

3 October 2024

Circular to the Industry on Publication of Chapter 3 of the Financial Institutions Rulebook

1. Introduction

On 21 May 2024, the Malta Financial Services Authority ('MFSA' or 'the Authority') published a [Consultation Document](#) on the revised Chapter 3 of the Financial Institutions Rulebook ('FIR/03') as part of its efforts to ensure a sound and robust regulatory framework for payment institutions and e-money institutions. The [Consultation](#) sought stakeholder feedback on the proposed FIR/03 which contained a comprehensive set of rules which are intended to be applicable to payment institutions and e-money institutions authorised by the MFSA on an ongoing basis.

On 12 June 2024, the Authority published a second [consultation](#) in relation to the FI Return, a dedicated regulatory return intended to support the MFSA's supervision. This was accompanied by draft guidance notes on the compilation of the FI Return, and the FI Return itself.

The Authority has today published the revised [FIR/03](#) along with: (i) the [FI Return](#) and [Guidance Notes](#), and (ii) a [Feedback Statement](#) setting out the main points of feedback from the consultation on the FIR/03 and subsequent changes made.

2. Applicability and Transitory Period

The FIR/03 shall become applicable in two stages, the first becoming applicable on 15 October 2024 and the second stage becoming applicable on 15 December 2024, as per the below table. The requirements which have been introduced in the first phase were largely previously in the FIR/03 and hence are not considered to impose new standards on Licence Holders.

The second phase contains new requirements, and the proposed transition period should allow Licence Holders sufficient time to become compliant with the new requirements.

Stage	Provisions	Date of Applicability
Stage 1	<ol style="list-style-type: none"> 1. Title I 2. Title 2 except for governance and safeguarding requirements 3. Title 3 	15 October 2024
Stage 2	<ol style="list-style-type: none"> 1. Governance 2. Safeguarding 	15 December 2024

3. Other Important Updates

Previous FIR02 and FIR03: Upon applicability of Chapter 3 of the Financial Institutions Rulebook as set out in Section 2, the current Financial Institutions Rules 2 & 3 shall cease to apply to Financial Institutions within scope of the new FIR/03¹. FIR02 will however continue to apply to other financial institutions until otherwise communicated by the MFSA.

Workshop: The Authority will be hosting a **workshop on 30 October 2024**. The primary objective of this event is to inform industry stakeholders of the contents of the new Financial Institutions Rulebook and Return. More details may be found [here](#).

Going forward, further updates and developments to the Financial Institutions framework will be made public on the MFSA's website. Any queries related to the above should be addressed to fintechpolicy@mfsa.mt.

¹ Namely financial institutions licensed in terms of the Financial Institutions Act and authorised to provide payment services listed in paragraphs 2(a) to 2(g) of the Second Schedule to the Act and/or issue electronic money as defined in the third schedule to the Act.