

**L.N. 142 of 2020**

**PUBLIC HEALTH ACT  
(CAP. 465)**

**Moratorium on Credit Facilities in Exceptional  
Circumstances Regulations, 2020**

IN EXERCISE of the powers conferred by article 26 of the Public Health Act, the Minister responsible for public health, with the concurrence of and after consultation with the Minister for Finance and Financial Services, the Superintendent of Public Health, the Central Bank of Malta and the Malta Financial Services Authority, has made the following regulations:-

**PART I  
Preliminary**

Citation and  
scope.

**1.** (1) The title of these regulations is the Moratorium on Credit Facilities in Exceptional Circumstances Regulations, 2020.

(2) The scope of these regulations is to regulate the provision by credit and financial institutions of a moratorium on credit facilities, to support economically vulnerable persons who have been materially affected by the COVID-19 outbreak.

Interpretation.

**2.** In these regulations, unless the context otherwise requires –

Cap. 465.

"Act" means the Public Health Act;

Cap. 371.

"bank" or "credit institution" shall have the same meaning assigned to it in the Banking Act and includes any branch, agency or office in Malta of a bank or credit institution not incorporated in Malta;

Cap. 204.

"Central Bank" means the Central Bank of Malta as defined by the Central Bank of Malta Act;

"credit facility" means the lending of a sum of money by way of an advance, overdraft, or loan, or any other line of credit including discounting of bills of exchange and promissory notes, guarantees, indemnities, acceptances and bills of exchange endorsed pour aval. Credit cards are excluded from these regulations;

Cap. 330.

"competent authority" means the Malta Financial Services Authority established by the Malta Financial Services Authority Act;

"financial institution" shall have the same meaning assigned to it in the Financial Institutions Act;

Cap. 376.

"Minister" means the Minister responsible for public health;

"moratorium" means deferral of payments of capital and interest from credit facilities granted by credit and financial institutions.

**3.** These regulations are applicable to credit institutions licensed by the competent authority in Malta under the Banking Act and to financial institutions under the Financial Institutions Act.

Applicability

Cap. 371.

Cap. 376.

**4.** (1) For the purposes of these regulations, the COVID-19 outbreak is formally recognised as a serious disturbance to the Maltese economy, within the meaning of article 107 of the Treaty on the Functioning of the European Union, which as a consequence also seriously threatens financial stability in Malta.

Recognition of serious disturbance.

(2) Pursuant to article 107 of the Treaty on the Functioning of the European Union, these regulations establish a temporary moratorium to be applied by credit and financial institutions on credit facilities, to support economically vulnerable persons who have been materially affected by the exceptional circumstances brought about by COVID-19 outbreak.

**5.** (1) Credit and financial institutions shall grant a moratorium on capital and interest, unless the borrower decides to continue to pay the relevant interest, applicable to all credit facilities satisfying the eligibility criteria established under a directive issued by the Central Bank, with the exception of credit facilities to other credit and financial institutions.

Moratorium on credit facilities for economically vulnerable persons.

(2) The duration of the moratorium shall be for a period of six (6) months:

Provided that the Minister may, after consultation with the Minister for Finance and Financial Services, extend the duration of the moratorium by notice published in the Gazette.

(3) Applications shall be made during the period until 30<sup>th</sup> June, 2020, unless the Minister, after consultation with the Minister for Finance and Financial Services, decides to extend the duration of the application period.

## PART II Eligible Applicants

**6.** Eligibility for the moratorium will be defined in a directive issued by the Central Bank.

Eligibility for the moratorium.

PART III  
General

Power to issue, amend and revoke directives.

7. (1) The Central Bank may issue, amend or revoke directives as may be required in respect of any provisions of these regulations, including, without prejudice to the generality of the aforesaid, criteria for financial distress and assessment of applications.

(2) Directives issued by the Central Bank may be in the English language only.

Administrative penalties, other administrative measures and appeals.

8. (1) Where any credit or financial institution falling within the scope of these regulations fails to comply with any provisions of such regulations, or to any directive issued thereunder, the Central Bank may, by notice in writing and without recourse to a court hearing, impose on such credit or financial institution an administrative penalty and other administrative measures in accordance with the provisions of the Central Bank of Malta Act.

Cap. 204.

(2) A right of appeal to the Financial Services Tribunal shall lie from the decisions which the Central Bank shall take under these regulations and the provisions of articles 56 and 57 of the Central Bank of Malta Act shall apply *mutatis mutandis*.

Cap. 204.

Reporting requirements to the competent authority.

9. (1) Credit and financial institutions are obliged to collect specific information as defined in a directive issued by the Central Bank.

(2) This information shall be reported to the competent authority and shall clearly identify all obligors and exposures eligible to the moratorium, and obligors and exposures where the moratorium was actually applied. This information shall include any financial impact on the credit or financial institution resulting from the application of the moratorium.

(3) The competent authority shall have the right to verify the accuracy of the information submitted under this regulation by requiring submission of documents and obtaining written or oral explanations, in line with the provisions of the Banking Act.

Cap. 371.