

MFSA

MALTA FINANCIAL SERVICES AUTHORITY

Circular to Credit Institutions on Banking Rule BR/16

The Authority is hereby issuing a revised version of Banking Rule BR/16 on *Funding Plans for Credit Institutions authorised under the Banking Act* (hereinafter the “Rule”).

The Authority, further to the [Decision](#) of the European Banking Authority (hereinafter the “EBA”) on reporting by competent authorities to the EBA (EBA/DC/2015/130) (hereinafter the “Decision”) and in addition to fulfilling its obligations towards the European Systemic Risk Board under the [Recommendation of the European Systemic Risk Board of 20 December 2012 on funding of credit institutions \(ESRB/2012/2\)](#), is also required to submit to the EBA data on funding plans received from institutions in compliance with the [EBA Guidelines on harmonised definitions and templates for funding plans of credit institutions](#), in accordance with the provisions set out in the Decision.

The Rule is therefore being amended accordingly and is now applicable to credit institutions which fulfil at least one of the following criteria:

- (a) the assets of such credit institution represent a minimum of 5% of the total banking assets in Malta;
- (b) the credit institution is one of the three largest institutions measured by total banking assets in Malta, including banking groups on the highest level of consolidation and subsidiaries of foreign banking groups;
- (c) the total asset value of the credit institution exceeds EUR 30 billion both for credit institutions that represent the highest consolidation level of any given banking group and for non-EEA banking group subsidiaries;
- (d) the ratio of the four-year average total assets of the credit institution over the four-year average GDP of Malta exceeds 20% both for credit institutions that represent the highest consolidation level of any given banking group and for non-EEA banking group subsidiaries.

In this regard, the Authority will be communicating directly with the credit institutions which will fall within the scope of this Rule.

Credit institutions falling within the scope of the Rule shall submit their funding plans on an annual basis, or as may be otherwise determined by the Authority. Funding plans shall be submitted by 31 March, reflecting relevant figures as at 31 December of the previous year. Those credit institutions which fall within the scope of this Rule shall also report their funding plans in the ICAAPs as outlined in Banking Rule BR/12.

Credit institutions are to note that Annex 2 provides guidance and is therefore for information purposes only. The templates which are to be populated and submitted to the Authority are prescribed in Annex 3.

The revised Banking Rule BR/16 will come into force with immediate effect.

Communications Unit
Malta Financial Services Authority
29th January 2016