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L.N. 59 of 2023

FINANCIAL MARKETS ACT
(CAP. 345)

Financial Markets Act (Covered Bonds) Regulations, 2023

IN EXERCISE of the powers conferred by articles 31H and 49(1)(e) of the Financial Markets 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:

Title and scope.

1. (1) The title of these regulations is the Financial Markets Act (Covered Bonds) Regulations, 2023.

(2) The scope of these regulations is to transpose Articles 2, 3, 6 to 17, both inclusive, 21, 26, 27 and, in part, 30 of Directive (EU) 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and covered bond public supervision and amending Directives 2009/65/EC and 2014/59/EU.

(3) These regulations shall apply to covered bonds issued by credit institutions licensed in terms of the Banking Act. Cap. 371.

Interpretation.

2. (1) In these regulations, unless the context otherwise requires:

"the Act" means the Financial Markets Act; Cap. 345.

"collateral assets" means physical assets and assets in the form of exposures that secure cover assets;

"cover assets" means assets included in a cover pool;

"cover pool" means a clearly defined set of assets securing the payment obligations attached to covered bonds that are segregated from other assets held by the credit institution issuing the covered bonds;

"covered bond" means a debt obligation that is issued by a credit institution in accordance with the provisions of the Act, these regulations, regulations 68(7) and 108(1) of the Recovery and Resolution Regulations, and of any Covered Bonds Rules issued under the Act or under these regulations, and that is secured by cover assets to which covered bond investors have direct recourse as preferred creditors; S.L. 330.09.

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"covered bond programme" means the structural features of a covered bonds issue that are determined by the provisions of the Act, these regulations, any Covered Bonds Rules issued under the Act and under these regulations, the provisions of the Recovery and Resolution Regulations transposing the CBD and by contractual terms and conditions, in accordance with the approval granted to the credit institution issuing the covered bonds;

S.L. 330.09.

"covered bond public supervision" means the supervision of covered bond programmes ensuring compliance with, and the enforcement of, the requirements applicable to the issue of covered bonds;

"credit institution" means a credit institution as defined in point (1) of Article 4(1) of the CRR;

"Directive 2009/65/EC" means Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), as amended from time to time, and includes any implementing measures that have been or may be issued thereunder;

"director" shall have the same meaning as that assigned to it in article 2(1) of the Banking Act;

Cap. 371.

"the EBA" means the European Banking Authority established by Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC, as amended from time to time;

"extendable maturity structure" means a mechanism which provides for the possibility of extending the scheduled maturity of covered bonds for a pre-determined period of time and in the event that a specific trigger occurs;

"group" means a group as defined in point (138) of Article 4(1) of the CRR;

"Investment Services Rules" means Rules issued by the competent authority under the Investment Services Act;

Cap. 370.

"market value" means, for the purposes of immovable

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property, market value as defined in point (76) of Article 4(1) of the CRR;

"mortgage lending value" means, for the purposes of immovable property, the mortgage lending value as defined in point (74) of Article 4(1) of the CRR;

"net liquidity outflow" means all payment outflows falling due on one day, including principal and interest payments and payments under derivative contracts of the covered bond programme, net of all payment inflows falling due on the same day for claims related to the cover assets;

"overcollateralisation" means the entirety of the statutory, contractual or voluntary level of collateral that exceeds the coverage requirement set out in regulation 12;

"primary assets" means dominant cover assets that determine the nature of the cover pool;

"public undertakings" means public undertakings as defined in point (b) of Article 2 of Commission Directive 2006/111/EC on the transparency of financial relations between Member States and public undertakings as well as on financial transparency within certain undertakings, as amended from time to time;

"resolution" shall have the same meaning as that assigned to it in regulation 2(1) of the Recovery and Resolution Regulations; S.L. 330.09.

"segregation" means the actions performed by a credit institution issuing covered bonds to identify cover assets and put them legally beyond the reach of creditors other than covered bond investors and counterparties of derivative contracts;

"special administrator" means the person or entity appointed to administrate a covered bond programme in the event of the insolvency of a credit institution issuing covered bonds under that programme, or when such credit institution has been determined to be failing or likely to fail pursuant to regulation 32(1) of the Recovery and Resolution Regulations or, S.L. 330.09. in exceptional circumstances, where the competent authority determines that the proper functioning of that credit institution is seriously at risk;

"substitution assets" means cover assets that contribute to the coverage requirements, other than primary assets.

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(2) Words and expressions used in these regulations which are also used in the Act but which are not defined herein, shall have the same meaning assigned to them in the Act.

Eligible cover assets.

3. (1) Covered bonds issued by a credit institution shall at all times be secured by:

(a) assets that are eligible pursuant to Article 129(1) of the CRR, provided that the credit institution issuing the covered bonds meets the requirements of paragraphs 1a to 3 of Article 129 of the CRR;

(b) high-quality cover assets that ensure that the credit institution issuing the covered bonds has a claim for payment as set out in sub-regulation (2) and are secured by collateral assets as set out in sub-regulation (3); or

(c) assets in the form of loans to, or guaranteed by, public undertakings, subject to sub-regulation (4).

(2) The claim for payment referred to in sub-regulation (1)(b) shall be subject to the following legal requirements:

(a) the asset represents a claim for payment of monies that has a minimum value that is determinable at all times, that is legally valid and enforceable, that is not subject to conditions other than the condition that the claim matures at a future date, and that is secured by a mortgage, charge, pledge, lien or other guarantee;

(b) the mortgage, charge, pledge, lien or other guarantee securing the claim for payment is enforceable;

(c) all legal requirements for establishing the mortgage, charge, pledge, lien or guarantee securing the claim for payment have been fulfilled;

(d) the mortgage, charge, pledge, lien or guarantee securing the claim for payment enables the credit institution issuing the covered bonds to recover the value of the claim without undue delay:

Provided that credit institutions issuing covered bonds shall assess the enforceability of claims for payment and the ability to realise collateral assets before including them in the cover pool.

(3) The collateral assets referred to in sub-regulation (1)(b) shall meet one of the following requirements:

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(a) for physical collateral assets, the existance of valuation standards that are generally accepted among experts and that are appropriate for the physical collateral asset concerned and a public register exists that records ownership of and claims on those physical collateral assets; or

(b) for assets in the form of exposures, the safety and soundness of the exposure counterparty is implied by tax-raising powers or by being subject to ongoing public supervision of the counterparty"s operational soundness and financial solvability:

Provided that, physical collateral assets referred to in paragraph (a) shall contribute to coverage of liabilities attached to the covered bond up to the lesser of the principal amount of the mortgages, charges, pledges, liens or other guarantees that are combined with any prior mortgages, charges, pledges, liens or other guarantees and 70% of the value of those physical collateral assets:

Provided further that, physical collateral assets referred to in paragraph (a) which secure assets as referred to in sub-regulation (1)(a) shall not be required to comply with the limit of 70% or with the limits of Article 129(1) of the CRR.

(4) For the purposes of sub-regulation (1)(c), covered bonds secured by loans to or guaranteed by public undertakings as primary assets shall be subject to a minimum level of 10% of overcollateralisation and subject to all the following conditions:

(a) the public undertakings provide essential public services on the basis of a licence, a concession contract or other form of entrustment granted by a public authority;

(b) the public undertakings are subject to public supervision;

(c) the public undertakings have sufficient revenue generating powers, which are ensured by the fact of such public undertakings:

(i) having adequate flexibility to collect and to increase fees, charges and receivables for the service provided in order to ensure their financial soundness and solvability;

(ii) receiving sufficient grants on a statutory basis in order to ensure their financial soundness and solvability in exchange for providing essential public services; or

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(iii) having entered into a profit and loss transfer agreement with a public authority.

(5) The competent authority shall issue Covered Bonds Rules on the methodology and process for the valuation of physical collateral assets which secure assets as referred to in sub-regulations (1)(a) and (1)(b). Such Covered Bonds Rules shall ensure at least the following:

(a) for each physical collateral asset, that a current valuation at or at less than market value or mortgage lending value exists at the moment of inclusion of the cover asset in the cover pool;

(b) that the valuation is carried out by a valuer who possesses the necessary qualifications, ability and experience; and

(c) that the valuer is independent from the credit decision process, does not take into account speculative elements in the assessment of the value of the physical collateral asset, and documents the value of the physical collateral asset in a transparent and clear manner.

(6) Credit institutions issuing covered bonds shall have in place procedures to monitor that the physical collateral assets which secure assets as referred to in sub-regulations (1)(a) and (1)(b) are adequately insured against the risk of damage and that the insurance claim is segregated in accordance with regulation 9.

(7) Credit institutions issuing covered bonds shall document the cover assets referred to in sub-regulations (1)(a) and (1)(b) and the compliance of their lending policies with the provisions of this regulation.

(8) The competent authority shall issue Covered Bonds Rules to ensure risk diversification in the cover pool in relation to granularity and material concentration for assets not eligible under sub-regulation (1)(a).

Collateral assets located outside the Union.

4. (1) Credit institutions issuing covered bonds may include assets in the cover pool which are secured by collateral assets located outside the Union provided that such credit institutions verify that such collateral assets meet all the requirements set out in regulation 3.

(2) Collateral assets located outside the Union shall offer a level of security similar to that of collateral assets located in the Union and the realisation of such collateral assets shall be legally enforceable in a manner which is equivalent in effect to the realisation of collateral

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assets located in the Union.

(3) The competent authority may issue Covered Bonds Rules for the purposes of carrying into effect and, or implementing the provisions of this regulation and, without prejudice to the generality of the foregoing, such Covered Bonds Rules may lay down the requirements and conditions relating to the inclusion of assets in the cover pool that are secured by collateral assets located outside the Union.

Intragroup pooled covered bond structures.

5. The competent authority may issue Covered Bonds Rules regarding the use of intragroup pooled covered bond structures under which covered bonds issued by a credit institution that belongs to a group (hereinafter referred to in these regulations as "internally issued covered bonds") are used as cover assets for the external issue of covered bonds by another credit institution that belongs to the same group (hereinafter referred to in these regulations as "externally issued covered bonds"). Those Covered Bonds Rules shall include at least the following requirements:

(a) the requirement for the internally issued covered bonds to be sold to the credit institution issuing the externally issued covered bonds;

(b) the requirement for the internally issued covered bonds to be used as cover assets in the cover pool for the externally issued covered bonds and to be recorded on the balance sheet of the credit institution issuing the externally issued covered bonds;

(c) the requirement for the cover pool for the externally issued covered bonds to contain only internally issued covered bonds issued by a single credit institution within the group;

(d) the requirement for the credit institution issuing the externally issued covered bonds to sell such covered bonds to covered bond investors outside the group;

(e) the requirement for both the internally and externally issued covered bonds to qualify for credit quality step 1 as referred to in Part Three, Title II, Chapter 2 of the CRR at the time of issue and to be secured by eligible cover assets as referred to in regulation 3:

Provided that, for the purposes of this paragraph, the competent authority may allow covered bonds that qualify for credit quality step 2 as referred to in Part Three, Title II, Chapter 2 of the CRR following a change that results in a lower credit quality step of

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the covered bonds, to continue to be part of an intragroup pooled covered bond structure, provided that the competent authority concludes that the change in credit quality step is not due to a breach of the requirements for approval as set out in article 31D(3) of the Act:

Provided further that, the competent authority shall subsequently notify the EBA of any such decision;

(f) in the case of cross-border intragroup pooled covered bond structures, the requirement for the cover assets of the internally issued covered bonds to comply with the eligibility and coverage requirements of the externally issued covered bonds.

Joint funding.

6. (1) Eligible cover assets which were originated by a credit institution and have been purchased by a credit institution issuing covered bonds may be used as cover assets for the issue of covered bonds:

Provided that in the event of such purchases, the credit institution purchasing the eligible cover assets shall ensure that the requirements of regulations 3 and 9 are satisfied.

(2) Without prejudice to the proviso to sub-regulation (1), transfers by way of financial collateral arrangement pursuant to the Financial Collateral Arrangements Regulations shall be allowed.

S.L. 459.01.

(3) Without prejudice to the proviso to sub-regulation (1), credit institutions may also use as cover assets, assets which were originated by an undertaking that is not a credit institution:

Provided that, the credit institution issuing the covered bonds shall either assess the credit-granting standards of the undertaking which originated the cover assets, or performs itself a thorough assessment of the borrower"s creditworthiness.

Composition of the cover pool.

7. The competent authority shall issue Covered Bonds Rules on the composition of cover pools. Such Rules shall ensure investor protection and shall, where relevant, set the conditions for the inclusion by credit institutions issuing covered bonds of primary assets that have differing characteristics in terms of structural features, lifetime or risk profile in the cover pool.

Derivative contracts in the cover pool.

8. (1) Derivative contracts may only be included in the cover pool where the following requirements are met:

(a) the derivative contracts are included in the cover pool exclusively for risk hedging purposes, their volume is adjusted in

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the case of a reduction in the hedged risk and they are removed when the hedged risk ceases to exist;

(b) the derivative contracts are sufficiently documented;

(c) the derivative contracts are segregated in accordance with regulation 9;

(d) the derivative contracts cannot be terminated upon the insolvency or resolution of the credit institution that issued the covered bonds;

(e) the derivative contracts comply with the Covered Bonds Rules issued in terms of sub-regulation (2):

Provided that, the competent authority may, for the purposes of ensuring investor protection, issue Covered Bonds Rules to establish additional requirements that need to be met in order for derivative contracts to be included in the cover pool.

(2) For the purposes of ensuring compliance with the requirements listed in sub-regulation (1) or any other additional requirements as may be established by the competent authority in Covered Bonds Rules, the competent authority shall issue Covered Bonds Rules for derivative contracts in the cover pool, which shall specify:

(a) the eligibility criteria for the hedging counterparties;

(b) the necessary documentation to be provided in relation to derivative contracts.

Segregation of cover assets.

9. (1) The competent authority shall issue Covered Bonds Rules regulating the segregation of cover assets. Such Rules shall include at least the following requirements:

(a) the requirement for all cover assets, to be identifiable by the credit institution issuing the covered bonds at all times;

(b) the requirement for all cover assets to be subject to legally binding and enforceable segregation by the credit institution issuing the covered bonds; and

(c) the requirement for all cover assets to be protected from any third party claims and for no cover asset to form part of the insolvency estate of the credit institution issuing the covered bonds until the privileged claim referred to in article 31I(1)(b) of the Act and in regulation 108(1) of the Recovery and Resolution S.L. 330.09.

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Regulations has been satisfied:

Provided that, for the purposes of this sub-regulation, cover assets shall include any collateral received in connection with derivative contract positions.

(2) The segregation of cover assets referred to in sub-regulation (1) shall also apply in the case of insolvency or resolution of the credit institution issuing covered bonds.

Cover pool monitor.

10. (1) Credit institutions issuing covered bonds shall appoint a cover pool monitor to perform ongoing monitoring of the cover pool with regard to the requirements set out in regulations 3 to 9, both inclusive, and 11 to 14, both inclusive.

(2) For the purposes of sub-regulation (1), the competent authority shall issue Covered Bonds Rules which shall lay down requirements in relation to at least the following matters:

(a) the appointment and dismissal of the cover pool monitor;

(b) any eligibility criteria for the cover pool monitor;

(c) the role and duties of the cover pool monitor, including in the case of the insolvency or resolution of the credit institution issuing the covered bonds;

(d) the obligation to report to the competent authority;

(e) the right of access to information necessary for the performance of the cover pool monitor"s duties.

(3) The cover pool monitor shall be separate and independent from the credit institution issuing the covered bonds and from that credit institution"s auditor:

Provided that, it shall be permissible for a cover pool monitor not to be separate from the credit institution (hereinafter referred to in these regulations as an "internal cover pool monitor") where:

(a) the internal cover pool monitor is independent from the credit decision process of the credit institution issuing the covered bonds;

(b) without prejudice to sub-regulation (2)(a), the internal cover pool monitor cannot be removed from that

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function as cover pool monitor without the prior approval of the board of directors of the credit institution issuing the covered bonds; and

(c) where necessary, the internal cover pool monitor has direct access to the board of directors.

(4) The competent authority shall inform the EBA about the requirement set out in sub-regulation (1).

Investor information.

11. (1) Credit institutions issuing covered bonds shall provide information on their covered bond programmes that is sufficiently detailed to allow investors to assess the profile and risks of that programme and to carry out their due diligence, as may be further specified by means of Covered Bond Rules issued by the competent authority.

(2) The information referred to in sub-regulation (1) shall include the following minimum portfolio information:

(a) the value of the cover pool and outstanding covered bonds;

(b) a list of the International Securities Identification Numbers (hereinafter in these regulations referred to as "ISINs") for all covered bond issues under that programme, to which an ISIN has been attributed;

(c) the geographical distribution and type of cover assets, their loan size and valuation method;

(d) details in relation to market risk, including interest rate risk and currency risk, and credit and liquidity risks;

(e) the maturity structure of cover assets and covered bonds, including an overview of the maturity extension triggers if applicable;

(f) the levels of required and available coverage, and the levels of statutory, contractual and voluntary overcollateralisation; and

(g) the percentage of loans where a default is considered to have occurred pursuant to Article 178 of the CRR and in any case where the loans are more than 90 days due:

Provided that, for externally issued covered bonds under intragroup pooled covered bond structures as referred to in regulation

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5, the information referred to in this sub-regulation and in any Covered Bonds Rules issued in terms of sub-regulation (1), or a link thereto, shall be provided to investors in respect of all internally issued covered bonds of the group:

Provided further that, such information shall be provided to investors at least on an aggregated basis.

(3) The competent authority may issue Covered Bonds Rules specifying any additional information to be provided by credit institutions issuing covered bonds to investors.

(4) Credit institutions issuing covered bonds shall provide to investors the information referred to in this regulation and in any Covered Bonds Rules issued by the competent authority in terms of sub-regulation (3) at least on a quarterly basis.

(5) Credit institutions issuing covered bonds shall publish on their website the information referred to in this regulation and in any Covered Bonds Rules issued by the competent authority in terms of sub-regulation (3) :

Provided that credit institutions issuing covered bonds shall not be required to publish such information on paper.

Coverage requirements.

12. (1) Credit institutions issuing covered bonds shall ensure that such covered bond programmes comply at all times with the coverage requirements laid down in this regulation and with any additional coverage requirements that may be established by the competent authority in Covered Bonds Rules.

(2) All liabilities of the covered bonds shall be covered by claims for payment attached to the cover assets. These liabilities shall include:

(a) the obligations for the payment of the principal amount of outstanding covered bonds;

(b) the obligations for the payment of any interest on outstanding covered bonds;

(c) the payment obligations attached to derivative contracts held in accordance with regulation 8; and

(d) the expected costs related to maintenance and administration for the winding-down of the covered bond programme.

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(3) The following cover assets shall be considered to contribute to the coverage requirement:

(a) primary assets;

(b) substitution assets;

(c) liquid assets held in accordance with regulation 13; and

(d) claims for payment attached to derivative contracts held in accordance with regulation 8:

Provided that, uncollateralised claims where a default is considered to have occurred pursuant to Article 178 of the CRR shall not contribute to the coverage requirement.

(4) The competent authority shall, for the purposes of sub-regulation (2)(c) and sub-regulation (3)(d), issue Covered Bonds Rules on the valuation of derivative contracts.

(5) The calculation of the required coverage shall ensure that the aggregate principal amount of all cover assets is equal to or exceeds the aggregate principal amount of outstanding covered bonds. The competent authority shall issue Covered Bonds Rules on the calculation of any interest payable in respect of outstanding covered bonds and interest receivable in respect of cover assets, which shall reflect sound prudential principles in accordance with applicable accounting standards.

(6) Credit institutions shall ensure that the calculation of cover assets and liabilities is based on the same methodology.

Requirements for a cover pool liquidity buffer.

13. (1) A credit institution issuing covered bonds shall maintain at all times a cover pool liquidity buffer composed of liquid assets available to cover the net liquidity outflow of the covered bond programme. The cover pool liquidity buffer shall cover the maximum cumulative net liquidity outflow over the next 180 days.

(2) The cover pool liquidity buffer referred to in sub-regulation (1) shall consist of the following types of assets, segregated in accordance with regulation 9:

(a) assets qualifying as level 1, level 2A or level 2B assets pursuant to the applicable delegated regulation adopted pursuant to Article 460 of the CRR, that are valued in accordance with that delegated regulation, and are not issued by the credit institution issuing the covered bonds itself, its parent

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undertaking, other than a public sector entity that is not a credit institution, its subsidiary or another subsidiary of its parent undertaking or by a securitisation special purpose entity with which the credit institution has close links;

(b) short-term exposures to credit institutions that qualify for credit quality step 1 or 2, or short-term deposits to credit institutions that qualify for credit quality step 1, 2 or 3, in accordance with point (c) of Article 129(1) of the CRR:

Provided that, uncollateralised claims from exposures considered in default pursuant to Article 178 of the CRR shall not be used to contribute to the cover pool liquidity buffer.

(3) Where credit institutions issuing covered bonds are subject to liquidity requirements set out in other Union legal acts that result in an overlap with the cover pool liquidity buffer, the provisions of sub-regulations (1) and (2) shall not be applicable for the period provided for in those Union legal acts, and until such time that an amendment to those Union legal acts to eliminate the overlap becomes applicable. The competent authority shall inform the European Commission and the EBA of this provision.

(4) Without prejudice to regulation 14, the calculation of the principal for extendable maturity structures may be based on the final maturity date in accordance with the contractual terms and conditions of the covered bond.

Conditions for extendable maturity structures.

14. (1) Credit institutions may issue covered bonds with extendable maturity structures where investor protection is ensured by at least the following:

(a) the maturity can only be extended subject to objective triggers, and not at the discretion of the credit institution issuing the covered bonds;

(b) the maturity extension triggers are specified in the contractual terms and conditions of the covered bond;

(c) the information provided to investors about the maturity structure is sufficient to enable them to determine the risk of the covered bond, and includes a detailed description of:

(i) the maturity extension triggers;

(ii) the consequences for a maturity extension of the insolvency or resolution of the credit institution issuing the covered bonds;

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(iii) the role of the competent authority and, where relevant, of the special administrator with regard to the maturity extension;

(d) the final maturity date of the covered bond is at all times determinable;

(e) in the event of the insolvency or resolution of the credit institution issuing the covered bonds, maturity extensions do not affect the ranking of covered bond investors or invert the sequencing of the covered bond programme"s original maturity schedule;

(f) the maturity extension does not change the structural features of the covered bonds regarding dual recourse in terms of article 31I(1) of the Act and regulation 108(1) of the Recovery and Resolution Regulations, and bankruptcy remoteness as referred to in regulation 68(7) of the Recovery and Resolution Regulations: S.L. 330.09.

Provided that, the competent authority shall issue Covered Bonds Rules specifying the objective triggers referred to in this sub-regulation: Cap. 345.

Provided further that, covered bonds with extendable maturity structures may only be issued by the special administrator referred to in Article 39L of the Act and subject to the objective triggers specified in Covered Bonds Rules.

(2) The competent authority shall notify the EBA of this provision.

15. (1) Credit institutions issuing covered bonds shall submit to the competent authority the information set out in sub-regulation (3) as well as any other information and, or documentation as the competent authority may require. The competent authority may issue Covered Bonds Rules establishing any other information and, or documentation which credit institutions issuing covered bonds are required to submit to the competent authority. The information and, or documentation referred to in this sub-regulation shall be submitted to the competent authority on a regular basis as well as at the request of the competent authority. Reporting to the competent authorities.

(2) Information and documentation which credit institutions are required to submit to the competent authority in terms of sub-regulation (1) or in terms of any Covered Bonds Rules issued under sub-regulation (1), shall be submitted in such form and at such periods as the competent authority shall establish in Covered Bonds Rules or at

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such periods as the competent authority may require in writing.

(3) The information referred to in sub-regulation (1) shall include at least the following:

(a) the eligibility of assets and cover pool requirements in accordance with regulations 3 to 8;

(b) the segregation of cover assets in accordance with regulation 9;

(c) where applicable, the functioning of the cover pool monitor in accordance with regulation 10;

(d) the coverage requirements in accordance with regulation 12;

(e) the cover pool liquidity buffer in accordance with regulation 13; and

(f) where applicable, the conditions for extendable maturity structures in accordance with regulation 14.

(4) In the event of the insolvency or resolution of a credit institution issuing covered bonds, such a credit institution shall submit to the competent authority such information and, or documentation as the competent authority shall establish in Covered Bonds Rules. Such information shall include at least the information referred to in sub-regulation (3).

Disclosure requirements.

16. (1) The competent authority shall publish on its official website the following information:

(a) the texts of the national laws, regulations, administrative rules and general guidance adopted in relation to the issue of covered bonds;

(b) the list of credit institutions approved to issue covered bonds; and

(c) the list of covered bonds that are entitled to use the label "European Covered Bond" and the list of covered bonds that are entitled to use the label "European Covered Bond (Premium)".

(2) The competent authority shall ensure that the information published in accordance with sub-regulation (1) is sufficient to enable a meaningful comparison of the approaches adopted by the authorities

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in different Member States designated pursuant to Article 18(2) of the CBD and shall be updated to take account of any changes.

(3) The competent authority shall notify the EBA on an annual basis of the list of credit institutions referred to in point (b) of sub-regulation (1) and the lists of covered bonds referred to in point (c) of sub-regulation (1).

Labelling.

17. (1) The competent authority shall ensure that the label "European Covered Bond" and its official translation in all official languages of the Union is used only for covered bonds which meet the requirements laid down in the Act, in these regulations and in any Covered Bonds Rules issued under the Act or under these regulations.

(2) The competent authority shall ensure that the label "European Covered Bond (Premium)" and its official translation in all official languages of the Union is used only for covered bonds which meet the requirements laid down in the provisions of the Act, these regulations and of any Covered Bonds Rules issued under the Act or under these regulations and which meet the requirements of Article 129 of the CRR.

Transitional Measures.

18. (1) Covered bonds issued before 8 July 2022 that comply with the requirements laid down in the relevant provisions of the Investment Services Rules, as applicable on the date of their issue, shall not be subject to the requirements set out in regulations 3 to 9, both inclusive, 12, 13, and 14 but may continue to be referred to as covered bonds in accordance with the Act and these regulations until their maturity.

(2) The competent authority shall monitor the compliance of covered bonds issued before 8 July 2022 with:

(a) the requirements laid down in the relevant provisions of the Investment Services Rules, as applicable on the date of their issue; and

(b) the requirements of the Act, these regulations or any Covered Bonds Rules issued under the Act or under these regulations, insofar as they are applicable in accordance with sub-regulation (1).

(3) Sub-regulations (1) and (2) shall also apply to tap issues of covered bonds for which the opening of the ISIN is before 8 July 2022 for up to 24 months after that date, provided that such issues comply with all the following requirements:

(a) the maturity date of the covered bond is before 8 July

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2027;

(b) the total issue size of tap issues made after 8 July 2022 does not exceed twice the total issue size of the covered bonds outstanding on that date;

(c) the total issue size of the covered bond at maturity does not exceed EUR 6,000,000,000;

(d) the collateral assets are located in Malta.

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