

User Guidelines¹

Financial Markets Act (Sponsors) Regulations, 2025

The title of these Regulations is the Financial Markets Act (Sponsors) Regulations, 2025. They are to be issued under the Financial Markets Act (Cap. 345 of the Laws of Malta).

These Regulations supplement the relevant provisions of the Financial Markets Act pertaining to sponsors and seek to regulate the registration of such sponsors, including the application, the cancellation or suspension of such registration, and any requirements, restrictions and conditions in relation thereto.

A sponsor is a person who provides advice, guidance and expertise to issuers who are applying or who wish to apply for the admissibility to listing of securities on a local regulated market. The role of the sponsor is of great importance since a sponsor is the first port of call for prospective issuers and is considered to be the first line of defence in preventing persons who are not fit and proper from accessing the Maltese capital markets.

The proposal to strengthen the sponsors' regime is part of the comprehensive five-pillar strategy of the Malta Financial Services Authority (the "MFSA") to foster growth and innovation within the local capital markets, whilst protecting investors and financial market integrity and stability. The cornerstone of this proposal is essentially the introduction of a registration framework for sponsors, to raise the standards of these market players based on increased accountability and clearer responsibilities.

The Regulations were issued for public consultation on 19 May 2025, where the MFSA sought stakeholders' views on the proposed legislative framework pertaining to the sponsors' regime. The consultation period closed on the 15 July 2025, with the respective [Outcome Report](#) published on the 14 August 2025. The MFSA subsequently issued a [Feedback Statement](#) providing clarifications on comments raised with respect to the Regulations.

In order to regulate sponsors, the MFSA had introduced the necessary empowering and related provisions in the Financial Markets Act, with further granularity to be provided for in the Regulations and the Capital Markets Rules issued by the MFSA.

The Regulations provide details on the registration framework for sponsors and seek to:

- i. set out the conditions in which issuers are required to appoint a sponsor (**regulation 3**);

¹ These User Guidelines have been prepared for the purpose of article 3(2)(d) of the Small Business Act (Chapter 512 of the Laws of Malta).

- ii. describe the manner in which a sponsor must apply for registration with the MFSA (**regulation 4**);
- iii. introduce provisions on the refusal or granting of registration (**regulation 5**);
- iv. set out the manner in which the MFSA shall notify a person applying for registration as a sponsor of its decision (**regulation 6**);
- v. introduce provisions on the variation of any registration conditions (**regulation 7**);
- vi. detail the circumstances in which the MFSA may cancel or suspend registration (**regulation 8**);
- vii. introduce provisions pertaining to administrative penalties, other administrative measures and the right of appeal (**regulation 9**); and
- viii. reiterate the power of the MFSA to issue Capital Markets Rules applicable to sponsors (**regulation 10**).

By virtue of the newly added article 12B of the Financial Markets Act, a person who is providing the services of a sponsor on the date of entry into force, is required to apply for registration with the MFSA within two (2) months from the date of coming into force of the legislative amendments, if such person is to continue to offer such services. Furthermore, such person may only continue to offer such services if such person is registered by the MFSA within ten (10) months from the date of coming into force of article 12B which shall coincide with the date of entry into force of Regulations. In this regard, it is expected that the Regulations and the relevant provisions amending the Financial Market Act (including article 12B) shall come into force on 1st January 2026.

These User Guidelines should be read in conjunction with, and as supplementary guidance to, the Regulations and should not be deemed to substitute a thorough reading thereof. In case of any conflict between the contents of these User Guidelines and Regulations, it is the latter that shall prevail.

In case of any queries in relation to the above, the MFSA may be contacted on +356 21441155.