Verżjoni Elettronika

L.N. 13 of 2024

FINANCIAL MARKETS ACT
(CAP. 345)

Financial Markets Act (Covered Bonds) (Amendment) Regulations, 2024

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.

S.L.345.27.

1. (1) The title of these regulations is the Financial Markets Act (Covered Bonds) (Amendment) Regulations, 2024 and these regulations shall be read and construed as one with the Financial Markets Act (Covered Bonds) Regulations, hereinafter referred to as the "principal regulations".

(2) The scope of these regulations is to transpose in part Article 3 of the 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.

Amends regulation 2 of the principal regulations.

2. Sub-regulation (1) of regulation 2 of the principal regulations shall be amended as follows:

(a) immediately after the definition "market value", there shall be added the following new definition:

" "match funding requirements" means rules requiring that the cash flows between liabilities and assets falling due, be matched by ensuring in contractual terms and conditions that payments from borrowers and counterparties of derivative contracts fall due before payments are made to covered bond investors and to the counterparties of derivative contracts, that the amounts received are at least equal in value to the payments to be made to covered bond investors and to counterparties of derivative contracts, and that the amounts received from borrowers and counterparties of derivative contracts are included in the cover pool in accordance with regulation 13(2) until the payments become due to the covered bond investors and counterparties of derivative contracts;" and

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(b) immediately after the definition "special administrator", there shall be added the following new definition:

"specialised mortgage credit institution" means a credit institution which funds loans solely or mainly through the issue of covered bonds, which is permitted by law only to carry out mortgage and public sector lending and which is not permitted to take deposits, but which takes other repayable funds from the public;".

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