access to the same information and that markets remain transparent and fair. For issuers, that is, companies whose securities are traded on public markets, following MAR is not merely a legal duty but a critical safeguard for investor trust and market integrity. Breaching these requirements can lead to severe consequences, including regulatory action taken by authorities like the MFSA.

As part of its ongoing supervision, in 2024, the MFSA engaged with 28 issuers having financial instruments admitted on a Maltese trading venue in a data gathering exercise, to analyse their Lists of Insiders and the communication that is exchanged with these insiders. Overall, the Authority has noted increased levels of compliance in terms of the drawing up and maintenance of these lists, both permanent and temporary ones.

According to the regulations, drawing up and updating a temporary List of Insiders is mandatory. Through this exercise, the MFSA found out that the majority of the issuers had both temporary and permanent insiders lists in their possession. Moreover, almost all of the sampled issuers were using the Authority's latest templates made available on its website. Issuers are required to use these templates since the inclusion of all the information prescribed within them is fundamental for the MFSA to carry out proper market monitoring.

The MFSA noted that over 80% of issuers had been retaining the List of Insiders for a period of at least five years after they had been drawn up or updated. Additionally, the majority of the issuers had devised detailed communications, albeit improvements are necessary on the timing of these communications, in that issuers are to ensure they notify any new insiders of their obligations immediately.

Head of Capital Markets Supervision Lorraine Vella said: *"Market integrity and transparency are essential for building investor confidence in financial markets. By complying with the Markets Abuse Regulation, issuers contribute to a fair and level playing field, preventing anyone from gaining an unfair advantage through undisclosed or misleading information. To*

communicate these findings to the sector, the MFSA issued a [Dear CEO Letter](#), which also provides further guidance on the requirements stemming from the respective Regulation.”

While the MFSA welcomes the positive findings of this exercise, it reminds issuers of their continued obligations under MAR, and encourages them to imminently address any shortcomings identified, mainly related to the contents and timing of the communications sent to their insiders.

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.

