

SUBSIDIARY LEGISLATION 371.04

**REPRESENTATIVE OFFICES (REQUIREMENTS
AND ACTIVITIES) REGULATIONS**

12th May, 1998

LEGAL NOTICE 113 of 1998.

1. The title of these regulations is the Representative Offices (Requirements and Activities) Regulations. Citation.
2. In these regulations, unless the context otherwise requires - Interpretation.
"Act" means the Banking Act; Cap. 371.
"competent authority" means the body appointed under article 3(2) of the Act;
"financial undertaking" includes any person undertaking banking, investment, insurance or any other financial activity;
"representative of office" means an of office established in Malta by a non-Maltese bank in terms of article 8 of the Act.
3. (1) The business of a representative of office must be confined solely to the conduct of purely liaison activities and must not include the engagement in financial transactions or the execution of any documents relative thereto, except where necessary for and incidental to the maintenance of the office in Malta. Permitted activities.
(2) For the purpose of subregulation (1), liaison activities can take the form of:
 - (a) the provision, upon request, of factual information relating to the products and services of the bank which the representative office represents;
 - (b) the conduct of research work into the economy of Malta to inform Head Office accordingly;
 - (c) liaison with Maltese customers of the bank which the representative office represents;
 - (d) the undertaking of credit assessments on reports on Maltese entities for any business with the bank that the representative office represents.
4. In undertaking these activities a foreign bank having a representative office in Malta and the representative office itself shall comply with any guidelines as may be established by the competent authority from time to time. Guidelines.
5. (1) A representative office must: Conditions.
 - (a) keep its activities separate from those of any other undertaking, financial or otherwise, operating in or from Malta;
 - (b) have its office distinctly located from the office of any

other undertaking whether financial or otherwise;

- (c) have its own employees who may not also be employees, officers or directors of any financial undertaking operating in or from Malta.

(2) Should a foreign bank with a representative office in Malta take a significant equity position (of at least 5% as defined in article 2 of the Act) in any type of a financial undertaking operating in or from Malta, it should immediately notify in writing the competent authority.
