

31 October 2019

## Circular to Credit Institutions on Amendments to Banking Rule BR/14

The Authority is hereby issuing a revised version of Banking Rule BR/14 on *Outsourcing by Credit Institutions Authorised under the Banking Act 1994* (hereinafter referred to as the "Rule"). The amendments to BR/14 are aimed at aligning the aforementioned Rule with the recent amendments made to Banking Act (Chapter 371 of the Laws of Malta), which were effected to transpose Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market amending Directives 2002/65/EC, 2009/110/EC and 2013/36/EU and Regulation (EU) No 1093/2010, and repealing Directive 2007/64/EC (hereinafter referred to as the "PSDII"). Banking Rule BR/14 is being amended pursuant to Article 4(2) of the Banking Act.

In particular, the Rule has been amended to eliminate the details on the necessity of recognition of the outsourcing service provider by the Authority and the provision of such outsourced services. Credit institutions which intend to outsource material services shall solely be required to notify the Authority in writing, by providing the Authority with information as specified in the Rule.

It should be noted that the Authority shall further revise Banking Rule BR/14 in the near future in order to implement the requirements specified in the *EBA Guidelines on Outsourcing Arrangements* which were published on 25 February 2019.

The revised Banking Rule BR/14 will come into force with immediate effect.

Any queries in relation to the above should be directed to Banking Supervision (Policy Section) on [bsupolicy@mfsa.com.mt](mailto:bsupolicy@mfsa.com.mt).