

05 August 2025

Circular to Credit Institutions on the Repeal of Banking Rule BR/05 on the Liquidity Requirements of Credit Institutions and Banking Rule BR/29 Annex I on Exposures Associated with High Risk

The Malta Financial Services Authority (the 'Authority') is hereby repealing Banking Rule BR/05 on the liquidity requirements of credit institutions, and Banking Rule BR/29 Annex I on exposures associated with high risk. Both Banking Rules are being repealed with immediate effect.

1. Repeal of BR/05 on the Liquidity Requirements of Credit Institutions

Banking Rule BR/05 is being repealed as the liquidity requirements for credit institutions are harmonised within the European Union through the Capital Requirements Regulation (the 'CRR')¹ and other regulations issued thereunder, including the Commission Delegated Regulation (EU) 2015/61 on the Liquidity Coverage Requirements. Reporting requirements are in turn stipulated in the Commission Implementing Regulation (EU) 2024/3117 on Supervisory Reporting of Credit Institutions.

In terms of supervision, this is governed by Article 86 of the Capital Requirements Directive², as transposed in Banking Rule BR/24 on internal governance of credit institutions, and assessed as part of the supervisory review and evaluation process (SREP) in accordance with the relevant European Banking Authority's (the 'EBA') Guidelines (EBA/GL/2022/03).

Further information can be found in the [Explanatory Note](#) that is being published together with this Circular.

2. Repeal of BR/29 Annex I on Exposures Associated with High Risk

Banking Rule BR/29 Annex I is being repealed following the EBA's repeal of its Guidelines specifying the types of exposures to be associated with high risk on [16 May 2025](#). The repeal

¹ Regulation (EU) No. 575/2013, as amended.

² Directive 2013/36/EU, as amended.

by the EBA was driven by the application of the CRR III requirements and is aimed at providing legal certainty to the market.

Any queries in relation to the above should be directed to the Banking Supervision Policy and Legal team on bsupolicy@mfsa.mt.