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Wednesday 13th September 2023

SPOTLIGHT ON FINANCE IN MALTA

Against a backdrop of global financial expansion and digitalisation, whilst competing in a saturated European market, Malta's economy continues to thrive

Writer: Lily Sawyer | Project Manager: Ben Weaver



In recent years, Malta has flourished into a vibrant international financial centre and one of Europe's most competitive investment locations. Unafraid to set itself ambitious targets, the Maltese economy has cultivated a reputation for excellence.

Despite being the EU's smallest member state, the country boasts a booming economy with a high annual gross domestic product (GDP), characterised by a financial surge that has elevated Malta's GDP by over six percent in 2022, with the figures continuing to trend upwards since.

According to the Office for National Statistics (ONS), in Q3 of 2023, Malta's GDP grew by 7.1 percent in volume terms year-on-year, after enjoying growth of 6.4 percent and 5.4 percent respectively in the previous two quarters.

Financial services are integral to the Maltese economy and represent 11 percent of the country's rising GDP. Ranging from financial institutions to insurance, asset management to entities, Malta's financial services provide everything from payment services to compliance whilst playing a pivotal role in supporting the economy.

As such, the stock position of foreign direct investment (FDI) in the country amounted to €460.8 billion in December 2022. A staggering 97.7 percent of this total was generated by financial and insurance activities.

As the nation continues to prosper, Malta has set its sights on becoming a global leader in the world of digital finance. Whilst investment into profitable financial services such as pensions, payments, and securitisation have historically been the country's bread and butter, blockchain technologies are now seen as key to sustaining growth. As such, FinTech entrepreneurs and investors have flocked to the country.

Furthermore, the island has garnered global respect for its decision to regulate distributed ledger technologies (DLTs) amidst a digital finance revolution. Alongside its steadfast vision for the continued development of the financial services sector, Malta's belief in a strong regulatory environment for the blockchain sector safeguards its future.

Having positioned itself as a worthy contender amongst Europe's finance stalwarts, Malta's economy emerges as a force to be reckoned with. →



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Trident Trust is a leading global corporate fiduciary and fund administrator, employing over 1,000 staff in more than 20 jurisdictions across a footprint that spans Africa, the Americas, Asia, the Caribbean, Europe, and the Middle East.

In our 46th year of operation, our enduring independence stands as a cornerstone of our long-term success. As one of the few privately held global businesses in our sector, we are able to focus on investing in the long-term stability of our business and the quality and continuity of our services. This unique position allows us to offer clients a stable and personal relationship, unaffected by conflicts of interest, short-term financial priorities, or changes in ownership.

Our forward-thinking investment in technology fosters operational efficiencies for our clients, ensuring our services remain current in the rapid development of the global financial services industry. Amidst today's technology-driven landscape, our commitment to being a people-led and client-focused business remains paramount, ensuring that clients receive tailored solutions and expert guidance. By prioritising meaningful relationships, understanding unique client needs,

and staying agile in response to evolving demands, we cultivate trust and loyalty while providing value-added service that extends beyond transactional interaction.

Our Commitment to Malta

Our presence in Malta since 2011 underscores our belief in the jurisdiction's potential and our dedication to supporting its development. Today, Trident Trust Malta is one of the largest members of the local financial services industry and is regulated by the Malta Financial Services Authority. We provide a full range of services to Maltese companies, funds, trusts, and foundations, as well as liquidation services for local structures, and assist with regulatory services such as directorships, compliance, MLRO and risk management on Maltese regulated structures.

Through our membership with Finance Malta and continued investment in talent, technology, and collaborative partnerships, we remain steadfast in our commitment to contributing to Malta's success and have established

ourselves as a reliable partner for local financial services practitioners serving international clients. Our approach includes fostering collaborative relationships through annual networking events and expanding networking activities to enhance cooperation and growth within the local industry.

Our People

We are dedicated to hiring talent embodying our core values of reliability, responsiveness, attention to detail, and personal service. With our diverse team now numbering over 80 staff, as we expand, we remain committed to ensuring that we have the right people in every role, from business development to relationship management and administration. We prioritise the long-term growth and development of our employees, fostering a culture of mutual respect, cooperation, and teamwork.

Through ongoing training and support from senior management, we empower our staff to excel in their roles, placing clients at the forefront. Our core management team, largely unchanged over the years, plays a pivotal role in establishing a professional, collaborative, and trusting relationship with our clients and colleagues, enhancing our effectiveness as a global team.

In 2023 we were proud to top the list of best places to work in Malta in Esprimi's Employee's Voice Awards, based on our employee engagement and satisfaction, and we are an ACCA-Approved Employer for both trainee and professional development programmes.

Our Network of Trusted Partners

Fostering strategic partnerships with trusted law firms, accounting firms, tax advisors, and other intermediaries both in Malta and internationally is a contributor to our success and the satisfaction of our clients. We leverage our extensive network of professional relationships to tailor bespoke services that meet the unique needs of each client. With our global reach and cross-jurisdictional expertise, we are well-equipped to find solutions that span multiple jurisdictions, ensuring comprehensive support and seamless operations for our clients.

Doing Business in Malta

Malta's reputation as a jurisdiction of substance with a robust hybrid legal framework makes it ideal for cross-border investment and business growth. As an EU member state and international financial centre, Malta offers a stable environment for investors and businesses. Its location at the crossroads of Europe, Africa, and the Middle East provides strategic access to key markets, facilitating global trade. The jurisdiction's progressive regulatory environment, coupled with its attractive tax incentives and supportive government policies, enhances its appeal to international investors seeking to establish a presence in the region. With its growing recognition as a hub for innovation and entrepreneurship, Malta continues to attract interest in its financial services.



Trident Trust Malta Management Team: (from left) Aaron Sammut (Director – Head of Fund Services), Janice Copperstone (Director – Trustee and Corporate Services), Josianne Cascun Montebello (Director – Trustee and Corporate Services), Keith Zammit (Director – Fund Services), and Albert Cilia (Managing Director)

Navigating Malta's Regulatory Landscape: Strengthening Compliance Measures

Acknowledging the challenges brought about by Malta's grey listing by the Financial Action Task Force (FATF) in June 2021, we embraced these obstacles as opportunities for growth and innovation. Our strategic approach prioritised enhancing compliance measures, fostering transparent communication with regulatory authorities, and fortifying anti-money laundering policies. Through staff training and legal guidance, we reinforced our culture of compliance, emerging stronger and reaffirming our commitment to adaptability in the face of regulatory challenges. This experience not only strengthened our office but also underscored Malta's resilience as a jurisdiction when it was removed from the grey list in August 2022.

Where We are Heading

Reflecting on our organisational culture, we can proudly state that our Malta office embraces the Trident Trust Group DNA of entrepreneurship. Our young and energetic team possesses a problem-solving mentality and keeps us well equipped to address the evolving needs of our clients. As we continue to uphold a forward-thinking mentality and pragmatic approach, our goal is to adapt to evolving market dynamics and keep identifying opportunities for sustainable growth and delivering value and excellence to our clients.



Photographer: Inigo Taylor for Whoswho.mt.

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INTERVIEW: FINANCEMALTA

We speak to Chairman, George Vella, about the role of FinanceMalta in supporting the country's economic growth

As it seeks to attract FDI and promote Malta as an international financial centre, FinanceMalta is a multifaceted organisation that has made important and ongoing contributions to a thriving national economy over the years.

Primarily, FinanceMalta's remit is to promote the country as a financial services jurisdiction by attracting global operators, as well as providing networking and partnership opportunities to existing operators.

The organisation's overall goal is to grow the Maltese financial services sector into a robust and innovative investment hub.

EME Outlook (EO): Firstly, could you talk us through the origins of FinanceMalta?

George Vella, Chairman (GV): FinanceMalta came into being in 2007, soon after Malta's decision to enter the EU and just a year before its entry into the Eurozone.

The Malta Financial Services Authority (MFSA) had been officially set up through legislation five years prior, and there was political consensus about the importance and potential of the financial sector, especially as the island was trying to wean itself away from its past dependence on industry and instead move towards a more balanced economy.

Bearing in mind that Malta has few natural resources aside from a well-educated workforce with a positive work ethic, financial services seemed the best way to nurture the country's economy, and perfectly complemented tourism and other existing service industries and infrastructure.

Given Malta's proximity to Europe, the opportunities offered by EU membership, and the beneficial air and sea connections that we have seen since, the decision has proven to be a wise and prescient one.

EO: What is FinanceMalta's overall mission, and how have you set out to achieve it?

GV: FinanceMalta is there to coordinate all the resources of the industry and government to ensure Malta maintains a modern and effective legal, regulatory, and fiscal framework. We believe that this enables the growth and prosperity of the financial services and FinTech sectors.

One key aspect of our mission is to promote the nation as an international business and financial centre not



FinanceMalta members meeting 2024

**MALTA'S FINANCE SECTORS
- AT A GLANCE**

Credit and financial institutions – Several local and international credit institutions have a presence on the island.

Environmental, social, and governance (ESG) – The country's commitment to ESG aligns with global efforts to address environmental challenges.

Family offices and private wealth – Malta offers all the favourite investment vehicles to high-net-worth individuals and families.

Insurance and reinsurance – The island offers security and opportunity for those looking to enter the insurance industry.

Investment funds and asset management – Malta possesses a strong ecosystem supported by overarching comprehensive legal and regulatory framework.

FinTech – Malta participates in the regulation of emerging technologies such as blockchain, artificial intelligence (AI), and machine learning (ML).

only outside Malta, but also within the island itself. This is important since the jurisdiction thrives thanks to the ecosystem that has grown here, from financial to legal and compliance operators, to name a few.

EO: What is your current take on the financial industry in Malta?

GV: At the risk of sounding biased, the financial industry in Malta is, indeed, exciting.

The country has created a niche which has thrived thanks to a number of factors, such as an approachable regulator, forward-thinking legislation which has given us a competitive advantage, and the cosmopolitan nature of the workforce, which has brought a tremendous dynamism and a breathtaking pace of innovation.

Of course, this sort of growth brings challenges – not to mention scrutiny – and Malta has been working hard to constantly improve the fight against tax evasion, information collection on ultimate beneficial ownership, and more effective information sharing with local and international authorities. ▣

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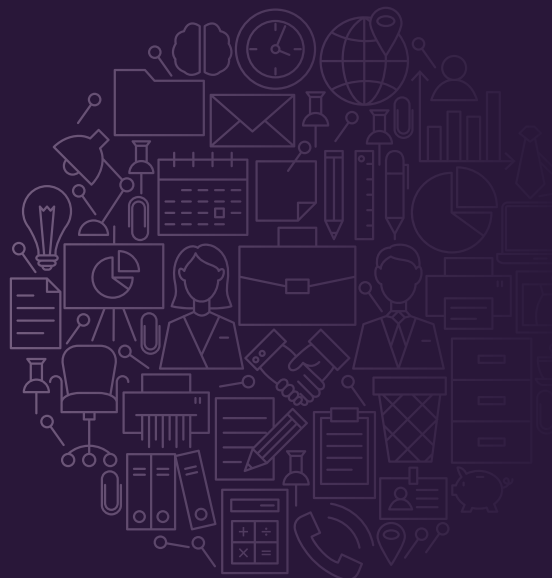
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Malta-based FinTech, Finance Incorporated Limited, Driving Digitalisation and Inclusivity in Malta

Since 2015, Finance Incorporated Limited (FIL) has been on a mission to modernise financial services through digitalisation.

With a goal to enable costless financial transactions more widely across the financial sector, FIL has embraced the future of financial services, and the advanced technologies associated with it.

As a group of committed experts, the company has the means and the expertise to develop technology that will catalyse a digital movement, where it is not otherwise available, which allows the company to deliver integrated financial solutions that would fit the customer's specific needs.

Primarily, the company delivers E-Accounts and a full range of transaction infrastructure services, including card issuing and acquisition services, VPOS and SoftPOS products.

Digitalisation and Inclusivity

To action its promise to digitalise financial services for all, FIL deploys a range of products and services aimed to provide seamless solutions to corporations, individual customers, institutions, as well as small business owners.

The company boasts a reliable infrastructure that is able to process transactions with nearly limitless scalability, and the company is proud to process more payments than any Electronic Money Institution (EMI) in Malta.

With access to virtual POS, card issuing, acquiring, and high-volume transaction processing, FIL has emerged as the partner of choice for a growing list of banks and institutions. Firstly, Paymix Pro offers solutions to corporate clients, in the form of business accounts that are optimised to generate

speed and efficiency of transaction, whilst monitoring and processing significant volumes of payments.

FIL recognises that the business of tomorrow needs an agile, transparent, and efficient alternative to traditional banking which is why Paymix Pro is designed to enhance business finance with instant movement of funds across currencies and borders.

The company recently launched Paymix SoftPOS which allows merchants, small business owners, and freelancers to accept contactless payments using their own Android phone. The app offers seamless sign-up process, user-friendly interface, paperless receipts, and immediate access to funds.

iPaymix offers an alternative banking solution for individual customers. An E-Wallet that allows easy access to E-Money and personal accounts, iPaymix is easy to use and applicable to everyone.

Finally, FIL's infrastructure and white label solutions are designed to help businesses save resources and time, providing clients with customised solutions according to their business needs.

FIL prioritises innovation within its workforce and strives to carve out the technologies and products that will be relevant to the financial services landscape of the future.

The company embraces the rapid development of technologies that, in future, will nurture and promote intelligence within the industry.

It is hoped that FIL's 'mix' of financial solutions will continue to deliver even more functionality for its clients and increase rapid access to accounts to those who need it most.

In embracing a digital transformation, FIL feels a sense of pride in its role within the industry. Beyond profits and commerce, the company sees the potential to shape a more equitable social landscape – a beacon of hope shining brightly on the path towards financial equality.



These were the key points highlighted by the Financial Action Task Force (FATF) in a review some years ago, which Malta has fully taken on board, as it realises that in financial services, perhaps more than any other sector, reputation is a key element to success.

EO: What fundamental role does the financial sector play within the Maltese economy, and how pivotal is FinanceMalta's role in supporting the country's economic growth?


GV: In terms of the financial sector's role in the Maltese economy, the figures speak for themselves. Over €550 million in the first three quarters of 2023 – the latest official figures available from the ONS – came from financial and insurance services, out of €14.5 billion GDP.

FinanceMalta is a public/private initiative that has over 200 corporate members representing every sector in financial services, so it is fair to say that we have a major role to play.

“THE FINANCIAL INDUSTRY IN MALTA IS KEEN TO BE INNOVATIVE AND AGILE IN THE PROVISION OF ITS SERVICES, WHILST ENSURING THAT DUE DILIGENCE AND COMPLIANCE REMAIN AT THE FOREFRONT OF ITS PROCESSES”

– GEORGE VELLA, CHAIRMAN, FINANCEMALTA

EO: How does FinanceMalta promote the country as a business and financial hub, both nationally and internationally?

GV: Just last year, FinanceMalta participated in or organised over 90 promotional initiatives which included 

Malta

The Ideal Jurisdiction for Start-up Managers



Malta has made a name for itself as a jurisdiction for a variety of funds, fund managers, and other asset servicing companies. It provides a flexible array of investment structures and fund products that can be customised to meet the various requirements of fund promoters, especially for start-ups and smaller funds. This has been instrumental in attracting start-up managers as well as fully-fledged Alternative Investment Fund Managers (AIFMs).

Despite the introduction of the AIFM Directive which has completely redesigned the hedge fund industry, Malta has still retained its popular Professional Investor Funds (PIFs) regime, which now serves as a niche market for funds which do not exceed €100 million. As of recently, a fast tracked solution is also being provided through the newly Notified Professional Investor Funds (NPIFs) regime. NPIFs will be subject to a notification process and will not be licensed by the Malta Financial Services Authority (MFSA), allowing promoters to therefore benefit from lower setup and other operational and regulatory costs. Most importantly, the NPIF regime acknowledges time-to-market pressures since the MFSA will include a NPIF in the List of NPIFs within 10 working days from the filing of a complete notification request.

The MFSA, which is regarded in the industry as a dynamic and approachable regulator enforcing laws within the financial services sector on the basis of transparency, good governance, and proportionality, oversees an inventive, flexible, yet robust regulatory environment that contributes to Malta's appeal as a jurisdiction of choice for the fund industry. Furthermore, in comparison to other EU jurisdictions, the Maltese fund industry enjoys low operational costs, especially when it comes to fund setup, ongoing licensing fees, and compliance expenditures.

Besides vaunting cost-effective set-up and operational costs, Malta has also an advantageous tax regime for companies and shareholders who are not residents in Malta.

BOV Fund Services Limited

As one of Malta's most reputable and well-known fund administrators, BOV Fund Services Limited (BOVFS) is governed by the MFSA and holds a Class C Company Service Provider license under the Company Service Providers Act of 2013.

The services provided to fund managers and fund promoters cover a comprehensive range of fund administration services including Fund Accounting and Fund Valuations, Shareholder Registry, Company Secretarial and Registered Office services, as well as a full suite of regulatory reporting services, amongst others.

BOVFS offers also a Turnkey Fund Formation Service, which thanks to its all-encompassing nature, is a fast and efficient service, suitable and cost-effective for promoters. Indeed, at BOVFS we handle the entire process leading to the licensing of funds, covering the drafting and the collation of all application documentation to be filed with the Regulator.

Our value proposition places particular focus on key Operating Performance Indicators, that are monitored on regular basis, namely:

- timeliness and accuracy of reports;
- high data quality and integrity;
- minimisation of pricing errors;
- tailor-made Service Level Agreements.

At BOVFS, we pride ourselves in achieving year-on-year positive results on all Operating Performance Indicators, as evidenced through our regular Client Satisfaction Surveys. The ISAE 3402 quality certification further ensures that set standards are adhered to and maintained throughout and on an ongoing basis.



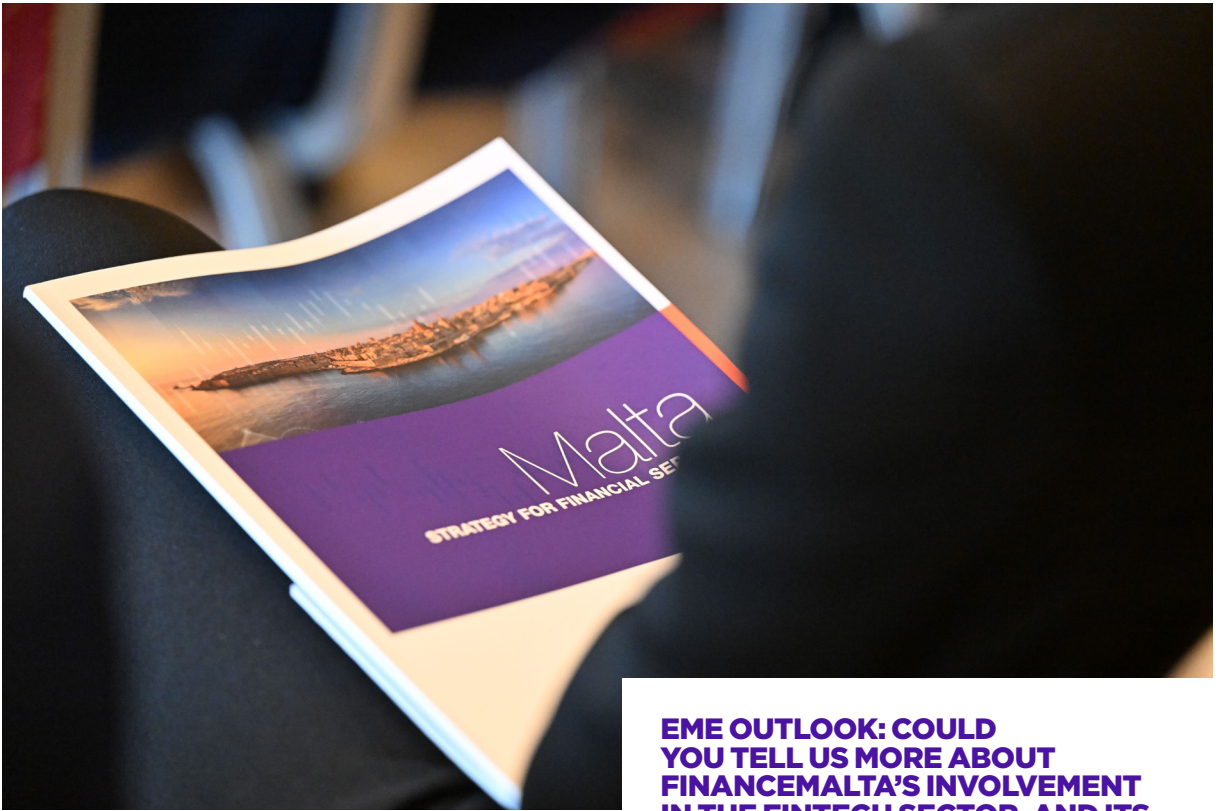
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local and overseas conferences, webinars, podcasts, and print media content. The FinanceMalta Foundation, with the support of its members, promoted the jurisdiction across different regions.

We have also been very active in regard to dozens of our “FinTalks” podcasts (with hundreds of followers for each), where we share the insights and expertise of our members, quarterly newsletters, and ad hoc interviews with key stakeholders. We are ubiquitous on social media too, particularly on LinkedIn, Facebook, Instagram, YouTube, X, and Threads.

EO: In terms of your FinTalks podcasts, what would you say has been your most exciting episode to date?

GV: It has been a record year for the FinTalks podcasts. We did 44 episodes in 2023, which were downloaded over 3,500 times, reaching an impressive 60 countries!

There were such a range of topics that it would be difficult to single one out, but the opportunity to include some of the senior speakers at our conference last autumn was very exciting for us, as it gave us access to developments and insights from leading entities. ▣

EME OUTLOOK: COULD YOU TELL US MORE ABOUT FINANCEMALTA’S INVOLVEMENT IN THE FINTECH SECTOR, AND ITS ROLE IN PROMOTING EMERGING TECHNOLOGIES?

George Vella, Chairman: “Innovation is a keystone of Malta’s financial services sector and we have seen numerous firms that base themselves here benefit from the ecosystem that has developed. This has led to an astonishing array of new services and platforms set up by global entrepreneurs.

“We have an important role to play in disseminating information about some of these initiatives, through podcasts and our newsletters. However, we also strive to keep our members and followers informed about important regulatory developments.

“Of course, through the Malta Financial Services Advisory Council (MFSAC), we are also proactive about issues that affect Malta, especially as a small jurisdiction.”

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EO: Could you outline some of FinanceMalta’s key achievements over the past year, and any upcoming projects or initiatives that you would like to highlight?

GV: The most important initiative for us is the 17th edition of our Annual Conference, scheduled to be hosted at the Hilton, Malta, on 29th November 2024. It is the largest event dedicated to financial services in the country and attracts many speakers and delegates, together with Maltese financial services practitioners.

Last year, the conference hosted more than 40 leading local and international experts addressing and discussing the most topical themes in a series of panel sessions throughout the day, as well as 20 sponsors supporting the event and exhibiting their products and services. FinanceMalta is currently working on the programme and sponsorship packages for this year’s event. I invite you to register your interest to attend, as well as to check for updates on our conference website.

We also host events abroad to promote our jurisdiction. Last year, we gathered over 600 participants at Guildhall in London for an event dedicated exclusively to Maltese financial services, and during 2024 we will plan more

“FINANCEMALTA WAS, AND STILL IS, A KEY PLAYER IN THE FORMULATION OF THE NATIONAL STRATEGY FOR FINANCIAL SERVICES, DRAWN UP BY THE MFSAC”

- GEORGE VELLA, CHAIRMAN, FINANCEMALTA

targeted activities in jurisdictions of interest. The first of these events will be a meeting in London, where we will present the newly launched Notified Professional Investor Fund (NPIF), a product that shows, once more, the importance of innovation in financial services.

In addition to these activities, we will maintain a robust presence in international events, spanning large exhibitions such as Money20/20, one of the most relevant payment events in Europe, to smaller conferences targeting other industry sectors, such as sustainable finance, insurance, family offices, funds, and asset management. ■

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These activities will be complemented by a strong digital presence. Our podcast series has achieved unprecedented numbers in terms of reach, and the same goes for our quarterly newsletter and social media.

EO: Could you share some more details on the new framework for NPIFs?

GV: At the end of 2023, the MFSA launched the framework for NPIFs, one of several key regulatory and policy initiatives relating to asset management and serving as a new and efficient route to market for sub-threshold asset managers.

The NPIF framework offers a non-retail fund structure, which looks to replicate the notification process applied so successfully with the Notified Alternative Investment Fund (NAIF) to funds promoted by managers considered to be out-of-touch with thresholds set out in the Alternative Investment Fund Managers Directive.

Similar to the NAIF, the NPIF framework contemplates a fund structure which is subject only to a notification requirement with the MFSA (rather than a full licensing process) and with limited ongoing supervision. As a result, this should allow managers operating such funds to benefit from a quick time to market, and comparatively lower

GENDER EQUALITY

Recently, FinanceMalta signed a pledge to commit to gender equality. This includes ensuring an adequate level of female representation in management positions and promoting the progression of women at all levels; assigning an executive member to take charge of gender diversity and inclusion; engaging with financial services leaders to advocate for gender diversity priorities; and setting up a yearly action plan on activities to promote gender equality within the organisational ecosystem.

Coinciding with International Women's Day, FinanceMalta teamed up with financial centres within the World Alliance of International Financial Centres (WAIFC) to produce a webinar, 'Leading Across Continents', dedicated to highlighting the remarkable journeys and insights of female leaders from diverse continents.

Navigating the ESG landscape: Regulatory shifts and corporate governance

It is refreshing to say that at a local level we have finally moved beyond the trendiness and marketability of ESG and have begun to focus on the significance of integrating ESG principles into the culture of business. In juxtaposition with the importance of integrating ESG principles is the use of ESG factors to make certain disclosures into how a business manages its risk related to sustainability and ethical practices. The traditional manner of doing or assessing business is being transformed, and so the right guidance and expertise is imperative.

At Ganado Advocates, we have consistently adapted to the needs of our clients, most recently with the coming into force of the Corporate Sustainability Reporting Directive (CSRD), requiring in-scope entities to disclose, as part of their management reports, information on a range of sustainability matters which are relevant to their respective businesses.



The EU, by means of its legislative push, makes it considerably difficult for participants to manage myriad regulations. For instance, in late 2023 we witnessed yet another change to the Sustainable Finance Disclosure Regulation (SFDR). The Joint Committee of the European Supervisory Authorities published its Final Report consisting of new regulatory technical standards. Amongst the changes introduced by the Final Report are:

- An extension of the list of mandatory social indicators to be included in one's Principal Adverse Impact (PAI) statement;
- the refinement of the content of other PAI indicators and their respective definitions, applicable methodologies and metrics; and
- new financial product disclosures pertaining to greenhouse gas emissions reduction targets.

The European Commission will be assessing the Final Report in further detail prior to endorsing same. Consequently, it is envisaged that any changes to the Commission Delegated Regulation (EU) 2022/1288 will not come into force until mid-2024, but in-scope financial market participants and financial advisors would be well-advised to prepare for these changes in advance.

2024 is no different; the Council and European Parliament as recently as 4th February 2024 reached a provisional agreement on a proposal for a regulation on ESG rating activities with the aim of boosting investor confidence in sustainable products.

Locally, the Malta Financial Services Authority (MFSA) took a proactive approach to introduce the Corporate Governance Code which applies to all unlisted entities authorised by the MFSA to provide financial services in or from within Malta. The Code seeks to enhance governance structures and set out best practices of corporate governance of entities falling within the MFSA's regulatory remit, by guiding board members and practitioners to implement or bolster governance practices in the best interest of all stakeholders concerned.

In view of all the regulatory complexities it imperative that the right advice is sought, not only to ensure compliance but also to ensure resiliency.



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This contribution is simply to serve an informative purpose and should not be taken as legal advice. It is recommended that legal advice be sought specific to the demands of the person/entity and not to rely on the information provided above.



set-up and ongoing compliance costs. The MFSA should be required to deliver an acknowledgement of notification within 10 days from the receipt of a complete notification pack.

In light of the less onerous regulatory requirements that are applicable, NPIFs may be non-retail schemes, available only to those falling into the 'professional' or 'qualifying investors' categories.

We see the introduction of NPIFs as an important innovation within the financial services offering. They have been on the cards for over a year and were also welcomed by the consultation stakeholders in the MFSAC, meaning that they have wide backing across the sector.

EO: Could you tell us more about FinanceMalta's involvement in the WAIFC and the EU Roundtable of Financial Centres?

GV: FinanceMalta was accepted into the WAIFC in November 2022, bringing the membership of the Brussels-based non-profit association up to 19.

The WAIFC was set up in 2018, and represents leading international financial centres from across the globe. FinanceMalta welcomed the chance to be part of this network as it gives us the opportunity to share best practices, especially with regard to issues that affect us all

such as sustainable finance, innovation, and human capital.

Malta is also geographically the ideal bridge between Europe and North Africa, and can therefore contribute considerably to the dialogue. The WAIFC organises specific projects, some of which are also within our zone of interest, such as the WAIFC working paper entitled 'Enhancing Supply Chain Finance for the Promotion of the Green Transformation'.

The implementation of a transition strategy to achieve net zero greenhouse gas (GHG) emissions targets through supply chains is becoming an important challenge. Members of the WAIFC have engaged in a discussion on the roles of financial markets and measures to mitigate associated risks. They have also explored various approaches so that such methods can be adapted flexibly to align with the conditions across different economies.

Given that there are various small and medium-sized suppliers involved throughout supply chains, we need to employ technologies for transparency of transactions in a cost-efficient manner. This is highly challenging, and no single financial centre can resolve these issues alone. Therefore, FinanceMalta has teamed up with a few other financial centres to contribute towards a white paper on this subject by sharing our country's experiences, providing case studies and lessons learned.

Our membership of the EU Roundtable of Financial **▣**

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Centres has the same aims with a focus on European developments such as boosting securities issuance and retail investment in capital markets, bridging the diversity and inclusion gap, as well as securitisation.

EO: What is FinanceMalta's stance on ESG practices and sustainable finance?

GV: We are thrilled that there has been so much discussion around ESG and sustainable finance. This is clearly the only way that financial services will thrive in the future.

The MFSA keeps the local sector informed about ESG developments at European level and has organised informative seminars on the topics.

This has been mirrored by publications and events emanating from the non-profit and private sectors. An ESG alliance, endorsed by several major organisations on the island, has also been set up for the sharing of information and to implement high ESG standards across the board.

FinanceMalta has supported these developments, participating actively whenever possible in local as well as international initiatives, such as those organised by the WAIFC, and including ESG topics in its podcasts and annual conferences.

Last January, FinanceMalta launched the [Malta](#)

[Sustainable Finance](#) website. Its primary objective revolves around fostering a deeper understanding of, advocating for, and facilitating the progression of sustainable finance initiatives in Malta.

It has been encouraging to see the unilateral adoption of ESG and sustainable finance. We will do our utmost to continue promoting ESG principles and their adoption by our members.

EO: How do you see the Maltese financial sector developing over the coming years?

GV: FinanceMalta was, and still is, a key player in the formulation of the national strategy for financial services, drawn up by the MFSA. Following a thorough preparation phase involving wide consultation across the industry, this strategy has identified the exciting potential for the area and what changes – big and small – are required from a regulatory, administrative, and legislative perspective.

Changes will be implemented gradually over a number of years, with many in the pipeline and some already in place. The financial industry in Malta is keen to be innovative and agile in the provision of its services, whilst ensuring that due diligence and compliance remain at the forefront of its processes.





MeDirect is a pan-European neobank and wealth management group with operations in three principal markets: Malta, Belgium and The Netherlands.

Our ambition is to help retail investors grow their wealth with confidence and autonomy. Cutting edge, scalable technology is at our core.

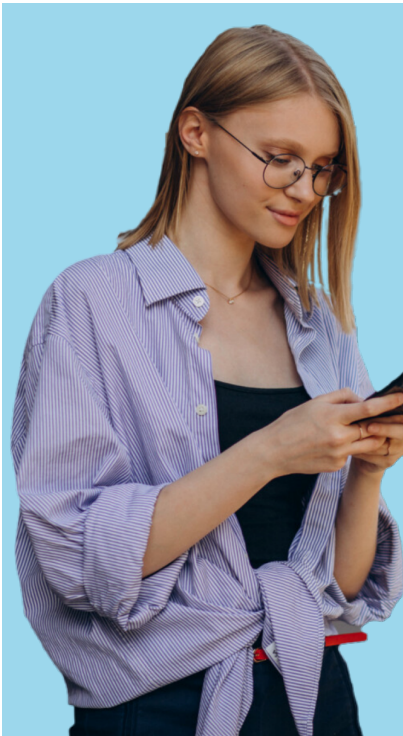
Since January 2020:

- Our balance sheet has grown from €3.1 to €5.0 billion
- Our retail client base has grown by 20% to 133,000
- Our customer financial assets have grown by a 10% growth rate to €4.5 billion

Our goal is to further strengthen MeDirect through our two complementary growth drivers: wealth management and lending.



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EO: Finally, what are FinanceMalta's key priorities going forward?

GV: FinanceMalta remains the key agency to promote the nation's reputation and opportunities, support sectoral initiatives, keep its members up to date with changes to regulation and legislation, attract FDI, and provide information about setting up any financial services operation on the island.

We manage all this with a small but talented and dedicated team, and the backing of a Board of Governors that bring expertise and experience together with our community of members who support us in most of our initiatives. We are looking forward to another positive year! 🇲🇹



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