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I assent.

(L.S.) GEORGE ABELA
President

20th July, 2010

ACT No. XIV of 2010

AN ACT to authorize and regularize the participation within the European Financial Stability Facility and to issue guarantees for the payment of the financial instruments or agreement issued or entered into by the European Financial Stability Facility.

BE IT ENACTED by the President, by and with the advice and consent of the House of Representatives, in this present Parliament assembled, and by the authority of the same, as follows:-

Short title and commencement.

1. (1) The short title of this Act is the Participation and Guarantees under the European Financial Stability Facility Act, 2010.

(2) This Act shall come into force on such date as the Minister responsible for finance may by notice in the Gazette establish, and different dates may be so established for different provisions or different purposes of this Act.

Interpretation.

2. In this Act, unless the context otherwise requires:-

"the European Financial Stability Facility" means a corporate structure in the form of a public limited liability company known as a *societe' anonyme,* incorporated in Luxembourg, with its registered office in Luxembourg-City and bearing registration number R.C.S. Luxemburg B153.414;

"the European Financial Stability Facility Framework Agreement" means the agreement entered into between the Euro Area Member States and the European Financial Stability Facility regarding the terms and conditions upon which the European Financial Stability Facility may make loans to Euro Area Member States who are in financial difficulties, finance such loans backed up by guarantees issued by the other Euro Area Member States, and other matters regulated therein, which agreement has been laid on the Table of the House of Representatives;

"Malta" has the same meaning assigned to it by article 124 of the Constitution of Malta;

"Member States" means the Euro Area Member States of the European Union.

Authority to participate in the European Financial Stability Facility.

3. (1) Subject to the provisions of this Act, the Government of Malta may participate in the European Financial Stability Facility as a shareholder in the subscribed share capital and authorized share capital, and as a director on the board of directors, in accordance with the terms and conditions set out in the memorandum and articles of association, for the purpose identified under sub-article (2), and as approved by the House of Representatives.

(2) The European Financial Stability Facility shall facilitate or provide financing to Member States in financial difficulties through the raising of money by the issuing of financial instruments or entering into financial arrangements with the shareholders or third parties.

Payment and issuing of guarantees.

4. (1) Any financial instrument or financial arrangement issued or entered into by the European Financial Stability Facility for the purpose of article 3(2), shall be guaranteed by the Government of Malta subject to the terms incorporated in the European Financial Stability Facility Framework Agreement:

Provided that the guarantee issued by the Government of Malta shall not exceed the aggregate amount of Euro 398.44 million.

(2) Any guarantee issued by the Government of Malta for financial instruments or financial arrangements issued by the European Financial Stability Facility beyond the purpose specified under sub-article (1) may only be done in such manner and for such purpose as the House of Representatives may by resolution determine.

Passed by the House of Representatives at Sitting No. 255 of the 14th July, 2010.

MICHAEL FRENDO
Speaker

PAULINE ABELA
Clerk to the House of Representatives