CHAPTER 345

FINANCIAL MARKETS ACT*

To provide for the authorisation of regulated markets, central securities depositories and for the orderly trading in transferable securities and to provide for matters ancillary or incidental thereto or connected therewith.

Amended by: XVII. 2002.111. Substituted by: XX. 2007.13.

24th January, 1991;
12th December, 1991;
8th January, 1992;
21st February, 1992

ACT XXXIII of 1990, as amended by Legal Notice 2 of 1992; Act V of 1992; Legal Notice 76 of 1994; Acts: XIV, XVI and, XXI of 1994, XXIV, XXV of 1995, IX of 1997; Legal Notices 90, 91 of 1999, 124 of 2000; Acts XVII of 2002, IV of 2003; Legal Notice 370 of 2003; Acts IV of 2005, XX of 2007; Legal Notice 424 of 2007; Acts III of 2009, XIX of 2010, X of 2011, XX of 2013, XIX of 2016, Act XVII, XXXI of 2017. XLIV of 2018, IX of 2019 and XXVI of 2019, V of 2020, XLVI and LXXI of 2021, IX and XXV of 2023, XI and XXIX of 2025 and XIX of 2026.

Substituted by: IX.2023.2.

ARRANGEMENT OF THE ACT

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SCHEDULE

PART I

PRELIMINARY

1. The short title of this Act is the Financial Markets Act.

Short title. *Amended by: XVII. 2002.112.*

*Vide transitory provision reproduced at the end of this Chapter.

Interpretation and scope.
Amended by: V.1992.2,3; XIV.1994.32; XXI.1994.12; XXV.1995.433; IX. 1997.5; XVII. 2002.113; IV. 2005.30; XX. 2007.14, 15; III. 2009.14; XIX. 2010.17; X. 2011.14; XX. 2013.25; XIX. 2016.3.; XXXI. 2017.16; XLIV.2018.3; V.2020.11; XLVI.2021.11; LXXI.2021.6; IX.2023.3; XXV.2023.36; XI.2025.5; XXIX.2025.8; XIX.2026.7.

2. (1) In this Act and in the Schedule thereto unless the context otherwise requires:

"agricultural commodity derivatives" means derivative contracts relating to products listed in Article 1 of Regulation (EU) No. 1308/2013, and Annex I, Parts I to XX and XXIV/1 thereto, as well as to products listed in Annex I to Regulation (EU) No. 1379/2013 of the European Parliament and of the Council;

"APA" or "approved publication arrangement" means the same as the meaning assigned to it in point (52) of Article 2(1) of MiFIR;

"ARM" or "approved reporting mechanism" means the same as the meaning assigned to it in point (36) of Article 2(1) of MiFIR;

"binding legal instrument" means any directly applicable measures, including but not limited to, any implementing technical standards, any regulatory technical standards or similar measures, issued under European Union legislation;

"bye-laws" means the bye-laws made in terms of article 4C;

"Capital Markets Rules" means those Rules issued by the competent authority under Part III of this Act;

"the CBD" means Directive (EU) 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and covered bond public supervision and amending Directives 2009/65/EC and 2014/59/EU, as amended from time to time, and includes any implementing measures that have been or may be issued thereunder;

Cap. 204.

"Central Bank" means the Central Bank of Malta as defined by the Central Bank of Malta Act;

"central securities depository" or "CSD" shall mean a legal person that operates a securities settlement system as referred to in point (3) of Section A of the Annex to the CSDR and provides at least one of the following core services listed in Section A of the said Annex:

(i) initial recording of securities in a book-entry system (‘notary service’);

(ii) providing and maintaining securities accounts at the top tier level (‘central maintenance service’);

"commodity derivatives" means those financial instruments defined in point (44)(c) of Article 4(1) of MiFID; which relate to a commodity or an underlying referred to in Section C(10) of Annex I to MiFID; or in point (5), (6), (7) and (10) of Section C of Annex I thereto;

"certificates" means those securities which are negotiable on the capital market and which in case of a repayment of investment by the issuer are ranked above shares but below unsecured bond instruments and other similar instruments;

"collateral assets" means physical assets and assets in the form of exposures that secure cover assets;

"collection body" shall have the same meaning as assigned to it in article 2 of the ESAP Regulation;

"company" includes:

(i) a company formed and registered in accordance with the Companies Act; and Cap. 386.

(ii) a company constituted or incorporated or to be constituted or incorporated outside Malta, irrespective of whether the company has or has not established a place of business in Malta;

"competent authority" means the Malta Financial Services Authority established by the Malta Financial Services Authority Act; Cap. 330.

"cover assets" means assets included in a cover pool;

"cover pool" means a clearly defined set of assets securing the payment obligations attached to covered bonds that are segregated from other assets held by the credit institution issuing the covered bonds;

"covered bond" means a debt obligation that is issued by a credit institution in accordance with the provisions of this Act, the Financial Markets Act (Covered Bonds) Regulations, regulations 68(7) and 108(1) of the Recovery and Resolution Regulations, and of any Covered Bonds Rules issued under this Act or under the Financial Markets Act (Covered Bonds) Regulations, and that is secured by cover assets to which covered bond investors have direct recourse as preferred creditors; S.L. 345.27. S.L. 330.09.

"covered bond programme" means the structural features of a covered bonds issue that are determined by the provisions of this Act and any regulations and Covered Bonds Rules issued thereunder, and the provisions of the Recovery and Resolution Regulations transposing the CBD and by contractual terms and conditions, in accordance with the approval granted to the credit institution issuing the covered bonds; S.L. 330.09.

"covered bond public supervision" means the supervision of covered bond programmes ensuring compliance with, and the enforcement of, the requirements applicable to the issue of covered bonds;

"Covered Bonds Rules" means those Rules issued by the competent authority under Part IV *bis* or under any regulations issued thereunder;

"CRAR" means Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of the 16 September 2009 on credit rating agencies, as amended from time to time, and words and expressions used in this Act shall have the same meaning as is given to them in the said EU Regulation unless otherwise defined herein;

"CRD" means Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC

and repealing Directives 2006/48/EC and 2006/49/EC, as amended from time to time, and includes any implementing measures that have been or may be issued thereunder;

"credit institution" means a credit institution as defined in point (1) of Article 4(1) of the CRR;

"CRR" means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No 648/2012, as amended from time to time, and includes any implementing measures that have been or may be issued thereunder;

"CSDR" means Regulation (EU) No. 909/2014 of the European Parliament and of the Council of the 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and MiFID and Regulation (EU) No. 236/2012, as may be amended from time to time, and includes any implementing measures that have been or may be issued thereunder;

"CTP" or "consolidated tape provider" means the same as the meaning assigned to it in point (35) of Article 2(1) of MiFIR;

"data extractable format" shall have the same meaning as assigned to it in article 2 of the ESAP Regulation;

"data reporting services provider" means the same as the meaning assigned to it in point (36a) of Article 2(1) of MiFIR;

"dealing on own account" means trading against proprietary capital resulting in the conclusion of transactions in one or more financial instruments;

"dematerialised form" means the fact that financial instruments exist only as book entry records;

"depositary receipts" means those securities which are negotiable on the capital market and which represent ownership of the securities of a non-domiciled issuer while being able to be admitted to trading on a regulated market and traded independently of the securities of the non-domiciled issuer;

"derivatives" means those financial instruments as defined in point (44)(*c*) of Article 4(1) of MiFID; and referred to in Annex I, Section C (4) to (10) thereto;

"Directive 95/46/EC" means Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data, as amended from time to time, and includes any implementing measures that have been or may be issued thereunder;

" Directive 2003/87/EC" means Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC, as amended from time to time, and includes any implementing measures that have been or may be issued

thereunder;

"Directive 2009/65/EC" means Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), as amended from time to time, and includes any implementing measures that have been or may be issued thereunder;

" Directive 2013/34/EU" means Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC as may be amended from time to time, and includes any implementing measures that have been or may be issued thereunder;

"Directives" means the Transparency Directive, the Shareholders' Rights Directive, the Takeover Bids Directive and the Statutory Audits Directive, collectively;

"distributed ledger technology" shall have the same meaning as that assigned to it in point (1) of Article 2 of the DLT Pilot Regime Regulation;

"DLT Pilot Regime Regulation" means Regulation (EU) 2022/858 of the European Parliament and of the Council of 30 May 2022 on a pilot regime for market infrastructures based on distributed ledger technology, and amending Regulations (EU) No 600/2014 and (EU) No 909/2014 and Directive 2014/65/EU, as amended from time to time, and includes any implementing measures that have been or may be issued thereunder;

"DORA Regulation" means Regulation (EU) 2022/2554 of the European Parliament and of the Council of 14 December 2022 on digital operational resilience for the financial sector and amending Regulations (EC) No. 1060/2009, (EU) No. 648/2012, (EU) No. 600/2014, (EU) No. 909/2014 and (EU) 2016/1011, as amended from time to time, and includes any binding legal instruments, guidelines and other measures that have been or may be issued thereunder;

"EBA" means the European Banking Authority established by Regulation (EU) No. 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No. 716/2009/EC and repealing Commission Decision 2009/78/EC, as amended from time to time;

"EEA State" means a State which is a contracting party to the agreement on the European Economic Area signed at Oporto on the 2nd May, 1992 as amended by the Protocol signed at Brussels on the 17th March, 1993 and as amended by any subsequent acts;

"EMIR" means Regulation (EU) No. 648/2012 of the European Parliament and of the Council of the 4th July, 2012 on OTC derivatives, central counterparties and trade repositories as amended from time to time;

"ESAP" means European Single Access Point in accordance with the ESAP Regulation;

"ESAP Regulation" means Regulation (EU) 2023/2859 of the European Parliament and of the Council of 13 December 2023 establishing a European single access point providing centralized access to publicly available information of relevance to financial services, capital markets and sustainability, as may be amended from time to time and includes any implementing measures that have been, or may be issued thereunder;

"ESMA" means the European Securities and Markets Authority established by Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010;

"ESRB" means the European Systemic Risk Board established by Regulation (EU) No 1092/2010 of the European Parliament and of the Council of 24 November 2010 on European Union macro-prudential oversight of the financial system and establishing a European Systemic Risk Board;

"European regulatory authority" means the body or bodies designated by a Member State or EEA State in accordance with Article 67 of the MIFID to carry out each of the duties provided for under the different provisions of the MIFID;

"European resolution authority" shall have the same meaning as that assigned to it in regulation 2(1) of the Recovery and Resolution Regulations; S.L. 330.09.

"exchange-traded fund" means a fund of which at least one unit or share class is traded throughout the day on at least one trading venue and with at least one market maker which takes action to ensure that the price of its units or shares on the trading venue does not vary significantly from its net asset value and, where applicable, from its indicative net asset value;

"extendable maturity structure" means a mechanism which provides for the possibility of extending the scheduled maturity of covered bonds for a pre-determined period of time and in the event that a specific trigger occurs;

"financial instruments" means those instruments specified in Section C of Annex I of MiFID;

"financial instruments" means those instruments specified in Section C of Annex I of MiFID, including such instruments issued by means of distributed ledger technology;

"frequent issuer" means an issuer referred to in Article 9(11) of the Prospectus Regulation;

"Gender Balance Directive" means Directive (EU) 2022/2381 of the European Parliament and of the Council of 23 November 2022 on improving the gender balance among directors of listed companies and related measures, as amended from time to time, and includes any binding legal instruments, guidelines and other measures that have been or may be issued thereunder;

"Green Bonds Regulation" means Regulation (EU) 2023/2631 of the

European Parliament and of the Council of 22 November 2023 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds, as may be amended from time to time, and includes any implementing measures that have been or may be issued thereunder;

"home Member State" means, in the case of a regulated market, the Member State or EEA State in which the regulated market is registered or, if under the law of that Member State or EEA State it has no registered office, the Member State or EEA State in which the head office of the regulated market is situated;

"host Member State" means the Member State or EEA State in which a regulated market provides appropriate arrangements so as to facilitate access to trading on its system by remote members or participants established in that same Member State or EEA State;

"immobilisation" means the act of concentrating location of physical securities in a CSD in a way that enables subsequent transfers to be made by book-entry;

"individual connected with the company" means an individual who is either:

(i) a director of that company or a related company, or

(ii) who is an officer or employee of that company or related company, or

(iii) occupies a position involving a business or professional relationship between himself, his employer, or a company of which he is a director, and that company or related company, or

(iv) a public officer acquiring information in an official capacity;

"inspector" means an inspector appointed under article 33;

"issuer" means, for the purposes of Part III, any legal entity which issues or proposes to issue securities;

"legal entity" shall include registered business associations without legal personality and trusts within the meaning of the Transparency Directive;

"licence holder" means a person who holds a licence under the Investment Services Act; Cap. 370.

"listed company" means a company whose financial instruments have been admitted to listing on a trading venue in accordance with the provisions of this Act;

"listed financial instruments" or "quoted financial instruments" means financial instruments which have been admitted to listing on a regulated market in accordance with this Act;

"local regulated market" means, for the purposes of Part III, a regulated market which is authorised under this Act;

"machine-readable format" shall have the same meaning as assigned

to it in Article 2 of the ESAP Regulation;

"MAD" means Directive 2014/57/EU of the European Parliament and of the Council of 16 April 2014 on criminal sanctions for market abuse (market abuse directive), as amended from time to time, and includes any implementing measures that have been or may be issued thereunder;

"management body" means the body or bodies of a market operator or data reporting services provider which are appointed in accordance with Maltese law, which are empowered to set the entity's strategy, objectives and overall direction, and which oversee and monitor management decision-making and include persons who effectively direct the business of the entity;

"MAR" means Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC, as amended from time to time, and includes any implementing measures that have been or may be issued thereunder;

"market abuse" means conduct amounting to the prohibited use of inside information or market manipulation in terms of the Prevention of Financial Markets Abuse Act; Cap. 476.

"market maker" means a person who holds himself out on the financial markets on a continuous basis as being willing to deal on own account by buying and selling financial instruments against that person's proprietary capital at prices defined by that person;

"market operator" means a person or persons who manages and, or operates the business of a regulated market and may be the regulated market itself;

"members" in relation to a regulated market means the members of that regulated market;

"Member State" means a Member State of the European Communities;

"metadata" shall have the same meaning as assigned to it in article 2 of the ESAP Regulation;

"MiFID" means Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, as amended from time to time, and includes any implementing measures that have been or may be issued thereunder;

"MiFIR" means Regulation (EU) No. 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No. 648/2012, as amended from time to time, and includes any implementing measures that have been or may be issued thereunder;

"Minister" means the Minister responsible for the regulation of Financial Services;

"multilateral system" means any system or facility in which multiple third-party buying and selling trading interests in financial instruments are able to interact in the system;

"multilateral trading facility" or "MTF" means a multilateral system, operated by an investment firm or a market operator, which brings together multiple third-party buying and selling interests in financial instruments - in the system and in accordance with non-discretionary rules - in a way that results in a contract in accordance with Title II of MiFID;

"offer of securities to the public" means, for the purposes of Part III, a communication to persons in any form and by any means, presenting sufficient information on the terms of the offer and the securities to be offered, so as to enable an investor to decide to purchase or subscribe for those securities. This definition also applies to the placing of securities through financial intermediaries;

"offeror" means, for the purposes of Part III, a legal entity or individual which offers securities to the public;

"organised trading facility" or "OTF" means a multilateral system which is not a regulated market or an MTF and in which multiple third-party buying and selling interests in bonds, structured finance products, emission allowances or derivatives are able to interact in the system in a way that results in a contract in accordance with Title II of MiFID;

"overcollateralisation" means the entirety of the statutory, contractual or voluntary level of collateral that exceeds the coverage requirement set out in regulation 12 of the Financial Markets Act (Covered Bonds) Regulations; S.L. 345.27.

"overseas regulatory authority" means an authority in a country or territory outside Malta that is not a Member State or EEA State which exercises any regulatory or supervisory function in relation to financial services corresponding to a function of the competent authority as defined in the Malta Financial Services Authority Act; Cap. 330.

"personal data" shall have the same meaning as assigned to it in Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation);

"prescribed" means prescribed by regulations made under this Act;

"Prospectus Regulation" means Regulation (EU) No. 2017/1129 of the European Parliament and of the Council of the 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as may be amended from time to time, and includes any implementing measures, implementing technical standards, regulatory technical standards and similar measures that have been, or may be issued thereunder;

"proxy advisor" means a legal person that analyses, on a professional and commercial basis, the corporate disclosure and,

where relevant, other information of listed companies with a view to informing investors' voting decisions by providing research, advice or voting recommendations that relate to the exercise of voting rights, providing such services to shareholders with respect to shares of companies which have their registered office in a Member State or EEA State, and the shares of which are admitted to trading on a regulating market situated or operating in a Member State or EEA State;

"quoted company" means a company whose financial instruments have been admitted to listing and trading on a trading venue in accordance with the provisions of this Act;

"recognised list" means a list prepared and published by a regulated market in accordance with the bye-laws of such regulated market;

"regulated information" shall have the same meaning as that assigned to it in the Capital Market Rules;

"regulated market" means a multilateral system operated and, or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments - in the system and in accordance with its non-discretionary rules - in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and, or systems, and which is authorised and functions regularly and in accordance with Title III of MiFID. For the purposes of this definition, "buying and selling interests" includes orders, quotes and indications of interest;

"Regulation (EU) No. 1095/2010" means Regulation (EU) No. 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No. 716/2009/EC and repealing Commission Decision 2009/77/EC as amended from time to time, and includes any implementing measures that have been or may be issued hereunder;

"Regulation (EU) No. 1308/2013" means Regulation (EU) No. 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products and repealing Council Regulations (EEC) No. 922/72, (EEC) No. 234/79, (EC) No. 1037/2001 and (EC) No. 1234/2007, as amended from time to time, and includes any implementing measures that have been or may be issued thereunder;

"related company" in relation to a company, means any body corporate which is that company's subsidiary, associated or holding company, or is the manager of or managed by, or is advisor to or is advised by or otherwise controls or is controlled by that company, its holding company or a subsidiary or associate of that company's holding company;

" "resolution" shall have the same meaning as that assigned to it in regulation 2(1) of the Recovery and Resolution Regulations;

S.L. 330.09.

"Resolution Committee" means the Resolution Committee appointed by the Resolution Authority in terms of article 7B(2) of the Malta Financial Services Authority Act; Cap. 330.

"securities" means, for the purposes of Part III, transferable securities, with the exception of money market instruments as defined in point (17) of Article 4(1) of the MiFID, having a maturity of less than twelve (12) months;

"segregation" means the actions performed by a credit institution issuing covered bonds to identify cover assets and put them legally beyond the reach of creditors other than covered bond investors and counterparties of derivative contracts;

"Shareholders' Rights Directive" means Directive 2007/36/EC of the European Parliament and of the Council of the 11 July 2007 (as subsequently amended) on the exercise of certain rights of shareholders in listed companies, as may be amended from time to time, and includes any implementing measures, implementing technical standards, regulatory technical standards and similar measures that have been or may be issued thereunder;

"special administrator" means the person or entity appointed to administrate a covered bond programme in the event of the insolvency of a credit institution issuing covered bonds under that programme, or when such credit institution has been determined to be failing or likely to fail pursuant to regulation 32(1) of the Recovery and Resolution Regulations or, in exceptional circumstances, where the competent authority determines that the proper functioning of that credit institution is seriously at risk; S.L. 330.09.

"sponsor" means a person registered with the competent authority in terms of article 12B, to provide advice, guidance and expertise to issuers applying, or intending to apply, for admissibility to listing of securities on a local regulated market under this Act, and as may be prescribed;

"Statutory Audits Directive" means Directive 2006/43/EC of the European Parliament and of the Council of the 17 May 2006 (as subsequently amended) on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC, as may be amended from time to time, and includes any implementing measures, implementing technical standards, regulatory technical standards and similar measures that have been, or may be issued thereunder;

"SSR" means Regulation (EU) No. 236/2012 of the European Parliament and of the Council of 14 March 2012 on short selling and certain aspects of credit default swaps, as amended from time to time;

"Takeover Bids Directive" means Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids, as amended from time to time, and includes any implementing measures that have been or may be issued thereunder;

"third-country CSD" means any legal entity established in a third

country that provides a similar service to the core service referred to in point (3) of Section A of the Annex to the CSDR and performs at least one other core service listed in Section A of the Annex;

"trading" means the activity of buying and selling of quoted financial instruments;

"trading venue" means a regulated market, an MTF or an OTF;

"transferable securities" means those classes of securities which are negotiable on the capital market, with the exception of instruments of payment, such as:

(*a*) shares in companies and other securities equivalent to shares in companies, partnerships or other entities, and depositary receipts in respect of shares;

(*b*) bonds or other forms of securitised debt, including depositary receipts in respect of such securities;

(*c*) any other securities giving the right to acquire or sell any such transferable securities or giving rise to a cash settlement determined by reference to transferable securities, currencies, interest rates or yields, commodities or other indices or measures;

"Transparency Directive" means Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC, as amended from time to time, and includes any implementing measures that have been or may be issued thereunder;

"tribunal" means the Financial Services Tribunal established under article 21 of the Malta Financial Services Authority Act.

Cap. 330.

Added by: XLVI.2021.11.

(1A) In this Act and in any regulations made thereunder, if there is any conflict between the English and Maltese texts, the English text shall prevail.

(2) The objective of this Act is *inter alia* to regulate trading venues, central securities depositories, central counterparties, covered bonds and the issuance thereof by credit institutions licensed in terms of the Banking Act, and to provide for the orderly trading in transferable securities and for matters ancillary or incidental thereto or connected therewith, and to transpose and, or implement, in part, the relevant provisions of the CBD, CRAR, CSDR, DLT Pilot Regime Regulation, EMIR, MIFID, MiFIR, the Prospectus Regulation, the SSR and the Directives, and consequently this Act and any regulations adopted thereunder shall be interpreted and applied accordingly.

Cap. 371.

(3) Part IV *bis* shall apply to covered bonds issued by credit institutions licensed in terms of the Banking Act.

Cap. 371.

2A. (1) The competent authority shall carry out its functions under this Act and, in particular, shall ensure compliance with the provisions of this Act.

Competent authority shall carry out its functions under this Act.
Added by: XIX. 3016.4. Amended by: XXV.2023.37; XI.2025.6; XIX.2026.8.

(2) The competent authority shall also carry out the functions and duties as competent authorityfor all purposes of the relevant provisions of CRAR, CSDR, the DLT Pilot Regime Regulation, EMIR, the Gender Balance Directive, the Green Bonds Regulation, MiFID, MiFIR and the SSR, and the Commission of the European Union, ESMA, and European regulatory authorities shall be informed accordingly.

(3) The Malta Financial Services Authority established by the Malta Financial Services Authority Act shall be the designated competent authority in Malta for the purposes of implementing the relevant provisions of the CRAR,CSDR, the DLT Pilot Regime Regulation, EMIR, the Gender Balance Directive, the Green Bonds Regulation, MiFID, MiFIR and the SSR, and any reference in this Act to the competent authority shall be read and construed accordingly.

Cap. 330.

(4) The Malta Financial Services Authority established by the Malta Financial Services Authority Act shall be the officially appointed mechanism in Malta in accordance with Article 21(2) of the Transparency Directive, and shall carry out functions and duties for the purposes of the Transparency Directive and the MAR, and any reference in this Act to the officially appointed mechanism shall be read and construed accordingly:

Cap. 330.

Provided that such function shall be carried out by the Malta Financial Services Authority with effect from 10 July 2026.

(5) The competent authority shall carry out the functions and duties of the collection body in accordance with the ESAP Regulation, when it is designated as such under this Act or any regulations made thereunder.

PART II

TRADING VENUES

Amended by: XX. 2007.14. Substituted by: XIX. 2016.5.

3. (1) The Minister, acting on the advice of the Competent Authority, may make regulations setting out -

Minister's power to make regulations.
Substituted by: XVII. 2002.114. Amended by: IV. 2005.30; XX. 2007.14, 16; XXXI. 2017.17; XI.2025.7.

(*a*) the requirements and conditions which must be satisfied by a market if it is to qualify as a regulated market in respect of which an authorisation may be issued by the competent authority;

(*b*) the requirements including reporting and transparency requirements and conditions which a regulated market must continue to satisfy if it is to remain a regulated market;

(*c*) the circumstances and the manner in which an

authorisation or the requirements and conditions to which it is subject may be varied, suspended or revoked;

(*d*) requirements for the regulation and supervision of market operators and, or regulated markets;

(*e*) arrangements for the investigation of complaints about market operators and, or regulated markets;

(*f*) the functions of the Tribunal with respect to proceedings under the bye-laws of regulated markets by persons subject to such bye-laws;

(*g*) arrangements for the scrutiny of practices of market operators and, or bye-laws and practices of regulated markets and for preventing restrictive practices in terms of the Competition Act and any regulations made thereunder;

Cap. 379.

(*h*) categories of transactions that are to be carried out exclusively on a regulated market and the circumstances in which investors may be exempted therefrom;

(*i*) exemptions from the requirement for an authorisation under article 4(1) which may be subject to such variations, additions, adaptations and modifications as may be prescribed and which may be subject to such conditions or other requirements, including other forms of authorisation and notification procedures, as may be prescribed;

(*ia*) fees and charges in respect of any request, application or other matter that may be submitted to the Authority under this Act, including the fees and charges in respect of any permission, licence, authorisation, registration, exemption or any other benefit, as well as any fees and charges in respect of the Authority's regulatory, supervisory or investigative functions in accordance with this Act and any regulations made or Rules issued thereunder;

(*j*) prescribing anything that is incidental to or connected with any of the above matters.

Added by: XXXI. 2017.17.

(2) Regulations made under this article may impose:

(*a*) administrative penalties which may not exceed one hundred and fifty thousand euro (€150,000) for each infringement or failure to comply, as the case may be;

(*b*) punishments or other penalties in respect of any contravention or failure to comply not exceeding a fine (*multa*) of four hundred and sixty six thousand euro (€466,000) or to a term of imprisonment not exceeding four years, or to both such fine and imprisonment;

(*c*) administrative penalties higher than one hundred and fifty thousand euro (€150,000) and fines higher than four hundred and sixty six thousand euro (€466,000),

where deemed necessary or appropriate for any contravention of or failure of compliance with any EU Directive or EU Regulation or of any regulations made under this article to transpose or to give effect to any EU Directive or EU Regulation.

(3) Regulations made under this article may also prescribe penalties and fines as provided for in sub-article (2)(*c*), for any breach of any provision of the Act or for any breach of any Financial Market Rules, transposing and, or implementing any EU Directive or EU Regulation.

Application for authorisation. *Substituted by: XVII. 2002.114. Amended by: XX. 2007.14, 17; XIX. 2010.18; XX. 2013.26; XXXI. 2017.18; XLVI.2021.12; LXXI.2021.7; IX.2023.4.*

4. (1)(*a*) No person shall provide, or hold itself out to provide the services of a regulated market in or from within Malta unless such person is in possession of an authorisation.

(*b*) Any body corporate or unincorporate may apply to the competent authority for an authorisation under this Part of the Act declaring it to be an authorised regulated market for the purposes of this Act.

(*c*) A regulated market shall only be authorised where the competent authority is satisfied that both the market operator and the systems of the regulated market comply with the applicable requirements laid down in this Act and any regulation or Financial Market Rules made thereunder.

(*d*) Where a regulated market is a legal person and is managed or operated by a market operator other than the regulated market itself, the competent authority shall establish by means of Financial Market Rules how the different obligations imposed on the market operator under MiFID are to be allocated between the regulated market and the market operator.

(2) (*a*) The market operator of the regulated market shall provide all information, necessary to enable the competent authority to satisfy itself that the regulated market has established, at the time of initial authorisation, all the necessary arrangements to meet its obligations under the Act or any regulations or Financial Market Rules made thereunder.

(*b*) An application shall be made in such a manner as the competent authority may establish by Financial Market Rules and shall be accompanied by:

(i) a programme of operations setting out *inter alia* the types of business envisaged;

(ii) a full description of the organisational structure and the proposed bye-laws or similar arrangements of the applicant;

(iii) detailed information as required by the competent authority on the -

(*a*) persons who effectively direct the business and the operations of the regulated market;

(*b*) those persons who own the regulated market; and

(*c*) the market operator; and

(iv) any other information required by the competent authority.

(3) The market operator shall notify the competent authority immediately of any changes or corrections to the information provided in terms of sub-article (2):

Provided that in the case of changes to the persons who effectively direct the business and the operations of the regulated market the prior authorisation of the competent authority shall be requested:

Provided further that where there are objective and demonstrable grounds for believing that the appointment or election of an officer poses or may pose a material threat to the sound and prudent management and operation of the regulated market, the competent authority shall refuse to approve such appointment or election.

(4) For the better carrying out of the provisions of this Act, the competent authority may, from time to time, issue and publish Financial Market Rules which shall be binding on regulated markets and others as may be specified therein. Such Financial Market Rules may lay down additional requirements and conditions in relation to activities of regulated markets and any other persons as may be specified therein, the conduct of their business, their relations with customers, the public and other parties, their responsibilities to the competent authority, reporting requirements, financial resources, capital adequacy and related requirements, and any other matters as the competent authority may consider appropriate including -

(*a*) the manner and form in which an application is to be made;

(*b*) the particulars and such other matters which are to be set out by an applicant;

(*c*) such further information as the competent authority may reasonably require for the purpose of determining the application;

(*d*) any other matter incidental to or connected with any of the above.

(5) Information which the competent authority may require in connection with an application shall be provided in such form, and shall be verified in such manner, as the competent authority may direct.

(6) Different Financial Market Rules may be issued by the competent authority under sub-article (4) with respect to different classes or categories of applications.

(7) In determining an application the Competent Authority may have regard to any information which it considers relevant to the application.

(8) The competent authority may on an application duly made in accordance with sub-articles (1) and (2) and subject to any Financial Market Rules issued under sub-article (4) make or refuse to issue an authorisation. Where the competent authority issues an authorisation, the market operator shall be responsible for ensuring that the provisions of the Act, regulations and Financial Market Rules made thereunder and any implementing measures issued by the European Commission in terms of the powers conferred to it by the MIFID which are applicable to regulated markets, are complied with.

(9) An authorisation shall state the date on which it shall take effect.

(10) Where the competent authority refuses an application for an authorisation it shall give the applicant a notice to that effect stating the reasons for the refusal.

(11) *(Deleted by: XLVI.2021.12)*.

(12) An authorisation may, in accordance with such regulations as may be prescribed, be varied, suspended or revoked by the competent authority.

Applicable law when Malta is the home Member State.
Added by: XX. 2007.18.
Substituted by: XXXI. 2017.19.

4A. Without prejudice to any relevant provisions of MAR or of MAD, the public law governing the trading conducted under the systems of the regulated market shall be that of Malta when Malta is the home Member State of the regulated market.

Significant influence over the management of a regulated market.
Added by: XX. 2007.18.
Amended by: XIX.2026.9.

4B. (1) Persons who are in a position to exercise, directly or indirectly, significant influence over the management of the regulated market must be fit and proper.

(2) No person shall acquire a direct or indirect holding in a regulated market and, or the market operator which represents ten (10) per cent or more of the share capital issued by such body or of the voting rights attaching to such share capital or which makes it possible to exercise a significant influence over the management of the regulated market ("qualifying shareholding") or increase such qualifying shareholding so that the proportion of the voting rights or of the share capital held by him in the regulated market reaches or exceeds twenty (20) per cent, thirty-three (33) per cent or fifty (50) per cent unless the competent authority has been notified of that intention by such person or by the relevant regulated market and the competent authority has approved the acquisition of or increase in such qualifying shareholding.

(3) The competent authority shall refuse to approve any changes to controlling interests as proposed by the regulated market and, or the market operator in terms of sub-article (2) where there are objective and demonstrable grounds for believing that they would pose a threat to the sound and prudent management of the said regulated market.

(4) The market operator of a regulated market shall:

(*a*) provide the competent authority with, and make public,

as well as make accessible on ESAP in terms of sub-article (5), information regarding the ownership of the regulated market and, or the market operator, and in particular, the identity and scale of interests of any parties in a position to exercise significant influence over the management;

(*b*) inform the competent authority of and make public, as well as make accessible on ESAP in terms of sub-article (5), any transfer of ownership which gives rise to a change in the identity of the persons exercising significant influence over the operation of the regulated market.

(5) For the purpose of making the information referred to in sub-article (4) accessible on ESAP, market operators shall, when making such information public, also submit it at the same time to the collection body:

Provided that for the purposes of this sub-article, the collection body shall be the competent authority:

Provided further that such obligation shall apply with effect from 10 January 2030.

(6) The information referred to in sub-article (5) shall comply with the following requirements:

(*a*) it shall be submitted in a data extractable format or, where required by Union law or national law, in a machine-readable format; and

(*b*) it shall be accompanied by the following metadata:

(i) all the names of the market operator or issuer to which the information relates;

(ii) the legal entity identifier of the market operator or issuer, as specified in accordance with point (b) of Article 7(4) of the ESAP Regulation;

(iii) the size of the market operator or issuer, as specified in accordance with point (d) of Article 7(4) of the ESAP Regulation;

(iv) the type of information, as classified in accordance with point (c) of Article 7(4) of the ESAP Regulation; and

(v) an indication of whether the information contains personal data:

Provided that for the purposes of sub-paragraph (ii), the market operator and issuer shall obtain a legal entity identifier.

Regulated market bye-laws and arrangements. *Added by: XX. 2007.18. Amended by: XIX. 2016.6; XXXI. 2017.20.*

4C. (1) Regulated markets shall be obliged to:

(i) have clear and transparent bye-laws regarding the admission of financial instruments to trading which shall ensure that any financial instruments admitted to trading on the regulated market are capable of being traded in a fair, orderly and efficient manner and, that transferable securities are freely negotiable:

Provided that in the case of derivatives such requirements shall also ensure that the design of the derivative contract allows for its orderly pricing as well as for the existence of effective settlement conditions;

(ii) have effective arrangements to verify that issuers of transferable securities that are admitted to trading comply with their obligations under Union Law in respect of initial, ongoing or ad hoc disclosure obligations;

(iii) establish arrangements which facilitate its members or participants in obtaining access to information which has been made public under Union Law;

(iv) establish the necessary arrangements to review regularly the compliance with admission requirements of the financial instruments which are admitted to trading.

(2) A transferable security that has been admitted to trading on a regulated market can subsequently be admitted to trading on other regulated markets, even without the consent of the issuer and in compliance with the relevant provisions of Directive 2003/71/EC of the European Parliament and of the Council of 4 November, 2003 on the prospectus to be published when securities are offered to the public or admitted to trading, and amending Directive 2001/34/EC and any implementing measures that have been or may be issued thereunder.

(3) The issuer shall be informed by the regulated market of the fact that its transferable securities are traded on that regulated market. The issuer shall not be subject to any obligation to provide information required under sub-article (1)(ii) directly to any regulated market which has admitted the issuer's transferable securities to trading without its consent.

(4) In complying with the provisions of this article regulated markets shall also comply with the applicable provisions of MiFIR.

Rights of a market operator. Added by: *XXXI. 2017.21.*

4D. A market operator shall be entitled to exercise the rights that correspond to the regulated market that it manages by virtue of MiFID.

Limitation on market operators. Added by: *XXXI. 2017.21.*

4E. Market operators shall not execute client orders against proprietary capital, or engage in matched principal trading on any of the regulated markets they operate.

System resilience, circuit breakers and electronic trading. Added by: *XXXI. 2017.21. Emendat: XI.2025.8; XXIX.2025.9.*

4F. (1) A regulated market shall establish and maintain its operational resilience in accordance with the requirements laid down in Chapter II of the DORA Regulation to ensure its trading systems are resilient, have sufficient capacity to deal with peak order and message volumes, are able to ensure orderly trading under conditions of severe market stress, are fully tested to ensure such conditions are met and are subject to effective business continuity arrangements, including ICT business continuity policy and plans and ICT response and recovery plans established in accordance with Article 11 of the DORA Regulation, to ensure continuity of its services if there is any failure of its trading systems.

(2) A regulated market shall have in place:

(*a*) written agreements with all investment firms pursuing a market making strategy on the regulated market;

(*b*) schemes to ensure that a sufficient number of investment firms participate in such agreements which require them to post firm quotes at competitive prices with the result of providing liquidity to the market on a regular and predictable basis, where such a requirement is appropriate to the nature and scale of the trading on that regulated market.

(3) The written agreement referred to in sub-article (2) shall at least specify:

(*a*) the obligations of the investment firm in relation to the provision of liquidity and where applicable any other obligation arising from participation in the scheme referred to in sub-article (2)(*b*);

(*b*) any incentives in terms of rebates or otherwise offered by the regulated market to an investment firm so as to provide liquidity to the market on a regular and predictable basis and, where applicable, any other rights accruing to the investment firm as a result of participation in the scheme referred to in sub-article (2)(*b*).

(4) A regulated market shall monitor and enforce compliance by investment firms with the requirements of such binding written agreements. The regulated market shall inform the competent authority about the content of the binding written agreement and shall, upon request, provide all further information to the competent authority necessary to enable the competent authority to satisfy itself of compliance by the regulated market with sub-article (3) and this sub-article.

(5) A regulated market shall have in place effective systems, procedures and arrangements to reject orders that exceed pre-determined volume and price thresholds or are clearly erroneous.

(6) A regulated market may temporarily halt or constrain trading in emergency situations or in the event of a significant price

movement in a financial instrument on such market or a related market during a short period and, in exceptional cases, it may cancel, vary or correct any transaction:

Provided that such regulated market shall ensure that the parameters for halting or constraining trading are appropriately calibrated in a way which takes into account the liquidity of different asset classes and sub-classes, the nature of the market model and the types of users and is sufficient to avoid significant disruptions to the orderliness of trading.

(7) A regulated market shall report the parameters for halting trading and any material changes to those parameters to the competent authority in a consistent and comparable manner. The competent authority shall in turn report them to ESMA.

(8) Where a regulated market which is material in terms of liquidity in that financial instrument halts trading, in any Member State or EEA State including Malta, that trading venue shall have the necessary systems and procedures in place to ensure that it will notify the competent authority or European regulatory authorities, as the case may be, in order for them to coordinate a market-wide response and determine whether it is appropriate to halt trading on other venues on which the financial instrument is traded until trading resumes on the original market.

(8a) A regulated market shall disclose publicly on its website information about the circumstances leading to the halting or constraining of trading and the principles for establishing the main technical parameters used to do so.

(8b) Where a regulated market does not halt or constrain trading as referred to in sub-article (6), despite the fact that a significant price movement in a financial instrument or related financial instruments has led to disorderly trading conditions on one or more markets, the Authority may take appropriate measures to re-establish the normal functioning of the markets, including giving such directives as referred to in paragraphs (h) to (k) of article 15(2) of the Investment Services Act. Cap. 370.

(9) A regulated market shall have in place effective systems, procedures and arrangements, including:

(*a*) such systems that require members or participants to carry out appropriate testing of algorithms and providing environments to facilitate such testing in accordance with the requirements laid down in Chapters II and IV of the DORA Regulation, in order to:

(i) ensure that algorithmic trading systems cannot create or contribute to disorderly trading conditions on the market; and

(ii) manage any disorderly trading conditions which do arise from such algorithmic trading systems;

and

(*b*) systems to limit the ratio of unexecuted orders to transactions that may be entered into the system by a member or participant, in order to:

(i) be able to slow down the flow of orders if there is a risk of its system capacity being reached; and

(ii) limit and enforce the minimum tick size that may be executed on the market.

(10) A regulated market that permits direct electronic access shall have in place effective systems procedures and arrangements to ensure that members or participants are only permitted to provide such services if they are investment firms authorised under MiFID or credit institutions authorised under the CRD, that appropriate criteria are set and applied regarding the suitability of persons to whom such access may be provided and that the member or participant retains responsibility for orders and trades executed using that service in relation to the requirements of MiFID.

(11) A regulated market shall also set appropriate standards regarding risk controls and thresholds on trading through such access and be able to distinguish and, if necessary, stop orders or trading by a person using direct electronic access separately from other orders or trading by the member or participant.

(12) A regulated market shall have arrangements in place to suspend or terminate the provision of direct electronic access by a member or participant to a client in the case of non-compliance with sub-articles (10) and (11).

(13) A regulated market shall ensure that its rules on co-location services are transparent, fair and non-discriminatory.

(14) A regulated market shall ensure that its fee structures including execution fees, ancillary fees and any rebates are transparent, fair and non-discriminatory and that they do not create incentives to place, modify or cancel orders or to execute transactions in a way which contributes to disorderly trading conditions or market abuse. In particular, a regulated market shall impose market making obligations in individual shares or a suitable basket of shares in exchange for any rebates that are granted.

(15) A regulated market shall be allowed to adjust its fees for cancelled orders according to the length of time for which the order was maintained and to calibrate the fees to each financial instrument to which they apply.

(16) A regulated market may be allowed to impose a higher fee for placing an order that is subsequently cancelled than an order which is executed and to impose a higher fee on participants placing a high ratio of cancelled orders to executed orders and on those operating a high-frequency algorithmic trading technique in order to reflect the additional burden on system capacity.

(17) A regulated market shall be able to identify, by means of flagging from members or participants, orders generated by algorithmic trading, the different algorithms used for the creation of orders and the relevant persons initiating those orders. That information shall be available to the competent authority and European regulatory authorities upon request.

(18) Upon request by the competent authority, a regulated market shall make available thereto, data relating to the order book or give the competent authority access to the order book so that it is able to monitor trading.

Tick sizes. Added by: *XXXI. 2017.21.* *Amended by: XXIX.2025.10.*

4G. (1) Regulated markets shall adopt tick size regimes in shares, depositary receipts, exchange-traded funds, certificates and other similar financial instruments and in any other financial instrument for which regulatory technical standards are developed by ESMA:

Provided that the application of tick sizes shall not prevent regulated markets from matching orders large in scale at mid-point within the current bid and offer prices.

(2) The tick size regimes referred to in sub-article (1) shall:

(*a*) be calibrated to reflect the liquidity profile of the financial instrument in different markets and the average bid-ask spread, taking into account the desirability of enabling reasonably stable prices without unduly constraining further narrowing of spreads;

(*b*) adapt the tick size for each financial instrument appropriately.

(3) In respect of shares with an International Securities Identification Number (ISIN) issued outside the European Economic Area (EEA), or shares which have an EEA ISIN and which are traded on a third-country venue in the local currency or in a non-EEA currency, as referred to in point (a) of Article 23(1) of MiFIR for which the venue that is the most relevant market in terms of liquidity is in a third country, regulated markets may provide for the same tick size that applies in that venue.

Synchronisation of business clocks. Added by: *XXXI. 2017.21.*

4H. *Repealed by Act XXIX.2025.11.*

Financial Market Rules. *Substituted by: XVII. 2002.114.* *Amended by: XX. 2007.14, 19.*

5. (1) The competent authority may issue Financial Market Rules requiring a regulated market to give it -

(*a*) notice of such events relating to that regulated market as may be specified by the competent authority; and

(*b*) such information in respect of those events as may be specified by the competent authority;

(*c*) such other information relating to that regulated

market, at such times or in respect of such period as may be specified by the competent authority.

(2) Any Financial Market Rules issued by the competent authority may require information to be given in a specified form and to be verified in a specified manner and any information so required shall be provided promptly.

Non-application or modification of Financial Market Rules. *Substituted by: XVII. 2002.114. Amended by: XX. 2007.14, 20.*

6. (1) The competent authority may direct that any of the Financial Market Rules issued under article 5 are not to apply in respect of any regulated market or are to apply to such regulated market with such modification as may be specified in the Financial Market Rule, if it is satisfied that -

(*a*) compliance by the regulated market with the Financial Market Rules, or with the Financial Market Rules as unmodified, would be unduly burdensome or would not achieve the purpose for which the Financial Market Rules were made; and

(*b*) the non-application or modification of the Financial Market Rule as aforesaid would not result in undue risk to persons whose interests such Financial Market Rules are intended to protect.

(2) A Financial Market Rule issued by the competent authority under sub-article (1) may be made subject to such conditions as the competent authority may deem fit.

Supervision. *Substituted by: XVII. 2002.114. mended by: XX. 2007.14, 21; XX. 2013.27; XIX. 2016.7.*

7. (*Deleted by: XLVI.2021.13*).

Revocation of an authorisation. *Substituted by: XVII. 2002.114. Amended by: XX. 2007.14, 22; XXXI. 2017.22.*

8. (1) An authorisation may be revoked by an order made by the competent authority at the request, or with the consent of the regulated market concerned or otherwise as provided in this Act.

(2) If it appears to the competent authority that a regulated market -

(*a*) is failing, or has failed, to satisfy the requirements for authorisation under this Act, or

(*b*) is failing or has failed, to comply with any other obligation imposed on it by or under this Act, or

(*c*) does not make use of the authorisation within twelve months, expressly renounces the authorisation or has not operated for the preceding six months, or

(*d*) has obtained the authorisation by making false statements or by any other irregular means, or

(*e*) no longer meets the conditions under which authorisation was granted, or

(*f*) has seriously and systematically infringed the provisions adopted pursuant to MiFID or MiFIR,

it may make an order revoking the authorisation order for that body even though the body does not wish or does not consent to the revocation of the authorisation.

(3) An order under sub-articles (1) and (2) revoking an authorisation hereinafter referred to as a "revocation order" shall specify the date on which it is to take effect.

(4) A revocation order may contain such transitional provisions as the competent authority deems necessary or expedient.

(5) The competent authority shall notify ESMA of any revocation order.

Notice of directive or revocation. *Substituted by: XVII. 2002.114. Amended by: XX. 2007.14; LXXI.2021.8.*

9. (1) Before issuing a directive under article 39K, or before making a revocation order under article 8(2), the competent authority shall -

(*a*) give written notice of its intention so to do to the regulated market concerned; and

(*b*) take such steps as it considers reasonably practicable to bring the notice to the attention of any other persons who are, in its opinion, likely to be affected.

(2) A notice under sub-article (1) shall -

(*a*) state the reasons why the competent authority intends to issue the directive or make the revocation order; and

(*b*) draw attention to the right to make representations conferred by sub-article (3).

(3) Before the end of the period for making representations

(*a*) the regulated market; and

(*b*) any other person who is likely to be affected by the proposed revocation order and notified in terms of sub-article (1)(*b*),

may make representations to the competent authority.

(4) The period for making representations is -

(*a*) two (2) months beginning -

(i) with the date on which the notice is served on the regulated market in the case of the regulated market, or

(ii) with the date on which the notice is brought to the attention of any other persons notified in terms of sub-article (1)(*b*) in the case of such other persons.

(*b*) such longer period stated in the notice as the competent authority may deem fit to allow in the particular case.

(5) In deciding whether to issue a directive or make a revocation order, the competent authority shall have regard to any representations made in accordance with sub-article (3).

(6) If the competent authority decides to issue the proposed

directive or to make the proposed revocation order it shall:

(*a*) give the regulated market written notice of its decision; and

(*b*) where it decides to issue the directive or to make the order, take such steps as it considers reasonably practicable for bringing its decision to the attention of any other persons who are, in the competent authority's opinion, likely to be affected thereby.

Notification of intended action. *Substituted by: XVII. 2002.114. Amended by: XX. 2007.14, 23.*

10. A regulated market intending to take any of the following actions shall notify the competent authority in writing and the consent of the competent authority shall be required before a regulated market may lawfully:

(*a*) alter or revoke any of its bye-laws; or

(*b*) make or issue new bye-laws; or

(*c*) make a change in the arrangements it makes for the provision of clearing services in respect of transactions effected on the regulated market concerned or in the criteria which it applies when determining to whom it will provide clearing services.

Clearing and settlement of transactions. *Added by: XX. 2007.24. Amended by: XXXI. 2017.23.*

10A. Regulated markets shall offer all their members or participants the right to designate the systems for the clearing and settlement of transactions in financial instruments undertaken on that regulated market subject to:

(*a*) such links and arrangements between the designated clearing and settlement system and any other system or facility as are necessary to ensure the efficient and economic settlement of the transaction in question; and

(*b*) agreement by the competent authority responsible for the supervision of the regulated market that technical conditions for the clearing and settlement of transactions concluded on the regulated market through a clearing and settlement system other than that designated by the regulated market are such as to allow smooth and orderly functioning of financial markets.

Competent authority to draw up list when it is the home Member State of a regulated market. *Added by: XX. 2013.28.*

10B. (1) The competent authority shall draw up a list of the regulated markets registered in Malta and shall forward that list to the other Member States, EEA States and ESMA. A similar communication shall be effected in respect of each change to that list.

(2) Market operators shall communicate, on a regular basis, the list of the members or participants of the regulated market to the competent authority of the regulated market.

PART III

PROSPECTUS, LISTING AND TRADING

Substituted by: XLVI.2021.14.

Functions and powers of the competent authority.
Substituted by: XLVI.2021.15. Amended by: XI.2025.9; XXIX.2025.12.

11. (1) Without prejudice to any other power or function conferred to it by this Act or any other law, it shall also be the function of the competent authority:

(a) to approve, or otherwise, the prospectus of any offer of securities to the public in Malta;

(b) to approve, or otherwise, the admissibility of securities to a local regulated market;

(ba) to approve, or otherwise, the registration of a sponsor, as may be prescribed;

(c) to make Capital Markets Rules for the better implementation and purposes of this Part;

(d) to ensure compliance by issuers of securities with the requirements or conditions set out in the Prospectus Regulation, the Directives, this Act and any regulations and Capital Markets Rules issued thereunder;

(da) to examine whether, and ensure that, an issuer's regulated information is in accordance with the requirements established in the Capital Markets Rules;

(db) to ensure a proxy advisor's compliance with transparency requirements as established in the Capital Markets Rules;

(e) to monitor the timely disclosure of information by issuers or any other persons subject to the Capital Markets Rules with the objective of ensuring effective and equal access to the public in Malta and in all Member States or EEA States where the securities are admitted to trading on a local regulated market;

(f) to act as the designated competent authority in Malta for the purposes of implementing the relevant provisions of the Prospectus Regulation and the Directives, ensure that the provisions adopted pursuant to the Directives are applied and issue Capital Markets Rules in furtherance of its responsibility under any provisions of any of the Directives, which rules shall be binding on issuers, shareholders and any other persons as may be indicated in the said Rules:

Provided that, in relation to the Statutory Audit Directive, this paragraph shall only apply to the extent that the said Directive applies to issuers;

(g) to cooperate with ESMA for the purposes of, and where required by, the Prospectus Regulation, the Directives or any other applicable law.

(2) Without prejudice to any other regulatory and investigatory powers conferred to it by this Act or any other law, the competent

authority shall have the following powers:

(a) to require any person to provide supplementary information in a prospectus or through any other means as may be specified by the competent authority, where necessary for investor protection;

(b) to prohibit or suspend advertisements or require any person to cease or suspend advertisements for a maximum of ten (10) consecutive working days on any single occasion, where there are reasonable grounds for believing that the Prospectus Regulation, this Act or any regulations or Capital Markets Rules issued thereunder have been infringed in a local regulated market;

(c) to make public the fact that a person is failing to comply with its obligations;

(d) to suspend the scrutiny of a prospectus submitted to it for approval or suspend or restrict an offer of securities to the public or admission to listing and, or trading on a local regulated market where the competent authority is making use of the power to impose a prohibition or restriction, until such prohibition or restriction has ceased;

(e) to refuse approval of any prospectus drawn up by any person for a maximum period of not more than five (5) years, in the case where that person has repeatedly and severely infringed Prospectus Regulation, this Act or any regulations or Capital Markets Rules issued thereunder;

(f) to disclose, or to require any person to disclose, all material information which may have an effect on the assessment of the securities offered to the public or admitted to trading on a local regulated market in order to ensure investor protection or the smooth operation and integrity of the market;

(g) to suspend or require the relevant authorized regulated market to suspend the listed financial instruments from trading on an authorized regulated market where it considers that the issuer's situation is such that trading would be detrimental to investors' interests;

(h) to carry out on-site inspections or investigations at sites other than the private residences of natural persons, and for that purpose to enter premises in order to access documents and other data in any form:

(i) where a reasonable suspicion exists that documents and other data related to the subject-matter of the inspection or investigation may be relevant to prove a breach of the Prospectus Regulation, this Act or any regulations or Capital Markets Rules issued thereunder; and, or

(ii) for the purpose of ensuring compliance of the

issuer with continuing obligations in terms of the Prospectus Regulation, this Act or any regulations or Capital Markets Rules issued thereunder;

(i) to request an issuer to re-issue regulated information, to issue a corrective note and, or to reflect a correction in any future regulated information;

(j) to cancel or suspend the registration of a sponsor in such circumstances as may be prescribed.

11A. (*Deleted by XIX. 2016.8*).

Further functions of the Listing Authority. *Added by: XIX. 2010.20; Amended by: X. 2011.15.*

12. (1) Unless otherwise expressly provided in this Act or in the provisions of any other applicable law, no securities shall be:

Approval of prospectus and admissibility to listing. *Substituted by: XLVI.2021.16. Amended by: XI.2025.10.*

(*a*) offered to the public in Malta unless and until a prospectus is approved by the competent authority; and

(*b*) eligible for admission to listing and trading on a local regulated market unless and until the competent authority has approved the admissibility to listing of those securities.

(2) *Deleted by Act XI.2025.10.*

(3) A local regulated market may admit to listing and trading to the recognised list concerned such securities as may be considered appropriate and which -

(*a*) do not fall within a description or category specified in any regulations made in accordance with article 14A as not being admissible to listing on any local regulated market; and

(*b*) have been authorised as admissible to listing by the competent authority.

12A. (1) Without prejudice to Article 4 of the Prospectus Regulation, the provisions of the Prospectus Regulation, this Act and any regulations or Capital Markets Rules issued thereunder shall not apply to an offer of securities to the public with a total consideration in the European Union and the EEA of less than one million euro (€1,000,000), which shall be calculated over a period of twelve (12) months.

Exemptions. *Added by: XLVI.2021.17.*

(2) Without prejudice to sub-article (1), as well as Articles 1(4) and 4 of the Prospectus Regulation, offers of securities to the public shall be exempt from the obligation to publish a prospectus in accordance with Article 3(1) of the Prospectus Regulation provided that:

(*a*) such offers are not subject to notification in accordance with Article 25 of the Prospectus Regulation; and

(*b*) the total consideration of each such offer in the European Union and the EEA is less than a monetary amount calculated over a period of twelve (12) months which shall not exceed five million euro (€5,000,000).

Registration of sponsors and transitory provision. *Added by: XI.2025.11.*

12B. (1) Any person intending to act as a sponsor in Malta, or to hold itself out to act as such, shall apply with the competent authority for registration to do so. To this effect, no person shall provide, or hold itself out as providing the services of a sponsor in Malta unless duly registered with the competent authority in accordance with this Act in the manner prescribed and as may be provided for in Capital Markets Rules.

(2) An application for registration as a sponsor shall be made to the competent authority in the manner prescribed and as may be provided for in Capital Markets Rules.

(3) Any person who, on the date of the coming into force of this article, is already providing or holding himself out as providing the services of a sponsor, may only continue to offer such services for ten (10) months from such date of the coming into force of this article, if the following two (2) conditions are satisfied:

(a) they shall have submitted to the competent authority a duly completed application for registration, in accordance with the provisions of this article and any regulations and rules issued under the Act, by not later than two (2) months from the said date of coming into force; and

(b) they shall have been registered by the competent authority before the lapse of the said ten (10) months from such date of coming into force:

Provided that the competent authority shall either register such person applying for registration or shall otherwise refuse an application for registration made in accordance with this sub-article, before the lapse of such ten (10) months provided that a duly completed application shall have been submitted to the competent authority in accordance with the provisions of this Act and any regulations and Rules made thereunder. A "duly completed application" shall include any additional or missing information or documentation which may subsequently be requested by the competent authority. Registration or refusal, as the case may be, shall be made by the competent authority in accordance with the provisions of this Act and any regulations or rules issued thereunder.

Power of the competent authority to register or refuse an application for registration of a sponsor. *Added by: XI.2025.11.*

12C. (1) The competent authority may register or refuse an application for registration made in accordance with article 12B, in the manner and the circumstances prescribed.

(2) In granting a registration the competent authority may subject the applicant to such conditions as it may deem appropriate. After having granted registration, the competent authority may, from time to time, vary or revoke any condition so imposed or

otherwise impose new conditions.

(3) A register of all sponsors to whom registration has been granted in terms of this Act shall be established by the competent authority. The register shall be publicly available on the competent authority's website and shall indicate the names of the persons to whom such registration has been granted, and it shall be updated on a regular basis.

Power of competent authority to cancel or suspend registration of a sponsor. *Added by: XI.2025.11.*

12D. The competent authority may, at any time, in the circumstances prescribed, cancel or suspend the registration of a sponsor granted in terms of this Act.

Capital Markets Rules. *Substituted by: XLVI.2021.18.*

13. (1) The competent authority may, from time to time, issue and publish Capital Markets Rules which shall be binding on all persons approved by it or falling under its regulatory or supervisory functions and others as may be specified therein.

(2) Without prejudice to the generality of sub-article (1), Capital Markets Rules issued by the competent authority may:

(*a*) lay down additional requirements and conditions in relation to persons approved by it, seeking its approval, or falling under the regulatory or supervisory functions of the competent authority, their activities, the conduct of their business, their relations with customers, the public and other parties, their responsibilities to the competent authority, reporting requirements, financial resources, capital adequacy and related requirements, and any other matters as the competent authority may consider appropriate;

(*b*) provide for the returns, statements and notices to be made or given for any purposes in regard to which the competent authority exercises supervisory or regulatory functions, and the form and contents thereof;

(*c*) prescribe the information that such persons are to submit to the competent authority;

(*d*) transpose, implement and give effect to the provisions and requirements of the Prospectus Regulation, the Directives and any other legislative measures of the European Union requiring transposition or implementation; and, or

(*e*) regulate any matter that is incidental to or connected with any of the matters mentioned above as the competent authority may consider appropriate in the performance of its functions.

(3) Capital Markets Rules may be made subject to such exemptions or conditions as may be specified therein, may make

different provision for different cases, circumstances or purposes and may give to the competent authority such powers of adaptation of the Capital Markets Rules, as may also be so specified.

Delegation of functions and powers of the Listing Authority.

14. *(Deleted by XLVI.2021.19).*

Minister's power to make regulations. *Added by: XI.2025.12.*

14A. The Minister, acting on the advice of the competent authority, may make regulations to give effect to the provisions of this Part and, without prejudice to the generality of the foregoing, may, by such regulations, in particular do any of the following:

(a) provide that any securities which fall within a description or category as may be specified in such regulations, shall not be admissible to listing on any local regulated market;

(b) regulate any fees and, or other charges payable to the competent authority in respect of any application for the approval of a prospectus and the admissibility to listing of securities on a local regulated market, as well as any fees and charges in respect of the competent authority's regulatory, supervisory or investigative functions under this Part, under any regulations made or Capital Markets Rules issued hereunder, as may be prescribed; and

(c) provide for any matter incidental to or connected with any of the above.

Listing. *Substituted by: XVII. 2002.114. Amended by: IV. 2005.30; XX. 2007.27, 29. Substituted by: XLVI.2021.20.*

15. (1) An application for the approval of a prospectus and, or the admissibility to listing of securities on a local regulated market shall be made to the competent authority in such a manner as may be required by Capital Markets Rules.

(2) The competent authority shall not approve a prospectus or the admissibility to listing of securities on a local regulated market unless it is satisfied that:

(*a*) the requirements of any applicable provision of the Prospectus Regulation, this Act or any regulations or Capital Markets Rules issued thereunder; and

(*b*) any other requirements imposed by the competent authority,

are complied with.

(3) An application for the approval of a prospectus and, or the admissibility to listing of securities on a local regulated market shall be refused if the competent authority considers that granting it would be detrimental to the public interest.

Approval of prospectus. *Added by: XLVI.2021.21.*

15A. (1) The competent authority shall notify the applicant of its decision regarding the requested approval of the prospectus within ten (10) working days of the submission of the draft prospectus.

(2) The time limit set out in sub-article (1) shall be extended to twenty (20) working days where the offer to the public involves securities issued by an issuer that does not have any securities admitted to trading on a regulated market and that has not previously offered securities to the public:

Provided that the time limit of twenty (20) working days shall only be applicable for the initial submission of the draft prospectus. Where subsequent submissions are necessary in accordance with sub-article (3), the time limit set out in sub-article (1) shall apply.

(3) Where the competent authority finds that the draft prospectus does not meet the standards of completeness, comprehensibility and consistency necessary for its approval and, or that changes or supplementary information are needed:

(*a*) it shall inform the applicant of that fact promptly and at the latest within the time limits set out in sub-article (1) or, as applicable, sub-article (2), as calculated from the submission of the draft prospectus and, or the supplementary information; and

(*b*) it shall clearly specify the changes or supplementary information that are needed:

Provided that, in such cases, the time limit set out in sub-article (1) shall then apply only from the date on which a revised draft prospectus or the supplementary information requested are submitted to the competent authority.

(4) Where the applicant is unable or unwilling to make the necessary changes or to provide the supplementary information requested in accordance with sub-article (3), the competent authority shall be entitled to refuse the approval of the prospectus and terminate the review process. In such case, the competent authority shall notify the applicant of its decision and indicate the reasons for such refusal.

(5) Notwithstanding the provisions of sub-articles (1) and (3), the time limits set out in the said sub-articles shall be reduced to five (5) working days for a prospectus consisting of separate documents drawn up by frequent issuers, including frequent issuers using the notification procedure provided for in Article 26 of the Prospectus Regulation. The frequent issuer shall inform the competent authority at least five (5) working days before the date envisaged for the submission of an application for approval:

Provided that a frequent issuer shall submit an application to the competent authority containing the necessary amendments to the universal registration document, where applicable, the securities note and the summary submitted for approval.

(6) Notwithstanding the provisions of sub-articles (1) and (3), the time limits set out in the said sub-articles shall be reduced to seven (7) working days for an EU Recovery prospectus drawn up in accordance with the Prospectus Regulation. The issuer shall inform the competent authority at least five (5) working days before the date envisaged for the submission of an application for approval:

Provided that this provision shall only apply till 31 December 2022, following which it shall cease to have effect.

(7) Where the competent authority fails to take a decision on the prospectus within the time limits laid down in sub-articles (1), (2) and (5), such failure shall not be deemed to constitute approval of the application.

(8) If the competent authority decides to approve a prospectus, it shall give the applicant written notice accordingly.

(9) If the competent authority decides to refuse a prospectus, it must give the applicant notice of its decision in writing stating the reasons for its refusal.

(10) The competent authority shall notify ESMA of the approval of a prospectus and any supplement thereto as soon as possible and in any event by no later than the end of the first working day after that approval is notified to the applicant.

Responsibility attaching to the prospectus. *Added by: XLVI.2021.21.*

15B. (1) Notwithstanding the provisions of this Act or any other law, the issuer, the offeror, the person asking for the admission to listing and, or trading on an authorized regulated market, the guarantor or, when any of the foregoing is a legal entity, the members of its administrative, management or supervisory bodies, as the case may be, shall be jointly and severally responsible and civilly liable for the information submitted in a prospectus, and any supplement thereto.

(2) Notwithstanding the provisions of this Act or any other law, no civil liability shall attach to any person mentioned in sub-article (1) solely on the basis of the summary pursuant to Article 7 of the Prospectus Regulation or the specific summary of an EU Growth prospectus pursuant to the second sub-paragraph of Article 15(1) of the Prospectus Regulation, including any translation thereof, unless:

(*a*) it is misleading, inaccurate or inconsistent, when read together with the other parts of the prospectus; or

(*b*) it does not provide, when read together with the other parts of the prospectus, key information in order to assist investors when considering whether to invest in the securities.

(3) The persons responsible for the prospectus, and any supplement thereto in accordance with sub-article (1), shall be clearly

identified in the prospectus by their names and functions or, in the case of legal entities, their names and registered offices, as well as declarations by them that, to the best of their knowledge, the information contained in the prospectus is factually correct and that the prospectus makes no omission likely to affect its import.

(4) The person mentioned in sub-article (1) shall be responsible for the information submitted in a registration document or in a universal registration document only in those cases where the registration document or the universal registration document is in use as a constituent part of an approved prospectus:

Provided that the provisions of this sub-article shall apply without prejudice to Articles 4 and 5 of the Transparency Directive where the information under those Articles is included in a universal registration document.

Notification of decision. *Substituted by: XVII. 2002.114. Amended by: XX. 2007.30; XX. 2013.30. Substituted by: XLVI.2021.22.*

16. (1) The competent authority shall notify the applicant of its decision regarding the requested approval of the admissibility to listing of securities on a local regulated market within ten (10) working days of the submission of the application.

(2) The time limit set out in sub-article (1) shall be extended to twenty (20) working days where the offer to the public involves securities issued by an issuer that does not have any securities admitted to trading on a regulated market and that has not previously offered securities to the public:

Provided that the time limit of twenty (20) working days shall only be applicable for the initial submission of the application. Where subsequent submissions are necessary in accordance with sub-article (3), the time limit set out in sub-article (1) shall apply.

(3) Where the competent authority finds that the application is incorrect or incomplete and, or that supplementary information is required:

(*a*) it shall inform the applicant of that fact promptly and at the latest within the time limits set out in sub-article (1) or, as applicable, sub-article (2), as calculated from the date of the submission of the application; and

(*b*) it shall clearly specify the changes or supplementary information that are required:

Provided that, in such cases, the time limit set out in sub-article (1) shall subsequently apply only from the date on which the revised application or the supplementary information requested are submitted to the competent authority.

(4) Where the applicant is unable or unwilling to make the necessary changes to the application or to provide the supplementary

information requested in accordance with sub-article (3), the competent authority shall be entitled to refuse the approval of admissibility to listing of securities on a local regulated market and terminate the review process. In such a case, the competent authority shall notify the applicant of its decision and indicate the reasons for its refusal.

(5) Where the competent authority fails to take a decision on the application within the time limits laid down in sub-articles (1) and (2), such failure shall not be deemed to constitute approval of the application.

(6) If the competent authority decides to approve the admissibility to listing of securities on a local regulated market, it shall give the applicant written notice accordingly.

(7) If the competent authority decides to refuse the admissibility to listing of securities on a local regulated market, it must give the applicant notice of its decision in writing stating the reasons for its refusal.

(8) For the purposes of this article "application" means an application for the approval of admissibility to listing of securities on a local regulated market made in terms of the provisions of this Act, and any regulations, or Capital Markets Rules issued thereunder.

Discontinuation or suspension.
Substituted by: XVII. 2002.114. Amended by: IV. 2005.30; XX. 2007.14, 27, 31; XX. 2013.31; XXXI. 2017.25.

17. (*Deleted by: XLVI.2021.23*).

Notice of discontinuation or suspension.
Substituted by: XVII. 2002.114. Amended by: IV. 2005.30; XX. 2007.14, 32.

18. (*Deleted by: XLVI.2021.24*).

Penalty in respect of contraventions.
Substituted by: XVII. 2002.114. Amended by: IV. 2005.30; XX. 2007.27, 33; L.N. 424 of 2007; X. 2011.16; XIX. 2016.9.

19. (*Deleted by: XLVI.2021.25*).

Administrative penalties.
Added by: XIX. 2016.10.

19A. (*Deleted by: XLVI.2021.26*).

19B. (*Deleted by: XLVI.2021.27*).

Sanctions on members of administrative, management or supervisory bodies of the legal entity. *Added by: XIX. 2016.10.*

19C. (*Deleted by: XLVI.2021.28*).

Suspension of exercise of voting rights. *Added by: XIX. 2016.10.*

19D. (*Deleted by: XLVI.2021.29*).

Relevant circumstances. *Added by: XIX. 2016.10.*

20. (*Deleted by: XLVI.2021.30*).

Notice of penalty. *Substituted by: XVII. 2002.114. Amended by: XX. 2007.34; XIX. 2016.11.*

20A. (*Deleted by: XLVI.2021.31*).

Power to issue directives. *Added by: XXVI.2019.84.*

21. (*Deleted by: XLVI.2021.31*).

Regulatory and investigatory powers of the Listing Authority. *Substituted by: XVII. 2002.114. Amended by: IV. 2005.30.*

21A. The competent authority shall cooperate with other European regulatory authorities whenever necessary for the purpose of carrying out its duties and exercising its powers under the Directives and the Prospectus Regulation. It shall render the necessary assistance to other European regulatory authorities, in particular by exchanging information and cooperating in any investigatory or supervisory function.

Cooperation with other European regulatory authorities. *Added by: XX. 2013.32. Amended by: XLVI.2021.33.*

21B. The competent authority may refer to ESMA cases where a request for cooperation, in particular to exchange information, has been rejected or has not been acted upon within a reasonable time.

Reference of cases to ESMA. *Added by: XX. 2013.32. Amended by: XLVI.2021.34.*

21C. The obligation of professional secrecy shall not prevent the competent authority from exchanging confidential information or from transmitting confidential information to other European regulatory authorities, ESMA or ESRB, subject to constraints relating to firm-specific information and effects on third countries as provided for in Regulation (EU) No 1095/2010 and Regulation (EU) No 1092/2010 of the European Parliament and of the Council of 24 November 2010 on European Union macro-prudential oversight of the financial system and establishing a European Systemic Risk Board respectively. Information exchanged between the competent authority and other European regulatory authorities,

Obligation of professional secrecy. *Added by: XX. 2013.32. Amended by: XLVI.2021.35.*

ESMA or the ESRB shall be covered by the obligation of professional secrecy, to which the persons employed or formerly employed by the competent authority receiving the information are subject.

Notification to ESMA. *Added by: XX. 2013.32. Amended by: XLVI.2021.36.*

21D. The competent authority shall notify ESMA of any cooperation agreements it enters into providing for the exchange of information with the regulatory authorities or bodies enabled by their respective legislation to carry out tasks under the Directives and the Prospectus Regulation.

Accessibility of information on ESAP. *Added by: XXIX.2025.13. Amended by: XIX.2026.10.*

21E. (1) For the purpose of making regulated information accessible on ESAP, the issuer or the person who has applied for admission to trading shall, when disclosing such information, also submit it at the same time to the collection body:

Provided that for the purposes of this sub-article, the collection body shall be the competent authority:

Provided further that such obligation shall apply with effect from10 July 2026.

(1a) For the purpose of making the decisions referred to in article 39G, to the extent that such decisions concern transparency requirements relating to regulated information, accessible on ESAP, the collection body shall be the competent authority:

Provided that such obligation shall apply with effect from10 July 2026.

(2) The information referred to in sub-article (1A) shall comply with the following requirements:

(a) be submitted in a data extractable format as defined in Article 2(3) of the ESAP Regulation;

(b) be accompanied by the following metadata:

(i) all the names of the natural persons or legal entity to which the information relates;

(ii) where available, the legal entity identifier of the legal entity, as specified pursuant to Article 7(4)(b) of the ESAP Regulation;

(iii) the type of information, as classified pursuant to Article 7(4)(c) of the ESAP Regulation;

(iv) an indication of whether the information contains personal data.

(3) For the purpose of making the information referred to in Articles 3j(1) and (2), 9a(7), 9b(5), 9c(2) and (7), and 14(2) of the Shareholders' Rights Directive, as transposed in the Capital Markets Rules, accessible on ESAP, the proxy advisor or company shall, when

making such information public, also submit it at the same time to the collection body:

Provided that for the purposes of this sub-article, the collection body shall be the competent authority:

Provided further that such obligation shall apply with effect from10 January 2030.

(4) The information referred to in sub-article (3) shall comply with the following requirements:

(a) it shall be submitted in a data extractable format or, where required by Union law or national law, in a machine-readable format; and

(b) it shall be accompanied by the following metadata:

(i) all the names of the proxy advisor or company to which the information relates;

(ii) the legal entity identifier of the proxy advisor or company, as specified in accordance with point (b) of Article 7(4) of the ESAP Regulation;

(iii) the size by category of the proxy advisor or of the company, as specified in accordance with point (d) of Article 7(4) of the ESAP Regulation;

(iv) the industry sectors of the economic activities of the company, as specified in accordance with point (e) of Article 7(4) of the ESAP Regulation;

(v) the type of information, as classified in accordance with point (c) of Article 7(4) of the ESAP Regulation; and

(vi) an indication of whether the information contains personal data:

Provided that for the purposes of sub-paragraph (ii), proxy advisors and companies shall obtain a legal entity identifier.

(5) For the purpose of making the information referred to in Articles 4(2)(c), 6(1) and (2), and 9(5) of the Takeover Bids Directive, as transposed in the Capital Markets Rules, accessible on ESAP, the company shall, when making such information public, also submit it at the same time to the collection body:

Provided that for the purposes of this sub-article, the collection body shall be the competent authority:

Provided further that such obligation shall apply with effect from 10 January 2030.

(6) The information referred to in sub-article (5) shall comply with the following requirements:

(a) it shall be submitted in a data extractable format or, where required by Union law or national law, in a machine-readable format; and

(b) it shall be accompanied by the following metadata:

(i) the name of the company to which the information relates;

(ii) the legal entity identifier of the company, as specified in accordance with point (b) of Article 7(4) of the ESAP Regulation;

(iii) the size of the company by category, as specified in accordance with point (d) of Article 7(4) of the ESAP Regulation;

(iv) the industry sectors of the economic activities of the company, as specified in accordance with point (e) of Article 7(4) of the ESAP Regulation;

(v) the type of information, as classified in accordance with point (c) of Article 7(4) of the ESAP Regulation; and

(vi) an indication of whether the information contains personal data:

Provided that for the purposes of sub-paragraph (ii), companies shall obtain a legal entity identifier.

Delegation of powers. *Substituted by: XVII. 2002.114. Amended by: IV. 2005.30; XX. 2007.14, 27, 35.*

22. (*Deleted by: XLVI.2021.37*).

Non-liability for acts done in good faith. *Substituted by: XVII. 2002.114.*

23. (*Deleted by: XLVI.2021.38*).

PART IV

CENTRAL SECURITIES DEPOSITORY

Substituted by: XX. 2007.36.

Authorisation requirement. *Amended by: V. 1992.2; XIV. 1994.32; XXV. 1995.433; XVIII. 2002.110, 115; IV. 2005.30. Substituted by: XX. 2007.36. Amended by: XXXI. 2017.26.*

24. (1) No person shall establish and operate a central securities depository in Malta or shall provide, or hold itself out to be or provide, the service of a central securities depository in or from Malta unless such person is in possession of a written authorisation issued by the competent authority under this Part, in terms of the CSDR:

Provided that a CSD authorised in Malta and wishing to provide the services referred to in points 1 and 2 of Section A of the Annex to the CSDR, within the territory of a Member State or an EEA State, may do so in accordance with Article 23 of the CSDR:

Provided further that a CSD, authorised in a Member State or an EEA State and wishing to provide the services referred to in points 1 and 2 of Section A of the Annex to the CSDR, within the

territory of Malta, may do so in accordance with Article 23 of the CSDR:

Provided further that a third-country CSD may provide services referred to in the Annex to the CSDR within the territory of Malta, in accordance with Article 25 of the CSDR.

(2) Any legal person may apply in writing to the competent authority for an authorisation under this Part in terms of the CSDR, authorizing it to act as a central securities depository for the purposes of this Act.

(3) Authorisation to act as a central securities depository may be granted only where the competent authority is satisfied that the applicant complies and will be in a position to comply with the applicable requirements laid down under the CSDR and with the applicable requirements laid down in this Act and regulations and Financial Market Rules issued hereunder.

(4) Nothing in this Act or in any regulation made hereunder shall be construed as enabling or empowering a central securities depository to perform a function or activity which requires an approval or authorisation in terms of the Central Bank of Malta Act or any other law.

Cap. 204.

Designation of the competent authority. Added by: *XXXI. 2017.27.*

24A. The Malta Financial Services Authority established by the Malta Financial Services Authority Act shall be the designated competent authority in Malta for the purposes of implementing the relevant provisions of the CSDR, and any reference to the competent authority shall be read and construed accordingly.

Determination of an application. *Amended by: XVII. 2002.110. Substituted by: XX. 2007.36. Amended by: XXXI. 2017.28.*

25. (1) In determining an application the competent authority shall have regard to such information and other factors as it may consider relevant or material to the application.

(2) The competent authority may, upon receipt of an application duly made in accordance with this Part, in terms of the CSDR, grant or refuse to grant an authorisation. Where the competent authority issues an authorisation, the central securities depository shall be responsible for ensuring that the provisions of the CSDR as well as the provisions of the Act, regulations made thereunder and Financial Market Rules issued by the competent authority, which are applicable to central securities depositories are complied with.

(3) An authorisation shall state the date on which it shall take effect.

(4) Where the competent authority refuses an application for an authorisation it shall give the applicant a notice to that effect stating the reasons for the refusal.

(5) *(Deleted by Act XXXI. 2017.28.)*

(6) An authorisation may, in accordance with such regulations as may be prescribed, be varied, suspended or revoked by the competent authority.

(7) An authorisation issued to a central securities depository

under this article shall identify the financial instruments, designated or otherwise, which the central securities depository would be authorised to provide services to and shall further identify the functions it is authorised to carry out.

Functions of a central securities depository. *Amended by: XVII. 2002.110, 116. Substituted by: XX. 2007.36. XXXI. 2017.29.*

26. Without prejudice to any other power or function conferred on it by law or regulation, the functions of a central securities depository shall include the services listed in the Annex to the CSDR.

Revocation of an authorisation. *Added by: XVII. 2002.117. Substituted by: XX. 2007.36. Amended by: XXXI. 2017.30.*

27. (1) An authorisation may be revoked by an order issued in writing by the competent authority at the request, or with the consent, of the central securities depository or otherwise as provided in this Act.

(2) An authorisation may be revoked by an order issued in writing without the consent of a central securities depository, if it appears to the competent authority that the central securities depository:

(*a*) is failing, or has failed, to satisfy the requirements for authorisation under the CSDR or under this Act, regulations or Financial Market Rules made hereunder; or

(*b*) is failing or has failed, to comply with any other obligation imposed on it by or under the CSDR or this Act, regulations or Financial Market Rules made hereunder or has seriously or systematically infringed the requirements laid down in the CSDR or, where applicable, in MiFID or MiFIR; or

(*c*) does not make use of the authorisation during twelve months, expressly renounces the authorisation or has provided no services or performed no activity during the preceding six months; or

(*d*) has obtained the authorisation by making false statements or by any other unlawful means; or

(*e*) no longer meets the conditions under which authorisation was granted and has not taken remedial actions requested by the competent authority within a set time frame.

(3) An order under sub-articles (1) and (2) revoking an authorisation hereinafter referred to as a "revocation order" shall specify the date on which it is to take effect.

(4) A revocation order may contain such transitional provisions and other terms and conditions as the competent authority may consider necessary or expedient.

(5) *(Deleted by Act XXXI. 2017.30.).*

Right of appeal. *Added by: XXXI. 2017.31.*

27A (*Deleted by: XLVI.2021.39*).

28. *(Deleted by Act XXXI. 2017.32.)*

Special rules for designated financial instruments. *Amended by: V.1992.2; XVII. 2002.110, 118. Substituted by: XX. 2007.36. Amended by: XIX. 2010.22; X. 2011.17.*

29. The provisions of articles 4B, 6 and 9 of Part II of this Act shall apply *mutatis mutandis* to central securities depositories.

Application of other articles. *Amended by: V. 1992.2; XVII. 2002.110, 119. Substituted by: XX. 2007.36. Amended by: XIX. 2010.23; XLVI.2021.40.*

30. (1) The Minister, acting on the advice of the competent authority, may make regulations setting out:

Powers of the Minister to make regulations. *Amended by: XVII. 2002.110, 120. Substituted by: XX. 2007.36. Amended by: XIX. 2010.24; XXXI. 2017.33.*

(*a*) the requirements and conditions which must be satisfied by a person if it is to provide the services of a central securities depository in respect of which the competent authority may issue an 'authorisation' under this Act;

(*b*) the requirements which a central securities depository must continue to satisfy if it is to remain authorised, including the amount of fees to be payable to the competent authority;

(*c*) the circumstances and the manner in which an authorisation or the requirements and conditions to which it is subject may be varied, suspended or revoked;

(*d*) requirements for the authorisation, operation, functions, regulation and supervision of a central securities depository;

(*e*) requirements for the creation, holding or evidencing of title to and rights in respect of Financial Instruments in a dematerialised form or represented in book-entry form as immobilisation;

(*f*) arrangements for the investigation of complaints and or grievances about central securities depositories and remedies in respect thereof;

(*g*) arrangements for the ascertainment of compliance by central securities depositories and the scrutiny of rules and requirements of central securities depositories;

(*h*) exemptions from the requirement for an authorisation or from any provision of this Act which may be subject to such variations, additions, adaptations and modifications as may be prescribed and which may be

subject to such conditions or other requirements, including other forms of authorisation and notification procedures;

(*i*) *(Deleted by Act XXXI. 2017.33.).*

(*j*) prescribing anything that is incidental to or connected with any of the above matters.

(2) Regulations made under this article may be made subject to such exemptions or conditions as may be specified therein, may make different provision for different categories or classes of financial instruments and for different circumstances or purposes.

Added by: XXXI. 2017.33.

(3) Regulations made under this article may impose administrative penalties and fines higher than one hundred and fifty thousand euro (€150,000), where deemed necessary or appropriate for any contravention of or failure of compliance with any EU Directive or EU Regulation or of any regulations made under this article to transpose or to give effect to any EU Directive or EU Regulation.

Financial Market Rules. *Amended by: XVII. 2002.110, 121. Substituted by: XX. 2007.36. Amended by: XIX. 2010.25.*

31. The competent authority may from time to time issue Financial Market Rules which shall be binding on central securities depositories and on others as may be specified, and such Rules may be issued in respect of any matter raised in this Part, including Rules for the better regulation of and for securing compliance by central securities depositories and their officials with the requirements and obligations arising under this Act or regulations made thereunder.

CSDR to prevail in case of any inconsistency. Added by: *XXXI. 2017.34.*

31A. This Part shall be read and construed in accordance with the CSDR and, insofar as the provisions of this Part of this Act and any rules made thereunder are inconsistent with the provisions of the CSDR, the provisions of the CSDR shall prevail and the provisions of this Part of this Act and any rules made thereunder shall not apply to the extent of the inconsistency.

Added by: IX.2023.5.

PART IV *bis*
COVERED BONDS

Functions and powers of the competent authority. *Added by: IX.2023.5.*

31B. (1) Without prejudice to any other power or function conferred to it by this Act or any other law, it shall also be the function of the competent authority to act as the designated competent authority in Malta for the purposes of implementing the provisions of the CBD and to carry out covered bond public supervision.

(2) The competent authority shall monitor the issue of covered bonds to assess and ensure compliance with the requirements laid down in this Part and any regulations and Covered Bonds Rules issued thereunder.

(3) Without prejudice to the generality of sub-articles (1) and (2) and to any other power or function conferred on the competent authority by this Act or any other law, the powers of the competent authority shall include the power to:

(a) grant or refuse approval for covered bond programmes pursuant to articles 31D and 31E;

(b) assess compliance with the requirements laid down in this Part and any regulations and Covered Bonds Rules issued thereunder;

(c) regularly review covered bond programmes in order to assess compliance with the provisions of this Part and any regulations and Covered Bonds Rules issued thereunder;

(d) issue Covered Bonds Rules in order to better implement and carry out the provisions of this Act and, or of any regulations issued thereunder and, or in furtherance of its responsibility under any provisions of the CBD, which rules shall be binding on credit institutions and any other persons as may be specified therein;

(e) investigate possible breaches of the requirements of this Part or any regulations or Covered Bonds Rules issued thereunder;

(f) carry out on-site and off-site inspections;

(g) impose administrative penalties and other administrative measures in accordance with article 39CA; and

(h) adopt and implement supervisory guidelines relating to the issue of covered bonds.

(4) The competent authority shall inform the European Commission and the EBA of its functions and duties pursuant to sub-article (1).

(5) The competent authority shall have the expertise, resources, operational capacity, powers and independence necessary to carry out the functions relating to covered bond public supervision.

Covered Bonds Rules. *Added by: IX.2023.5.*

31C. (1) The competent authority may, from time to time, issue and publish Covered Bonds Rules as may be required for carrying into effect any of the provisions of this Act or any regulations made thereunder, and to transpose, implement and give effect to the provisions and requirements of the CBD.

(2) Without prejudice to the generality of sub-article (1), Covered Bonds Rules issued by the competent authority may:

(a) lay down additional requirements and conditions in relation to credit institutions seeking approval for a covered bond programme, credit institutions having issued covered bonds, and any other matters as the competent authority may

consider appropriate;

(b) provide for the returns, statements and notices to be made or given for any purposes in regard to which the competent authority exercises supervisory or regulatory functions, and the form and contents thereof;

(c) lay down the information that such persons are to submit to the competent authority;

(d) transpose, implement and give effect to the provisions and requirements of the CBD;

(e) regulate any matter that is incidental to or connected with any of the matters mentioned in this article as the competent authority may consider appropriate in the performance of its functions; and

(f) lay down requirements and conditions for the better implementation and purposes of this Part and of any regulations issued thereunder.

(3) Covered Bonds Rules issued in terms of this article shall be binding on credit institutions and on any other persons as may be specified therein.

Requirement of a covered bond programme. *Added by: IX.2023.5.*

31D. (1) Without prejudice to the provisions of Part III and to article 54, no covered bonds shall be issued in Malta by a credit institution unless and until a covered bond programme is approved by the competent authority.

(2) An application for the approval of a covered bond programme shall be in such form and accompanied by such documents and information and shall conform with such requirements as shall be specified in Covered Bonds Rules.

(3) The competent authority shall not approve a covered bond programme unless it is satisfied that –

(a) the credit institution has an adequate programme of operations setting out the issue of covered bonds;

(b) the credit institution has adequate policies, processes and methodologies aimed at investor protection for the approval, amendment, renewal and refinancing of loans included in the cover pool;

(c) the credit institution has management and staff dedicated to the covered bond programme which have adequate qualifications and knowledge regarding the issue of covered bonds and the administration of the covered bond programme;

(d) the administrative set-up of the credit institution's cover pool and the monitoring thereof meets the applicable requirements laid down in this Act and any regulations and Covered Bonds Rules issued thereunder;

(e) the credit institution satisfies the requirements of this Act, and any regulations and Covered Bonds Rules issued thereunder; and

(f) the credit institution satisfies any other requirements that may be imposed by the competent authority.

(4) For the purposes of sub-regulation (3), a credit institution shall provide the competent authority with all the information necessary to enable the competent authority to satisfy itself of the credit institution's compliance with the requirements of this Act and any regulations and Covered Bonds Rules issued thereunder.

(5) Information which the competent authority may require in connection with an application shall be provided in such form, and shall be verified in such manner, as the competent authority may direct.

(6) In determining an application, the competent authority may consider any information which it deems relevant to the application.

(7) The competent authority shall issue and publish Covered Bonds Rules as may be required in order to better implement the provisions of this article.

Approval of the covered bond programme. *Added by: IX.2023.5.*

31E. (1) Where the competent authority finds that an application for the approval of a covered bond programme does not comply with article 31D(2) or that the covered bond programme does not meet the standards of completeness, comprehensibility and consistency necessary for its approval or that changes to the application or the covered bond programme are required or additional information is required:

(a) it shall inform the applicant of that fact; and

(b) it shall clearly specify the changes or additional information that are necessary.

(2) Where the applicant is unable or unwilling to make the necessary changes or to provide the additional information requested in accordance with sub-article (1), the competent authority shall be entitled to refuse the approval of the application and terminate the review process. In such cases, the competent authority shall notify the applicant of its decision in writing and specify the reasons for such refusal.

(3) Without prejudice to the provisions of sub-article (2), the competent authority shall determine an application for the approval of a covered bond programme by acting in any of the following ways:

(a) granting an approval without conditions;

(b) granting an approval subject to such conditions as it may deem appropriate;

(c) refusing to grant an approval:

Provided that the competent authority may, at any time, vary or revoke any condition imposed in terms of paragraph (b).

(4) If the competent authority decides to approve a covered bond programme, it shall give the applicant written notice accordingly.

(5) If the competent authority decides to refuse a covered bond programme, it must give the applicant notice of its decision in writing stating the reasons for its refusal.

Changes in information. *Added by: IX.2023.5.*

31F. A credit institution shall provide the competent authority with details of any changes in the information provided under this Act or any regulations or Rules issued thereunder as soon as such credit institution becomes aware of such changes.

Registration of transactions in relation to the covered bond programme. *Added by: IX.2023.5.*

31G. Credit institutions issuing covered bonds shall register all their transactions in relation to the covered bond programme and shall have in place adequate and appropriate documentation systems and processes.

Power to make regulations. *Added by: IX.2023.5.*

31H. (1) The Minister, acting on the advice of the competent authority, may make regulations to give effect to the provisions of this Act, and without prejudice to the generality of the foregoing may, by such regulations, in particular, do any of the following:

(a) regulate covered bonds and the issuance thereof, including in the case of the insolvency or resolution of a credit institution issuing covered bonds; and establish and provide for the structural features of covered bonds, including requirements for cover assets, collateral assets and other assets securing covered bonds as well as the methodology and process for the valuation thereof; requirements for a cover pool, its composition and for risk diversification therein; requirements for the segregation of cover assets including the segregation thereof in the case of the insolvency or resolution of a credit institution issuing covered bonds; requirements on the information to be provided to investors including on the frequency and publication thereof; coverage requirements including on the valuation of derivative contracts and on any

interest payable in respect of outstanding covered bonds and interest receivable in respect of cover assets; and requirements for a liquidity buffer;

(b) regulate the drawing-up, approval, publication and distribution in Malta of covered bond programmes, including those relating to covered bonds issued by credit institutions authorised in a country outside Malta and in such case, make provision for the approval of such covered bond programmes taking into account Malta's international commitments;

(c) provide for reporting requirements and the form and frequency thereof, including in the event of the insolvency or resolution of a credit institution issuing covered bonds, and for other requirements and conditions which a credit institution issuing covered bonds must satisfy on a continuing and ongoing basis and establish the circumstances and the manner in which requirements and conditions may be varied, suspended or revoked;

(d) provide for the exercise of powers by the competent authority on credit institutions and others as may be specified therein;

(e) provide for the establishment and imposition of administrative penalties or other administrative measures for breaches of this Act or any regulations or Covered Bonds Rules issued thereunder, and for appeals therefrom to the Financial Services Tribunal, as well as for the establishment and imposition of fines and other penalties;

(f) provide for the establishment and imposition of fines, other punishments and terms of imprisonment for contraventions of, or failure to comply with, this Act or any regulations or Covered Bonds Rules issued thereunder, and for appeals therefrom;

(g) provide for any matter that the Minister may deem expedient, including the creation and exercise of rights by, or for the benefit of, the public, the imposition of duties and obligations on credit institutions issuing covered bonds or persons responsible for the management or administration thereof and the regulation of any fees and, or any other charges imposed directly or indirectly on investors;

(h) provide for the keeping of records and for disclosure requirements;

(i) regulate the promotion or sale of covered bonds;

(j) provide for and regulate the payment by a credit institution issuing covered bonds or any other person, as the case may be, of application, approval or other fees and such other charges payable to the competent authority in respect of any matter provided for, by or under this Act or any regulations made under this article, as may be prescribed;

(k) exempt any covered bonds or any categories thereof or any covered bonds issued before 8 July 2022 that comply with the requirements laid down in Article 52(4) of Directive 2009/65/EC, as applicable on the date of their issue, from any one or more of the provisions of this Act or any regulations made under this article subject to such variations, additions, adaptations and modifications as may be prescribed and subject to such conditions or other requirements, including other forms of authorisation and notification procedures, as may be prescribed;

(l) transpose, implement and give effect to the provisions and requirements of the CBD and of any other Directives, Regulations or any other legislative measures of the European Union requiring transposition and, or implementation, as they may be amended from time to time, including any implementing measures that have been or may be issued thereunder; regulations made under this paragraph, and strictly related to transposition or implementation as aforesaid, may provide that any provision of this Act or of any other law shall not apply to matters falling under the regulations, and that in so far as any of the provisions of the regulations are inconsistent with the provisions of this Act or of any other law, such provisions in any such regulations shall prevail;

(m) prescribe anything that is to be or which may be prescribed;

(n) provide for anything that is incidental to or connected with the matters referred to in paragraphs (a) to (m).

(2) Regulations made under this article may be made subject to such exemptions or conditions as may be specified therein, may make different provisions for different cases, circumstances or purposes and may give to the competent authority such powers of adaptation of the regulations as may also be so specified.

(3) Regulations made under this article may impose:

(a) administrative penalties which may not exceed one hundred and fifty thousand euro (€150,000) for each infringement or failure to comply, as the case may be;

(b) punishments or other penalties in respect of any

contravention or failure to comply not exceeding a fine (*multa*) of four hundred and sixty-six thousand euro (€466,000) or imprisonment for a term not exceeding four years, or both such fine and imprisonment;

(c) administrative penalties higher than one hundred and fifty thousand euro (€150,000), and fines higher than four hundred and sixty-six thousand euro (€466,000), where deemed necessary or appropriate for any contravention of, or failure of compliance with, any EU Directive or EU Regulation or any regulations made under this article to transpose or to give effect to any EU Directive or Regulation;

(d) administrative penalties in the form of a fixed penalty, a daily penalty, or both.

(4) Regulations made under this article may prescribe administrative penalties and fines as provided for in sub-article (3)(c), for any breach of any provision of the Act or of any regulations issued under this article or for any breach of any Covered Bonds Rules, transposing and, or implementing any EU Directive or Regulation.

(5) Where regulations have been issued in terms of this article, the competent authority may issue Covered Bonds Rules for the better carrying out, and to better implement, the provisions of the regulations.

Claims and privileged claims. *Added by: IX.2023.5.* S.L. 345.27.

31I. (1) Covered bond investors and counterparties of derivative contracts that comply with regulation 8 of the Financial Markets Act (Covered Bonds) Regulations shall be entitled to the following:

(a) a claim against the credit institution issuing the covered bonds;

(b) in the case of the insolvency or resolution of the credit institution issuing the covered bonds, a privileged claim against the principal and any accrued and future interest on cover assets;

(c) in the case of the insolvency of the credit institution issuing the covered bonds and in the event that the privileged claim referred to in paragraph (b) cannot be fully satisfied, a claim against the insolvency estate of that credit institution, which ranks *pari passu* with the claims of the credit institution's ordinary unsecured creditors determined in accordance with the applicable laws in force in Malta at the time governing the ranking in normal insolvency proceedings:

Provided that the claims referred to in this sub-article shall be limited to the full payment obligations attached to the covered

bonds.

(2) Credit institutions issuing covered bonds shall ensure that covered bond investors and counterparties of derivative contracts that comply with regulation 8 of the Financial Markets Act (Covered Bonds) Regulations, are entitled to the claims referred to in sub-article (1), subject to the conditions laid down in regulation 68(7) of the Recovery and Resolution Regulations.

S.L. 345.27.

S.L. 330.09.

(3) Without prejudice to sub-article (4), the Minister, acting on the advice of the competent authority, may make, amend or revoke regulations to give effect to the provisions of sub-articles (1) and (2).

(4) The competent authority may issue Covered Bonds Rules for the better implementation of sub-articles (1) and (2).

PART V

REGULATORY AND INVESTIGATORY POWERS

Power to require information. *Added by: XVII. 2002.122. Amended by: IV. 2005.30; XX. 2007.14, 37. XXXI. 2017.35; XLVI.2021.41; LXXI.2021.9; IX.2023.6; XI.2025.13.*

32. (1) The competent authority may, by notice in writing, require -

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(i) any regulated market or central securities depository;

(ii) any person who holds or held a licence under the Investment Services Act, or who appears to be or to have been acting as a licence holder thereunder;

(iii) any person who is or was an officer, employee or agent of a regulated market or central securities depository, or any other person who is or was involved in the operations of a regulated market or central securities depository;

(iv) any person who is or was carrying on, or who appears to be or have been carrying on any activity in connection with quoted financial instruments;

(v) any auditor of a trading venue or data reporting services provider who appears to be in possession of relevant information;

(va) any data reporting services provider;

(vb) any sponsor or any person who is or was an officer, employee or agent of such sponsor;

(vi) any issuer, offeror or person asking for admission to listing and, or trading on a regulated market, and any person that controls them or is controlled by them;

(via) any credit institution issuing covered bonds, which is licensed in terms of the Banking Act, or any person who is or was an officer, employee or

agent of such a credit institution or any person that controls such a credit institution; and, or

(vii) any other person who appears to be in possession of relevant information,

to do all or any of the following -

(*a*) to furnish to the competent authority, at such time and place and in such form as it may specify, such information and documentation as it may require, including the power to require existing telephone and existing data traffic records;

(*b*) to furnish to the competent authority any information or documentation as it may require verified in such manner as it may specify;

(*c*) to attend before the competent authority, or before a person appointed by it, at such time and place as it may specify, to answer questions and provide such information and documentation as it may require;

(*d*) to give the competent authority any assistance which it may require and which that person is reasonably able to give.

(2) Without prejudice to anything which the competent authority may require under sub-article (1), all information in respect of listed financial instruments held on the Register of the Central Securities Depository shall be freely accessible to the competent authority.

(3) The competent authority may take copies of any documents furnished, provided or to which it has access under this article.

Appointment of inspectors. *Substituted by: XVII. 2002.123. Amended by: XX. 2007.38; XLVI.2021.42; LXXI.2021.10; XI.2025.14.*

33. (1) The competent authority may, whenever it deems it necessary or expedient, appoint an inspector or inspectors to investigate and report on the affairs of any persons referred to in article 32(1)(i) to (vii).

(2) An inspector appointed under sub-article (1) -

(*a*) may, if he thinks it necessary or expedient for the purposes of an investigation, investigate the affairs of any person mentioned in sub-article (1);

(*b*) shall have and may exercise all the powers, conferred on the competent authority by article 32, and any requirement made by him shall be deemed to be and have the same force and effect as a requirement of the competent authority;

(*c*) may, and if so directed by the competent authority shall, make interim reports and on the conclusion of his investigation shall make a final report to the competent authority.

(3) In appointing an inspector or inspectors under sub-article (1) the competent authority may direct that the investigation shall be carried out within such time and shall be confined to such specific or general matters as the competent authority may deem

fit.

(4) For the purposes of this article inspectors may include an advocate, a person authorised to carry on the profession of accountant or auditor in terms of the Accountancy Profession Act, or a person considered by the competent authority as possessing suitable expertise to exercise such function.

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(5) The competent authority shall have power to order that all expenses of, and incidental to, an investigation pursuant to this article be paid by the persons concerned.

Right of entry. *Added by: XVII. 2002.124.*

34. (1) Any officer, employee or agent of the competent authority, on producing, if required, evidence of his authority, may enter premises occupied by a person on whom a notice has been served under article 32 or whose affairs are being investigated under article 33, for the purpose of obtaining therefrom the information or documents required by that notice, or otherwise for the purpose of the investigation, and of exercising any of the powers conferred by the said articles.

(2) Where any officer, employee or agent of the competent authority has cause to believe that if such notice as is referred to in sub-article (1) were served it would not be complied with or that any documents to which it could relate would be removed, tampered with or destroyed, such officer, employee or agent may, on producing, if required, evidence of his authority, enter any premises referred to in sub-article (1) for the purpose of obtaining therefrom any information or documents specified in the authority, being information or documents that could have been required under such notice as is referred to in sub-article (1).

(3) For the purposes of any action taken under the provisions of this article, the competent authority may request the assistance of the Commissioner of Police, who may for such purpose exercise such powers as are vested in him by law.

Grounds for decision. *Added by: XX. 2007.39; Amended by: IX.2023.7.*

34A. Any decision taken under this Act by the competent authority in terms of any provisions of this Act or any regulations or Financial Market Rules, Capital Markets Rules or Covered Bonds Rules issued thereunder, shall state the grounds on which such a decision has been based.

No enquiries to be made into the affairs of any person trading on a regulated market. *Substituted by: XXVI. 2002.125. Amended by: IV. 2005.30; XX. 2007.14, 40; XLVI.2021.44.; IX.2023.8.*

35. Nothing in this Act or any regulations made thereunder, or in any bye-laws of a trading venue shall authorise the Minister,the competent authority, any trading venue or any person whomsoever to enquire or cause an enquiry to be made into the affairs of any person except for the purpose of ensuring compliance with the provisions of the Prospectus Regulation, this Act and any regulations or Financial Market Rules, Capital Markets Rules or Covered Bonds Rules made thereunder, the bye-laws of the trading venue concerned and the Prevention of Financial Markets Abuse Act or any regulations made thereunder.

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Report on market abuse. *Added by: XVII. 2002.126. Substituted by: IV. 2005.30. Amended by: XX. 2007.14, 41. XXXI. 2017.36; IX.2023.8.* Cap. 476.

36. Where any trading venue suspects that there may exist circumstances to indicate that any violation of the provisions of the Prevention of Financial Markets Abuse Act may have been committed, is being committed or is likely in the circumstances to be committed, it shall without undue delay report such suspicion to the competent authority.

Co-operation with European regulatory authorities. *Added by: XVII. 2002.126. Amended by: IV. 2003.20; XX. 2007.42; XLVI.2021.45.*

37. (1) The competent authority shall act as the contact point in terms of and for the purposes of sub-article (1) of Article 79 of MiFID.

(2) The competent authority shall cooperate with other European regulatory authorities whenever necessary for the purpose of carrying out its duties under MiFID and, or MiFIR. It shall render the necessary assistance to other European regulatory authorities, in particular by exchanging information and cooperating in any investigatory or supervisory function. In terms of MiFID and, or MiFIR, the competent authority may use its powers for the purposes of cooperation even in cases where the conduct under investigation does not constitute an infringement of any provisions of this Act, regulations or Financial Market Rules issued thereunder:

Provided that the competent authority may, at its own discretion, also cooperate with other European regulatory authorities with respect to facilitating the recovery of fines.

(3) Upon receipt of a request from European regulatory authorities designated as contact points within the individual Member States or EEA States under sub-article (1) of Article 79 of MiFID, the competent authority shall immediately take the necessary measures in order to gather the information required for the carrying out of their duties pursuant to MiFIR or MiFID. If the competent authority is not able to supply the required information immediately, it shall notify the requesting European regulatory authority of the reasons.

(4) At the time of communicating information to the European regulatory authorities, whether designated as contact points or not, the competent authority may stipulate that the information must not be disclosed without its express agreement, in which case such information may be exchanged solely for the purposes for which the competent authority had given its agreement.

(5) Where a European regulatory authority exchanging information with the competent authority stipulates at the time of communication of the information that such information must not be disclosed without its express agreement, such information may be used by the competent authority solely for the purposes for which the European regulatory authority would have given its agreement.

(6) Information received by the competent authority from contact points in the other Member States or EEA States may be transmitted to other bodies or natural or legal persons, provided

that:

(*a*) the express agreement of the contact points which disclosed the information is obtained; and

(*b*) the information is used solely for the purposes for which the contact points gave their agreement:

Provided further that in duly justified circumstances the competent authority can transmit information to other bodies or natural or legal persons without satisfying the conditions in paragraphs (*a*) and (*b*), in which case the competent authority shall immediately inform the contact point that sent the information.

(7) Where the competent authority receives confidential information from contact points in the other Member States or EEA States or from overseas regulatory authorities under article 37C, or when other bodies or natural or legal persons receive confidential information from the competent authority, they may only use such confidential information in the course of their duties, in particular:

(*a*) to monitor the proper functioning of trading venues within the meaning of MiFID;

(*b*) to impose penalties or adopt other administrative measures and to consider representations received in their regard;

(*c*) in appeals under this Act.

(8) Without prejudice to the powers of the competent authority under this Act or any other law, where the competent authority has good reason to suspect that acts contrary to the provisions of MiFID or MiFIR are being or have been carried out on the territory of another Member State or EEA State by entities not subject to its supervision, it shall notify the European regulatory authority of the other Member State or EEA State and ESMA in as specific a manner as possible.

(9) Where the information in the possession of the competent authority had originated from a European regulatory authority or an overseas regulatory authority, it may not be disclosed to a European regulatory authority or to any other third party without the express agreement of the European regulatory authority or the overseas regulatory authority which had transmitted it and, where appropriate, solely for the purposes for which that authority had given its agreement.

(10) Where a European regulatory authority suspects that acts carried out by entities not subject to its supervision and which are contrary to the provisions of MiFID or MiFIR are being or have been carried out in Malta and notifies the competent authority to this effect, the competent authority shall take appropriate action. The competent authority shall inform the notifying European regulatory authority and ESMA of the outcome of any such action and, to the extent possible, of significant interim developments:

Provided that any such action taken by the competent authority shall be without prejudice to the powers and functions of the European regulatory authority that has forwarded the

information.

(11) The competent authority may exercise the following powers at the request of or for the purposes of assisting a European regulatory authority:

(*a*) the powers of inquiry under article 32;

(*b*) the power to appoint inspectors under articles 33 and 36;

(*c*) the powers to issue directives under article 39K;

(*d*) the powers of entry under article 34;

(*e*) the power to communicate to the European regulatory authority information which is in the possession of the competent authority, whether or not as a result of the exercise of any of the above powers.

(12) In relation to emission allowances, the competent authority shall cooperate with public bodies competent for the oversight of spot and auction markets and the European regulatory authorities, registry administrators and other public bodies charged with the supervision of compliance under Directive 2003/87/EC in order to ensure that they can acquire a consolidated overview of emission allowances markets. *Added by: XXXI. 2017.36.*

(13) In relation to agricultural commodity derivatives, the competent authority shall report to and cooperate with public bodies competent for the oversight, administration and regulation of physical agricultural markets under Regulation (EU) No. 1308/2013. *Added by: XXXI. 2017.36.*

(14) The competent authority shall consult with the European regulatory authority of the Member State or EEA State responsible for the supervision of credit institutions or insurance undertakings prior to granting an authorisation to a market operator which is: *Added by: XXXI. 2017.36.*

(*a*) a subsidiary of a credit institution or insurance undertaking authorised in the Union; or

(*b*) a subsidiary of the parent undertaking of a credit institution or insurance undertaking authorised in the Union; or

(*c*) controlled by the same person, whether natural or legal, who controls a credit institution or insurance undertaking authorised in the Union.

(15) The competent authority and the European regulatory authorities referred to in sub-article (14) shall in particular consult each other when assessing the suitability of the shareholders or members and the reputation and experience of persons who effectively direct the business involved in the management of another entity of the same group. They shall exchange all information regarding the suitability of shareholders or members and the reputation and experience of persons who effectively direct the business that is of relevance to the other European regulatory authorities involved, for the granting of an authorisation as well as for the ongoing assessment of compliance with operating *Added by: XXXI. 2017.36.*

conditions.

Added by: XXXI. 2017.36.

(16) Where Malta is the host Member State of a regulated market and the competent authority has clear and demonstrable grounds for believing that such regulated market infringes the obligations arising from the provisions adopted pursuant to MiFID, it shall refer those findings to the European regulatory authority of the home Member State of the regulated market.

Added by: XXXI. 2017.36.

(17) Where, despite the measures taken by the European regulatory authority of the home Member State or because such measures prove inadequate, that regulated market persists in acting in a manner that is clearly prejudicial to the interests of Maltese investors or the orderly functioning of markets, the competent authority shall, after informing the European regulatory authority of the home Member State, take all the appropriate measures needed in order to protect investors and the proper functioning of the markets, which shall include the possibility of preventing that regulated market from making their arrangements available to remote members or participants established in Malta. The competent authority may refer the matter to ESMA which may act in accordance with the powers conferred on it under Article 19 of Regulation (EU) No. 1095/2010.

Added by: XXXI. 2017.36.

(18) Any measure adopted pursuant to sub-article (16) involving sanctions or restrictions on the activities of a regulated market shall be properly justified and communicated to the regulated market concerned.

Co-operation in supervisory functions, onsite verifications or investigations. *Added by: XX. 2007.43.*

37A. (1) The competent authority may request the co-operation of a European regulatory authority in supervisory functions or for on-site verifications or investigations, and a European regulatory authority may likewise request the co-operation of the competent authority in the performance of its supervisory functions or in verifications or investigations.

(2) In the exercise of such co-operation between the competent authority and European regulatory authorities the provisions of article 17A of the Investment Services Act shall apply *mutatis mutandis*.

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Refusal to co-operate. *Added by: XX. 2007.43. Amended by: XXXI. 2017.37.*

37B. The competent authority may refuse to act on a request for co-operation in carrying out supervisory functions, on-site verifications or investigations in terms of article 37A or to exchange information with European regulatory authorities designated as contact points under Article 79(1) of MiFID, in the circumstances laid down in article 17B of the Investment Services Act.

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Co-operation with overseas regulatory authorities. *Added by: XX. 2007.43. Amended by: III. 2009.15; XXXI. 2017.38.*

37C. (1) Co-operation agreements with overseas regulatory authorities or other authorities, bodies and natural or legal persons in a country that is not a Member State or EEA State may be entered into only if the information disclosed is subject to guarantees of professional secrecy at least equivalent to those required under article 38. Such exchange of information must be intended for the performance of the functions of those overseas regulatory authorities or other authorities, bodies and natural or

legal persons:

Provided that the transfer of personal data to countries that are not Member States or EEA States shall be in accordance with the provisions of Chapter IV of Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data.

(2) In the conclusion of co-operation agreements providing for the exchange of information with overseas regulatory authorities, other authorities or with bodies and natural or legal persons in countries that are not Member States or EEA States, the provisions of article 17D(2) of the Investment Services Act shall apply *mutatis mutandis*. Cap. 370.

(3) Where the information in the possession of the competent authority had originated from a European regulatory authority or an overseas regulatory authority, it may not be disclosed to an overseas regulatory authority or to any other third party without the express agreement of the European regulatory authority or the overseas regulatory authority which had transmitted it and, where appropriate, solely for the purposes for which that authority had given its agreement.

(4) Without prejudice to the foregoing provisions of this article, at the request of, or for the purposes of assisting an overseas regulatory authority, the competent authority may exercise the powers listed in article 17(11) of the Investment Services Act, and for the purposes of this sub-article the words "European regulatory authority" shall be read as "overseas regulatory authority". Cap. 370.

(5) The competent authority may also conclude cooperation agreements providing for the exchange of information with overseas regulatory authorities, bodies and natural or legal persons responsible for one or more of the following: Added by: *XXXI. 2017.38.*

(*a*) the supervision of credit institutions, other financial institutions, insurance undertakings and the supervision of financial markets;

(*b*) the liquidation and bankruptcy of investment firms and other similar procedures;

(*c*) the carrying out of statutory audits of the accounts of investment firms and other financial institutions, credit institutions and insurance undertakings, in the performance of their supervisory functions, or which administer compensation schemes, in the performance of their functions;

(*d*) oversight of the bodies involved in the liquidation and bankruptcy of investment firms and other similar procedures;

(*e*) oversight of persons charged with carrying out statutory audits of the accounts of insurance undertakings, credit institutions, investment firms and

other financial institutions;

(*f*) oversight of persons active on emission allowance markets for the purpose of ensuring a consolidated overview of financial and spot markets;

(*g*) oversight of persons active on agricultural commodity derivatives markets for the purpose of ensuring a consolidated overview of financial and spot markets.

Binding mediation. Added by: *XXXI. 2017.39.*

37D. The competent authority may refer to ESMA situations where a request relating to one of the following has been rejected or has not been acted upon within a reasonable time:

(*a*) to exchange information as provided for in article 37; or

(*b*) to carry out a supervisory activity, an on-the-spot verification, or an investigation, as provided for in article 37A.

Co-operation obligations in relation to covered bond public supervision. *Added by: IX.2023.10.*

37E. (1) The competent authority shall cooperate closely with the authorities performing the general supervision of credit institutions in accordance with relevant European Union law applicable to those institutions and, in the event of the resolution of a credit institution issuing covered bonds, with the Resolution Committee or the relevant European resolution authority, as applicable.

(2) The competent authority shall cooperate closely with authorities in other Member States responsible for covered bond public supervision in terms of Article 18(2) of the CBD, including by providing the said authorities with any information which is relevant for the exercise of their supervisory tasks under the provisions of their national law transposing the CBD.

(3) For the purposes of sub-article (2), the competent authority shall communicate:

(a) all relevant information at the request of an authority in another Member State responsible for covered bond public supervision in terms of Article 18(2) of the CBD; and

(b) on its own initiative, any essential information to authorities in other Member States responsible for covered bond public supervision in terms of Article 18(2) of the CBD.

(4) The competent authority shall cooperate with the EBA or, where relevant, the ESMA, for the purposes of the CBD.

(5) In the event of the resolution of a credit institution issuing covered bonds, the competent authority shall cooperate with the Resolution Committee or the relevant European resolution authority, as applicable, in order to ensure that the rights and interests of the covered bonds investors are preserved, including at least by verifying the continuous and sound management of the covered bond

programme during the period of the resolution process.

(6) By 8th July 2024, the competent authority shall transmit to the European Commission information on the following:

(a) developments regarding the number of approvals to issue covered bonds;

(b) developments regarding the number of covered bonds issued in compliance with Part IV *bis* and any regulations and Covered Bonds Rules issued thereunder and in accordance with Article 129 of the CRR;

(c) developments regarding the assets collateralising the issue of covered bonds;

(d) developments regarding the level of overcollateralisation;

(e) cross-border investments in covered bonds, including inward investment from, and outward investment to, third-countries;

(f) developments regarding the issue of covered bonds with extendable maturity structures;

(g) developments regarding the risks and benefits of the use of exposures as referred to in Article 129(1) of the CRR;

(h) the functioning of covered bond markets.

(7) For the purposes of this article, information shall be regarded as essential if it could materially influence the assessment of the issue of covered bonds in another Member State.

Confidentiality of information. *Substituted by: XVII. 2002.127. Amended by: IV. 2003.21; IV. 2005.30. Substituted by: XX. 2007.44. Amended by: L.N. 424 of 2007; X. 2011.18; XLVI.2021.46; IX.2023.11.*

38. (1) Trading venues, central securities depositories, credit institutions issuing covered bonds, the competent authority, the competent authority, their respective members, officers, employees or agents, as well as auditors, inspectors and experts, as the case may be, engaged in terms and for the purposes of any of the provisions of this Act -

(*a*) shall deal with all documents and other information relating to the relevant trading venue or to dealings therewith or therein, or to the issue of covered bonds or to dealings thereof, or otherwise obtained for the purposes of, or pursuant to, any of the provisions of this Act or of any regulations made thereunder and not yet officially divulged, as confidential and protected by the duty of professional secrecy, and shall not disclose the same to any other person;

(*b*) are prohibited from using such documents and

information and all other matters which are confidential and protected by the duty of professional secrecy and which come to their knowledge by virtue of their position, in order to secure any advantage for themselves or for any third parties whether such third parties are connected or not with the financial instruments market.

Cap. 370.

(2) Article 26 of the Investment Services Act shall apply *mutatis mutandis* to trading venues, credit institutions issuing covered bonds, the competent authority, their respective members, officers, employees or agents, as well as auditors, inspectors and experts engaged for the purposes of any of the provisions of this Act, bound by the obligation of confidentiality in terms of sub-article (1).

Cap. 476.

(3) Any person who acts in contravention of this article shall, without prejudice to the provisions of the Prevention of Financial Markets Abuse Act, be guilty of an offence against this Act, and shall on conviction be liable to a fine (*multa*) of twelve thousand euro (€12,000) or to a term of imprisonment not exceeding two years or to both such fine and imprisonment.

Cap. 476.

(4) Any person other than those mentioned in sub-articles (1) and (2) who acquires any documents or any other information to which the said sub-articles relate and who uses such documents or information, with intent to secure advantage either for himself or any other person, shall, without prejudice to the Prevention of Financial Markets Abuse Act, be guilty of an offence against this Act and shall on conviction be liable to the same penalty established for an offence against the provisions of this article.

Powers of the Court to make certain orders. *Added by: XXVII. 2002.128. Amended by: XX. 2007.14, 45; IX.2023.12.*

39. (1) If, on an application by the competent authority made to the Civil Court, First Hall, the said court is satisfied:

(*a*) that there is reasonable likelihood that a person will contravene any of the provisions of this Act, the regulations made thereunder or the bye-laws of a regulated market or will contravene or fail to comply with any obligation, requirement, Financial Market Rule, Capital Markets Rule, Covered Bonds Rule, directive or order made or given under any of the provisions of this Act, the regulations made thereunder or the bye-laws of a regulated market; or

(*b*) that a person has contravened any such provision or has contravened or failed to comply with any such obligation, requirement, directive, Financial Market Rule, Capital Markets Rule, Covered Bonds Rule or order and that there is a reasonable likelihood that the contravention will continue or be repeated,

the court may give such orders as it may deem appropriate to restrain the contravention.

(2) If, on an application by the competent authority made to the Civil Court, First Hall, the said court is satisfied -

(*a*) that a person has contravened any of the provisions of this Act, the regulations made thereunder, the bye-laws of a regulated market or any obligation, requirement, Financial Market Rule, Capital Markets Rule, Covered Bonds Rule, directive or order made or given under any of the provisions of this Act or under the bye-laws of a regulated market; and

(*b*) that there are steps which could be taken for remedying the contravention,

the court may give such orders as it may deem appropriate to require that person and any other person who appears to the court to have been knowingly concerned in the contravention, to take such steps as the court may direct to remedy it or to mitigate its effect, as appropriate.

(3) If, on an application by the Competent Authority made to the First Hall Civil Court, the court is satisfied -

(*a*) that a person has contravened any of the provisions of this Act, the regulations made thereunder, the bye-laws of a regulated market or any obligation, requirement, Financial Market Rule, Capital Markets Rule, Covered Bonds Rule, directive or order made or given under any of the provisions of this Act, the regulations made thereunder or the bye-laws of a regulated market; or

(*b*) that any person has been knowingly concerned in the contravention,

it may make an order restraining him from disposing of, or otherwise dealing with, any assets of his which it is satisfied he is reasonably likely to dispose of or otherwise deal with.

(4) If, on an application made under sub-article (1), the court is further satisfied that -

(*a*) profits have accrued to any person as a result of the contravention; or

(*b*) an investor has suffered loss or has been otherwise adversely affected as a result of that contravention,

the court may order the person responsible for the contravention to pay into court such sum as appears to it to be just having regard to the extent of the profit, loss or adverse effect as aforesaid, and order such sum to be paid out as the court may direct to the persons who have entered into transactions as a result of which profits have accrued or losses or adverse effects have been suffered as aforesaid.

(5) For the purposes of this article the court may order the production by any person of such accounts and the provision of such information, and verified in such manner, as the court may deem appropriate.

(6) The First Hall Civil Court shall after hearing the person or persons mentioned in this article and the competent authority determine an application made under this section with urgency.

(7) The provisions of this article shall be without prejudice to any right of any aggrieved person to bring proceedings directly in respect of any right such person may otherwise have independently of the competent authority.

(8) The provisions of this article shall be without prejudice to the right of any person to demand the issue of any precautionary act under Title VI of Book Third of the Code of Organization and Civil Procedure.

Cap. 12.

Administrative penalties and other measures. *Substituted by: XLVI.2021.47. Amended by: XI.2025.15.*

39A. (1) Without prejudice to any other powers conferred to it by this Act or any other law, where the competent authority is satisfied that a person's conduct amounts to a breach of any of the provisions of Part III, or any regulations, or Capital Markets Rules issued thereunder, or that a person has contravened or failed to comply with any condition, obligation, requirement or directives made or given by the competent authority under any of the provisions of this Act or any regulations or Capital Markets Rules issued thereunder, including failure to co-operate in an investigation, the competent authority may by notice in writing and without recourse to a court hearing impose on such person an administrative penalty which may not exceed one hundred and fifty thousand euro (€150,000) for each breach or failure to comply, as the case may be, or any other administrative measure, as it may deem necessary.

(2) Administrative penalties that may be imposed by the competent authority, may be imposed in the form of a fixed penalty, a daily penalty, or both:

Provided that the administrative penalties imposed by the competent authority in accordance with this article shall be effective, proportionate and dissuasive.

Cap. 330.

(3) The provisions of article 16(4) of the Malta Financial Services Authority Act shall apply *mutatis mutandis* with respect to any administrative penalty imposed by the competent authority under sub-article (1).

(4) The imposition by the competent authority of an administrative penalty or any other administrative measure in terms of this article shall be without prejudice to any other consequence emanating from the act or omission of the offender under civil or criminal law:

Provided that in all cases where the competent authority imposes an administrative penalty in respect of anything done or omitted to be done by any person, and such act or omission also constitutes a criminal offence, no proceedings may be taken or continued against the said person in respect of such criminal offence.

Administrative penalties and other measures for breaches relating to transparency obligations. *Added by: XLVI.2021.48. Amended by: LXXI.2021.11; XI.2025.16.*

39B. (1) Notwithstanding the provisions of article 39A, the competent authority may impose administrative penalties and other administrative measures as mentioned in sub-article (2), where it considers that:

(a) an issuer has failed to make public, in a correct and complete manner and within the required time limit, any regulated information as required in this Act and the Capital Market Rules; or

(b) any other person subject to the Capital Markets Rules has failed to notify, within the required time limit, the acquisition or disposal of a major holding in accordance with the Capital Markets Rules.

(2) Notwithstanding the provisions of article 39A, the competent authority shall have the power to impose the following administrative penalties and other administrative measures for the breaches indicated in sub-article (1):

(a) a public statement indicating the natural person or the legal entity responsible and the nature of the breach;

(b) an order requiring the natural person or the legal entity responsible to cease the conduct constituting the breach and to desist from any repetition of that conduct;

(c) in the case of a legal entity, administrative penalties of:

(i) up to ten million euro (€10,000,000), or up to 5% of the total annual turnover according to the last available annual accounts approved by the management body; where the legal entity is a parent undertaking or a subsidiary of a parent undertaking which has to prepare consolidated financial accounts pursuant to Directive 2013/34/EU, the relevant total turnover shall be the total annual turnover or the corresponding type of income pursuant to the relevant accounting Directives according to the last available consolidated annual accounts approved by the management body of the ultimate parent undertaking; or

(ii) up to twice the amount of the profits gained or any losses avoided because of the breach, where those can be determined,

whichever is higher;

(d) in the case of a natural person, administrative penalties of:

(i) up to two million euro (€ 2,000,000); or

(ii) up to twice the amount of the profits gained or

any losses avoided because of the breach, where those can be determined,

whichever is higher.

(3) Without prejudice to the provisions of sub-article (2), the competent authority may suspend the exercise of voting rights attached to shares in the event of any breach as referred to in sub-article (1)(a).

(4) The administrative penalties and other administrative measures taken by the competent authority in terms of this article shall be effective, proportionate and dissuasive.

Administrative penalties and other measures for breaches of the Prospectus Regulation. *Added by: XLVI.2021.48. Amended by: LXXI.2021.12.*

39C. (1) Notwithstanding the provisions of article 39A, the competent authority may impose administrative penalties and other administrative measures as mentioned in sub-article (2), where it considers that:

(a) a person's conduct amounts to a breach of Article 3, Article 5, Article 6, Article 7(1) to (11), Article 8, Article 9, Article 10, Article 11(1) and (3), Article 14(1) and (2), Article 15(1), Article 16(1), (2) and (3), Article 17, Article 18, Article 19(1) to (3), Article 20(1), Article 21(1) to (4) and (7) to (11), Article 22(2) to (5), Article 23 (1), (2), (3) and (5), and, or Article 27 of the Prospectus Regulation; and, or

(b) a person has failed to co-operate or comply in an investigation or with an inspection or request covered by Article 32.

(2) Notwithstanding the provisions of article 19, the competent authority shall have the power to impose the following administrative penalties and other administrative measures for the breaches indicated in sub-article (1):

(a) a public statement indicating the natural person or the legal entity responsible and the nature of the breach;

(b) an order requiring the natural person or legal entity responsible to cease the conduct constituting the breach;

(c) maximum administrative penalties of twice the amount of any profits gained or losses avoided because of the breach in cases where they can be determined;

(d) in the case of a legal person, maximum administrative pecuniary sanctions of up to five million euro (€ 5,000,000), or up to 3% of the total annual turnover of that legal person, according to the last applicable financial statements approved by the management body; where the legal person is a parent undertaking or a subsidiary of a parent undertaking which is required to prepare consolidated financial accounts in

accordance with Directive 2013/34/EU, the relevant total annual turnover shall be the total annual turnover or the corresponding type of income in accordance with the relevant European Union law in the area of accounting according to the last available consolidated accounts approved by the management body of the ultimate parent undertaking;

(e) in the case of a natural person, administrative pecuniary sanctions of up to seven hundred thousand euro (€700,000).

(3) The administrative penalties and other measures taken by the competent authority in terms of this article shall be effective, proportionate and dissuasive.

Administrative penalties and other administrative measures in relation to covered bonds. *Added by: IX.2023.13.*

39CA. (1) Without prejudice to the powers of the competent authority under this Act or any other law, where the competent authority is satisfied that a person's conduct amounts to a breach of any of the provisions of Part IV *bis* or any regulations or Covered Bonds Rules issued thereunder, or that a person has contravened or failed to comply with any condition, obligation, requirement or directives made or given by the competent authority under any of the provisions of this Act or any regulations or Covered Bonds Rules issued thereunder, including failure to co-operate in an investigation, the competent authority may, by notice in writing and without recourse to a court hearing, impose on such person an administrative penalty which may not exceed one hundred and fifty thousand euro (€150,000) for each breach or failure to comply, as the case may be and, or any other administrative measure, as it may deem necessary.

(2) Without prejudice to the generality of sub-article (1), the competent authority may impose administrative penalties and other administrative measures in at least the following circumstances:

(a) a credit institution has acquired an approval for a covered bond programme by means of false statements or other irregular means;

(b) a credit institution no longer fulfils the conditions under which approval for a covered bond programme was granted;

(c) a credit institution issues covered bonds without obtaining the approval of the competent authority in accordance with articles 31D and 31E;

(d) a credit institution issuing covered bonds fails to meet the requirements set out in article 31I and in regulation 108(1) of the Recovery and Resolution Regulations;

S.L. 330.09.

(e) a credit institution issues covered bonds that do not comply with article 31I and with regulation 68(7) of the Recovery and Resolution Regulations;

S.L. 330.09.

(f) a credit institution issues covered bonds that are not collateralised in accordance with regulation 3 of the Financial Markets Act (Covered Bonds) Regulations;

S.L. 345.27.

(g) a credit institution issues covered bonds that are collateralised by assets located outside the European Union in breach of regulation 4 of the Financial Markets Act (Covered Bonds) Regulations;

S.L. 345.27.

(h) a credit institution collateralises covered bonds in an intragroup pooled covered bond structure in breach of regulation 5 of the Financial Markets Act (Covered Bonds) Regulations;

S.L. 345.27.

(i) a credit institution issuing covered bonds fails to fulfil the conditions for joint funding laid down in regulation 6 of the Financial Markets Act (Covered Bonds) Regulations;

S.L. 345.27.

(j) a credit institution issuing covered bonds fails to meet the requirements of composition of the cover pool laid down in regulation 7 of the Financial Markets Act (Covered Bonds) Regulations;

S.L. 345.27.

(k) a credit institution issuing covered bonds fails to meet the requirements regarding derivative contracts in the cover pool laid down in regulation 8 of the Financial Markets Act (Covered Bonds) Regulations;

S.L. 345.27.

(l) a credit institution issuing covered bonds fails to comply with the requirements of the segregation of cover assets in accordance with regulation 9 of the Financial Markets Act (Covered Bonds) Regulations;

S.L. 345.27.

(m) a credit institution issuing covered bonds fails to report information or provides incomplete or inaccurate information in breach of regulation 11 of the Financial Markets Act (Covered Bonds) Regulations;

S.L. 345.27.

(n) a credit institution issuing covered bonds repeatedly or persistently fails to maintain a cover pool liquidity buffer in breach of regulation 13 of the Financial Markets Act (Covered Bonds) Regulations;

S.L. 345.27.

(o) a credit institution that issues covered bonds with extendable maturity structures fails to fulfil the conditions for extendable maturity structures laid down in regulation 14 of the Financial Markets Act (Covered Bonds) Regulations;

S.L. 345.27.

(p) a credit institution issuing covered bonds fails to report information or provides incomplete or inaccurate information on its obligations in breach of the requirements on reporting set out in regulation 15(3) of the Financial Markets Act (Covered Bonds) Regulations; S.L. 345.27.

(q) where it has been determined that a credit institution issuing covered bonds has committed a serious, repeated or systematic breach, or a combination thereof, of the Prevention of Money Laundering Act, of any regulations made thereunder or of any procedures or guidance issued in terms of any such regulations; and, or Cap. 373.

(r) a credit institution issuing covered bonds fails to cooperate with the competent authority.

(3) Without prejudice to the generality of sub-article (1), the administrative measures referred to therein shall include at least the following:

(a) a withdrawal of an approval for a covered bond programme;

(b) a public statement which indicates the identity of the natural or legal person and the nature of the breach in accordance with article 39GA;

(c) an order requiring the natural or legal person to cease the conduct and to desist from a repetition of that conduct; and, or

(d) a directive issued in terms of article 39K.

(4) Any administrative penalties and other administrative measures imposed by the competent authority in terms of this article shall be effective, proportionate and dissuasive.

(5) The competent authority shall ensure that any administrative penalties and other administrative measures imposed by it in terms of this article are effectively implemented.

(6) When determining the type of administrative penalties or other administrative measures and the amount of administrative penalties to be imposed, the competent authority shall take into account the following circumstances, where relevant:

(a) the gravity and the duration of the breach;

(b) the degree of responsibility of the natural or legal person responsible for the breach;

(c) the financial strength of the natural or legal

person responsible for the breach, including by reference to the total turnover of the legal person or the annual income of the natural person;

(d) the importance of profits gained or losses avoided because of the breach by the natural or legal person responsible for the breach, insofar as those profits or losses can be determined;

(e) the losses caused to third parties by the breach, insofar as those losses can be determined;

(f) the level of cooperation by the natural or legal person responsible for the breach with the competent authority;

(g) any previous breaches by the natural or legal person responsible for the breach;

(h) any actual or potential systemic consequences of the breach.

(7) Without prejudice to sub-article (1), where the provisions of Part IV *bis*, or any regulations or Covered Bonds Rules issued thereunder, apply to legal persons, the administrative penalties and other administrative measures referred to in this article may also be imposed by the competent authority on members of the board of directors of any such legal person and on other individuals who under national law are responsible for the breach.

(8) Administrative penalties that may be imposed by the competent authority under this article, may be imposed in the form of a fixed penalty, a daily penalty, or both.

(9) The imposition by the competent authority of an administrative penalty in terms of this article shall be without prejudice to any other consequences of the act or omission of the offender under civil or criminal law:

Provided that in all cases where the competent authority imposes an administrative penalty in respect of anything done or omitted to be done by any person and such act or omission also constitutes a criminal offence, no proceedings may be taken or continued against the said person in respect of such criminal offence.

Administrative penalties and other measures in respect of members of a legal entity. *Added by: XLVI.2021.48. Amended by: IX.2023.14.*

39D. Where obligations imposed in terms of the Prospectus Regulation, this Act or any regulations or Capital Markets Rules issued thereunder, apply to the issuer or to any other legal entity, in the event of a breach of any provision thereof, administrative penalties and other measures can also be imposed, subject to the conditions laid down in national law, on the members of the administrative, management or supervisory bodies of the legal entity concerned, and

on other individuals who are responsible for the breach under national law:

Provided that this article shall not apply to breaches of any of the provisions of Part IV *bis* or any regulations or Covered Bonds Rules issued thereunder.

Relevant circumstances. *Added by: XLVI. 2021.48. Amended by: IX.2023.15.*

39E. In the case of administrative penalties or measures imposed by the competent authority in accordance with the provisions of this Act, the competent authority shall take into account all relevant circumstances, including where appropriate:

(a) the gravity and the duration of the breach;

(b) the degree of responsibility of the natural person or legal entity responsible;

(c) the financial strength of the natural person or legal entity responsible, for example as indicated by the total turnover of the legal entity responsible or the annual income of the natural person responsible;

(d) the importance of any profits gained or losses avoided by the natural person or legal entity responsible, in so far as they can be determined;

(e) any losses sustained by third parties as a result of the breach, in so far as they can be determined;

(f) the level of co-operation of the natural person or the legal entity responsible with the competent authority;

(g) previous breaches by the natural person or legal entity responsible;

(h) the impact of the breach on retail investors' interests;

(i) measures taken subsequent to the breach by the person responsible for the breach to prevent its repetition:

Provided that this article shall not apply to administrative penalties and administrative measures imposed in terms of article 39CA.

Notice of administrative penalties. *Added by: XLVI.2021.48. Amended by: LXXI.2021.13.*

39F. (1) If the competent authority proposes to impose an administrative penalty on any person under any of the provisions of this Act, it shall give such person a notice in writing of its intention to do so, setting out the reasons for the decision it proposes to take.

(2) Every notice given under sub-article (1), shall state that the recipient of the notice may, within fifteen (15) days from the service thereof, make representations in writing to the competent authority giving reasons why the proposed decision should not be taken, and the competent authority shall consider any representation so made before arriving at a final decision.

(3) The competent authority shall as soon as practicable notify its final decision in writing to any person to whom notice is to be given under sub-article (1).

Notice of administrative penalties and measures in relation to covered bonds. *Added by: IX.2023.16.*

39FA. (1) If the competent authority proposes to impose an administrative penalty or any other administrative measure on any person in terms of article 39CA, it shall give such person a notice in writing of its intention to do so, setting out the reasons for the decision it proposes to take and specifying a period, being a period of not less than forty-eight (48) hours and not longer than thirty (30) calendar days, in which the recipient of the notice may make representations in writing to the competent authority giving reasons why the proposed decision should not be taken, and the competent authority shall consider any representation so made before arriving at a final decision:

Provided that the competent authority shall not be required to notify its intention to impose an administrative measure which is not an administrative penalty where urgent action is necessary to prevent significant losses to third parties or significant damage to the financial system:

Provided further that, where the competent authority does not notify its intention to impose an administrative measure in terms of this sub-article, the person concerned shall, as soon as possible after the adoption of the administrative measure, be given the opportunity to make representations in writing to the competent authority giving reasons why the decision should not have been taken, and where necessary, that measure shall be revised.

(2) The competent authority shall as soon as practicable notify its decision in writing to any person on whom an administrative penalty or an administrative measure has been imposed in terms of article 39CA. Any such decision shall be reasoned.

Publication of decisions. *Added by: XLVI.2021.48. Amended by: IX.2023.17; XI.2025.17; XIX.2026.11.*

39G. (1) The competent authority shall publish any decision imposing an administrative penalty or any other measure on its website immediately after the person subject to that decision has been informed of that decision:

Provided that to the extent that the decision concerns transparency requirements relating to regulated information, the said decision shall also be made accessible on ESAP in accordance with article 21E.

(2) The information published pursuant to sub-article (1), shall specify the type and nature of the breach, the identity of the person subject to the decision and any other information which the competent authority deems relevant.

(3) The provisions of sub-articles (1) and (2) shall not apply to decisions of the competent authority imposing measures that are of an investigatory nature.

(4) Where the competent authority considers, following a case-by-case assessment, that the publication of the identity of the legal

person subject to the decision, or the personal data of a natural person, would be disproportionate, or where such publication would jeopardise an ongoing investigation or the stability of the financial markets, the competent authority shall:

(a) defer publication of the decision until the reasons for that deferral cease to exist; or

(b) publish the decision on an anonymous basis where such publication ensures effective protection of the personal data concerned and, where appropriate, postpone publication of the relevant data for a reasonable period of time where it is foreseeable that the reasons for anonymous publication will cease to exist during that period; or

(c) not publish the decision in the event that the competent authority is of the opinion that publication in accordance with paragraphs (a) or (b) will be insufficient to ensure:

(i) that the stability of financial markets is not jeopardised; or

(ii) the proportionality of the publication of such decisions with regard to measures which are deemed to be of a minor nature.

(5) Where the decision is subject to an appeal before a national judicial, administrative or other authority, the competent authority shall also publish immediately on its website such information and any subsequent information on the outcome of such an appeal. Any decision annulling a decision of the competent authority to impose an administrative penalty or any other administrative measure shall also be published.

(6) Any decision that is published in accordance with this article shall remain accessible on the website of the competent authority for a period of at least five (5) years after its publication;

Provided that personal data contained in any such decision shall be retained on the website of the competent authority for the period which is necessary, in accordance with the applicable data protection legislation.

(7) This article shall not apply to administrative penalties and administrative measures imposed in terms of article 39CA.

Publication of administrative penalties and administrative measures in relation to covered bonds. *Added by: IX.2023.18. Amended by: XIX.2026.12.*

39GA. (1) The competent authority shall publish any decision imposing an administrative penalty or any other administrative measure in terms of article 39CA on its official website without undue delay after the person on whom the administrative penalty or administrative measure was imposed has been informed of that decision as well as of its publication on the official website of the competent authority:

S.L. 345.27.

Provided that such decisions shall also be made accessible on ESAP in terms of article 16A of the Financial Markets (Covered Bonds) Regulations.

(2) The information published pursuant to sub-article (1) shall include information on the type and nature of the breach and the identity of the natural or legal person on whom the administrative penalty or administrative measure is imposed.

(3) Notwithstanding the provisions of sub-articles (1) and (2), any decision imposing an administrative penalty or any other administrative measure in terms of article 39CA shall, in any of the following circumstances, be published on an anonymous basis and in accordance with Maltese law:

(a) where the administrative penalty or administrative measure is imposed on a natural person and the publication of personal data is found to be disproportionate;

(b) where the publication would jeopardise the stability of financial markets or an ongoing criminal investigation;

(c) where publication would cause, insofar as it can be determined, disproportionate damage to the credit institutions or natural persons involved:

Provided that in such cases the publication of the relevant data may be postponed.

(4) Where the decision to impose an administrative penalty or any other administrative measure is subject to appeal before a national judicial, administrative or other authority, the competent authority shall, without undue delay, also publish on its official website information on the status of the appeal and on the outcome thereof. Any decision annulling a decision of the competent authority to impose an administrative penalty or any other administrative measure shall also be published.

(5) Any decision that is published in accordance with this article shall remain on the official website of the competent authority for a period of at least five (5) years from the date of its publication:

Provided that personal data contained in any such decision shall only be retained on the official website of the competent authority for the period which is necessary in accordance with the applicable data protection legislation. Such a retention period shall be determined taking into account the limitation periods provided for under Maltese law, but shall in no case be longer than ten (10) years.

(6) The competent authority shall inform the EBA of any administrative penalties and other administrative measures imposed in terms of article 39CA, including, where relevant, any appeal in relation thereto and the outcome thereof.

(7) The competent authority shall, from time to time, contact the Office of the Attorney General and the Commissioner of Police and seek information about any criminal punishments that may have been imposed for any breaches of any provisions of Part IV *bis* or any regulations or Covered Bonds Rules issued thereunder. The Commissioner of Police and, or, the Office of the Attorney General, as applicable, shall cooperate and shall provide their reply to the competent authority in a timely manner, thereby providing any information and details of the final judgement as necessary and shall, where relevant, send the competent authority a copy of the final judgement in relation to any such criminal punishments imposed. The competent authority shall submit said information and details and, where relevant, any such copies of final judgements, to the EBA.

(8) The provisions of this article shall apply notwithstanding the provisions of article 41A.

Suspension and removal of listed financial instruments from trading on an authorized regulated market. *Added by: XLVI.2021.48. Amended by: IX.2023.19; XIX.2026.13.*

39H. (1) Without prejudice to any other powers conferred to it by this Act or any other law, the competent authority may:

(a) suspend, or require the suspension, of listed financial instruments from listing and, or trading on an authorized regulated market for a maximum of ten (10) consecutive working days on any single occasion; and

(b) remove, or require the removal of listed financial instruments from listing and, or trading on an authorized regulated market:

Provided that where the competent authority suspends or removes, or requires the suspension or removal, from listing and, or trading of a listed financial instrument in terms of this sub-article, it shall also suspend or remove, or require the suspension or removal from listing and, or trading on that authorized regulated market, the derivatives as referred to in points (4) to (10) of Section C of Annex I to MiFID that relate or are referenced to that listed financial instrument where the suspension or removal of such derivatives is necessary to support the objectives of the suspension or removal of the underlying listed

financial instrument:

Provided further that where the competent authority suspends or requires the suspension from listing and, or trading of a listed financial instrument in terms of this sub-article, the obligations set out in this Act, and any regulations or Capital Markets Rules or Covered Bonds Rules issued thereunder in relation to listed financial instruments shall continue to apply with respect to the listed financial instrument which was suspended.

(2) Without prejudice to sub-article (1), a market operator operating an authorized regulated market may suspend or remove listed financial instruments from trading on the authorized regulated market operated thereby if such listed financial instruments no longer comply with any bye-laws of the authorized regulated market, unless such suspension or removal would be likely to cause significant damage to the investors' interests or the orderly functioning of the market.

(3) A market operator of an authorized regulated market that suspends or removes from trading a listed financial instrument in terms of sub-article (2), shall also suspend or remove from trading on that authorized regulated market the derivatives as referred to in points (4) to (10) of Section C of Annex I to MiFID that relate or are referenced to that listed financial instrument where the suspension or removal of such derivatives is necessary to support the objectives of the suspension or removal of the underlying financial instrument.

(4) Where a market operator operating an authorized regulated market suspends or removes financial instruments and any related derivatives in accordance with the provisions of sub-articles (2) and (3), that market operator shall promptly make its decision public and notify the competent authority thereof, as well as provide it with any relevant information in relation thereto.

(5) Where a market operator operating an authorized regulated market suspends or removes from trading on that authorized regulated market a listed financial instrument and any related derivatives in accordance with the provisions of this article, the competent authority shall require other authorized regulated markets, MTFs, OTFs and systematic internalisers, which fall under its jurisdiction and trade the same financial instrument or derivatives as referred to in points (4) to (10) of Section C of Annex I to MiFID that relate or are referenced to the listed financial instrument so suspended or removed, to also suspend or remove that listed financial instrument or derivatives from trading, where the suspension or removal is due to suspected market abuse, a take-over bid, or the non-disclosure of inside information about the issuer or financial instrument infringing Articles 7 and 17 of Regulation (EU) No. 596/2014, except where such suspension or

removal could cause significant damage to the investors' interests or the orderly functioning of the market:

Provided that the competent authority shall immediately make public, as well as make accessible on ESAP in accordance with the provisions of article 39IA, and communicate to ESMA and the European regulatory authorities of the other Member States or EEA States such a decision.

(6) Where the competent authority receives a notification from a European regulatory authority of another Member State or EEA State in accordance with the fourth paragraph of Article 32(2) of MiFID, it shall require other authorized regulated markets, MTFs, OTFs and systematic internalisers, which fall under its jurisdiction and trade the same financial instrument or derivatives as referred to in points (4) to (10) of Section C of Annex I to MiFID that relate or are referenced to the financial instrument suspended or removed by the foreign regulated market, to also suspend or remove that financial instrument or derivatives from trading, where the suspension or removal is due to suspected market abuse, a takeover bid, or the non-disclosure of inside information about the issuer or financial instrument infringing Articles 7 and 17 of Regulation (EU) No. 596/2014, except where such suspension or removal could cause significant damage to the investors' interests or the orderly functioning of the market:

Provided that the competent authority shall communicate its decision to ESMA and the European regulatory authorities of the other Member States or EEA States, including an explanation if the decision was not to suspend or remove from trading the financial instrument or derivatives as referred to in points (4) to (10) of Section C of Annex I to MiFID that relate or are referenced to the financial instrument suspended or removed by the foreign regulated market.

(7) Sub-articles (2) to (6) shall also apply when the suspension from trading of a financial instrument or any related derivatives as referred to in points (4) to (10) of Section C of Annex I to MiFID that relate or are referenced to those financial instruments suspended by a regulated market is lifted.

(8) The notification requirements set out in sub-articles (2) to (6) shall also apply in the case where the decision to suspend or remove from trading a listed financial instrument or any related derivatives as referred to in points (4) to (10) of Section C of Annex I to MiFID that relate or are referenced to that listed financial instrument is taken by the competent authority in accordance with the provisions of this article.

Suspension and removal of financial instruments from trading on an MTF or an OTF. *Added by: XLVI.2021.48. Amended by: IX.2023.20; XIX.2026.14.*

39I. (1) Without prejudice to any other powers conferred to it by this Act or any other law, the competent authority may:

(a) suspend, or require the suspension of, financial instruments from trading on an MTF or an OTF for a maximum of ten (10) consecutive working days on any single occasion: and

(b) to remove, or require the removal of, financial instruments from trading on an MTF or an OTF:

Provided that where the competent authority suspends or removes, or requires the suspension or removal, from trading a financial instrument in terms of this sub-article, it shall also suspend or remove, or require the suspension or removal, from trading on that MTF or OTF the derivatives as referred to in points (4) to (10) of Section C of Annex I to MiFID that relate, or are referenced to that financial instrument where the suspension or removal of such derivatives is necessary to support the objectives of the suspension or removal of the underlying financial instrument:

Provided further that where the competent authority suspends or requires the suspension from trading of a financial instrument in terms of this sub-article, the obligations set out in this Act and any regulations or Capital Markets Rules or Covered Bonds Rules issued thereunder in relation to financial instruments shall continue to apply with respect to the financial instrument which was suspended.

(2) Without prejudice to sub-article (1), a market operator or an investment firm operating an MTF or an OTF may suspend or remove financial instruments from trading on the MTF or OTF operated thereby if such financial instruments no longer comply with the bye-laws of the MTF or OTF, unless such suspension or removal would be likely to cause significant damage to the investors' interests or the orderly functioning of the market.

(3) A market operator or investment firm operating an MTF or an OTF that suspends or removes from trading a financial instrument in terms of sub-article (2), shall also suspend or remove from trading on that MTF or OTF the derivatives as referred to in points (4) to (10) of Section C of Annex I to MiFID that relate or are referenced to that financial instrument where the suspension or removal of such derivatives is necessary to support the objectives of the suspension or removal of the underlying financial instrument.

(4) Where a market operator or investment firm operating an MTF or OTF suspends or removes financial instruments and any related derivatives in accordance with the provisions of sub-articles (2) and (3), that market operator shall promptly make its decision public and notify the competent authority thereof, as well as provide it with

any relevant information in relation thereto.

(5) Where a market operator or investment firm operating an MTF or an OTF suspends or removes from trading on that MTF or OTF a financial instrument and any related derivatives in accordance with the provisions of this article, the competent authority shall require other authorized regulated markets, MTFs, OTFs and systematic internalisers, which fall under its jurisdiction and trade the same financial instrument or derivatives as referred to in points (4) to (10) of Section C of Annex I to MiFID that relate or are referenced to the financial instrument so suspended or removed, to also suspend or remove that financial instrument or derivatives from trading, where the suspension or removal is due to suspected market abuse, a take-over bid or the non-disclosure of inside information about the issuer or financial instrument infringing Articles 7 and 17 of Regulation (EU) No. 596/2014, except where such suspension or removal could cause significant damage to the investors' interests or the orderly functioning of the market:

Provided that the competent authority shall immediately make public, as well as make accessible on ESAP in accordance with the provisions of article 39IA, and communicate to ESMA and the European regulatory authorities of the other Member States or EEA States such a decision.

(6) Where the competent authority receives a notification from a European regulatory authority of another Member State or EEA State in accordance with the third paragraph of Article 32(2) of MiFID, it shall require other authorized regulated markets, MTFs, OTFs and systematic internalisers, which fall under its jurisdiction and trade the same financial instrument or derivatives as referred to in points (4) to (10) of Section C of Annex I to MiFID that relate or are referenced to the financial instrument suspended or removed by the foreign MTF or OTF, to also suspend or remove that financial instrument or derivatives from trading, where the suspension or removal is due to suspected market abuse, a take-over bid or the non-disclosure of inside information about the issuer or financial instrument infringing Articles 7 and 17 of Regulation (EU) No. 596/2014, except where such suspension or removal could cause significant damage to the investors' interests or the orderly functioning of the market:

Provided that the competent authority shall communicate its decision to ESMA and the European regulatory authorities of the other Member States or EEA States, including an explanation if the decision was not to suspend or remove from trading the financial instrument or derivatives as referred to in points (4) to (10) of Section C of Annex I to MiFID that relate or are referenced to the financial instrument suspended or removed by the foreign MTF or OTF.

(7) Sub-articles (2) to (6) shall also apply when the suspension

from trading of a financial instrument and any related derivatives as referred to in points (4) to (10) of Section C of Annex I to MiFID that relate or are referenced to these financial instruments suspended by an MTF or an OTF is lifted.

(8) The notification requirements set out in sub-articles (2) to (6) shall also apply in the case where the decision to suspend or remove from trading a financial instrument and any related derivatives as referred to in points (4) to (10) of Section C of Annex I to MiFID that relate, or are referenced to that financial instrument is taken by the competent authority in accordance with the provisions of this article.

Accessibility of information on ESAP. *Added by: XIX.2026.15.*

39IA. (1) For the purpose of making the information referred to in article 39H(5) and 39I(5) accessible on ESAP, the collection body shall be the competent authority:

Provided that such obligation shall apply with effect from 10 January 2030.

(2) The information referred to in sub-article (1) shall comply with the following requirements:

(a) it shall be submitted in a data extractable format; and

(b) it shall be accompanied by the following metadata:

(i) all the names of the investment firm or market operator to which the information relates;

(ii) where available, the legal entity identifier of the investment firm or market operator as specified in accordance with point (b) of Article 7(4) of the ESAP Regulation;

(iii) the type of information, as classified in accordance with point (c) of Article 7(4) of ESAP Regulation;

(iv) an indication of whether the information contains personal data.

Notice of suspension or removal of listed financial instruments. *Added by: XLVI.2021.48.*

39J. (1) Where the competent authority proposes to remove or requires the removal of a listed financial instrument from listing on an authorized regulated market, it must give the issuer of such financial instrument written notice thereof.

(2) A notice given in terms of sub-article (1) shall:

(a) provide details in relation to the proposed removal of the listed financial instrument from listing on an authorized regulated market;

(b) state the competent authority's reason for the proposed removal of such listed financial instrument from listing on an authorized regulated market, provided that the interest of an authorized regulated market, the general public or the investors shall constitute

sufficient reason therefor;

(c) inform the issuer of such listed financial instrument that he may make representations to the competent authority within such period as may be specified in the notice; and

(d) specify the period within which the proposed removal of such listed financial instrument from listing on an authorized regulated market would take effect.

(3) The competent authority may extend the period within which representations may be made to it.

(4) If, having considered any representations made to it by the issuer of the listed financial instruments, the competent authority decides to remove a listed financial instrument from listing on an authorized regulated market, the competent authority shall give the issuer of such listed financial instrument written notice of its decision.

(5) The removal of a listed financial instrument from listing on an authorized regulated market shall take effect on such date as may be specified in the notice under sub-article (4).

Power to issue directives. *Added by: XLVI.2021.48.*

39K. (1) Without prejudice to any of the powers conferred on it under this Act, the competent authority may, whenever it deems it necessary, give by notice in writing, such directives as it may deem appropriate in the circumstances; and any person to whom, or to which the notice is given shall obey, comply with and otherwise give effect to any such directive within the time and in the manner stated in the directive or subsequent directives.

(2) The power to issue directives under this article shall also include the power to vary, alter, add to or withdraw any directive, as well as the power to issue subsequent new directives.

(3) Where the competent authority is satisfied that the circumstances so warrant, it may at any time make public any directive it has given under any of the provisions of this article.

Appointment of a special administrator. *Added by: IX.2023.21.* Cap. 371. S.L. 330.09.

39L. (1) In the event of the insolvency or resolution of a credit institution issuing covered bonds, which is licensed in terms of the Banking Act, or when such credit institution has been determined to be failing or likely to fail pursuant to regulation 32(1) of the Recovery and Resolution Regulations or, in exceptional circumstances, where the competent authority determines that the proper functioning of that credit institution is seriously at risk, the competent authority may appoint a special administrator to ensure that the rights and interests of the covered bonds investors are preserved, including at least by verifying the continuous and sound management of the covered bond programme during the period of the resolution process:

Provided that, without prejudice to any other powers

conferred on the competent authority under this Act or any other applicable law, the competent authority shall have the power to order the credit institution to pay the remuneration due to the special administrator, including all expenses that may have been incurred by such special administrator.

(2) The competent authority shall issue Covered Bonds Rules laying down the tasks and responsibilities of the special administrator at least in relation to:

(a) the discharge of the liabilities attached to the covered bonds;

(b) the management and realisation of cover assets, including their transfer together with covered bond liabilities to another credit institution issuing covered bonds;

(c) the legal transactions necessary for the proper administration of the cover pool, for the ongoing monitoring of the coverage of liabilities attached to the covered bonds, for the initiation of proceedings in order to bring assets back into the cover pool and for the transferral of the remaining assets to the insolvency estate of the credit institution which issued the covered bonds after all covered bond liabilities have been discharged:

Provided that for the purposes of paragraph (c), the special administrator shall be allowed to operate, in the case of the insolvency of the credit institution issuing the covered bonds, under the authorisation held by that credit institution, subject to the same operational requirements.

(3) The competent authority, the special administrator appointed in terms of sub-article (1) and the Resolution Committee shall, for the purposes of the insolvency or resolution process of the credit institution issuing covered bonds, coordinate and exchange information among each other.

Offences. *Added by: XXVII. 2002.128. Amended by: XX. 2007.14, 47; IX.2023.22.*

40. (1) Any person who contravenes or fails to comply with any of the provisions of article 32 or of any court order made under article 39 or fails to comply with any condition, obligation, requirement, order, directive, Financial Market Rule, Capital Markets Rule or Covered Bonds Rule or regulations made, provided for or given under any of the provisions of this Act shall be guilty of an offence under this Act.

(2) Any person who knowingly or recklessly gives the competent authority, any person appointed by it under article 32(1)(*c*) or any inspector appointed under article 33, information which is false or misleading shall be guilty of an offence.

(3) Any person who removes, destroys, conceals or fraudulently alters any book, document or other paper, including

information stored in electronic format, which is or is likely to be relevant to a request for information or documentation or an inspection or an investigation in terms of this Act, shall be guilty of an offence.

(4) Any person who obstructs a person exercising rights conferred by this Act shall be guilty of an offence under this Act.

Criminal proceedings. *Added by: XXVII. 2002.128. Amended by: L.N. 424 of 2007; X. 2011.20.*

41. (1) A person guilty of an offence under the provisions of section 40 shall be liable on conviction to a four hundred and sixty-six thousand euro (€466,000) or to a term of imprisonment not exceeding four years, or to both such fine and imprisonment.

(2) No proceedings for an offence under this Act shall be commenced without the consent of the Attorney General.

(3) The provisions of this Act shall not affect any criminal proceedings that may be competent under any other law.

Issue of public statement. *Added by: XX. 2007.48. Amended by: XIX. 2016.12; XLVI.2021.49.*

41A. If it appears to the competent authority or the competent authority that a person has contravened any of the provisions of this Act or of any regulations made under this Act or has contravened or failed to comply with any condition, obligation, requirement, Financial Market Rules, Capital Markets Rules or directives made or given under any of the provisions of this Act, the competent authority or the competent authority may publish a statement to that effect indicating the natural person or the legal entity responsible and the nature of the breach, and, or impose an order requiring the natural person or legal entity responsible to cease the conduct constituting the breach and to desist from any repetition of that conduct.

Appeal against decision of the Listing Authority. *Added by: XIX. 2016.13; Amended by: XLVI.2021.50.*

41B. (*Deleted by XLVI. 2021.50*).

PART VI

FINANCIAL SERVICES TRIBUNAL

Appeals to the Tribunal. *Substituted by: XLVI.2021.51. Amended by: IX.2023.23; XI.2025.18.*

42. (1) Any person who is aggrieved by a decision of the competent authority:

(a) to refuse a prospectus or admissibility to listing;

(b) to refuse to grant an approval for a covered bond programme;

(c) to refuse an application for authorisation to provide the services of a regulated market in or from within Malta;

(d) to suspend or remove listed financial instruments from listing and, or from trading on a trading venue;

(e) to refuse an application for authorisation to act as a central securities depository;

(f) to revoke an authorisation to act as a central securities depository when this is revoked by the competent

authority in terms of article 27 of this Act;

(g) concerning the expenses of and incidental to an investigation under article 33;

(h) to issue a directive;

(i) to impose an administrative penalty or any other administrative measures;

(j) to withdraw an approval for a a covered bond programme;

(k) to refuse an application for registration of a sponsor; or

(l) to cancel or suspend the registration of a sponsor,

may appeal against such decision to the Tribunal within such period and under such conditions as are established under article 21 of the Malta Financial Services Authority Act.

Cap. 330.

(2) Without prejudice to sub-article (1), any person who is aggrieved by the competent authority's failure to take a decision in respect of:

(a) an application for the approval of a prospectus or a request for changes or supplementary information within the time limits set out in Article 20(2), (3) and (6) of the Prospectus Regulation in respect of that application;

(b) an application for authorisation to act as a central securities depository which contains all the information required under the provisions in force within six (6) months of its submission; or

(c) any application for the approval of a covered bond programme,

may appeal against such failure to decide to the Tribunal within such period and under such conditions as are established under article 21 of the Malta Financial Services Authority Act.

Cap. 330.

(3) Any person who is aggrieved by a decision of a market operator operating an authorized regulated market, an MTF or an OTF to suspend or remove financial instruments or listed financial instruments, as applicable, from trading on the authorized regulated market, MTF or OTF operated thereby may appeal against such decision to the Tribunal within such period and under such conditions as are established under article 21 of the Malta Financial Services Authority Act.

Cap. 330.

(4) The provisions of sub-articles (1) to (3) shall be without prejudice to the right of any person who is aggrieved by a decision or failure to decide of the competent authority or market operator of an authorized regulated market to appeal there from in accordance with any regulations issued under this Act.

43. An appeal against a decision of the competent authority or a market operator of an authorized regulated market shall not suspend the operation of that decision:

Operation of a decision. *Substituted by: XLVI.2021.52. Amended by: IX.2023.24.*

Provided that a decision of the competent authority or a market operator operating an authorized regulated market to remove listed financial instruments from listing and, or trading, as applicable, on an authorised regulated market, or a decision of the competent authority to withdraw an approval for a covered bond programme, shall not become operative until the expiration of the period within which an appeal lies under this article and, if an appeal is filed within such period, the decision shall become operative on the date of the decision of the Tribunal dismissing the appeal or on the date on which the appeal is abandoned.

44. Subject to articles 42 and 43 of this Act, the provisions of article 21 of the Malta Financial Services Authority Act shall apply *mutatis mutandis* to appeals that may be brought before the Tribunal under this article.

Applicability of article 21 of the Malta Financial Services Authority Act. *Added by: XXVII. 2002.128. Substituted by: XX. 2007.51. Amended by: XLVI.2021.53.* Cap. 330.

PART VII

MISCELLANEOUS

45. (1) Quoted financial instruments may be traded outside the regulated market on which they are listed, or admitted to a multilateral trading facility or admitted to an Organised Trading Facility:

Trading outside regulated markets. *Added by: XXVII. 2002.128. Amended by: IV. 2005.30. Substituted by: XX. 2007.52. Amended by: XIX. 2016.14.*

Provided that, for the purposes of this sub-article, the term "admitted" shall mean admitted to listing following an admission process approved by the Multilateral Trading Facility or Organised Trading Facility, or admitted to listing and trading following an admission process approved by the Multilateral Trading Facility or Organised Trading Facility.

(2) The Minister may make regulations to establish conditions and procedures under which quoted financial instruments may be traded outside the regulated markets on which such quoted financial instruments are listed and other than by means of facilities provided by any such regulated markets.

46. Notwithstanding the provisions of any other law, the transfer of quoted financial instruments in quoted companies need not be made by an instrument in writing.

Transfer of financial instruments. *Added by: XXVII. 2002.128. Amended by: IV. 2005.30.*

Powers of the Resolution Committee. *Added by: XLVI.2021.54. Amended by: IX.2023.25.* Cap. 330.

46A. The provisions of this Act and any regulations or Capital Markets Rules or Covered Bonds Rules issued thereunder shall be without prejudice to the powers of the Resolution Committee under the Malta Financial Services Authority Act, any regulations issued thereunder and any other applicable law.

Civil Code. *Added by: XXVII. 2002.128. Amended by: IV. 2005.30; XX. 2007.53.* Cap. 16.

47. The provisions of article 1966(3) and (4) of the Civil Code shall not apply with respect to quoted financial instruments and the privilege referred to in Title XXI of Part II of Book Second of the said Code shall arise where the pledge has been duly registered with a regulated market in accordance with the bye-laws.

Temporary suspension of listed financial instruments from listing and, or trading on an authorized regulated market. *Substituted by: XVII. 2002.129. Amended by: IV. 2005.30; XX. 2007.14; XLVI.2021.55.*

48. (1) Without prejudice to the provisions of article 39I the competent authority shall have the power to suspend temporarily the listing and, or trading of listed financial instruments on any authorized regulated market if in its opinion, the orderly transaction of business is being prevented, or is likely to be prevented because of the occurrence of:

(*a*) any emergency or natural disaster;

(*b*) any economic, financial or political crisis; or

(*c*) any other event which disrupts trading.

(2) The Minister may recommend to the competent authority the temporary suspension of the listing and, or trading of listed financial instruments on any authorized regulated market if he is of the opinion that the orderly transaction of business of a regulated market is being disrupted because of any of the occurrences referred to in sub-article (1)(*a*), (*b*) or (*c*) which in the opinion of the Minister merits such temporary suspension.

(3) The competent authority may order that for such time as it may determine no trading of any kind may be transacted in one or more specified financial instruments of quoted companies if it has reasons to believe that this would be in the interest of the regulated market concerned, the public or investors generally:

Provided that a temporary suspension ordered by the competent authority under this article may not be of more than thirty days in a period of three months unless such longer suspension is approved by the Minister.

(4) No transaction may be executed at any time in the event of the temporary suspension of listing and, or trading under this article. Any transaction so executed in contravention of this sub-article shall be invalid.

Power to make regulations. *Added by: XVII. 2002.130. Substituted by: IV. 2003.22. Amended by: IV. 2005.30; XX. 2007.14, 54; XIX. 2010.26; XX. 2013.33; XXXI. 2017.42; XLVI.2021.56; LXXI.2021.14; XI.2025.19.*

49. (1) The Minister, acting on the advice of the competent authority, may make regulations:

(*a*) to give effect to the provisions of this Act, including regulations for the better regulation of central securities depositories, data reporting services providers, credit rating agencies and regulated markets and, or the admissibility to listing of financial instruments thereon and to provide for the direct or indirect membership of, or access to, regulated markets within the terms of and in line with Malta's international commitments;

(*b*) to govern the transfer of ownership and, or delivery of financial instruments quoted on a regulated market, clearing and settlement of transactions effected on a regulated market, payment in respect of the transfer of financial instruments quoted on a regulated market, pledging of financial instruments quoted on a regulated market;

(*c*) to regulate the application of article 50 to regulated markets and to commercial partnerships other than companies;

(*ca*) to regulate the activities of sponsors appointed with respect to applications for admissibility to listing of securities on a local regulated market, including the appointment and registration of such sponsors, the cancellation or suspension of such registration, and any requirements, restrictions and conditions in relation thereto, and to regulate anything that is incidental to, or connected with any such matters;

(*d*) to regulate the transposition, implementation and giving effect to the provisions, requirements, obligations and commitments relating to regulation of credit rating agencies, data reporting services providers, regulated markets and, or the admissibility to listing of financial instruments thereon arising out of membership of, affiliation to or relationship with international or regional organisations or groupings of countries or out of any treaty, convention or other international agreement whether bilateral, regional or multilateral, to which Malta is a party;

(*e*) to transpose, implement and give effect to the provisions and requirements of Directives, Regulations and any other legislative measures of the European Union requiring transposition and, or implementation, as they may be amended from time to time, including any implementing measures that have been or may be issued thereunder and including those relating to licence holders, credit rating agencies, regulated markets, commodities markets, central counterparties, central securities depositaries, data reporting services providers, market making, short selling, transactions in OTC derivatives, trade repositories and, or the admissibility to

listing of financial instruments thereon and others as may be specified therein or to any other matter falling within the terms of this Act; regulations made under this paragraph, and strictly related to transposition or implementation as aforesaid, may provide that any provision of this Act or of any other law shall not apply to matters falling under the regulations, and that in so far as any of the provisions of the regulations are inconsistent with the provisions of this Act or of any other law, such provisions in any such regulations shall prevail;

(*f*) to regulate the operation and, or registration of central counterparties operating in or from Malta; and, or

(*g*) to exempt any person from any one or more of the provisions of this Act and any regulations issued thereunder, subject to such variations, additions, adaptations and modifications as may be prescribed, and subject to such conditions or other requirements, including other forms of authorisation and notification procedures, as may be prescribed.

(2) Regulations made under this article, may be made subject to such exemptions or conditions as may be specified therein, may make different provision for different cases, circumstances or purposes and may give to the competent authority such powers of adaptation of the regulations as may also be so specified.

Added by: *XXXI. 2017.42.*

(2A) Regulations made under this article may impose:

(*a*) administrative penalties which may not exceed one hundred and fifty thousand euro (€150,000) for each infringement or failure to comply, as the case may be;

(*b*) punishments or other penalties in respect of any contravention or failure to comply not exceeding a fine (*multa*) of four hundred and sixty-six thousand euro (€466,000) or to a term of imprisonment not exceeding four years, or to both such fine and imprisonment;

(*c*) administrative penalties and fines higher than one hundred and fifty thousand euro (€150,000), and fines higher than four hundred and sixty-six thousand euro (€466,000), where deemed necessary or appropriate for any contravention of or failure of compliance with any EU Directive or EU Regulation or of any regulations made under this article to transpose or to give effect to any EU Directive or EU Regulation.

Added by: XXXI. 2017.42.

(2B) Regulations made under this article may prescribe penalties and fines as provided for in sub-article (2A)(*c*), for any breach of any provision of the Act or for any breach of any Financial Market Rules, transposing and, or implementing any EU Directive or EU Regulation.

(3) Where regulations have been issued in terms of this article, the competent authority may issue Financial Market Rules within the meaning of article 4 of this Act for the better carrying out and to better implement the provisions of the regulations.

Exemptions from duty on documents. *Amended by: V. 1992.5; XVI. 1994.14; XVII. 2002.110; 131; IV. 2005.30. Substituted by: XX. 2007.55. Amended by: XIX. 2010.27.* Cap. 364.

50. Notwithstanding anything contained in the Duty on Documents and Transfers Act, or in any Act replacing that Act, no duty shall be payable in accordance with that Act in respect of any transfer of any financial instruments of a quoted company, or the transfer of any financial instruments of the Government or any body corporate established by law, where such transfer is made either on a regulated market or outside the regulated market on which they are listed in terms of article 45 or on a regulated multilateral system or an equivalent regulated market or multilateral system in a non-Member State or non-EEA State.

Executive title. *Added by: XVII. 2002.132. Amended by: XX. 2007.56.* Cap. 12.

51. (1) An order for the payment of expenses of and incidental to, an investigation under article 33(5) shall constitute an executive title within the meaning and for the purposes of Title VII of Part I of Book Second of the Code of Organization and Civil Procedure.

(2) If all or any of the amount payable under an order under article 33(5) is outstanding at the end of the specified period, the Competent Authority may proceed to enforce payment after two days from the service on the debtor of an intimation for payment made by means of a judicial act.

Exclusion of liability. *Added by: XVII. 2002.132. Amended by: XX. 2007.57.*

52. *Deleted by Act V.2020.12.*

Objective. *Added by: XX. 2007.58.*

53. *Repealed by Act IX.2023.26.*

Transitional measures. *Added by: IX.2023.27.*

54. (1) Covered bonds issued before 8th July 2022 that comply with the requirements laid down in the relevant provisions of the Investment Services Rules, as applicable on the date of their issue, shall not be subject to the requirements set out in article 31D and in article 31I(2) with respect to the conditions laid down in regulation 68(7) of the Recovery and Resolution Regulations, but may continue to be referred to as covered bonds in accordance with this Act until their maturity.

S.L. 330.09.

(2) The competent authority shall monitor the compliance of covered bonds issued before 8th July 2022 with the requirements laid down in the relevant provisions of the Investment Services Rules, as applicable on the date of their issue, as well as with the requirements of Part IV *bis* and any regulations and Covered Bonds Rules issued thereunder, insofar as they are applicable in accordance with sub-article (1).

(3) Sub-articles (1) and (2) shall apply to tap issues of covered bonds for which the opening of the International Security Identification Number (ISIN) is before 8th July 2022 for up to twenty-four (24) months after that date, provided that those issues comply with all the following requirements:

(a) the maturity date of the covered bond is before 8th July 2027;

(b) the total issue size of tap issues made after 8th July 2022 does not exceed twice the total issue size of the covered bonds outstanding on that date;

(c) the total issue size of the covered bond at maturity does not exceed six billion euro (€6,000,000,000);

(d) the collateral assets are located in Malta.

Transitory provision - Act XX of 2007.

Transitory provisions.

155. (1) With effect from such date* as the Minister may by order establish, hereinafter "the operative date", the Malta Stock Exchange plc shall continue in the personality of the Malta Stock Exchange established under Part IV of the Financial Markets Act prior to the repeal of such Part by this Act; and subject to the exclusion of the property described in sub-article (3), the Malta Stock Exchange plc shall accordingly succeed to all its assets, rights, liabilities and obligations, including the recognition order issued to the Malta Stock Exchange in terms of Part II of the Financial Markets Act, which, unless specifically cancelled or repealed, shall remain in force until the operative date.

(2) With effect from the operative date:

(*a*) the competent authority shall issue in favour of the Malta Stock Exchange plc an authorisation in terms of Part II of the Financial Markets Act. Upon the issue of such authorisation, the recognition order referred to in sub-article (1) shall automatically lapse;

(*b*) the Malta Stock Exchange plc shall be deemed to have satisfied the requirements of Part IV of the Financial Markets Act and the competent authority shall issue an authorisation in its favour with effect from such date.

(3) All authorisations, decisions, licenses, warrants, approvals, notices and other acts or commitments made or taken by the Malta Stock Exchange, including any membership or admission to the official list and any other recognised list and any Council Notice or bye-laws, as well as agreements, contracts of employment and relative staff appointments and conditions, shall as from the operative date be deemed to have been made or taken and assumed by the Malta Stock Exchange plc, and shall, unless specifically cancelled or repealed, remain in force accordingly, with such modifications and adaptations as are strictly necessary to implement fully and correctly the succession and devolution of the business and the rights and obligations as aforesaid of the Malta Stock Exchange to and in favour of the Malta Stock Exchange plc in terms of this Part.

(4) The immovable property and rights relating thereto as described in the Schedule to this Part shall devolve to the Land Department or another entity whose shares are wholly owned by Government which shall within one month from the operative date cause a declaratory public deed to be published containing a detailed description of the allocation and the devolution in its favour of and of its succession to the immovable property and rights relating thereto which prior to the operative date were vested in the Malta Stock Exchange, subject to the provisions of this Part, and a note thereon shall be duly enrolled at the Public Registry and the Land Registry, as the case may be.

*1st November, 2007 - see Legal Notice 319 of 2007.

(5) The succession, as from the operative date, of the assets, rights, liabilities and obligations in favour of Malta Stock Exchange plc and the Land Department or another entity whose shares are wholly owned by Government, as the case may be, described in this Part, shall be valid and effective even as regards third parties by operation of law without the need for any other formality, other than the public deed and notes required under this article, and shall be exempt from the payment of income tax, duty on documents and other fiscal charges, notwithstanding any other provision of law.

(6) Unless the context otherwise requires, any reference in any law to the Malta Stock Exchange shall after the operative date be deemed to be a reference to the Malta Stock Exchange plc; and any reference to the Council, a member of the Council or any officer or employee of the Malta Stock Exchange shall after the operative date be deemed to be a reference to the Board of Directors, a director of the company and to officers or employees of the company, respectively.

SCHEDULE

Amended by: XXVII.2017.82

(Article 155)

The immovable property devolving in favour of the MSE (Holdings) Limited consisting of offices and premises known as the "Malta Stock Exchange" or "*Bor\a ta' Malta*", with all the buildings and improvements thereon, including all rights and appurtenances relating thereto, formerly known as the "Post Office Central Mailing Room", formerly also known as the "Barrakka Garrison Church", situated at Castille Place, Valletta, without an official number, together with its surrounding garden, measuring approximately one thousand one hundred and thirty square metres (1130m^2) and is bounded altogether on the North-East and the North-West by Castille Place and the South-East by the Upper Barrakka Gardens, as better described in the emphyteutical lease between the Malta Stock Exchange and the Lands Authority acting on behalf of the Government of Malta, signed on the 11 December 2007 in the acts of Vincent Miceli, Notary Public in Malta at the Lands Department.
