BANK ĊENTRALI TA' MALTA
EUROSISTEMA
CENTRAL BANK OF MALTA

Public Consultation Document -

The Enhancement of the Central Bank of Malta's Central Credit Register to include credit institutions with passporting rights to exercise the freedom of services providing lending activities

APPLICABLE TO THE GENERAL PUBLIC

Published on: 02 November 2026

Closing date: 02 December 2026

Note: These proposals are not binding and are subject to changes and revisions following the feedback to be received from interested parties, and dependent on further internal considerations.

1. Preamble

The Central Bank of Malta (CBM or 'the Bank') is publishing this consultation paper to seek views on the possibility of extending the legislative framework of the Central Credit Register (CCR or "the Register") to include credit institutions authorised[1] by the Malta Financial Services Authority (MFSA) to undertake lending activities in Malta under the freedom to provide services (FoS) regime. The Bank intends to introduce eligibility criteria which also include a materiality concept, as defined further below, to achieve an element of proportionality.

Passporting for credit institutions may be exercised either through (a) the freedom of establishment of a branch in another EU Member State, subject to applicable notification requirements to the home Member State, or (b) the freedom to provide services in another Member State without establishing a physical presence as provided for under Article 56 of the Treaty on the Functioning of the European Union (TFEU). This is also subject to the relevant notification requirements. Credit institutions exercising the freedom of establishment, namely by maintaining a branch in Malta, are already participants in the CCR.

The proposed extension would give access to the Register to institutions exercising the freedom to provide services in Malta without establishment (CIFoS), in conducting their credit risk assessments on their prospective counterparties. In turn, these institutions would also enrich the Register with their credit and credit risk data to the benefit of the rest of the Register participants.

[1] These institutions would feature in the MFSA Financial Services Register (Sector: Banking; Freedom of Services and Establishments - Exercise of the freedom to provide services in Malta) as licence authorised, registered, acknowledged, notified, EU/EEA Authorised or EEA Authorised.

2. The Current CCR Framework

The CBM Directive No. 14[2] entitled '*Establishment and Operation of the Central Credit Register*' obliges the Bank, credit institutions[3], eligible financial institutions (FIs), Financial Vehicle Corporations (FVCs)[4] and the Malta Development Bank (as reporting institutions) to submit information as specified in Annex I of Directive No. 14 to the Register on any existing counterparty who has end-of-month exposures[5] with a balance exceeding €5,000. This non-anonymised information on existing counterparties and their exposures is securely stored in the Register. The counterparties comprise both legal and natural persons but exclude credit institutions.

Since its establishment in 2016, the Register has assisted reporting institutions in better assessing the creditworthiness of their prospective counterparties[6] prior granting any credit facilities, whilst monitoring existing[7] ones. This is done since, upon consent from the data subject (as applicable), reporting institutions can consult the Register to access any information which includes credit facilities in excess of €5,000 granted or taken over by the reporting institutions, listed under the respective individual or company.

Apart from the mentioned reporting institutions, natural or legal persons can also request an extract from the Register comprising their respective information which is securely stored in

[2] Central Bank of Malta Directive 14 – Link.
[3] 'Credit institution' has the same meaning assigned to it by article 2 of the Banking Act (Cap. 371 of the Laws of Malta) and includes any branch, agency or office in Malta of a credit institution not incorporated in Malta.
[4] 'Eligible financial institutions (FIs) and Financial Vehicle Corporations (FVCs) mean financial institutions (FIs) carrying out lending activities in terms of their respective MFSA license and notified Financial Vehicle Corporations (FVCs) that grant or take over 'material' amount of credit to residents in line with Directive 14.
[5] The full list or reportable exposures follows: (A) Overdrafts on current accounts, (B) Credit Cards, (C) Overdrafts and Revolving Loans, (D) Credit lines other than revolving credit, (E) Trade Receivables, (F) Financial Leases, (G) Loans, (H) Syndicated Loans, (I) Loan Commitments, (J) Financial Guarantees and (K) Other Commitments.
[6] 'Prospective counterparty' means a natural or legal person or entity that seeks an exposure with a reporting institution with which it has no existing exposures in the Central Credit Register within the latest available reference period, provided that credit institutions, whether licensed locally or abroad, shall not be considered prospective counterparties for the purpose of this definition.
[7] 'Existing counterparty' means any natural or legal person or entity that in the latest available reference period already holds an exposure in the Central Credit Register with a reporting institution, provided that credit institutions, whether licensed locally or abroad, shall not be considered existing counterparties for the purposes of this definition.

the Register. This is done by applying through an online form made available on the CBM's website.

Throughout the years, various enhancements were and are intended to be implemented to continuously improve the service offered to both internal and external users of the CCR. These enhancements have included upgrades to the underlying infrastructure, as well as the integration of innovative technological functionalities within the solution, ensuring that the CCR keeps pace with the latest technological developments and evolving user requirements.

3. The Proposal in detail

3.1 Proposed Eligibility Criteria

The proposed framework would allow CIFoS to access and participate in the CCR either on a voluntary basis or by way of mandatory inclusion. Under the voluntary route, CIFoS may submit a request to the Bank to be considered as CCR participants, subject to the fulfilment of the relevant eligibility requirements. Under the mandatory route, the Bank may, following a materiality assessment, determine that a CIFoS should be included within the CCR framework where its lending activity to resident[8] counterparties is considered material and its participation is deemed relevant to the proper functioning and completeness of the Register.

The Bank would identify CIFoS falling within the proposed scope through a periodic review of the list of CIFoS authorised by the MFSA to provide lending activities in Malta. This review would consider, where relevant, the extent of lending to resident counterparties and the eligibility exposure criteria set out below. Institutions brought within scope would be onboarded to the CCR Portal through their Legal Entity Identifier (LEI Code). Once onboarded, institutions would remain subject to the CCR framework, unless the Bank determines, following a subsequent assessment, that their participation is no longer warranted.

[8] 'residents' means a legal or natural person or entity that has a centre of economic interest in the economic territory of a particular country.

Given the above, the eligibility criteria under the mentioned voluntary and mandatory routes are as follows:

- **A: CIFoS voluntarily apply to be considered as CCR participants.**

  All institutions applying voluntarily will subsequently be required by the Bank to fill an ad-hoc questionnaire and submit their business plan for the purpose of verifying their eligibility against the applicable criteria. The eligibility threshold for voluntary participation is being proposed at an aggregated exposure in excess of €10 million to resident counterparties comprising natural, legal and other entities. If the criteria are satisfied, the institution is included as a CCR participant.

- **B: CIFoS mandatory included as CCR participants.**

  This occurs when the Bank deems necessary that such institutions are included as CCR participants due to their importance for creditworthiness assessment of counterparties stemming from a substantial number of exposures currently granted or projected to be granted to resident counterparties. Prospective CCR participants will be required to fill an ad-hoc questionnaire and submit their business plan for the purpose of verifying their eligibility against the applicable criteria.

3.2 CIFoS onboarding procedure

Should the Bank decide to onboard CIFoS as CCR participants, following the publication of the necessary amendments in the Central Bank of Malta Directive No. 14, the below procedure shall be followed:

i. Interested applicants seeking eligibility under the voluntary route (A) will be required to submit their interest via email on ccr@centralbankmalta.org.
ii. The Bank shall request respective CIFoS under both routes to complete and submit the ad-hoc questionnaire together with their business plan to assess their eligibility criteria.
iii. The Bank shall issue an official notification to the respective CIFoS to inform whether they will be included within the CCR framework or otherwise within a stipulated timeframe from the date of receipt of complete documentation. During this period, the Bank may require further clarifications, additional information and documentation.

iv. CIFoS considered as CCR participants shall benefit from a preparatory period not exceeding six (6) months, starting with effect from the notification date issued by the Bank.

v. The first reporting obligation shall take effect as from the upcoming reference month following the expiry of the preparatory period, during which the new CIFoS CCR participants shall establish the necessary operational, technical, and compliance frameworks to meet the reporting requirements.

4. Definitions, reporting, auditing and other obligations, and applicable fees

The current definitions and the right to access information as set out in CBM Directive No. 14 shall continue to apply, including the definition of a reportable exposure which is defined as '…loans, advances, overdrafts, credit lines, financial guarantees in any currency, where either the individual credit line or the outstanding balance exceeds five thousand euro (€5,000), or the equivalent amount in a foreign currency. The foreign currency equivalent shall be calculated using the exchange rates published by the European Central Bank.' Reporting requirements for these prospective CCR reporting institutions will differ from those applicable to existing reporting institutions as their reporting obligations will be limited exclusively to the submission of data relating to resident counterparties.

At the same time, the CBM is seeking views based on the following conditions stemming from CBM Directive No. 14:

Reporting Obligations

The CBM Directive No. 14 obliges the reporting institutions to report to the Register, through a pre-defined CCR template, the end-of-month balances of exposures related to their credit operations and other related reference, credit and credit risk data attributes by the twentieth (20th) calendar day of the month following the reference month to which they relate.

Reporting institutions shall ensure that the information submitted to the Register is accurate, correct, and complete. In the event of any error or omission, the reporting institution shall conduct the necessary rectifications, either on its own initiative or upon request by its counterparties or the Bank. Rectifications shall be carried out without

undue delay, and in such a manner as to preserve the integrity, reliability, and accuracy of the Register. Reporting institutions shall be liable for the consequences arising from the submission of inaccurate, incorrect, or incomplete data, where such data is not rectified in accordance with the provisions of this Directive.

The information submitted by the reporting institutions will be automatically vetted and checked within the CCR Portal through a number of formal (blocking) and plausibility (integrity) checks. Formal checks verify the correctness of the dataset, while plausibility checks confirm robustness and data quality. The Portal also includes cross-checks with other administrative data sources. It is the responsibility of the reporting institutions to address the triggered checks within the stipulated timeframes. Wherever possible and applicable, submitted data are also cross-checked with other data datasets also submitted by the same institutions.

Audit obligations

The legislative framework obliges reporting institutions to obtain prospective counterparty consent in line with CBM Directive No. 14 Annex II prior doing any corresponding search in the CCR Portal. The obtained consent from the data subject needs to be uploaded in the CCR Portal within one month from when it is given. Unless the counterparty becomes an existing counterparty, the Portal will automatically close-off any access to the information after two months from when the consent form is uploaded in the Portal. On the other hand, reporting institutions' access to information held on the Register over existing counterparties shall be made available whenever required.

CCR consent forms uploaded by all current and prospective reporting institutions are subject to a mandatory monthly audit exercise done by the Bank. Reporting institutions would be queried and requested to undertake changes if any of the uploaded consent forms are not filled in line with CBM Directive No. 14. Moreover, on a yearly basis, CCR reporting institutions which uploaded the consent forms would need to appoint an internal/external auditor to authenticate a number of signatures on a sample of consent forms compiled and provided by the Bank.

Token allocation and applicable fees

As per Directive No. 14, CCR reporting institutions and credit reference agencies shall be subject to an annual Register access fee. Such fee shall be calculated on a cost recovery basis and shall be communicated by the Bank to the respective institutions. This requires that the reporting institution assigns a minimum of one token holder to be given a non-transferable token (credentials can be used solely by the authorised token holder) to be able to access the CCR Portal. Reporting institutions can also opt to integrate with the Register through the available Application Programming Interface (API).

Other Obligations

CIFoS will be obliged to inform resident counterparties that the information, including personal data, in relation to any exposure will be made available in the said Register for the purposes of CBM Directive No. 14, and may also be shared with licenced credit reference agencies for the issuance of credit scores in accordance with Article 24A of the CBM Act and CBM Directive No. 15.

All reporting institutions shall only use the information held in the Register for the assessment of credit risk and shall not: (i) outsource any of their activities for the extraction of data held on the Register unless the outsourced service provider is recognised by the Bank in writing; (ii) store credit register extracted information in another jurisdiction, under cloud computing arrangements, or in any externally-hosted systems without the prior approval of the Bank. Prospective reporting institutions shall ensure that the handling and processing of CCR data remain within an EU Member State, given the potential data protection and cybersecurity implications.

Furthermore, the Bank reserves the right to impose other statistical reporting requirements on prospective reporting institutions in line with CBM Directive No. 5, if and as deemed necessary.

5. Main consultation questions

The Bank is reaching out to interested parties for their views on the following questions/comments after taking into account the aforementioned benefits, obligations and applicable fees:

a. The stakeholders' general views on the proposal inclusion of CIFoS within the CCR legislative framework as reporting institutions, which according to the MFSA are authorised to provide lending activities in Malta and which grant 'material' amount of credit to residents as explained throughout this document;
b. To put forward any feedback on the suggested eligibility criteria including the respective thresholds;
c. Whether entities, within scope of being included, consider the CCR as an essential tool or otherwise for their credit risk assessment purposes. Please provide reasoning for the given reply;
d. To put forward any feedback deemed necessary as a reply for this public consultation.

6. Conclusion

The Bank invites all CIFoS and other interested parties to submit their feedback on the above main consultation questions by email to be sent to ccr@centralbankmalta.org by not later than 02 December 2026 (c.o.b). Any comments submitted after this deadline or submitted via other means may not be considered.

Any queries in relation to the above may also be addressed to ccr@centralbankmalta.org

Any updates in relation to this public consultation will be made available on the Bank's website once the consultation is closed.