



BANK CENTRALI TA' MALTA  
-----EUROSISTEMA-----  
CENTRAL BANK OF MALTA

**CENTRAL BANK OF MALTA**

**DIRECTIVE NO 17**  
*in terms of the*

**CENTRAL BANK OF MALTA ACT**  
*(CAP. 204 of the Laws of Malta)*

**BUSINESS CONTINUITY MEASURES CONCERNING  
DEPOSIT AND WITHDRAWAL OF CASH,  
DEPOSIT AND ENCASHMENT OF PAPER BASED INSTRUMENTS  
AND  
PROVISION OF SERVICES THROUGH ALTERNATIVE DELIVERY  
CHANNELS**

*Ref: CBM/20*

March 2020

Issued on 25 March 2020 and amended on 18 May 2020.

## **INTRODUCTION**

- 1) In terms of article 34(5) of the [Central Bank of Malta Act \(Cap.204 of the Laws of Malta\)](#)(the Act), the Central Bank of Malta has been empowered to make directives in respect of, *inter alia*, payments and security settlement systems. Terms used in this Directive shall have the same meaning as assigned to them in the Act, the Banking Act (Cap.371 of the Laws of Malta), and in the [Malta Clearing House Rules and Regulations](#).

## **OBJECTIVE OF THE DIRECTIVE**

- 2) This Directive lays down minimum business continuity measures concerning:
  - a. the deposit and withdrawal of cash;
  - b. the deposit, encashment and clearing of paper based instruments, such as cheques, bank drafts and similar instruments; and
  - c. the provision of services through alternative delivery channels,

to continue serving the general public as smoothly as possible.

- 3) The continuity measures stipulated by this Directive are of a precautionary and temporary nature, in that they are being introduced to maintain those banking services essential to the life of the community.
- 4) The measures imposed in this Directive shall act as a minimum service expectation. Credit and financial institutions may continue to provide all services for which they are licensed subject to compliance with this Directive.

## **SCOPE AND APPLICATION**

- 5) This Directive shall apply to credit and financial institutions as defined under the Act.

## **DEPOSIT AND ENCASHMENT OF PAPER BASED INSTRUMENTS**

- 6) Credit and financial institutions shall take such measures to provide automated deposit processing of paper based instruments, where these are already in place on the date of entry into force of this Directive.
- 7) Credit and financial institutions shall provide over-the-counter encashment services for paper based instruments, unless the credit or financial institution establishes that the customer has other means of depositing such instruments through an alternative service-delivery channel.
- 8) Paper based instruments which are marked as payable only to the payee (such as only cheques), may be presented to a credit or financial institution by a third party, for deposit into the account of the third party, subject to endorsement by both the payee and the third party.

## **DEPOSIT AND WITHDRAWAL OF CASH**

- 9) Credit and financial institutions shall take such measures to provide automated processing of deposit and withdrawal of cash, where these are already in place, on the date of entry into force of this Directive.
- 10) Credit and financial institutions shall provide over-the-counter cash deposit services, unless the credit or financial institution establishes that the customer has other means of depositing cash through an alternative service-delivery channel.
- 11) Over-the-counter cash withdrawals from a deposit account associated with a payment card shall only be entertained if in excess of five hundred euro (€500).

## **PROVISION OF SERVICES THROUGH ALTERNATIVE DELIVERY CHANNELS**

- 12) Credit and financial institutions shall continue to provide all services through alternative delivery channels, where these are already in place on the date of entry into force of this Directive.

## **CLEARING AND SETTLEMENT**

- 13) The three (3) day clearing and settlement cycle established under the Malta Clearing House Rules and Regulations may be extended to six (6) days as a

business continuity arrangement. The value of payment of paper-based instruments may not be more than six (6) days from deposit. Clearing members who receive a cheque from the negotiating member through the Malta Clearing House have to provide irrevocable settlement of the cleared instrument within the next business day from presentation, while negotiating entities processing the irrevocably settled instrument have to make funds available to their client by the next business day following irrevocable settlement.

14) Cash deposits shall be subject to a three (3) day settlement cycle as a business continuity arrangement. The value of cash deposits will be three (3) days from deposit.

15) The settlement cycles under paragraphs 13 and 14 shall apply as a minimum service expectation.

#### **ENTRY INTO FORCE**

16) This Directive shall enter into force on 26 March 2020.