

28 May 2025

## Circular to the Industry on Amendments to the FIR/02 and FIR/03

### **1. Amendment to FIR/03 - Conditions for Requesting Participation in Designated Payment Systems**

As part of the implementation exercise being undertaken by the Malta Financial Services Authority (the 'MFSA') in conjunction with the Central Bank of Malta to implement Regulation (EU) 2024/886 of the European Parliament and of the Council of 13 March 2024 amending Regulations (EU) No 260/2012 and (EU) 2021/1230 and Directives 98/26/EC and (EU) 2015/2366 as regards instant credit transfers in euro (the 'Amending Regulations') into national law, the MFSA has today published amendments to Chapter 3 of the Financial Institutions Rulebook ('FIR/03') in order to establish the procedure intended to ensure compliance with the newly introduced requirements.

By way of context, the Amending Regulations introduce article 35a to the Payment Services Directive (Directive (EU) 2015/2366) establishing the conditions for payment institutions and electronic money institutions requesting participation and participating in designated payment systems designated under Directive 98/26/EC (collectively referred to as 'the Institution'). The relevant conditions being that such entities shall have in place the following:

- a) a description of the measures taken for safeguarding payment service users' funds;
- b) a description of the governance arrangements and internal control mechanisms for the payment services or electronic money services it intends to provide, including administrative, risk management and accounting procedures, of the payment institution or electronic money institution and a description of the arrangements for the use of information and communication technology services of the payment institution or electronic money institution, related to Articles 6 and 7 of Regulation (EU) 2022/2554 of the European Parliament and of the Council; and
- c) a winding-up plan in case of failure.

The Amending Regulations further provide that Member States shall define the procedure by which compliance to the above conditions is assessed. In this regard, and in accordance with the procedure established in the FIR/03, the Institution shall compile a self-assessment establishing whether the above conditions are being met, which self-assessment shall be accompanied by a signed declaration by the Board of Directors of the Institution confirming compliance or otherwise with the above conditions and addressed to the relevant system designated under Directive 98/26/EC, a copy of which shall be provided by the Institution to the MFSA.

Payment institutions and electronic money institutions participating in designated payment systems designated under Directive 98/26/EC are kindly solicited to comply with this procedure and provide an update on the progress made to the MFSA by no later than 30 business days from the date of this Circular.

The provision of a copy to the MFSA of the communication of the Institution's self-assessment and accompanying signed declaration by the Board of Directors to the designated payment system shall not be construed to be tantamount to the discharge of an approval by the MFSA of the confirmation of compliance with the conditions as a result of the self-assessment.

## **2. Amendments to the FIR/02 and FIR/03 Implementing the European Banking Authority Guidelines on ICT and Security Risk Management**

In view of the update by the European Banking Authority of the Guidelines on ICT and security risk management (EBA/GL/2025/02) (the "EBA Guidelines"), the scope of which is to reduce its scope following the entry into force of Regulation (EU) 2022/2554 (the "DORA Regulation"), the MFSA is amending Chapter 2 of the Financial Institutions Rulebook ('FIR/03) and Chapter 3 of the Financial Institutions Rulebook ('FIR/03') in the following manner:

- The removal of the reference to such guidelines from FIR/02 and retain reference to the Guidance on Technology Arrangements, ICT and Security Risk Management, and Outsourcing Arrangements, as may be applicable; and
- Introduce a rule requiring payment institutions and electronic money institutions to comply with the EBA Guidelines.

*This Circular shall not be construed as a replacement of the provisions of the amended Rules, and the updated Rules shall prevail in case of any conflict. Any queries in relation to the above should be directed to Fintech Supervision (Policy and Legal) on [fintechpolicy@mfsa.mt](mailto:fintechpolicy@mfsa.mt)*