



The Rising Tide of Regulatory Enforcement: Why You Should Choose Aspida Compliance Solutions

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In an era of evolving financial regulations, entities operating within the ecosystem must remain vigilant and proactive to ensure compliance. The Malta Financial Services Authority (MFSA) has been unwavering in its commitment to uphold the standards of the financial industry through decisive regulatory enforcement.

The consequences of non-compliance are evident in penalties and the potential reputational damage that follows. Here are six (6) recent enforcement actions that underscore the importance of rigorous adherence to regulations:

1. Operating as a Retirement Scheme Administrator (RSA), a company found itself on the wrong side of the regulator. The company faced a fine of €6,100 due to its failure to meet obligations concerning the submission of both the Unaudited Annual Financial Return and the Interim Financial Return for specific periods. Additionally, the

firm was taken to task for not presenting the half-yearly financial statements for the year ended 2020 within the stipulated timeframe.

2. In the investment arena, a Professional Investment Fund (PIF) faced regulatory action resulting in a €4,250 penalty. This sanction stemmed from breaches related to reporting and audit procedures. It serves as a poignant reminder of the paramount importance of transparent and timely reporting in maintaining trust within the financial ecosystem.
3. A major company's engagement within the realm

of Virtual Financial Assets led to regulatory scrutiny. The firm was handed a €20,000 penalty, a consequence of conducting unauthorized business activities and neglecting to apply for the required authorization within the designated transitory period.

4. Furthermore, a breach in compliance by an insurance company led to a penalty of €1,300. The entity's lapse was in the area of insurance compliance, having failed to submit the Management Letter related to the SFCR (Solvency and Financial Condition Reports) in the prescribed time.

5. Another entity within the insurance sector, was also reprimanded and fined €4,000. Their offenses were multi-fold: failing to adhere to several regulatory reporting deadlines. Contextually, this underscores the criticality of timely submissions in upholding the industry's credibility.
6. Finally, the insurance sector saw another enforcement against another major local player. The company was penalized €2,200 for overlooking obligations related to the timely submission of reports. This serves as another testament to the non-negotiable nature of deadlines in regulatory compliance.

These cases vividly illustrate the perils of lax regulatory adherence. By partnering with Aspida Compliance Solutions, businesses gain the assurance of staying aligned with regulatory norms, thus circumventing financial penalties and preserving their esteemed reputation. Furthermore,

navigating this intricacy requires not only a keen understanding but also a systematic approach to prioritize, monitor, and prove compliance. Contextually, Aspida's innovative solution, "Resolver," emerges as a pivotal tool in this endeavour.

Firstly, it empowers organizations to pinpoint high-risk regulations, ensuring that businesses can precisely define pertinent regulations and adopt a risk-based compliance approach. This capability not only reduces potential risks and penalties but also facilitates prompt rectification of noncompliance issues. Additionally, Resolver centralizes compliance data, presenting a holistic view that eradicates the need for disparate data sources like spreadsheets and emails. This consolidation proves invaluable for Board and GRC (Governance, Risk & Compliance) Committee preparations, offering insightful dashboards at one's fingertips.

Moreover, the bane of compliance fatigue, often a result of redundant information requests, is addressed

effectively by Resolver. It allows for a singular control to be linked to multiple regulations, significantly streamlining document requisitions. This approach ensures a structured and efficient process, arming compliance teams with detailed assessment forms and clear risk evaluation guidelines. Beyond internal benefits, Resolver's regulator-centric reports stand out, offering businesses the means to provide tangible assurance to external parties. These comprehensive reports underscore the firm's commitment to compliance, ensuring regulators and third parties are confident in the business's diligence and adherence to regulatory mandates.

Boasting an expert team well-versed in Malta's dynamic regulatory landscape, Aspida guarantees that businesses are always on the right side of compliance. In the financial services domain, a proactive stance significantly outshines a reactive one. Secure your business's future with Aspida.

Choose compliance by design, not by accident.
Choose Aspida.

For a discussion on options available to facilitate your requirements, please contact maltainfo@aspidagroup.com in the first instance.

This client briefing note is intended merely to highlight issues and not to be comprehensive, nor to provide legal or regulatory compliance advice.



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