

L.N. 43 of 2019

**BANKING ACT
(CAP. 371)**

Depositor Compensation Scheme (Amendment) Regulations, 2019

IN EXERCISE of the powers conferred by article 28A of the Banking Act, the Minister responsible for the regulation of financial services, acting on the advice of the Malta Financial Services Authority, has made the following regulations:

1. The title of these regulations is the Depositor Compensation Scheme (Amendment) Regulations, 2019 and they shall be read and construed as one with the Depositor Compensation Scheme Regulations, hereinafter referred to as "the principal regulations". Citation.
S.L. 371.09.

2. Sub-regulation (2) of regulation 9 of the principal regulations shall be amended as follows: Amends
regulation 9 of
the principal
regulations.

(a) in paragraph (l) thereof, for the words, "in a non-Member State.", there shall be substituted the words, "in a non-Member State;"; and

(b) immediately after paragraph (l) thereof, as amended, there shall be inserted the following new paragraph:

"(m) electronic money and funds received in exchange for electronic money in accordance with Directive 2009/110/EC of the European Parliament and of the Council on the taking up, pursuit and prudential supervision of the business of electronic money institution."

3. The proviso to sub-regulation (2) of regulation 23 of the principal regulations shall be amended as follows: Amends
regulation 23 of
the principal
regulations

(a) paragraph (c) thereof shall be renumbered as paragraph (f); and

(b) immediately after paragraph (b) thereof, there shall be added the following new paragraphs:

"(c) if the available financial means have been reduced to a level which is more than two-thirds of such target level, the regular contribution shall be set at a level

allowing such target level to be reached within four years;

(d) subject to the overriding provision of regulation 23(3), but notwithstanding the maximum portion of a Compensation Contribution which by reference to the relative financial year can be provided as payment commitment in regulation 25(8), where the available financial means of the Scheme have been reduced on account of the Scheme having paid compensation to depositors under Part III of these regulations, the Scheme may provide in its absolute discretion that the payment of contributions by members under paragraphs (a), (b) and, or (c), as the case may be, be provided in whole or in part to the Scheme by means of a payment commitment;

(e) the payment of contributions under paragraph (a) and paragraph (b) and, or paragraph (c) shall be determined by the Scheme in accordance with regulation 25(3).".

Amends
regulation 25 of
the principal
regulations.

4. In sub-regulation 10 of regulation 25 of the principal regulations, for the words, "ceases to be licensed in Malta for any reason whatsoever.", there shall be substituted the words, "ceases to be licensed in Malta for any reason whatsoever:

Provided that when a member ceases to be licensed on account of a merger with or acquisition by another member, the Scheme may, at its discretion, either:

(a) demand payment of the payment commitment; or

(b) require that the payment commitment is transferred to the other member which has acquired the member who has ceased to be licensed in Malta or with which the latter member has merged.".

Amends
regulation 29 of
the principal
regulations.

5. In sub-regulation (4) of regulation 29 of the principal regulations, for the words "If a member ceases to be a member", there shall be substituted the words "If a member ceases, for any reason, to be a member".