

21 December 2022

Circular to Financial Institutions and other Service Providers on Amendments to FIR/01

The Authority is hereby issuing a revised version of the Financial Institutions Rule [FIR/01](#) (the “Rule”) thereby providing clarification in relation to the following:

- A. Limited network exclusions under PSD2; and
- B. Crowdfunding services.

A. Limited Network Exclusions under PSD2

The amendment to the Rule includes a **new paragraph 58A** which specifies that the assessment of the Authority with regard to the notification sent in terms of article 3(2A)(k) of the [Financial Institutions Act](#) (Chapter 376 of the Laws of Malta), shall be carried out on the basis of the EBA Guidelines on the limited network exclusion under PSD2 ([EBA/GL/2022/02](#)).

B. Crowdfunding Services

In light of the Crowdfunding Regulation ([Regulation \(EU\) 2020/1503](#)), a **new paragraph 15B** has been inserted in the Rule to remove any conflict that may arise between recital 9 of the Crowdfunding Regulation and the Financial Institutions Act. In this regard, paragraph 15B clarifies that project owners or investors who accept funds or grant loans for the purposes of offering or investing in crowdfunding projects, shall not require an authorisation from the competent authority to operate as a financial institution in order to carry out these specific activities. Any future amendments (if any) to this requirement shall be amended and communicated accordingly.

The revised Rule shall come into force with immediate effect.

For any further clarifications and queries kindly contact the Policy & Legal Team at the Banking Supervision Function on bsupolicy@mfsa.mt.