



BANK ĊENTRALI TA' MALTA  
EUROSISTEMA  
CENTRAL BANK OF MALTA

**Public Consultation on the  
Amendments  
to the  
Central Bank of Malta Act  
and to Directive No 15  
on  
'Supervision of Credit Reference Agencies'**

Published on: 21<sup>st</sup> January 2019

Closing date: 4<sup>th</sup> February 2019

*Note: The documents circulated by the Central Bank of Malta for the purpose of consultation are in draft form and comprise proposals. Accordingly, these proposals are not binding and are subject to changes and revisions following representations received from interested parties. It is important that persons involved in the consultation bear these considerations in mind.*

## **1. Note for Consultation**

The purpose of this document is to consult interested parties on the proposed amendments made to the [Central Bank of Malta Act](#) (*Chapter 204 of the Laws of Malta*) (hereinafter ‘the Act’) and to the new [Central Bank of Malta Directive No 15](#) entitled ‘Supervision of Credit Reference Agencies’ (hereinafter ‘the Directive’).

This document will be divided into three parts as follows:

### **(i) Amendments to Part IV of the Act**

#### **(a) Collection of Statistical and Other Information**

Under Article 23 of the Act, a new proviso is proposed to cater for the instances where the carrying out of the functions under the Act necessitate the transfer of statistical and other information by the Central Bank of Malta (hereinafter ‘the Bank’) to any person in general or any entity which is licensed, authorised or registered by a competent authority.

#### **(b) Access to the Central Credit Register**

In addition, Article 24(4) will be amended to allow the Bank to provide access to the information held on the Central Credit Register to the Malta Development Bank, which shall be required to provide information in relation to this Register, the Listing Authority, the Malta Stock Exchange, and to any other institution as the Bank may consider necessary.

#### **(c) Supervision of Credit Reference Agencies**

Reference is made to the Public Consultation on the Amendments to the Trading Licences Regulations (S.L 441.07) which took place last May, and the subsequent amendments to the said subsidiary legislation by virtue of [Legal Notice 213 of 2018](#) which introduced a licensing regime for credit reference agencies operating in Malta.

A new article 24A is being introduced, whereby the Bank is appointed as the supervisory authority tasked with the supervision of credit reference agencies from an issuance of credit scores perspective. The Bank, as a supervisory authority, may also issue, amend or revoke directives. Moreover, the Bank shall also have the competence to impose an annual supervisory fee on credit reference agencies. A number of definitions in relation to the new article 24A were also included under article 2 of the Act.

Besides the introduction of article 24A to the Act, a new Directive was drafted. This Directive lays down the rules concerning the supervision of credit reference agencies licensed in accordance with regulation 47A of the Trading Licences Regulations (S.L 441.07). In addition, the Directive lists a number of obligations imposed by the Bank on the credit reference agencies having access to Central Credit Register data.

## **(ii) Amendments to Part VII of the Act**

### **(a) Payments Landscape**

The main amendments to Part VII of the Act are introduced in Article 34A. In the new provisions the Bank, as a regulatory authority, is in a better position to oversee and regulate the provisions of payment services in Malta, including but not limited to payment applications, payment card schemes, and payment transactions. The amendments in Article 34A shall apply to credit institutions and financial institutions. For a better understanding of the technical terminology used in the Act, a number of new definitions were also introduced. The new definitions under Article 2 of the Act are the following:

- payment application
- payment card scheme
- payment service
- payment services provider
- payment service user
- payment -transaction

Moreover, the amendments also provide the Bank with new powers to promote the stable and sustainable development of the payments landscape in Malta. The Bank will be responsible to make an order restraining a credit institution or a financial institution from taking or continuing to take an action or to suspend the provision of a payment service in Malta.

## **(iii) Amendment to Part XI of the Act**

### **(a) Administrative Penalty**

Additionally, Article 56 of the Act has been amended to reflect the changes effected to the Act, as well as to include more hefty administrative penalties on persons failing to comply with an order or a requirement under the provisions of Articles 34 and 34A. In terms of the new sub-article 2 under Article 56, the Bank may impose an administrative penalty recoverable without recourse to a court hearing of up to 2% of the total value of transactions

transacted in the preceding business year by such persons, and where such sum cannot be determined up to one million euro.

## **2. Consultation and how to respond**

Any feedback to the proposed amendments should reach the Bank by not later than Monday 4 February 2019 (c.o.b). Please send your feedback by email to [info@centralbankmalta.org](mailto:info@centralbankmalta.org). Any comments submitted after this deadline, or submitted via other means may not be processed.

The Bank will give due consideration to the comments received during the public consultation exercise and following the two (2) weeks consultation period, a Public Consultation Report will be published on the Bank's website.

For the purpose of data protection rights and market sensitivity, all feedback will be treated as confidential and the Public Consultation Report to be issued by the Bank will only present aggregated feedback. Furthermore, any personal data processed by the Bank will be accordance with applicable local and EU data protection legislation in force including the General Data Protection Regulation.