

The MFSA concludes Memoranda of Understanding with De Nederlandsche Bank N.V. and the Banking, Finance and Insurance Commission of Belgium

On the 23rd October the Malta Financial Services Authority (MFSA) concluded two significant Memoranda of Understanding with two European Union countries.

The first of these two Memoranda of Understanding was signed between the MFSA and De Nederlandsche Bank N.V. (DNB). The Memorandum, which was signed at the MFSA by its Chairman Prof. J.V. Banister and DNB Executive Director Prof. A. Schilder, covers co-operation and exchange of information in the field of prudential supervision of banks, their cross-border establishments and the provision of services.

While the MFSA is the single regulator for financial services in Malta, the supervision of financial institutions in the Netherlands is shared between two institutions. DNB focuses on the prudential supervision of banks, insurance companies, pension funds and investment and securities institutions. It is responsible for promoting and maintaining the financial soundness of financial institutions that are subject to supervision. Its main objectives are to protect the interests of creditors and to ensure the stability of the financial system. Banking activities are subject to rules which aim to keep the risks of loss within acceptable limits.

On the same day another Memorandum of Understanding was signed between the MFSA and the Banking, Finance and Insurance Commission (CBFA) of Belgium, the scope of which Memorandum is that of closer co-operation in the sphere of supervision of credit institutions. The CBFA is entrusted with the supervision of credit institutions and with the compliance by the said institutions with the obligations relating to the prevention of the use of the financial system for money laundering or terrorism financing purposes.

These two Memoranda are important additions to a growing number of bilateral Memoranda of Understanding and multilateral Memoranda of Understanding that the MFSA has already entered into in the past years. The aim of concluding a bilateral or multilateral Memorandum is that of facilitating the exchange of information and to

create a formal framework for regulatory collaboration and co-operation between regulatory authorities. Another bilateral Memorandum of Understanding currently being negotiated with a European regulatory authority is at an advanced stage and should be finalised in the near future.