

8 July 2025

Notification Requirements for Credit Purchasers under the Credit Servicers and Credit Purchasers Act (Cap. 645)

The Credit Servicers and Credit Purchasers Act (Cap 645 of the Laws of Malta) (“the Act”) transposes Directive (EU) 2021/2167 (“the NPL Directive”). The main objective of the NPL Directive is to enable credit institutions to manage non-performing loans (NPLs) by facilitating their transfer to third parties thereby fostering the development of a secondary market for NPLs in the EU by eliminating impediments to, and laying down rules for both credit servicers and credit purchasers, while ensuring the protection of borrowers’ rights.

The Act applies to credit servicers acting on behalf of credit purchasers concerning a creditor’s rights under a non-performing credit agreement, or the credit agreement itself, issued by a credit institution; and credit purchasers of a creditor’s rights under a non-performing credit agreement, or the credit agreement itself, issued by a credit institution.

The Malta Financial Services Authority (“the Authority” or “MFSA”) hereby draws attention of credit purchasers domiciled in Malta, or their designated representatives, to the procedural requirements for submitting notifications under Articles 16 and 18 of the Act.

Notification Requirements

Article 16 Notification

When a credit purchaser, or where applicable, its designated representative, appoints an entity referred to in Article 4(a)(i) or (iii) under the Act, or a credit servicer, to carry out credit servicing activities related to the transferred creditor’s rights under a non-performing credit agreement, or the credit agreement itself, the credit purchaser or its representative must notify the MFSA, as the competent authority of its home Member State, in writing and no later than the date on which credit servicing activities commence.

Furthermore, if the credit purchaser or its representative appoints an entity other than the one previously notified in the above paragraph, the Authority must also be notified in writing by the credit purchaser, no later than the date of the change.

In this regard, as a minimum, the following information must be submitted to the MFSA:

- i. Identity and address of the credit servicer or entity as referred to in Article 4(a)(i) or (iii) under the Act.

- ii. Appointment date of the new credit servicer or entity as referred to in Article 4(a)(i) or (iii) under the Act.
- iii. Details of the European competent authorities of the:
 - Member State in which the credit servicer has established a branch or where it provides credit servicing activities, and in any event, where the borrower is domiciled;
 - Member State in which the credit was granted; and
 - Home Member State of the new credit servicer, where applicable.

Article 18 Notification (*subject to semi-annual submission*)

When the credit purchaser or, where applicable, its designated representative, transfers creditor's rights under a non-performing credit agreement, or the non-performing credit agreement itself, it shall notify the MFSA in writing on a semi-annual basis, from the date of transfer, the following information:

- i. The Legal Entity Identifier (LEI) of the new credit purchaser and, if applicable, its designated representative.

If no LEI exist, the following details must be provided:

- The identity of the new credit purchaser or, where applicable, its designated representative, or the members of their management body and individuals holding qualifying holdings in the new credit purchaser or its representative, as defined in point (36) of Article 4(1) of the CRR; and
- The address of the new credit purchaser or, where applicable, of its designated representative.
- ii. The date of transfer of creditor's rights under a non-performing credit agreement, or the non-performing credit agreement itself.
- iii. Aggregate outstanding balance of the creditor's rights under the non-performing credit agreements, or of the non-performing credit agreements transferred to the new credit purchaser.
- iv. Number of creditor's rights under the non-performing credit agreements, or of the non-performing credit agreements transferred, and the outstanding balance of each of the creditor's rights/agreements transferred to the new credit purchaser.
- v. Confirmation on whether the transfer includes a creditor's rights under a non-performing credit agreement, or a non-performing credit agreement itself,

concluded with consumers and the types of assets securing the non-performing credit agreement, when applicable.

vi. Details of the following European regulatory authorities:

- Home Member State of the new credit purchaser.
- Host Member State where the credit servicer of the new credit purchaser has established a branch or where it provides credit servicing activities, and in any case where the borrower is domiciled or where its registered office or head office is located.

In accordance with Article 18(3) of the Act, the MFSA may require the provision of information under Article 18 on a quarterly basis whenever the Authority deems necessary.

The Authority may also request any additional information or documentation as deemed necessary. A complete notification must be submitted via authorisationsbanking@mfsa.mt.