

02 June 2025

Circular Addressed to Individuals Authorised as Under Threshold Class B Company Service Providers (CSPs) following the Enactment of Act X of 2025

This circular is intended for currently authorised **Under Threshold Class B CSPs** following the recent legislative enhancements introduced by virtue of [Act X of 2025](#).

The purpose of the circular is to outline the steps for individuals currently authorised as Under Threshold Class B CSP who intend to convert their current authorisation to either become a Limited Company Service Provider or a Restricted Company Service Provider.

1. The impact of Act X of 2025 on the current Authorised Under Threshold Class B CSP

As from 16 May 2025, with the coming into force of Act X of 2025, individuals who were authorised as Under Threshold Class B CSPs can now automatically hold up to a maximum of twenty (20) involvements. **Individuals who intend to retain their current authorisation as Under Threshold Class B CSPs are not required to take any further action.**

Nevertheless, such individuals are kindly requested to return the original Annex to the Authorisation Certificate (issued at the time of authorisation) to the Authority to be replaced with an updated version reflecting the revised maximum number of permitted involvements, which has been increased from ten (10) to twenty (20).

The original Annex to the Authorisation Certificate may be addressed to the Authorisations Team, Company Service Providers Supervision, and is to be returned as soon as possible. The Authority will then contact the Authorised Person to organise the collection or the mailing out of the new updated Annex..

2. Conversion from Under Threshold Class B CSP to Limited Company Service Providers (Registered Persons)

Individuals who prior to the enactment of Act X of 2025 were authorised as Under Threshold Class B CSPs and who **do not intend to hold more than ten (10) involvements at any point in time**, may request the Authority to convert their authorisation to become Limited Company Service Providers. To streamline this process the Authority prepared a [template](#)

[letter](#) for individuals intending to formally submit their intent to be reclassified, which submission should reach the Authority by no later than 30 September 2025, in order for the Authority to process this before year end.

Until the conversion is approved by the Authority, the obligations of current under threshold Class B will remain in force. The Authority will accept requests to convert the current Class B under threshold authorisation to Limited Company Service Providers after this date, however submissions after this date might result in such authorised persons adhering to current obligations with respect to regulatory submissions.

The Authority wishes to clarify that if in the future, individuals request to transition again to an Under Threshold Class B CSP authorisation, such application will be required to undertake the authorisation process once again in view of the different business model. Therefore, the Authority strongly urges individuals to familiarise themselves with the amended provisions of the Law, the respective Rulebooks, the Guidance Notes and the updated FAQs to ensure an informed decision is taken.

3. Restricted Company Service Providers

The Authority is privy that there may be individuals who are currently authorised as Under Threshold Class B CSP who have a limited number of involvements, are not holding themselves out and are not actively seeking to increase their current involvements. Such individuals may effectively wish to surrender their authorisation to become Restricted Company Service Providers.

The Authority wishes to point out that before any decision is taken the starting point is for the individuals to carry out an assessment to determine whether their current involvements are being provided to third parties *by way of business* or otherwise. Further information on the interpretation of the term “*by way of business*” by the Authority can be found in the revised [Guidance Note on the Application of the Company Service Providers Act](#). Apart from the said guidance note, the individual would amongst other has to consider whether:

- s/he is carrying out any advertising such as through the settling up of a website or social media,
- their CV is held by accountancy and/or legal firms for any referrals to provide the services relating to directorship or company secretary;
- referrals of clients by Limited Company Services Providers and/or Company Services Providers to provide directorship services or company secretary services.

The above examples, although they are not meant to be exhaustive, indicate that such individual is providing the services *by way of business*, irrelevant as to the number of involvements held.

Only in the instance that it is determined that such involvements, are not provided *by way of business* and such involvements are limited to five (5) with a maximum of two (2) groups then they may consider in becoming a Restricted Company Service Provider.

Prior to submitting a Notification form, currently authorised individuals are required to submit a formal request to the MFSA on cspssupervision@mfsa.mt asking for approval to voluntarily cancel their Authorisation, in terms of the provisions of the [Rule Book for Company Service Providers](#).

Such individuals are reminded that only once that the Authority determines that the surrender process is finalised, they may then proceed to submit a Notification Form to effectively become a Restricted Company Service Provider.

Any queries may be addressed to cspreform25@mfsa.mt.