

06 July 2020

## Circular to Credit Institutions on the issuance of a new Banking Rule

The Authority is hereby issuing a new Banking Rule BR/23 on *Reporting and Disclosure of Exposures subject to Measures applied in Response to the COVID-19 Crisis* (hereinafter referred to as the 'Rule').

The scope of the [Rule](#) is to implement the provisions and requirements introduced by the [EBA Guidelines on reporting and disclosure of exposures subject to measures applied in response to the COVID-19 crisis \(EBA/GL/2020/07\)](#). Through such implementation, the Rule introduces additional reporting and disclosure requirements for credit institutions with respect to mitigating measures introduced in Malta to combat the negative economic consequences of the COVID-19 pandemic.

Pursuant to such measures, credit institutions are obliged to report information, in accordance with the formats as specified in the Rule, on:

- exposures that are subject to payment moratoria in accordance with the Moratorium on Credit Facilities in Exceptional Circumstances Regulations, 2020 (L.N. 142 of 2020) and the Central Bank of Malta (CBM) Directive No. 18 on Moratoria on Credit Facilities in Exceptional Circumstances;
- exposures that are subject to other forbearance measures introduced in response to the COVID-19 crisis; and
- newly originated exposures subject to the Malta Development Bank COVID-19 Guarantee Scheme.

Credit institutions shall report such data on a monthly basis and in line with the following reference and remittance periods:

- a. reference reporting: on the last day of each month; and
- b. remittance reporting: 42 calendar days following each reporting reference date specified in paragraph (a) above.

Information on exposures subject to the Moratorium on Credit Facilities in Exceptional Circumstances Regulations and the CBM Directive No. 18. and on newly originated exposures subject to the MDB COVID-19 Guarantee Scheme shall be disclosed by credit institutions bi-annually.

The Authority may consider the exercise of the waivers laid down in paragraph 21 of the Rule to ensure the proportional application of the newly introduced reporting and disclosure requirements.

[Annex 1](#) to the Rule provides credit institutions with the reporting templates which are to be populated for submission to the Authority, together with further information on the reporting requirements laid down in the Rule, including submission guidance.

[Annex 2](#) to the Rule provides credit institutions with the reporting instructions to be followed with regard to the reporting templates in Annex 1.

[Annex 3](#) to the Rule provides the disclosure templates which credit institutions are required to use for the publication of such information.

The new Banking Rule BR/23 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.mt](mailto:bsupolicy@mfsa.mt).