



THE INSTITUTE OF  
FINANCIAL SERVICES  
PRACTITIONERS

Garrison Chapel  
Castille Place  
Valletta VLT1063  
MALTA

Tel +356 2569 6352  
Fax +356 2144 9212  
info@ifsp.org.mt  
www.ifsp.org.mt

Press statement

# The rule of law is paramount

IFSP expresses serious concern about the current situation

**Valletta, 24 April 2017**

The IFSP is very concerned about the events that have unfolded over the past week, which will undoubtedly result in the questioning of our Island's reputation and consequently have a detrimental impact on its attractiveness as a domicile of choice for international investors.

In particular the IFSP, on behalf of its 400 plus members (who in turn represent thousands of employees), is particularly concerned that the ethical fibre of the entire financial services industry in Malta is being called into question in such a facetious manner.

For the sake of the entire country, the responsible institutions and law enforcement agencies should fulfil their functions and be held accountable for their actions. The IFSP wants to make it very clear that the rule of law is key to the proper functioning of a country, particularly a financial services centre. The rule of law is very much the basis of our country's democracy, as entrenched in the Constitution.

It is essential that the responsible institutions and law enforcement agencies should effectively, and in a timely manner, take all necessary steps to ensure that the law is enforced, or our country's reputation will be irremediably tarnished. Each of the State's institutions and authorities should uphold the powers vested in them in terms of law. This is essential to restore the stability the country needs in order to function effectively, which stability has been disturbed by the current state of affairs.

It is this very instability, also caused by the manner in which recent allegations have been handled by our institutions and law enforcement agencies, that is threatening our financial services industry, which has over the years become one of the pillars of the Maltese economy.

The financial services industry is one of the fastest growing sectors of the economy and has made a significant contribution to the cosmopolitan feel that we have come to associate with

Malta since it operates as a major source of attraction for foreigners to set up, work and live on the Island. The financial services industry has been painstakingly built by practitioners since the 1980s and over the years Malta's reputation and stability has remained untarnished and solid.

We are currently facing a situation where the country's reputation is at stake and politicians should be aware that this may have long-term effects on the industry, which industry, once lost to the competition, will be very difficult to recoup, and which will have an ongoing and domino impact on the remainder of Malta's economy.

The IFSP is concerned that there now appears to be a breakdown of the rule of law, and we should not underestimate the impact which this has on foreign investors who are investing their money and time in our country, thereby helping to generate employment and to finance the country by paying taxes. The right type of investor, the type of investor that we want to attract to Malta, takes 'country reputation' very seriously and undertake their own checks on the country before deciding to proceed.

The IFSP urges all competent authorities and law enforcement agencies to use all the powers vested in them in terms of law to investigate any and all allegations, and ensure that the law is enforced.