MFSA MALTA FINANCIAL SERVICES AUTHORITY

Consultation Document

Consultation Document on the Rules for Notified Aircraft Financial Leasing Companies and Related Due Diligence Service Providers

Ref: 04-2026

Date: 24 July 2026

Closing Date: 31 August 2026

NOTE: The documents circulated by the MFSA for the purpose of consultation are in draft form and consist of proposals. Accordingly, these proposals are not binding and are subject to changes and revisions following representations received from Licence Holders and other involved parties. It is important that persons involved in the consultation bear these considerations in mind.

Contents

1. Introduction

On 5 January 2026 the Malta Financial Services Authority published a public consultation on the proposed establishment of a framework for Aircraft Financial Leasing Companies. The document sought stakeholders' views on the possibility of introducing a notification-based framework specifically for companies carrying out financial leasing of aircraft and/or aircraft engines meeting a predefined asset threshold; the proposed high-level features of such framework as well as the legislative amendments required for its implementation.

As outlined in the initial consultation document, this framework will be implemented through amendments to the Financial Institutions Act (Chapter 376 of the Laws of Malta) and subsidiary legislation issued thereunder. In particular, the framework introduces an additional exemption from the requirement to obtain a financial institution licence when carrying out aircraft financial leasing activities. This will supplement the existing exemption contained in article 3A of the Financial Institutions Act and will apply exclusively to companies carrying out the financial leasing of aircraft and/or aircraft engines that satisfy the eligibility criteria prescribed by the law and further detailed in the applicable rules.

The feedback received by the Authority was positive and supportive of the proposed framework. Stakeholders supported the introduction of a notification-based regime for aircraft financial leasing companies and provided a number of comments on the proposed requirements being put forward. The Authority has considered the feedback received and, where appropriate, has incorporated such feedback into the development of the draft *Rules for Notified Aircraft Financial Leasing Companies and Related Due Diligence Service Providers* (the "Rulebook").

Accordingly, the purpose of this consultation is to seek stakeholders' views on the draft Rulebook, attached to this document, which sets out the detailed requirements applicable to companies admitted to the List of Aircraft Financial Leasing Companies maintained by the Authority.

The Authority considers that the proposed framework strikes an appropriate balance between regulatory oversight and proportionality. By establishing a dedicated notification framework tailored to the characteristics of aircraft financial leasing activities, the proposal is intended to provide a more efficient regulatory route for eligible firms whilst maintaining appropriate safeguards and regulatory standards.

Interested parties are also invited to note that, in parallel with this consultation, the approval process relating to the proposed amendments to the Financial Institutions Act and the related subsidiary legislation is ongoing.

2. Overview of the Proposed Rulebook

The proposed Rulebook is intended to complement the provisions of the *Financial Institutions Act (Notified Aircraft Financial Leasing Companies) Regulations* and sets out the requirements applicable to companies seeking admission to, and remaining on, the List of Aircraft Financial Leasing Companies.

The Rulebook is divided into two parts:

- **Part A – Notification Requirements**; and
- **Part B – Ongoing Requirements**.

What follows is a high-level description of the requirements set out in each Part.

Respondents are however invited to refer to the draft Rulebook attached to this Consultation Document for a detailed understanding of the proposal.

2.1. Part A – Notification Requirements

Part A of the Rulebook establishes the requirements which must be satisfied by a company seeking admission to the List of Aircraft Financial Leasing Companies.

In particular, the Rulebook sets out a number of eligibility criteria which prospective companies must comply with to submit a notification for inclusion in the List of Aircraft Financial Leasing Companies, these include:

- being incorporated in Malta;
- maintaining assets of at least EUR 100 million (or the equivalent in another currency);
- appointing at least director resident in Malta who effectively directs the business from Malta; and
- carrying on exclusively the business of aircraft and/or aircraft engine financial leasing, together with activities that are ancillary thereto.

The Rulebook also introduces governance requirements, including requirements relating to the composition of the board of directors and the responsibilities of the governing body.

A key feature of the framework is the appointment of a Due Diligence Service Provider (DDSP), which is responsible for conducting the due diligence assessment of qualifying shareholders, beneficial owners, directors, senior management, controllers, Money Laundering Reporting Officer (MLRO) and relevant service providers. Eligibility requirements for DDSPs as well as their ongoing responsibilities under the framework are further detailed in the Rulebook.

Since companies admitted to the List of Aircraft Financial Leasing Companies will be considered subject persons for AML/CFT purposes, Part A also establishes requirements relating to anti-money laundering compliance, including the appointment of a MLRO and compliance with applicable AML/CFT obligations.

2.2 Part B – Ongoing Requirements

Part B of the Rulebook establishes the ongoing obligations applicable to entities following admission to the List of Aircraft Financial Leasing Companies, which will be kept by the Authority on the Financial Services Register available on the MFSA website.

These requirements include:

- ongoing due diligence obligations to be performed by the DDSP;
- the appointment and responsibilities of the external auditor;
- requirements relating to the outsourcing of critical or important operational functions;
- requirements in relation to the management of credit risk as well as ICT and security risk;
- obligations relating to the submission of audited financial statements and regulatory returns;
- the submission of an annual Certificate of Compliance; and
- notification requirements in relation to material developments affecting the company.

Part B also sets out the circumstances under which a company may be removed from the List of Aircraft Financial Leasing Companies, together with the related notification requirements.

3. Conclusion and Way Forward

The Authority invites stakeholders to submit comments on the draft Rules for Notified Aircraft Financial Leasing Companies and Related Due Diligence Service Providers accompanying this Consultation Document. Stakeholders are encouraged to provide clear and specific feedback and, where relevant, to reference the particular rule or provision being referred to in their feedback.

Following the finalisation of the Rulebook, the Authority also intends to develop, a number of ancillary documents including notification forms, template declarations and other operational documentation necessary for the implementation of the framework. In addition, the Authority intends to issue guidance relating to the due diligence assessments to be carried out by Due Diligence Service Providers.

The proposals set out in this Consultation Document and the accompanying Rulebook are not binding and remain subject to amendment following consideration of stakeholder feedback.

Interested parties are to send their comments by not later than **31 August 2026**. Any comments and feedback are to be addressed to **spi_consultations@mfsa.mt**.