VERŻJONI ELETTRONIKA

L.N. 215 of 2017

GOVERNMENT BORROWING AND MANAGEMENT OF PUBLIC DEBT ACT (CAP. 575)

Malta Government Retail Savings Bonds Regulations, 2017

IN exercise of the powers conferred by article 71 of the Government Borrowing and Management of Public Debt Act, the Minister for Finance has made the following regulations:-

1. (1) The title of these regulations is the Malta Government Retail Savings Bonds Regulations, 2017. Citation and commencement.

(2) These regulations shall come into force on 1st September 2017.

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

"Accountant General" means the Accountant General of the Government of Malta who heads the Treasury Department;

"the Act" means the Government Borrowing and Management of Public Debt Act; Cap. 575.

"business day" means a day other than a Saturday, a national or public holiday listed in articles 2 and 5(1) of the National Holidays and other Public Holidays Act, a bank holiday as declared under article 3(2)(b) of the Banking Act or a day when the Trans-European Automated Real-time Gross settlement Express Transfer system (TARGET), owned and operated by the Eurosystem, is closed for business as may be published on European Central Bank's website (www.ecb.europa.eu); Cap. 252. Cap. 371.

"claims", in respect of Malta Government Retail Savings Bonds, include both the principal repayment and the interest due, if any, on the said Malta Government Retail Savings Bonds;

"eligible investor" means an individual who, in accordance with the published terms and conditions, is eligible to buy and hold the Malta Government Retail Savings Bonds;

"Government" means the Government of Malta;

"holder" means any individual or individuals in whose name or

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names the Malta Government Retail Savings Bonds are entered in the register;

"individual" means a natural person;

"Malta Government Retail Savings Bonds", hereinafter referred to as "Retail Savings Bonds", means a debt instrument as defined in the Act issued for the purpose of raising money under the provisions of these regulations;

"Minister" means the Minister responsible for finance;

"person" means a natural or legal person;

"prospectus" means the offering document issued by the Accountant General to announce the issuance of the Retail Savings Bonds and to specify amongst others the amount to be issued, the coupon interest payable, the date or dates when the interest shall be payable, the date of redemption and the governing law;

"publication" means the dissemination of information by the Accountant General using any medium available, including, but not limited to, the Treasury Department website and the Gazette;

"the Register", in relation to the Retail Savings Bonds, means the Treasury Department's Register of holders of Malta Government Retail Savings Bonds;

"Registrar" means the Treasury Department or the Treasury Department's designated Registrar;

"term", in relation to Retail Savings Bonds, means a specified period for which a rate of interest has been fixed for that Retail Savings Bonds.

Scope.

3. The purpose of these regulations is to make provision for the issue, promotion and management of the Retail Savings Bonds in Malta.

Issue, purchase and the administration of Malta Government Retail Savings Bonds.

4. (1) The Accountant General shall publish a prospectus for each Retail Savings Bond issue as authorised by the Minister prior to the Retail Savings Bond being offered for subscription to eligible investors.

(2) The prospectus governing the issue of the Retail Savings Bonds shall specify amongst others the following:

(a) the title and type of the Retail Savings Bond, the

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annual rate of interest (coupon) payable on the bonds and the denomination of the Retail Savings Bond;

(b) the eligibility of the individuals entitled to purchase and hold the Retail Savings Bonds;

(c) the minimum and maximum holding of Retail Savings Bonds by any holder;

(d) the date or the dates when the interest on the Retail Savings Bonds shall be paid;

(e) the date of maturity of the Retail Savings Bonds and the rate at which it will be repaid;

(f) the mode of how the repayment of principal and interest shall be made;

(g) the conditions related to the early redemptions of the Retail Savings Bonds requested by holders; and

(h) any other terms and conditions specifically applicable to the Retail Savings Bonds on issue.

(3) An application to purchase Retail Savings Bonds must be made in the approved form, and the applicant must provide the Accountant General with any documents or other information required.

(4) It shall be lawful for the Accountant General to issue, promote and administer the Retail Savings Bonds on behalf of the Government.

(5) The Accountant General may issue the Retail Savings Bonds either directly or through the appointment of one or more licensed financial institutions and licensed investment services providers, as considered appropriate, to sell the Retail Savings Bonds on behalf of the Government. The Accountant General may enter into any contract or agreement relating to such terms and conditions that he may consider appropriate.

(6) The Retail Savings Bonds shall be registered and maintained only in electronic format by the appropriate entry in the register of the Treasury Department, or its designated Registrar, by entering therein the name and address of the holder, the amount held, coupon interest rate payable, and such other particulars as may, from time to time, be considered necessary by the Accountant General.

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(7) For the purposes of sub-regulation (6), the Register of Retail Savings Bonds shall be maintained by the Central Securities Depository (CSD) of the Malta Stock Exchange. The Minister may however designate any other recognised domestic electronic central securities depository to provide the services and functions of a registrar in terms of sub-regulation (6).

(8) Retail Savings Bonds shall not be transferable from the name of the holder onto the name of another person at any time.

Individuals entitled to purchase and hold the Retail Savings Bonds.

5. (1) The Retail Savings Bonds can be, purchased and held by an eligible investor:

(a) in his own name only; or

(b) jointly with another eligible investor,

as the Accountant General decides and specifies in the terms and conditions governing the issuance of the Retail Savings Bonds.

(2) In the case that Retail Savings Bonds are purchased jointly between two individuals, all correspondence will be sent to the individual named first on the application form.

(3) Except in the case provided for in sub-regulation (4), Retail Savings Bonds must be held directly in the name of the eligible investor and may not be held by a person on behalf of any other eligible investor.

(4) Retail Savings Bonds may be purchased on behalf of and held in the name of an eligible investor who lacks the capacity or is interdicted by the Court in accordance to the provisions of Title IV of the Code of Organization and Civil Procedure by the eligible investor's curator appointed by the Court. In the case where Retail Savings Bonds are purchased in this way, the bonds shall be deemed to be purchased by the eligible investor.

Cap. 12.

Refusal of application.

6. The Accountant General may refuse to accept an application form for Retail Savings Bonds if:

(a) the application form is not completed in full; or

(b) the application is not signed by the eligible investor or his curator or a person acting under a valid power of attorney to purchase and sign on behalf of an eligible investor; or

(c) the requested supporting documentation is not submitted in time.

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7. The Accountant General has the power, on behalf of and on account of the Government, to accept or reject applications for Retail Savings Bonds on any ground whatsoever. Powers of the Accountant General.

8. (1) An eligible investor will not be able to subscribe for Retail Savings Bonds if the total nominal value amount applied for exceeds or falls below the thresholds published in the terms and conditions governing the issuance of the Retail Savings Bonds. Holding limits of Retail Savings Bonds.

(2) Where, for any reason, an eligible investor in aggregate subscribes for a higher amount or for a lower amount than that established in the prospectus, the Accountant General may cancel the application or applications submitted by the eligible investor.

9. (1) All payments including payment of interest and principal repayment related to Retail Savings Bonds shall be made: Payments.

(a) in Euro currency; and

(b) by electronic transfer through the SEPA (Single Euro Payments Area) payment scheme at the holder's latest International Bank Account Number (IBAN) shown on the register.

(2) If the interest payment date falls on a day other than a business day, or a day when the Trans-European Automated Real-time Gross Settlement Express Transfer system (TARGET), owned and operated by the Eurosystem, is closed for business as may be published on European Central Bank's website (www.ecb.europa.eu) the interest payment will be made on the immediately following business day without payment of additional interest.

10. (1) The interest on the Retail Savings Bonds shall be paid in arrears in accordance with the terms and conditions specified in the prospectus. Accrual and payment of interest.

(2) Where the holder withdraws the funds before maturity in terms of regulation 11(2), the holder shall be entitled to the interest from the last interest payment date up to the date preceding the date of the principal repayment (both days inclusive).

11. (1) Unless previously subject to early redemption as specified in accordance to sub-regulation (2), the Retail Savings Bond shall be redeemed on its maturity date as specified in the prospectus. Maturity and early redemption.

(2) The Accountant General may give the option to the holder to withdraw the full amount of principal invested before maturity. The early redemption shall be subject to the terms and conditions listed in

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the prospectus.

(3) Amounts withdrawn in accordance to sub-regulation (2) shall be cancelled and the amount cancelled shall deducted from the outstanding amount of the Retail Savings Bonds.

Disposal of Retail Savings Bonds on holder's death.

12. (1) Transactions related to the transfer *causa mortis* of Retail Savings Bonds onto the beneficiaries of the deceased holder shall be processed by the Accountant General or any person appointed by him to deal with the processing and vetting of documentation leading to the release, transfer or repayment of Retail Saving Bonds.

(2) The Accountant General or the person appointed by him to deal with the transfer *causa mortis* claims shall process the release, transfer or the repayment of the Retail Savings Bonds in accordance with holder's testamentary disposition and on the instructions submitted by the notary or lawyer having the lawful authority to act on behalf of the heirs.

(3) The request for the disposition of Retail Savings Bonds to the beneficiaries legally entitled to receive the benefit of the Retail Savings Bonds shall be made in conformity with the terms and conditions of the prospectus.

Indemnity of Government and officers.

13. (1) The Accountant General and any person acting under his authority shall not be liable in respect of any payment duly made or act duly in accordance with the provisions of these regulations and any such payment shall, subject to the provisions of these regulations concerning the rights of third parties, be deemed to have been a valid payment, and the receipt by the person to whom the money was paid shall be a full discharge to the Accountant General for the such payment.

(2) Where any payment in respect of Retail Savings Bonds is issued to an individual who is neither the holder nor a person otherwise entitled by or under these regulations to receive such payment, then if it is shown that -

(a) the payment was issued in good faith and without negligence, and

(b) the issue of the payment to that individual or person is attributable to some act or omission on the part of the holder or of the individual or person otherwise entitled to receive payment,

the payment shall, saving the provisions of these regulations

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concerning the rights of third parties, be deemed to have been duly issued to the holder or to the individual entitled to receive payment.

(3) The Accountant General shall not be liable for any delay in the completion of any payment if the delay is outside the direct control of the Treasury Department.

Protection of third parties' rights.

14. Nothing contained in regulation 13(1) and (2) for the protection of the Accountant General shall operate to prevent the recovery by any holder or his representative or his beneficiaries of any money lawfully due to the holder from the person to whom that money was paid by the Accountant General or under his direction or affect the rights of any holder or his representative or his beneficiaries may have in respect of Retail Savings Bonds against a third party.

Cessation of liability to pay interest.

15. (1) Holders shall not be entitled to claim interest on any Retail Savings Bonds issued under these regulations in respect of any period which has elapsed after the earliest date on which the demand could lawfully have been made for the payment of the principal amount due.

(2) Where an amount has become payable on the Retail Savings Bonds as interest due, no interest on that amount shall, after that date, be paid or payable by the Government to any holder in any circumstances.

Prescription.

16. Claims in respect of Retail Savings Bonds issued under these regulations shall become prescribed unless presented for payment within six years from the maturity date of the Retail Savings Bonds.

Evidence of identity.

17. The Accountant General may require satisfactory evidence of the following:

(a) identity of the applicant;

(b) address of the applicant; and

(c) any other information required by the Accountant General to confirm the eligibility of the individual to invest in the Retail Savings Bonds.

Posting to be regarded as delivery.

18. The posting of letters and documentation issued to the holder of the Retail Savings Bonds at the last address registered in the Register shall, as regards to the liability of the Accountant General, be equivalent to the delivery of the letter or documentation to that holder.

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