L.N. 113 of 1998

BANKING ACT, 1994
(ACT NO. XV OF 1994)

Representative Offices (Requirements and Activities) Regulations, 1998

IN exercise of the powers conferred by subsection (9) of section 8 of the Banking Act, 1994, the Minister of Finance and Commerce, after consultation with the Competent Authority, has made the following regulations:–

Citation and commencement.

1. These regulations may be cited as the Representative Offices (Requirements and Activities) Regulations, 1998, and shall come into force on the 12th May, 1998.

Interpretation.

2. In these regulations, unless the context otherwise requires:–

"Act" means the Banking Act, 1994;

"Competent Authority" means the body appointed under subsection (2) of section 3 of the Act;

"financial undertaking" includes any person undertaking banking, investment, insurance or any other financial activity;

"representative office" means an office established in Malta by a non-Maltese bank in terms of section 8 of the Act.

Permitted activities.

3. (1) The business of a representative 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.

(2) For the purpose of subsection (1) of this section, 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.

Guidlines.

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.

Conditions.

5. (1) A representative office must:

(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 section 2 of the Act) in any type of a financial undertaking operating in or form Malta, it should immediately notify in writing the Competent Authority.