

User Guidelines¹

Credit Institutions and Financial Institutions (Payment Accounts) Regulations, 2026

Introduction

The Credit Institutions and Financial Institutions (Payment Accounts) Regulations, 2026 (hereinafter referred to as “the new Regulations”) predominantly transpose the relevant provisions of Directive 2014/92/EU of the European Parliament and of the Council of 23 July 2014 on the comparability of fees related to payment accounts, payment account switching and access to payment accounts with basic features (hereinafter referred to as “the Payment Accounts Directive”). The new Regulations are being issued both under the Banking Act (Cap. 371) and under the Financial Institutions Act (Cap. 376).

For all intents and purposes, the new Regulations are being supplemented with the MFSA’s [Conduct of Business Rulebook for Credit Institutions Offering Retail Products and Services](#) published by the MFSA on its website, which are applicable to credit institutions.

Background

The Payment Accounts Directive had already been transposed into local Subsidiary Legislation 371.18 and 376.08 (which bear the same title as these new Regulations). However, following an exercise undertaken by the Malta Financial Services Authority (“MFSA”) to capture all conduct of business-related requirements applicable to banks under one easily accessible Conduct of Business Rulebook, the majority of the requirements stemming from the Payment Accounts Directive, to the extent that they are applicable to banks, have consequently been removed from secondary legislation.

Hence, the new Regulations seek to repeal and replace previous Subsidiary Legislation 371.18 and 376.08, transpose the Payment Accounts Directive as well as carve out Payment Accounts Directive-related provisions applicable to banks which have been transferred by the MFSA to its Conduct of Business Rulebook.

Overview

The new Regulations govern payment accounts held by consumers and apply to payment service providers (“PSPs”) as defined in the same new Regulations², (which include credit institutions [banks] and financial institutions) that offer payment accounts accessible to consumers. The new Regulations focus on consumer protection, transparency, and access in relation to payment

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

² PAD Regulations, regulation 2(1):

“payment service provider” means the following categories:

- (a) credit institutions, including branches thereof as defined in article 2(1) of the Banking Act where such branches are located in the European Union, irrespective of whether the head offices of those branches are located within the European Union or, in accordance with Article 47 of Directive 2013/36/EU and with national law, outside the European Union;
- (b) electronic money institutions, being legal persons, that have been granted authorisation under Title II of Directive 2009/110/EC to issue electronic money, including, in accordance with Article 8 of the said Directive and with national law, branches thereof, where such branches are located within the European Union and their head offices are located outside the European Union, insofar as the payment services provided by those branches are linked to the issuance of electronic money;
- (c) post office giro institutions which are entitled under national law to provide payment services;
- (d) payment institutions;
- (e) the European Central Bank and national central banks when not acting in their capacity as monetary authority or other public authorities;
- (f) Member States or their regional or local authorities when not acting in their capacity as public authorities; or
- (g) a legal person benefiting from an exemption pursuant to Article 32 or 33 of the Payment Services Directive.

accounts. They address lack of transparency and comparability of fees, barriers to switching payment accounts, and limited or unequal access to basic payment accounts. The core purpose of the new Regulations is to improve consumer protection and enable consumers to make informed choices by improving fee transparency, facilitate switching between payment accounts, including cross-border, and ensure all consumers legally residing in Malta receive access to a basic payment account, regardless of their financial situation.

It is fundamental to underline that most of the provisions found in the new Regulations were already largely found in the aforementioned S.L. 371.18 and 376.08. In this regard, the new Regulations are split into a number of Parts, with some Parts applicable to all PSPs, whilst other parts apply to PSPs to the exclusion of banks. Accordingly, Parts I, II, VII, VIII and IX shall apply to all PSPs, whereas Parts III, IV, V and VI shall apply to payment service providers other than credit institutions.

There are only a few provisions (Parts V and VI) which are being newly introduced for the first time – the scope behind these provisions is to further strengthen the protection of consumers. These same provisions are, however, still applicable to banks through the MFSA's Conduct of Business Rulebook. Accordingly, the new Regulations align the regulatory requirements applicable to financial institutions with those applicable to banks, thereby placing both categories of institutions on an equivalent regulatory footing in relation to payment accounts. The said newly-introduced provisions add some new definitions, regulate disclosures, overdraft facilities and other requirements as well as dormant accounts, termination and variation of terms and conditions.

The new Regulations consist of 60 regulations (split into 9 Parts) and three Schedules.

Conclusion

The new Regulations shall come into force on the date of publication thereof in the Government Gazette, except for Parts V and VI which shall come into force two (2) months after the date of publication.

These new regulations constitute a partial transposition of the Payment Accounts Directive and, as aforementioned, introduce some further provisions in order to strengthen consumer protection. For the avoidance of any doubt, other provisions of the said Directive that have not been transposed in these regulations, have been duly transposed in other instruments.

These User Guidelines should be read in conjunction with, and as supplementary guidance to, the Credit institutions and Financial Institutions (Payment Accounts) Regulations, 2026 and should not be deemed to substitute a thorough reading thereof. In case of any conflict between the contents of these User Guidelines and the said 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 or by lodging a query on the [MFSA Website](#).