B 2811

Suppliment tal-Gazzetta tal-Gvern ta' Malta, Nru. 21,564, 26 ta' Diċembru, 2025

Taqsima B

L.N. 302 of 2025

FINANCIAL MARKETS ACT
(CAP. 345)

Financial Markets Act (Sponsors) Regulations, 2025

IN EXERCISE of the powers conferred by article 49(1)(ca) 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:-

Citation, scope and commencement.

1. (1) The title of these regulations is the Financial Markets Act (Sponsors) Regulations, 2025.

(2) The scope of these regulations is to regulate the registration of sponsors, including the application, the cancellation or suspension of such registration, and any requirements, restrictions and conditions in relation thereto.

(3) These regulations shall come into force on the 1st January, 2026.

Interpretation.

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

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"Act" means the Financial Markets Act;

"applicant" means a person intending to act as sponsor, or to hold itself out to act as such, that is applying or has applied for registration as a sponsor, as the case may be, in accordance with article 12B of the Act;

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"competent authority" means the Malta Financial Services Authority established by the Malta Financial Services Authority Act;

"issuer" means any legal entity that issues or proposes to issue securities;

"public sector issuer" means any states and their regional and local authorities, public international bodies, central banks, and the European Central Bank;

"sponsor" means a person registered with the competent authority in terms of article 12B of the Act to provide advice, guidance and expertise to issuers applying, or intending to apply,

for admissibility to listing of securities on a local regulated market under the Act, and as may be prescribed.

(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.

Requirement for appointment of a sponsor.

3. An issuer, that is not a public sector issuer, seeking approval for admissibility of securities on a local regulated market which requires the production of a prospectus or equivalent document, is required to appoint a sponsor who shall be registered with the competent authority in accordance with article 12B of the Act.

Application for registration as a sponsor.

4. (1) An application for the registration of a sponsor shall be made by the applicant to the competent authority in accordance with article 12B and shall be:

(a) submitted in such form and manner as the competent authority may determine, containing such information as may be prescribed or otherwise required under the Capital Markets Rules as established by the competent authority;

(b) subject to verification in such manner and to such extent as the competent authority may consider necessary;

(c) accompanied by the applicable non-refundable application fee, as may be prescribed, irrespective of whether the competent authority grants the registration or otherwise.

(2) The applicant shall be required, with utmost good faith, to diligently submit full and correct information whenever it is required to do so, to support the competent authority in carrying out its review to establish whether the applicant is eligible to provide the services of a sponsor in Malta.

(3) The applicant shall, on an ongoing basis, comply with and observe the requirements of these regulations and Rules issued thereunder, as applicable.

(4) The competent authority shall immediately reject applications which do not comply with the requirements prescribed in these regulations and any applicable Rules issued thereunder, including but not limited to, the Capital Markets Rules.

Refusal or granting of registration.

5. (1) The competent authority shall not grant registration applied for under the Act, as provided in article 12C of the said Act, unless it is satisfied that the applicant:

(a) is deemed to be a fit and proper person to provide the services of a sponsor;

(b) shall comply with, and observe the applicable requirements of the Act, these regulations, and any Rules made thereunder.

(2) When considering whether to grant or refuse to grant registration in accordance with article 12C of the Act, the competent authority shall, in particular, take into account:

(a) the protection of investors and the general public;

(b) the protection of the reputation of Malta in light of the international commitments of Malta;

(c) the promotion of competition and choice.

(3) The above sub-regulations (1) and (2) are without prejudice to the power of the competent authority in article 12C of the Act to:

(a) subject the application to such conditions as it may deem appropriate;

(b) vary or revoke any condition so imposed or otherwise;

(c) impose new conditions on a granted registration, from time to time.

Notification.

6. (1) The competent authority shall, after having reviewed the duly completed registration and the accompanying documents, notify the applicant in writing of its decision whether to grant or refuse registration:

Provided that the competent authority may, at its discretion and at any time, request the applicant to provide any additional information and, or documentation as the competent authority may deem necessary, and such applicant shall collaborate with the competent authority and shall promptly collate and transmit, without any undue delay, such information and documentation as the competent authority may request:

Provided further that where an applicant fails to provide any additional information and, or documentation which may be requested by the competent authority, within three (3) months from the date of the request of the additional documentation, the competent authority shall deem such an application for registration to have been

withdrawn by the applicant.

(2) Where the competent authority decides to refuse the application for registration as a sponsor, it shall give the applicant notice of its decision in writing, stating the reasons for such refusal.

Variation of registration conditions.

7. (1) Where, the competent authority has subjected a registration to conditions in accordance with article 12C of the Act, and it intends to vary any such condition or to impose a new condition thereon, it shall give the sponsor a notice in writing of this intention, specifying the reasons for such decision.

(2) A notice given under sub-regulation (1) shall state that, the sponsor may, within such reasonable period of time after receipt of the notice therein, being not less than forty-eight (48) hours and not more than thirty (30) days, make written representations to the competent authority stating the reasons on the basis of which such action should not be taken.

(3) Following the representations in writing made under sub-regulation (2), the competent authority shall consider any representation so made before arriving at a final decision. The competent authority shall, as soon as practicable, notify its final decision in writing to the sponsor.

Cancellation or suspension of registration.

8. (1) Without prejudice to article 12D of the Act, the competent authority may cancel or suspend a registration:

(a) if the sponsor is no longer deemed by the competent authority, to be a fit and proper person;

(b) where the sponsor expressly renounces its registration;

(c) if the competent authority considers that the sponsor does not fulfil the requirements of, or has breached any of the provisions of the Act, these regulations and, or Rules issued thereunder, or has failed to satisfy or comply with any obligation or condition to which such sponsor or registration is subject by virtue of the Act, these regulations or any Rules issued thereunder;

(d) if the competent authority has been provided by or on behalf of the sponsor with information which is false, inaccurate or misleading, or if the sponsor has obtained registration by making false statements or by any other irregular means;

(e) if the competent authority considers it necessary to

cancel or suspend the registration for the protection of investors, market integrity and the general public, and the reputation of Malta, taking into account the international commitments of Malta;

(f) if the sponsor is declared bankrupt or goes into liquidation or makes an arrangement or composition with its creditors or is otherwise dissolved; or

(g) at the written request of another competent regulatory authority that is carrying out regulatory functions in relation to the sponsor, and following proper communication and investigation conducted by the competent authority in relation thereto.

(2) Where the competent authority intends to cancel or suspend a registration in accordance with article 12D of the Act, it shall give the sponsor a notice in writing of this intention, specifying the reasons for such decision.

(3) A notice given under sub-regulation (2) shall state that, the sponsor may, within such reasonable period of time after receipt of the notice therein, being not less than forty-eight (48) hours and not more than thirty (30) days, make written representations to the competent authority stating the reasons on the basis of which such action should not be taken.

(4) Following the representations in writing made under sub-regulation (2) and (3), the competent authority shall consider any representation made before arriving at a final decision. The competent authority shall, as soon as practicable, notify the sponsor in writing of its final decision.

(5) The cancellation of the registration of a sponsor shall be made public by the competent authority.

Administrative penalties, other administrative measures and appeals.

9. (1) Without prejudice to any other power assigned to the competent authority under the Act, these regulations and, or any other law, where a person falling within the scope of these regulations fails to comply with any of the provisions of these regulations or any Rules issued under the Act, which further implement these regulations, the competent authority may, by notice in writing and without recourse to a court hearing impose on such person an administrative penalty which may not exceed one hundred and fifty thousand euro (€150,000) for each breach or failure to comply, as the case may be, or any other administrative measure, as it may deem necessary.

(2) Administrative penalties that may be imposed by the

competent authority, may be imposed in the form of a fixed penalty, a daily penalty, or both.

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(3) The provisions of article 16(4) of the Malta Financial Services Authority Act shall apply *mutatis mutandis* with respect to any administrative penalty imposed by the competent authority under sub-regulation (1).

(4) The imposition by the competent authority of an administrative penalty or any other administrative measure in terms of these regulations shall be without prejudice to any other consequence emanating from the act or omission of the offender under civil or criminal law:

Provided that in all cases where the competent authority imposes an administrative penalty in respect of anything done or omitted to be done by any person, and such act or omission also constitutes a criminal offence, no proceedings may be taken or continued against the said person in respect of such criminal offence.

(5) Without prejudice to sub-regulation (1), where the obligations imposed in terms of the Act, these regulations or Capital Markets Rules issued thereunder, apply to an issuer or to any other legal entity, in the event of a breach of any provision thereof, administrative penalties and other measures may also be imposed, subject to the conditions established in national law, on the members of the administrative, management or supervisory bodies of the legal entity concerned, and on other individuals who are responsible for the breach under national law.

(6) A right of appeal to the Financial Services Tribunal shall lie from the decisions taken by the competent authority under these regulations and the provisions of articles 42 and 44 of the Act shall apply *mutatis mutandis*.

Power to issue rules.

10. For the better carrying out of these regulations, the competent authority may, from time to time, issue and publish Capital Markets Rules, in accordance with article 11(1) of the Act, and such Rules shall be binding on sponsors and other persons as may be specified therein.

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