

20 November 2025

Circular in Relation to Directive (EU) 2023/2025 of the European Parliament and of the Council of 18 October 2023 on Credit Agreements for Consumers and Repealing Directive 2008/48/EC (Consumer Credit Directive II) (CCD II) and Its Transposition and Relative Amendments to the Conduct of Business Rulebook for Credit Institutions Offering Retail Products (COBR)

Introduction

This Circular is addressing Credit Institutions and Financial Institutions offering consumer credit agreements in Malta and falling within scope of Directive (EU) 2023/2225 of the European Parliament and of the Council of 18 October 2023 on credit agreements for consumers and repealing directive 2008/48/EC (hereinafter referred to as the Consumer Credit Directive II (CCD II)).

This Circular seeks to highlight the main changes which are being introduced within the Conduct of Business Rulebook for Credit Institutions Offering Retail Products (herein referred to as “the COBR”) and which will come into force on 20 November 2026 to reflect the CCD II requirements.

CCD II – Background

CCD II was developed in order to modernize consumer credit regulations in response to digitalization and new credit products which have significantly transformed the consumer credit market. CCD II repealed Directive 2008/48/EC known as CCD I and broadened the regulatory framework for consumer credit agreements across the European Union (EU) to better protect consumers and promote fair lending practices. CCD II scope extends to cover a wider range of credit agreements, including revolving credit and certain high-cost short-term loans that were previously excluded. Overall, the CCD II brings along harmonization among EU Member States, ensuring consistent consumer protection standards, while fostering a more competitive and integrated credit market in the European Union.

The main changes brought about by CCD II include stricter rules on creditworthiness assessments to prevent over-indebtedness, more transparent pre-contractual information for consumers, such as advertising which must now present standard information prominently and include explicit warnings, such as “borrowing money costs money.” Misleading practices, such as claims that credit will improve the financial well-being of consumers or that creditworthiness checks are irrelevant, are being prohibited. Importantly, the directive requires that consumers are informed when pricing is determined through automated processing, and they must be given the right to human intervention and explanations in such cases. The Directive enhanced consumers rights to withdraw from agreements via a 14-day period, whereby they can withdraw from a credit agreement without a penalty. CCD II also provided stronger supervision of credit intermediaries. Additionally, CCD II introduces limits on borrowing / interest rates, annual percentage rates of charge and total costs of credit agreements. The Directive also requires creditors to inform consumers of the reasons behind a credit application rejection and to ensure timely notification of credit repayment arrears in databases.

The CCD II is being adopted, published and **transposed into Maltese Law by 20 November 2025**. However, a one-year period is being provided for its implementation to provide sufficient time to the industry to align to its requirements. Hence for any avoidance of doubt, it is being clarified that CCD II will be **implemented by 20 November 2026**.

CCD II – Transposition into Maltese Law

CCD II is being transposed into Maltese law to the extent that it applies to entities regulated by the MFSA, that is, credit institutions and financial institutions via the following documents:

(1) With respect to Credit Institutions:
• The MFSA revised Conduct of Business Rulebook for Credit Institutions Offering Retail Products and Services (COBR)
• Banking Act (Consumer Credit) (Amendment) Regulations, 2025*
(2) With respect to Financial Institutions:
• Financial Institutions Act (Consumer Credit) Regulations, 2025*
(3) With respect to Credit Intermediaries:
• Consumer Credit Intermediaries (Admission) Regulations*
• MFSA Credit Intermediaries Rules applicable to Credit Intermediaries offering consumer credit agreements*

*These Rules and Regulations will be published in due course.

All the above-mentioned documents form part of the CCD II transposition package and the requirements stipulated therein will come into force on 20 November 2026, in order to align with the implementation date of the CCD II.

Furthermore, the revised COBR together with the Regulations (to be published in due course) will, amongst others, enable the Malta Financial Services Authority (the “MFSA” or “the Authority”) to oversee the protection of consumers particularly vis-à-vis consumer credit agreements and ensure that its license holders act honestly, professionally and in accordance with the best interest of the consumer.

The Regulations

The CCD II transposition package includes transposition into three Regulations which will be published in due course and which are further explained below:

(1) **Banking Act (Consumer Credit) (Amendment) Regulations, 2025**

With respect to credit institutions, the majority of CCD II requirements are reflected and transposed within the COBR which provides for those requirements which need to be carried out by Credit Institutions. With respect to the remaining CCD II requirements, these are being reflected and transposed within the Banking Act (Consumer Credit) (Amendment) Regulations, 2025. The latter Regulations are amending the Banking Act (Consumer Credit) Regulations, 2025 which are transposing CCD I requirements in the context of the legislative amendments necessary to bring into effect the COBR in March 2026. Besides amending the Banking Act (Consumer Credit) Regulations, 2025 to reflect CCD II requirements, the Banking Act (Consumer Credit) (Amendment) Regulations, 2025 also reflect and entail the powers of the Competent Authority (MFSA) with respect to implementation of CCD II requirements.

(2) **The Financial Institutions Act (Consumer Credit) Regulations, 2025**

With respect to financial institutions, and in view that there is no Conduct of Business Rulebook applicable to financial institutions for the time being, the CCD II requirements applicable to financial institutions are being transposed in the Financial Institutions Act (Consumer Credit) Regulations, 2025. The latter Regulations are repealing previous regulations with same name, which had transposed the requirements of CCD I. These Regulations now entail CCD II requirements applicable to financial Institutions as well as the Competent Authority (MFSA) powers to implement same.

(3) **Consumer Credit Intermediaries (Admission) Regulations**

Article 37 of CCD II introduces the obligation to ensure that credit intermediaries are subject to an admission process. As a result, the Consumer Credit Intermediaries (Admission) Regulations which will be issued in due course will transpose this requirement. These Regulations contain the requirements for admission, the powers of the Authority in terms of the admission process, and

other standard legal provisions including the power to issue Credit Intermediaries Rules that will go into further detail in terms of the requirements for admission. These regulations do not contemplate any cross-border elements such as passporting and exchange of information since there is no passporting of the activities of credit intermediaries under CCD II (unlike the Mortgage Credit Directive).

These three regulations will be issued under both the Banking Act and the Financial Institutions Act since such credit intermediaries could be acting on behalf of credit institutions, financial institutions, or potentially both as the case may be, and as may be determined by the Authority.

Main changes to be introduced in the COBR

The purpose of this section aims to highlight the main changes which will be introduced within the COBR. These are being split as follows:

- (1) Main changes brought about by CCD II
- (2) Options and national discretions **taken** by the MFSA
- (3) Options and national discretions **not taken** by the MFSA

For ease of reference, the main changes in the COBR rules are being indicated below and enclosed as **Annex A** with this circular.

(1) Main changes brought about by CCD II

The main changes introduced in the COBR are being summarized hereunder:

- (a) Extended Scope
 - [Definition of “Consumer Credit Agreement” within the “Glossary of Definitions” found on page 14 of the COBR](#)
 - [“Applicability in the context of Consumer Credit Agreements” found on page 29 of the COBR](#)

CCD II extended the scope of consumer credit agreements to cover credit agreements with a total amount of credit of not more than €100,000. Under CCD I, this was previously solely applicable to credit agreements ranging from €200 to €75,000. Where the purpose of the credit is the acquisition or renovation of residential immovable property, these are excluded from the purposes of CCD II. The CCD II scope now includes crowdfunding credit services, credit agreements in the form of an overdraft facility whereby a creditor makes funds available which exceed the balance in the consumer’s account, payday loans where the consumer is expected to repay the loan’s principal from their next monthly salary, and credit granted free of interest and without any other charges. Leasing agreements with an option to purchase goods or services are also included.

(b) Advertising and Pre-Contractual Information

- [COBR – R.2.2.45, R.2.2.47A.1 to R.2.2.47B.2 and R.1.3.116 to R.1.3.122C](#)

With the main aim to increase consumer awareness and promoting responsible lending practices, CCD II amends information requirements in the advertising, pre-contractual and contractual phases. CCD II requires lenders to provide key elements of the credit (such as borrowing rates and costs, annual percentage rate of charge, the total amount of credit and the duration of the credit agreement amongst others) in a prominent way on the first page of the Standard European Consumer Credit Information (SECCI) form. The information summarized in this form should be clear, legible, and adapted to the medium used.

(c) Right of withdrawal

- [COBR - R.5.8.190 to R.5.8.195A.3](#)

CCD II provides the consumer with the right of withdrawal (14 days) without penalty and with no obligation to provide justification starting from the day of the credit agreement or from the day when the consumer is handed the terms and conditions. In the event that the consumer does not receive contractual terms and conditions, the withdrawal period will expire 12 months and 14 days after the conclusion of the credit agreement.

(d) Creditworthiness assessment

- [COBR R.5.4.131A.1 to R.5.4.131A.11](#)

CCD II also reviews the rules on creditworthiness assessments where the consumer's ability and propensity to repay the credit is assessed and verified before a credit agreement. Creditors are required to perform creditworthiness assessments. As opposed to CCDI requirements, credit can now only be made available to the consumer if the result of the creditworthiness assessment is positive. This prevents consumers from irresponsible lending practices and over-indebtedness. However, deviations may be made in specific cases for instance, in the case of loans for healthcare expenses and student loans). When the creditworthiness assessment is based on automated processing, consumers have the right to request and obtain a meaningful explanation of this assessment by the creditor, and they should also be able to express their point of view and contest the assessment.

(e) Prohibition of certain practices

- [COBR - R.5.11.273A.1 to R.5.11.273B.2](#)

CCDII prohibits practices that exploit consumers such as tying practices and unsolicited credit sales. These were prohibited in order to protect consumers from entering into credit agreements which were not in their best interest.

- (f) Introducing limits or caps on Annual Percentage Rate of Charge
- [COBR - R.1.3.128A](#)

Another amendment relates to the introduction of limits or caps on interest rates, annual percentage rates of charge and the total cost of the credit agreement. This capping ensures that consumers are not faced with excessively costly consumer loans.

- (g) Forbearance measures
- [COBR - R.5.10.215A.1 and R.5.10.215A.2](#)

CCD II requires creditors to proactively deal with emerging credit risk at an early stage and to put in place necessary measures to ensure they exercise reasonable forbearance and make reasonable attempts to resolve the situation through other means before enforcement proceedings are initiated.

- (h) Knowledge and competence requirements
- [COBR - R.5.3.52A and R.5.3.52B](#)

Article 33 of the CCD II has introduced the requirement that creditors and credit intermediaries offering consumer credit agreements ensure that their staff possess and keep up to date an appropriate level of knowledge and competence:

- (i) With respect to Credit Intermediaries:

This requirement already existed under Directive 2024/17/EU of the European Parliament and of the Council of 4 February 2014 on credit agreements for consumers relating to residential immovable property and amending Directives 2008/48/EC and 2013/36/EU and Regulation (EU) No 1093/2010 (MCD) which was transposed in Credit Agreements for Consumers relating to Residential Immovable Property Regulations (Subsidiary Legislation 378.10). The latter were transposed by in the Credit Intermediaries' Rules issued by the MFSA.

In effect, the current Credit Intermediaries' Rules established a set of rules on knowledge and competence requirements for staff of credit intermediaries who offered credit agreements in relation to residential property. Another set of Credit Intermediaries Rules applicable to credit intermediaries who offer consumer credit agreements will be issued to cater for staff members of credit intermediaries who offer consumer credit agreements in line with the CCD II requirements.

The newly Credit Intermediaries Rules applicable to credit intermediaries who offer consumer credit agreements set out the knowledge and competence requirements for staff of credit intermediaries in relation to consumer credit agreements.

(ii) With respect to creditors:

Likewise, this requirement already existed under Directive 2014/17/EU of the European Parliament and of the Council of 4 February 2014 on credit agreements for consumers relating to residential immovable property and amending Directives 2008/48/EC and 2013/36/EU and Regulation (EU) No 1093/2010 (MCD) which was transposed in Credit Agreements for Consumers relating to Residential Immovable Property Regulations (Subsidiary Legislation 378.10), more specifically in the Third Schedule.

In line with CCD II requirements, similar knowledge and competence requirements are now being introduced for credit institutions and financial institutions. These requirements provide that staff of creditors and creditor intermediaries need to possess specific knowledge on offering and granting of consumer credit agreements.

(i) Admission of Credit Intermediaries:

In view that Credit Intermediaries staff under CCD II are required to possess knowledge and competence in relation to consumer credit agreements and in view that such Credit Intermediaries need also to be supervised by the MFSA, the Consumer Credit Intermediaries (Admission) Regulations are being issued to provide for the Admission of Credit Intermediaries under CCD II.

This, is also with a view to aligning with the requirement of Art 33(3) and Art 37 (1) of CCD II. These admission regulations will provide for a structured process regulating the admission, registration and supervision of credit intermediaries.

(2) Options and National Discretions TAKEN by the MFSA

Additionally, the CCD II provides a number of Member State options, which provide flexibilities that permit individual EU Member States to tailor certain rules to their national context. These options relate to matters such as High-Cost Short-Term Credit, Advertising Restrictions, Licensing and Supervision of Credit Intermediaries, Creditworthiness Assessment Requirements, Consumer Withdrawal Rights and Additional Consumer Information. These are explained in further detail below:

The options taken and reflected in the COBR are the following:

(a) deferred debit cards do not fall in scope:

- [Definition of “Consumer Credit Agreement” within the “Glossary of Definitions” found on page 14 of the COBR](#)

Article 2 (5) of CCD II permits Member States to opt whether to exempt or include within the definition of consumer credit agreements, certain credit agreements in the form of deferred debit cards to be repaid within 40 days, which are free of interest and with only limited changes, and which are issued by a financial institution. This option is taken and hence deferred debit cards as referred to above, are excluded from the definition of consumer credit agreements. Hence, they do not fall within scope of the COBR.

(b) Applicability of certain rules to deferred payment where the consumer is already in default or likely to default:

- [Refer to “Applicability in the Context of Consumer Credit Agreements” point “c” on Page 29 of the COBR](#)

Article 2 (7) of CCD II permits Member States to determine whether a number of provisions within CCD II itself are applicable or otherwise to specific types of deferred payments. This option was already taken by the MFSA under CCD I and for consistency purposes, it is being retained and hence in case of such deferred payments, the following requirements are applicable:

- advertising and marketing communications shall be fair clean and not misleading,
- specific standard information must be included in the advertising of such credit agreements,
- specific pre-contractual information shall also be provided,
- the right of the consumer not to process his/her personal data,
- the right of the consumer to be informed of the outcome of consultation with databases
- any credit agreement modifications shall be provided on a durable medium and a copy provided to the consumer
- specific information to be included in the credit agreement itself
- rights of the consumer in case of changes in borrowing rate
- the rights of the consumer in case of overrunning
- specific obligation for credit intermediaries
- In case of credit agreement where there is no immediate corresponding table, a clear and concise statement that the credit agreement does not provide for a guarantee of repayment

(c) Prohibited Advertising:

- [COBR - R.2.2.47A.7](#)

Article 8 (8) of CCDII provides Member States with the option to prohibit, advertising for credit products which accentuate the ease of speed with which credit can be obtained and also prohibit advertising for credit offers which offer grace periods or more than three months for the repayment of credit instalments. Both options are taken, and these types of advertising are prohibited in order to ensure more consumer protection.

(d) Tying and Bundling Practices:

- [R.5.11.273A.2](#) and [R.5.11.273A.3](#)

Article 14 (2) of CCD II permits Member States to allow creditors to request consumers to open and, or maintain a payment or savings account for the specific purpose of either one of the following:

- to accumulate capital to repay the credit, to service the credit, to pool resources to obtain the credit;
- and provide additional security for the creditor in case of default.

This option is taken and hence, creditors are allowed to pose these requests to their customers.

(e) Insurance Policy related to a consumer credit agreement:

- [R.5.11.273A.3](#)

Article 14 (3) of CCDII permits Member States to opt whether they allow creditors to require the consumer to hold an insurance policy related to the credit agreement, taking into account proportionality considerations. This option is taken, provided that in such case, the creditor has to accept an insurance policy even if the latter insurance is not his preference but provided that the insurance policy chosen, provides the same level of guarantee required by the creditor.

(f) Prohibition of the terms “advice” and “advisor”:

- [R.1.3.148B.4](#)

Article 16 (4) of CCD II allows Member States to choose whether or not to prohibit the use of terms “advice” and “advisor” when advisory services are marketed. This option is taken and hence creditors will be prohibited from using the terms “advice” and “advisor” given that in practice, credit institutions do not market credit advisory services *per se* but rather credit products as a whole.

(g) Creditworthiness and consultation to the relevant database:

- [COBR - R.5.4.131A.11](#)

Article 18 (11) of CCD II provides Member States with the option to choose whether creditors should assess the creditworthiness of consumers by consulting a relevant database. However, the assessment of creditworthiness shall not be based exclusively on the consumers credit history. The principle of assessing the creditworthiness of consumers on the basis of a consultation to the relevant database already existed under CCD I. With a view to retain same approach, this option is taken and hence creditors are required to assess the creditworthiness of consumers on the basis of consultation to a relevant database.

(h) Early Repayment:

- [COBR - R.5.9.204](#)

Article 29 (4) of CCDII permits Member States to opt for a derogation from the fact that the creditor is entitled to fair and objectively justified compensation in the case of early repayment. This derogation states that the creditor is only entitled to a compensation if the amount of early repayment exceeds a threshold set out by member states (which threshold shall not exceed €10,000) within any 12 months. The creditor could, however, claim a higher compensation:

- If the loss suffered, exceeds 1% of credit amount subject to early repayment, where the period of time between early repayment and agreed date of termination of credit agreement exceeds 1 year; and
- if the loss suffered, exceed 0.5% of credit amount, where the period of time between early repayment and agreed date of termination of credit agreement is less than 1 year. In this latter case the consumer shall be entitled to a corresponding reduction.

This derogation option is taken by the MFSA, and the threshold is being set at €10,000, as per the maximum prescribed by CCD II. Hence, the Creditor can claim the above captioned compensation only when the debtor pays at least €10,000 of the credit within any twelve (12) months.

(i) Introduced limits or caps on annual percentage rate of charge:

- [R.1.3.128A](#)

Article 31 (2) of CCD II prohibits excessively high borrowing rates, annual percentage rates of charges or total costs of credit to the consumer. In this regard, CCD II permits Member States to opt whether to adopt prohibition or limitations on specific charges or fees applied by creditors within their territory. This option is taken by the MFSA to prevent customers from being charged with excessively costly consumer loans. The new limit

concerns the Annual Percentage Rate of Charge (APRC) which should not exceed 16% in case of Regulated Persons offering consumer credit agreements within Malta. This maximum annual percentage rate of charge may be revised at the discretion of the Malta Financial Services Authority. In determining the new APRC limit the MFSA has carried out an in-depth assessment whereby it looked into the APRC of consumer credit agreements currently offered in Malta as well as the current APRC limits / caps applicable in other EU Member States. It is to be noted that for credit agreements offered in other EU Member States, by MFSA authorised Regulated Persons, these should abide by any similar caps or restrictions imposed by such EU Member States within their respective territories.

(j) Default charges:

- [COBR - R.5.10.217](#)

Article 35 (3) of CCD II permits that Member States may allow creditors to impose default charges but can require that these charges only cover the actual costs incurred. This option was already taken under CCD I and for consistency purposes it is retained.

(k) Product Intervention Powers:

Article 41 (9) of CCD II provides Member States with the option to take Product Intervention Powers, whereby the MFSA can withdraw credit products in justified cases. The MFSA already has product intervention powers by virtue of Article 16(2)(b) of the Malta Financial Services Authority, Article 4B of the Banking Act and Article 7B of the Financial Institutions Act.

In view that such product intervention powers already exist, likewise, this option is taken and relative provisions to this effect will be reflected within the Subsidiary Legislation indicated above.

(3) Options and National Discretions NOT TAKEN by the MFSA

For the avoidance of any doubt, the Authority is hereby enlisting hereunder, the CCD II Options which are not taken by the Authority:

(a) Overrunning:

Article 2 (4) (b) of CCD II gives the option to Member States to opt out from the requirement of carrying out a creditworthiness assessment in case of credit agreements in the form of overrunning. The MFSA is not taking this option and hence in the case of credit in the form of overrunning, a creditworthiness assessment still has to take place. This option is not taken to align with the same approach taken under CCD I and to enhance consumer protection also in cases of overrunning.

(b) Credit Unions:

Art 2 (6) of CCD II allows Member States to determine the applicability or otherwise of particular CCD II clauses to credit unions. In view that there are no credit unions operating within Malta, this option is not deemed applicable to Malta.

(c) Applicability of certain CCD II requirements or otherwise to credit agreements of less than €200, credit agreements where credit is granted free of interest and credit agreements where the credit has to be repaid within three months:

- [Refer to “Applicability in the Context of Consumer Credit Agreements” point “d” on page 28 and 29 of the COBR](#)

Article 2 (8) of CCD II permits Member States to opt not to apply a number of specific CCD II provisions to the captioned consumer credit agreements. This option is not taken and in the case of the above credit agreements the following requirements are to apply:

- Standard information at advertising stage, need to specify the duration of the credit agreement, in case of deferred payment it needs to specify the cash price and the amount of advance payment and specify the total amount payable by the consumer and the amount of instalment.
- Certain specific Pre contractual information
- Certain specific contractual information in case of deferred payments
- In case of credit agreement where there is no immediate amortisation table, a clear and concise statement that the credit agreement does not provide for a guarantee of repayment

(d) Adequate Explanations:

Article 12 (2) of CCD II permits that in justified cases the MFSA may adapt requirements relating to the manner in which adequate explanations (relating to whether a proposed credit agreement is adequate for the customers’ financial situation) are to be given and the extent to which they are to be given to the following:

- (i) the circumstances of the situation in which the credit is offered;
- (ii) the person to whom the credit is offered;
- (iii) the type of the credit offered.

This option is not taken by the MFSA in order to ensure additional consumer protection. Hence, adequate explanations would be required in all circumstances as specified further above.

(e) Conditions on the use of terms “independent advice” or “independent advisor”:

Article 16 (4) (last paragraph) of CCD II provides the option that the Member States may impose more stringent requirements for the use of the terms ‘independent advice’ or ‘independent advisor’ by creditors and, where applicable, credit intermediaries. This option is not taken, in the light of the approach taken in the context of Article 16(4) where the term “advice” and “Advisors” are being prohibited as indicated earlier on in this document.

(f) Conclusion of Credit Agreements:

Article 20 (2) of CCD II permits Member States to introduce or maintain national rules regarding the validity of the conclusion of credit agreements which are in conformity with Union law. This option already existed under CCD I but was not taken. The MFSA is maintaining same approach, and this option is not taken.

(g) Overdraft Facilities:

Article 24 (5) of the CCD II provides Member States the possibility to maintain or adopt more stringent provisions on matters related to the protection of consumers holding an overdraft facility in accordance with Union law. This option was already provided under CCD I and it was not taken with a view to keep in line with the minimum requirements posed, without imposing stringer restrictions on creditors. In this regard the MFSA is retaining same approach in line with previous stance.

(h) Overrunning:

Article 25 (6) of CCD II provides that Member States may maintain or adopt more stringent provisions on matters related to the protection of consumers holding an overrunning other than those referred to in Article 25 of CCD II. This option is not taken. This option was already provided under CCD I and was not taken and hence the MFSA is maintaining same approach.

(i) Linked Credit Agreements:

In relation to linked credit agreements and the right of withdrawal, Article 26 (4) of the CCD II permits Member States to choose a shorter withdrawal period in case National legislation existing prior to 19 November 2023 provided for such right of withdrawal and in case this was explicitly requested by the consumer. This option is not applicable to Malta as there was no such legislation applicable on 19th November 2023.

Furthermore, and also in relation to Linked Credit Agreements, Article 26 (8) of the CCD II permits the non-application of specific clauses relating to the right of withdrawal, in case that the credit agreements is concluded through the services of a notary. In view that in

Malta consumer credit agreements are not concluded through the services of a notary, this option is not deemed applicable to Malta.

(j) Ban on Commissions:

Article 32 (4) of CCD II permits Member States to choose whether to ban commissions paid by the creditor to the credit intermediary. This option is not being taken at this stage, in view that currently there are no credit intermediaries operating within Malta.

Article 32 (5) of CCD II also permits the Member States to prohibit or impose restrictions on the payments from a consumer to a creditor or a credit intermediary prior to the conclusion of a credit agreement. This option is not being taken in the context of credit agreements issued by banks and financial institutions as this situation does not arise in the context of credit agreements issued by banks and financial institutions since payments for such loans only take place after drawdowns and after the conclusion of the credit agreement.

(k) Default Charges:

Article 35 (4) of the CCD II provides that Member States who allow creditors to impose additional charges on the consumer in the event of default, those Member States shall place a cap on those charges. In view that the MFSA has opted to adopt the option provided through Article 35(3) whereby it requires that charges are not greater than is necessary to compensate the creditor for costs it has incurred as a result of the default, this option is not being taken and hence no cap on charges need be applicable.

Conclusion and the Way Forward

The CCD II has a transposition deadline of 20 November 2025 and will come in force a year later on 20 November 2026. In this regard, a one-year period is being given to the industry and CCD II stakeholders, to align and conform with CCD II requirements. Regulated persons are hence being encouraged to update their consumer credit agreements processes in line with the CCD II requirements, and in line with the coming into force of CCD II, that is by 20 November 2026.

Annex A – Main Changes to the COBR

Glossary of Definitions
Introduced the definition of “Borrowing Rate”
Amended the definition of “Consumer Credit Agreements”
Introduced the definition of “Debt Advisory Services”
Introduced the definition of “Early Repayment”
Introduced the definition of “Fixed Borrowing Rate”
Introduced the definition of “Linked Credit Agreements”
Introduced the definition of “Pre-Contractual Information”
Introduced the definition of “Profiling”
Introduced the definition of “Total amount of credit”
Introduced the definition of “Total amount payable by the client”
Introduced the definition of “Total cost of the credit to the client”
Revised “Applicability in the context of Consumer Credit Agreements”
Chapter 1 - Disclosures
New R.1.1.2A
Deleted R.1.3.115
Revised R.1.3.116
New R.1.3.116A
Revised R.1.3.117 and R.1.3.118
New R.1.3.118A and R.1.3.118B
Revised R.1.3.119 to R.1.3.122
New R.1.3.122A to New R.1.3.122C
New R.1.3.128A
Revised R.1.3.129 to R.1.3.134
New R.1.3.134A to R.1.3.134C
Revised R.1.3.137 to Revised R.1.3.142
Revised R.1.3.144
New R.1.3.144A.1 to R.1.3.144A.3
New R.1.3.148B.1 to R.1.3.148B.6
Chapter 2 – Marketing Rules
Revised R.2.2.45
New R.2.2.47A.1 to R.2.2.47A.7
New R.2.2.47B.1 and R.2.2.47B.2
Chapter 3 – Product Oversight Arrangements
New R.3.13.63 to R.3.13.67

Chapter 5 – Bank Client Relationships
New R.5.3.52A and R.5.3.52B
New R.5.4.131A.1 to R.5.4.131A.11
New R.5.4.131B.1 and R.5.4.131B.2
Revised R.5.191
New R.5.8.191A and R.5.8.191B
Revised R.5.8.192
Revised R.5.8.195
New R.5.8.195A.1 to R.5.8.195A.3
Deleted R.5.9.199
Revised R.5.9.201 and R.5.9.202
Revised R.5.9.204 to R.5.9.206
New R.5.10.215A.1 and R.5.10.215A.2
New R.5.10.217A to R.5.10.217C
New R.5.11.273A.1 to R.5.11.273A.3
New R.5.11.273B.1 to R.5.11.273B.2