



# Strategic Statement

Securing our future as a resilient  
and efficient jurisdiction

February 2023

**MFSA** MALTA  
FINANCIAL  
SERVICES  
AUTHORITY



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# Chairman's Foreword



Global financial services had to navigate through very material challenges and unprecedented levels of uncertainty over the last three years. The Maltese sector and the Authority have managed to steer through these times, vigilantly with high levels of adaptability and resilience. As the pandemic impact eased off, this time was meant to be, what theorists referred to as the 'new normal'.

However, the path ahead in the near term, the term of this strategic document, is not linear or indeed normal. The jurisdiction and the market operators, irrespective of sector in which they operate, are linked to both the national and the wider global dynamics which remain uncertain with shrinking economic outputs. Ongoing geo-political events and economic challenges (such as rising inflation and energy / sustainability market dynamics) require that as a jurisdiction, Malta puts extra focus on financial stability and system resilience while addressing the challenges that are being faced.

Continued developments in the sector, such as those in sustainable finance and digital finance foster new opportunities that must be more determinately considered in order to remain aligned with the regional and global scenarios. Malta's size and agility as a jurisdiction will continue to leverage our flexibility and adaptability, in as long as the regulatory and supervisory burden is kept under review with the aim to keep it efficient and outcome driven.

It is against this dynamic and uncertain strategic and operational backdrop that this strategic statement was formulated and sets objectives and priorities for the Authority for the next three years. The five strategic pillars under which these priorities are grouped are longer and more enduring in term and provide clear direction and stability to the sector, yet allowing sufficient latitude to the Authority to adapt and recalibrate as the time and conditions may require.

The Authority will continue to cultivate a healthy and open dialogue with its stakeholders in order to keep its focus relevant and timely, seeking outcomes that satisfy its statutory mandate of financial stability, market integrity and consumer protection in the near and longer term.

The Board of Governors thanks all the stakeholders and staff for their valuable input which makes us confident the journey embarked on stands on a sound footing.

A handwritten signature in blue ink that reads "John Mamo". The signature is fluid and cursive, with the first name "John" and last name "Mamo" clearly legible.

**Prof. John Mamo**  
**Chairman**

# CEO's Message



We all acknowledge that the intensity of regulation and supervision of financial services has grown significantly in the wake of the financial crises and as a result of closer EU market integration. The spectrum of regulation and supervision of the sector is also widening, such as with the addition of digital finance and sustainable finance at EU level. This is seen as bringing in more complexity, inter-relatedness and what are often considered 'additional burdens', albeit also opportunities that may be tapped, beyond the more established sectors. This is indeed also the experience of the Authority.

It is within this strategic context that the Authority has devised the format of this strategic plan. As its main thrust, there lies a strong and renewed commitment towards increasing efficiency, effectiveness and adaptability both for the Authority, internally, and for its stakeholders. This plan also recognises that delivery along such a thrust requires continued investment and focus on the two main drivers: namely: capacity and its people, and digitalisation of processes.

The 27 strategic priorities the Authority will pursue for the term of this strategy are grouped thematically under 5 strategic pillars; and namely: Delivering agile and proactive regulation; Sustaining a resilient, internationally networked financial sector; Promoting good governance and compliance; Embracing innovation, and Engagement with public. It is indeed intentional that these five pillars all matter to the Authority and to its stakeholders be they other national and European supervisory agents, market operators and, importantly, consumers and the economy at large which the sector supports.

This strategy is a result of contributions from the MFSA staff as well as our consultations with industry and consumer associations, and other regulatory bodies. The Authority appreciates the feedback it receives on its initiatives and activities from across the spectrum of society and shall actively continue to encourage this participation in the planning processes. It considers this pivotal and shall continue to cultivate a healthy and open dialogue with its stakeholders in order to keep its focus relevant, timely, and trained on achieving outcomes that satisfy its statutory mandate of financial stability, market integrity and consumer protection in near and longer term.

I would like to thank all the Authority's staff for their unwavering dedication and commitment that will undoubtedly steer us and the sector ahead. We are confident that with the cooperation of all stakeholders we can look forward to securing our future as a resilient and efficient jurisdiction.



**Dr Michelle Mizzi Buontempo**  
**Acting CEO & Chief Officer Enforcement**

## Our Mission

To be an independent, proactive and trustworthy supervisory authority whose purpose is to safeguard the integrity of markets and maintain stability within the financial sector for the benefit and protection of consumers.

## Our Vision

To be a leading forward looking financial services regulator, having the respect and trust of the industry and the general public, contributing towards a strong and dynamic financial sector.

MFSA has just marked its 20<sup>th</sup> year as single regulator for financial services. Building on strong foundations that have withstood time and continue to be re-shaped by EU and global regulatory standards, the Authority looks forward to providing a resilient and sustainable supervisory platform to match the dynamic nature of the financial industry.



# Strategic Pillars

The background of the slide is composed of three distinct geometric sections. The top section is a dark navy blue, containing the title text. The middle section is a white triangle that points downwards from the top edge. The bottom section is a light beige or tan color, forming a trapezoidal shape at the base of the slide.

Set against a complex and rapidly evolving financial landscape, our corporate strategy identifies the high-level areas we will focus on to deliver on our statutory responsibilities in line with our mission and vision. These will in turn inform our business plans and help define our priorities over the short to medium term, specifically over the next three years.

Our strategic objectives are grouped under five pillars each with its own thematic subsets. These are:

- Delivering agile and proactive regulation
- Sustaining a resilient, internationally networked financial sector
- Promoting good governance and compliance
- Embracing innovation
- Engaging with the public

While we believe this format adds thrust to our efforts, the nature of the industry is such that these strategic workstreams continually interact with each other. Only by taking a genuinely connected approach to translating these factors into coordinated policy action and operational measures can we continue to meet our statutory objectives - financial stability, market integrity and consumer protection - over the long term.

Our longer-term success depends not only on having a clear strategy underpinned by our vision and regularly refreshed and revisited in the context of an evolving external scenario, but also on what measurable steps can be achieved along this path and how best we can get organised to drive this agenda forward.

We are therefore complementing our **Strategic Objectives** with a sub-set of intermediate **Strategic Priorities** against which we will be measuring our progress over the medium term. These are supplemented by two cross-cutting **Corporate Objectives** and related **Corporate Priorities** that serve as internal drivers for the kind of organisational change required to sustain our strategic effort – specifically, a focus on the development and well-being of our people and targeted investments in our systems and infrastructure.

Our prudential and conduct supervisory strategy as proposed in this document is further reinforced by the European supervisory convergence agenda set by the European Supervisory Authorities. This will see Union-wide strategic supervisory priorities firmly embedded in our supervisory programme for the coming years.

**Corporate Objectives  
sustaining our  
strategic effort**

The background features a dark blue upper section, a white middle section, and a light beige lower section, separated by diagonal lines.

## — People centred organisation – the development and wellbeing of our people

We will continuously seek to attract and retain the best talent based on a four-pronged strategy focused on the wellbeing of our employees, continuous professional development, a modern work design, and promoting an open, engaging, and dynamic organisational culture.

Ongoing investment in these areas will ensure the Authority is equipped with the best skills, competences and experience while maintaining the staff complement at an optimal level. Our Financial Supervisors Academy (FSA) will continue to provide supervisors and other staff members with every opportunity to further their professional training and development, and enable them to gain the necessary insights into the latest trends and knowledge in the field.

### Corporate Priority 1

**Enhance our working environment**, by promoting and projecting corporate values, internally and externally; revamping staff onboarding processes including employer branding to attract the required technical and non-technical skills; enhancing working conditions and embedding a leadership programme in the FSA curriculum.

### Corporate Priority 2

**Build on our knowledge base** by adopting management practices and systems designed to further empower staff and develop, organise and deploy our competences across the Authority's remit, particularly in new and emerging areas of financial activity and processes requiring regulatory and supervisory attention.



Our Financial Supervisors Academy will continue to provide supervisors and other staff members with every opportunity to further their professional training and development.



## — Digital transformation – targeted investments in our systems and infrastructure

While continuing to pursue EU regulatory best practices and developing our risk-based supervisory model, we will look towards the increased deployment of data and tech-based tools to define the required supervisory outcomes and will measure the results we aim to achieve.

The implementation of SupTech depends first and foremost on the consolidation and better use of supervisory data and data analytics. This is being addressed through a digitisation and digitalisation strategy that would allow us to enhance authorisation and supervisory workflow management, further streamline and automate processes, and embed our risk-based supervision into our systems and across all sectors. This will also aim to position the Authority to better engage with the European Commission's strategy on supervisory data and support the establishment of a common financial data space.

### Corporate Priority 3

**Further digitise and digitalise our business and operating systems;** strengthen our management information system; align our approach to supervisory risk, data collections and business workflows; upgrade our software platform and technology infrastructure, and enable the quantitative and qualitative assessment of progress on our strategic priorities.



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# **Strategic Objectives and Priorities 2023 - 2025**

# Delivering agile and proactive regulation

## — Operational efficiency and independence

The MFSA has been investing steadily in professional competences, information technology and in creating efficiencies in its core functions, including regulation, supervision and enforcement.

We will continue investing in capacity building focusing on two critical elements - human resources and digital transformation.

We will moreover make every effort to be well equipped to detect, investigate, and action issues of serious regulatory concern in a timely manner, as we deepen our ties with local and foreign regulatory bodies and law enforcement agencies.

We remain committed to reducing bureaucracy and to continuously improve the regulatory framework, with a view to improving the effectiveness, efficiency and overall customer experience in authorisation and other customer-facing processes.

We will also work to ensure greater transparency and accountability by continuing to update and increase the visibility of our regulatory, operational and enforcement policies and processes, and by maintaining a steadfast approach to policy development through informed and open consultation. We will do this as we seek to strengthen our financial independence through further efficiency gains and proposed changes to our institutional funding structure.



We remain committed to reducing bureaucracy and to continuously improve the regulatory framework, with a view to improving the effectiveness, efficiency and overall customer experience in authorisation and other customer-facing processes.



#### Strategic Priority 1

**Streamline supervision by taking a more agile, risk sensitive and data-driven approach:** by reviewing regulatory reporting systems, improving data quality standards and analytics, creating further synergies across the macro- and micro-prudential oversight framework to detect and address outliers and emerging risks, and speeding up the transition to an outcomes-based supervisory framework.

#### Strategic Priority 2

**Continuously improve regulatory processes** by strengthening and updating legal frameworks, avoiding gold-plating and unduly cumbersome features and processes, increasing transparency of supervisory and enforcement policies and procedures, continuing to address the timeliness and proportionality in authorisation and supervision processes.

#### Strategic Priority 3

**Increase operational efficiency through focused investment in our management systems,** physical and technological infrastructures, including premises modernisation, administrative and business support services, financial systems and processes, and communications.

#### Strategic Priority 4

**Strengthen financial and operational independence** through further efficiency gains, and propose changes to the institutional funding structure.



## Effective supervision

We will seek to better understand the underlying shifts in the financial landscape and initiate the policy work required to address any gaps that may evolve in regulation and supervision, adopt global regulatory standards in conjunction with our European peers, as well as connect with the public and other stakeholders.

Our onboarding and supervisory agenda will focus on governance, capital strength, risk management and business model sustainability, with an eye on medium- and longer-term structural risks, climate-related risks, cyber and technology risks, and risks arising from financial crime. We will also seek to further integrate and embed our macro-prudential, financial stability risk model into our micro-prudential oversight framework, leveraging on our data resource to prevent, mitigate and tackle emerging risk at micro-level.

By taking the appropriate initiatives, we will set standards of conduct and seek clear supervisory outcomes with respect to product manufacture and distribution, fair treatment, and service delivery. We will develop metrics to assess, recognise and improve choice, quality, product information, access to and standards of service provided to savers and other consumers.

We will keep a close eye on the pace of technological change and transformational trends in the banking industry, while directing our efforts towards the sustainable development and growth of the banking system, the consolidation of our supervisory processes, and the soundness of supervised entities, in line with the effective implementation of the [EU Banking Union](#) and in close collaboration with the European Central Bank and the European Banking Authority.

The extensive legislative and sustained policy agenda in the capital market will continue to be driven by the key objectives and actions embedded in the [Capital Markets Union Action Plan](#). We will continue to allocate the necessary resources and expertise to the timely implementation of



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the Action Plan to ensure that the Maltese capital market continues to develop and integrate into the single market for capital. In this context efforts will be directed towards helping the jurisdiction develop into a platform for the provision, launch and distribution of niche capital products and services on a cross-border level.

Inflation and other expected trends in the international and domestic market environment will also require heightened vigilance especially from a capital market stability and conduct of business risk perspective. This calls for a review of the regulatory framework, increased scrutiny of market practices, and a sustained focus on consumer education by all relevant stakeholders.

In terms of our legal remit, we will also contribute towards the strengthening of recovery and resolution, compensation, and consumer protection frameworks, in alignment with [EU legislation](#) and keeping to our proportional, risk-based approach.

In line with recent legislative changes, we will remain vigilant and ensure that trust and corporate service providers continue to develop and maintain systems that meet the required licencing conditions. Meanwhile we will place transparency, risk awareness and two-way communication at the centre of our push for continuous improvement in standards. Attention will be given to the coordination of the regulatory remit with that of other regulatory and enforcement agencies operating in the field.

#### Strategic Priority 5

**Contribute towards the effective transposition and implementation of Single Market legislation**, including drafting and consultation of relevant primary and secondary legislation, issuing and updating the relevant MFSA Rules, and communicating and applying the relevant provisions and guidelines.

#### Strategic Priority 6

**Streamline existing legal and regulatory frameworks**, and optimise the effectiveness of authorisation, compliance and supervisory processes based on clearly defined policies and supervisory outcomes.

## Strategic Priority 7

**Identify and monitor prudential and conduct risks** in a preventive manner; ensure a risk-based approach to supervision and set clear supervisory expectations and priorities with respect to regulated activities and products; develop new conduct of business risk models and dashboards based on data inputs from available resources.

## Strategic Priority 8

**Avoid and eliminate bureaucratic practices** that hamper rather than enhance the effectiveness of the supervisory and compliance framework, by prioritising the cost benefit approach within the relevant development and review processes.

## Strategic Priority 9

**Align our supervisory priorities with the single programming framework at European level, working within the European System of Financial Supervision and in coordination with the European Supervisory Authorities** to ensure convergence across all areas of supervisory activity; implement and adapt to changes in the Single Rulebook.

## Strategic Priority 10

**Address ICT risks and digital finance challenges with a focus on strengthening operational resilience within the framework of the Digital Operational Resilience Act (DORA)**. Collaborate with other stakeholders to contribute towards the delivery of the National Cyber Security Strategy.

## Strategic Priority 11

**Work with the Joint Financial Stability Board and the European Systemic Risk Board** and at the intersection of macro- and micro-prudential risk framework to protect the financial system from the build up of systemic risk.

# Sustaining a resilient, internationally networked financial sector

## — Pro-active engagement with other regulators and relevant stakeholders

In line with Malta's international responsibilities and commitments, we will seek to pursue our mission and vision, and continue to strengthen Malta's position as a dynamic, reliable, and trustworthy jurisdiction.

We will seek to engage with national, EU and international policymakers at an early stage in the policy cycle, seeking to take an active role in the policy discussion leading to formulation of regulation. Emphasis will be placed on critical areas that may impact the regulatory framework further down the line taking account of national specificities.

While working closely with other national authorities on legislative and policy matters, we will seek to optimise and leverage on our internal and external consultation processes to ensure that any policy-related issues impacting the sector are fully and comprehensively assessed and that any proposals made are sound, feasible and proportionate to the cause. Our active engagement with other regulatory agencies, industry associations and consumer bodies will pivot on our effort to obtain a balanced, all-round view on our policy work and initiatives taken in the context of the challenges and opportunities that are impacting the financial sector and the jurisdiction more broadly.

We will continue to work within the European System of Financial Supervision ([ESFS](#)) as a member of 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](#)), to preserve financial stability, promote market confidence and facilitate the single market in financial services through a common supervisory culture. As part of the Single Supervisory Mechanism ([SSM](#)) we will continue to deliver on our commitment to ensure the safety and soundness of the European banking system in our role on the SSM Supervisory Board, working in conjunction with the European Central Bank ([ECB](#)). As the National Resolution Authority, we will also continue to develop and maintain frameworks that ensure the orderly resolution of failing banks in accordance with the European Single Resolution Mechanism and in coordination with the Single Resolution Board ([SRB](#)).

We will also build on our membership of the International Organisation of Securities Commissions ([IOSCO](#)) and the International Association of Insurance Supervisors ([IAIS](#)) and develop our relationships with other signatories to the respective Multilateral Memorandum of Understanding. Additionally, we will maintain our active collaboration with other international

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supervisory bodies, including the International Monetary Fund (IMF) and the Organisation for Economic Cooperation and Development (OECD). Therefore as we adapt to the changing economic environment, we will continue to ensure that Malta maintains its high standards of regulation and consistently adopts timely and appropriate supervisory measures to address any emerging financial stability risks.

While maintaining the initiative to support the national strategic effort to widen and deepen the financial services offering, the Authority will collaborate closely with the Central Bank of Malta and other national authorities to maintain the sustainability and soundness of the financial system, further develop our crisis management framework, and maintain a high level of crisis preparedness.

#### Strategic Priority 12

**Intensify efforts to maintain and build new inter-institutional relationships** focused on collaboration, alignment of policy positions and consistency of supervisory approach.

#### Strategic Priority 13

**Develop informed, early-stage, co-ordinated policy positions** and enhance the level of policy engagement at EU and international level in key strategy areas.

#### Strategic Priority 14

**Maintain an open, healthy and transparent approach to consultation** that ensures market fairness and inspires confidence among consumers and industry stakeholders.

#### Strategic Priority 15

**Engage with counterparts to address gaps and overlaps in regulation**, eliminate duplication in data-reporting, and further facilitate the interoperability of data infrastructures.

#### Strategic Priority 16

**Develop a high level of crisis preparedness within our internal structures, while seeking to improve the crisis management framework at national level** in collaboration with our peers, including the development of an administrative insolvency framework for banks.

## — Relentlessly combating ML/FT and all forms of financial crime

On an operational level, the Authority will continue to collaborate closely with Malta's Financial Intelligence Unit (FIAU), other regulators and law enforcement agencies tasked with safeguarding against criminal abuse of the financial system and sustaining the fight against money laundering and other financial crime. This collaboration also extends to initiatives taken at the inter-institutional and policy level, including the national risk assessment, within the framework provided by the National Coordinating Committee on Combating Money Laundering and Funding of Terrorism ([NCC](#)) and the National AML/CFT Strategy.

The Authority also looks forward to further collaboration with national and European authorities in the context of the [AML-CFT Legislative Package](#) and the setting up of the [EU AML Authority \(AMLA\)](#) as an integrated platform of EU AML/CFT supervisors that will also interact with financial supervisors to promote greater convergence, co-ordination and high AML-CFT supervisory standards across the Union.

#### Strategic Priority 17

**Implement national and EU AML/CFT Strategy within the sector**, in co-ordination with relevant policy-making institutions and supervisory agencies, while further adopting and adapting to the relevant policies and systems in line with our risk-based approach.



We will place transparency, risk awareness and two-way communication at the centre of our push for continuous improvement in standards.



## Promoting good governance and compliance

### — Industry outreach

Governance, risk management and control systems, along with strong compliance frameworks are the mainstays of the industry. A strong compliance culture contributes to efficient regulation by placing consumer interests at its core, preserving market confidence, and maintaining stability in the financial system. A sustained effort to ensure a high standard of compliance across the sector is key to securing the business objectives of the Authority and critical to the successful implementation of this strategy.

Given the degree of trust placed in it by society in general, the financial industry is also expected to be a beacon of good corporate governance that not only aims for the highest standards of business conduct but spurs users of the financial system, including investee companies, to observe good governance principles and pursue sound management practices. Only in this way can the capital which the industry is entrusted with be fairly and safely deployed and its benefits properly reaped. We will therefore ensure that high corporate governance standards remain at the forefront of our agenda and that sustainability and reputational risk are also placed firmly on this platform.

The Authority's guidance and outreach programmes will continue to have a strong focus on fostering a compliance and good governance culture to the benefit of consumers and the financial market as a whole.

Strategic Priority 18

**Place our good corporate governance programmes on a durable platform** that promotes the highest standards of governance across the financial sector and its users, also highlighting their relevance to investee companies, SMEs and consumers; continue to update and align our Rules to the principles set in our Good Corporate Governance Code taking a proportionate approach.

Strategic Priority 19

**Launch compliance initiatives designed to ensure, build and maintain confidence levels** by developing appropriate compliance metrics and standards, communicating clear supervisory guidance and expectations, making use of regulatory powers to keep poor conduct in check, taking timely and proportionate enforcement action and calling out bad practices.

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# Embracing innovation

## Sustainable finance

Sustainable finance is a globally driven, systemic development that demands priority attention. There is little by way of sectoral legislation that will not be impacted by the [EU's Sustainable Finance Strategy](#). The need to integrate the key legislative elements in the prudential and conduct supervisory regime, even as the finer details in this [Package](#) are being put in place is a big ask, but one that requires our close attention, nonetheless.

We will concentrate our efforts on developing our capacities to meet the challenging supervisory responsibilities in this area, integrate ESG market monitoring and risk assessment into our processes, and develop the tools to ensure transparency and tackle greenwashing. We shall also seek to engage with the European Supervisory Authorities, the European Commission and industry stakeholders to ensure convergence and adopt a best practice approach in this area.

### Strategic Priority 20

**Seek to adopt a best practice approach in the ongoing implementation of an integrated sustainable finance supervisory framework** that facilitates the attainment of national sustainable finance goals in line with Malta's international commitments.

### Strategic Priority 21

**Develop our expertise and capacities to meet the new supervisory responsibilities,** integrate ESG market monitoring and risk assessment into our processes, articulate and communicate supervisory expectations, and develop efficient reporting systems and supervisory tools to ensure transparency and tackle greenwashing.

## Digital finance

There is also no doubt that digitalisation will continue reshaping the way financial services will be provided in the future. This brings on new challenges and opportunities, as well as new financial and operational risks for which we must be prepared. Supervisors will need to have trust in new technologies which regulated entities may rely on not just to do their business but particularly to carry out their governance, risk management and control functions. The same will apply to their products and underlying processes that are increasingly based on leading edge technology that may in turn quickly be superseded.

Working closely with our counterparts in the EU and other regulators, we will keep Fintech and BigTech developments under review, particularly where these move into financial service provision. We will seek to better understand the non-financial risks and the potential for technology driven growth in the sector while seeking to develop appropriate policy responses wherever needed and to reflect these in the prudential framework. We will also make further investments in training and technology to improve our regulatory and supervisory processes and define the outcomes we seek to achieve.

There is no doubt that the next three years will be a watershed given the acceleration in the implementation of EU strategy in this area. Through its participation in EU strategic and supervisory fora, the MFSA is heavily engaged in this pan-European implementation process, while in its capacity as advisor to government on policies in the field of financial services, the MFSA will leverage on its strengths and competences to ensure that Malta becomes the leading jurisdiction in the transposition and absorption of the [EU Digital Finance Package](#).

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**Strategic Priority 22**

**Ensure a holistic and effective implementation of the Digital Finance Package**, while engaging with other public authorities as necessary and taking into consideration national specificities.

**Strategic Priority 23**

**Engage with our peers at national, EU and international level** to optimise and develop new supervisory techniques and strategies to facilitate innovation in a sustainable manner.

## **New business models**

The regulation of the payments industry as a hub of developing digital activity, the evolution of open finance and online and multi-channel delivery platforms, together with further evolution in digital financial products and decentralised infrastructures, will remain areas of strategic focus. Regulators will seek to develop new regulatory concepts and supervisory techniques to mitigate the inherent risks while allowing innovation to enhance the financial services offering and Malta's potential as a jurisdiction. We will factor this into our longer-term planning processes while ensuring that any necessary legislative interventions are made in a timely manner.

We will support and encourage versatility, diversification, and sustainable competition in the capital markets by providing sound, clear and proportionate standards, backed by thorough oversight and effective supervisory interventions. Ongoing updates in investment services frameworks and processes will be complemented by a focus on strategic needs in the asset management sector, including efforts to increase choice and reduce concentration risk in custody service provision.

The extensive legal infrastructure underpinning the insurance market, coupled with technology, and the increasing availability of local actuarial expertise and other specialisations could unlock further potential in this sector, providing increased scope for tailored insurance services and specialty products. We will aim to enhance supervisory competences in this regard, while also seeking to update the regulatory frameworks for pensions administrators and service providers, and make increased use of data analytics in the supervision of retirement schemes. Focus on governance, conduct, and risk management of service providers in this area remains ongoing.



We will support and encourage versatility, diversification, and sustainable competition in the capital markets by providing sound, clear and proportionate standards, backed by thorough oversight and effective supervisory interventions.



Yet more changes in business models are happening across all sectors in the wake of the Covid pandemic, driven by new work practices, rapid adoption of remote working technology, and changes in work habits and preferences. These are impacting the business model and the work environment not least with regard to labour supply and skills availability. Companies are finding that employees are less disposed to take up jobs abroad, particularly when they can work from their home country or a preferred third country and choose from a range of job opportunities on offer. This has taken competition for human resources to another level, placing tech-based activity at an advantage. Regulation must keep up with these changes and find ways to help regulated entities to overcome these challenges and remain competitive.

Solutions must be sought to mitigate the risk of disruption, instability, and reduced access to financial services to the detriment of the economy and the community at large, as a result of changing work patterns and business practices. These could include a review in outsourcing policies particularly for non-core activities and new approaches to regulating cross-border activity.

#### Strategic Priority 24

**Evaluate emerging and innovative business models** to understand the regulatory implications, emerging gaps and risks with a view to implementing any policy changes required; communicate the Authority's risk appetite vis-à-vis new and emerging business models; review outsourcing policies starting with non-core activity and promote discussion at European level.

# Engaging with the public

## — Consumer education

We believe in and will strive to continue providing consumers with tools to help them make informed choices and decisions, as we continue to support responsible access to services and fair competition.

Educational initiatives will be taken to promote a better understanding of the types of products and services on the market and related risk factors, as well as consumer rights and the elements of responsible investing, among the various consumer cohorts. We will also encourage trainer training in collaboration with educational institutions.

Consumer enquiries will also be dealt with expeditiously and feed into our consumer campaigns to ensure that information gaps and issues of concern are better targeted. The effectiveness of these campaigns will also be regularly assessed.

### Strategic Priority 25

**Engage with the Malta Competition and Consumer Affairs Authority and other public institutions, consumer associations and the public**, to improve financial literacy and consumer awareness; leverage on lessons learnt to deliver impactful information; assess the effectiveness of consumer education initiatives through periodical consumer behaviour and public perception surveys.



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The Authority will continue to seek new ways of working with educational institutions and professional training bodies to secure a healthy flow and availability of skills in the sector.

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## — Open and approachable regulator

As the pace of regulatory development in the sector continues to place demands on regulated entities whatever their size or business model, we will provide regular briefings and good practice guidance to help the industry achieve the expected level of preparedness as regards the implementation of new EU and national legislation.

Conditions permitting, we will increasingly complement our online events with physical ones wherever we feel these could deliver better results. We will also ensure that our outreach programmes not only maintain a balance between the information needs in the various sectors, but also serve as a channel for gathering feedback on important issues and developments in a structured and transparent manner.

### Strategic Priority 26

**Increase our regular engagement and outreach initiatives** aimed at generating confidence and trust in the industry by placing the fair treatment of customers at the core of the business culture and values; continue with regular industry briefings aimed at attaining expected levels of preparedness in relation to new legislation and regulation; further enhance our methods of gathering structured feedback from industry associations and other key stakeholders in relation to our work.

## — Collaborating with educational institutions and professional training bodies

The financial sector has provided new and exciting job opportunities over the years and continues to generate innovative and challenging job profiles in tech-based and digital finance, global risk and insurance, sustainable finance and ESG, business intelligence and AI and a host of other areas. It remains dependent on and can only thrive if it continues to attract high-calibre professionals to sustain the momentum in this ultra-dynamic sector.

The Authority recognises this need for new talent to ensure continued resilience and support growth and will continue to seek new ways of working with educational institutions and professional training bodies to secure a healthy flow and availability of skills in the sector.

### Strategic Priority 27

**Work with public and private institutions to identify employment needs, develop training opportunities and new ways of attracting top talent to the sector.**



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