No. 981

MINISTRY FOR FINANCE

Explanatory Notes[1]

Banking Act (Consumer Credit) (Amendment) Regulations, 2026

1. Introduction

The title of these regulations is the Banking Act (Consumer Credit)(Amendment) Regulations, 2025. They are to be issued under the Banking Act (Cap. 371) and read in conjunction with the Banking Act (Consumer Credit) Regulations, 2025 (hereinafter referred to as the "principal regulations").

These regulations seek to amend the provisions of the principal regulations in order to transpose Directive (EU) 2023/2225 of the European Parliament and of the Council of 18 October 2023 on credit agreements for consumers and repealing Directive 2008/48/EC ("CCD2").

2. Summary and background

The revised Consumer Credit Directive, also referred to as CCD2, seeks to widen the regulatory framework for consumer credit agreements, including revolving credit and certain high-cost short-term loans that were previously excluded under the Consumer Credit Directive. Overall, the CCD2 aims to improve harmonisation among EU Member States, ensuring consistent consumer protection standards, whilst fostering competition and an integrated credit market in the EU.

The CCD2 also provides for Member State Options and Discretions which have been carefully considered by the MFSA alongside the Malta Competition and Consumer Affairs Authority (MCCAA) as the competent authority pertaining to creditors in scope of CCD2 that are not entities supervised by the MFSA.

The CCD2 applies to creditors as defined therein and includes credit institutions that have been duly licensed by the MFSA to grant or promise to grant credit to consumers. These regulations are therefore applicable to such types of creditors.

3. Overview of the structure of the instrument

These regulations provide for amendments in relation to definitions in the principal regulations as well as the addition of new definitions. The regulations also add additional obligations on the MFSA as the designated competent authority in relation to creditors authorised by the same. The exempted types of credit agreements have also been amended, and it has been clarified that unless otherwise provided, the obligations of the creditor shall equally apply to a credit intermediary. A new provision has been added to cater for advisory services as introduced by the CCD2. Knowledge and competence requirements for staff have been referenced and included in a Schedule to the regulations. The provisions concerning penalties have also been amended to align with industry standards and with the provisions laid down for financial institutions.

4. Commentary

The regulations generally relate to the following:

- Regulation 1 provides the citation, scope and commencement of the regulations;
- Regulation 2 amends and adds certain definitions;

[1]These Explanatory Notes are in accordance with and for the purpose of article 3(2)(c) of the Small Business Act (Chapter 512 of the Laws of Malta).

• Regulation 3 provides for amendments to the provisions relating to the competent authority;
• Regulation 4 provides for amendments to the provisions relating to the exemptions to the applicability of the regulations;
• Regulation 5 provides for amendments to the provisions relating to the obligation to comply with regulations;
• Regulation 6 substitutes regulation 6 to cater for advisory services as newly introduced by the CCD2;
• Regulation 7 introduces a new regulation 6A in relation to knowledge and competence requirements for staff;
• Regulation 8 provides for amendments to the provision in relation to administrative penalties, other administrative measures and appeals in order to ensure alignment with industry standards and with the provisions laid down for financial institutions in the Financial Institutions Act (Consumer Credit) Regulations, 2025.
• Regulation 9 provides that the regulation stating that the regulations shall prevail.
• Regulation 10 provides for a new Schedule to the principal regulations which provides the Minimum Knowledge and Competence Requirements in relation to the newly added regulation 6A.

5. Concluding sections

The regulations shall come into force on the 20th November 2026 and shall be supplemented with a revised version of the Conduct of Business Rulebook for Credit Institutions Offering Retail Products published by the MFSA

Annex

Transposition Notes for the transposition of:

Directive (EU) 2023/2225 of the European Parliament and of the Council of 18 October 2023 on credit agreements for consumers and repealing Directive 2008/48/EC, as may be amended from time to time, and includes any binding legal instruments, guidelines and any other measures that have been or may be issued thereunder.

Directive and Article number **Directive (EU) 2023/2225**	**Transposing Regulations** Banking Act (Consumer Credit) (Amendment) Regulations, 2025
Article 16(6)	Regulation 6
Article 33(3)	Regulation 5
Article 34(1)	Regulation 3
Article 37(2)	Regulation 2(b)
Article 47 first paragraph	Regulation 1(3)
Article 47 second paragraph	Proviso to regulation 1(3)

The amendments introduced in these Regulations constitute the partial transposition of Directive (EU) 2023/2225 of the European Parliament and of the Council of 18 October 2023 on credit agreements for consumers and repealing Directive 2008/48/EC. Other provisions of such Directive that are not transposed in these Regulations are or will be transposed in other legislative instruments.

Financial Institutions Act (Consumer Credit) Regulations, 2025

1. Introduction

The title of these regulations is the Financial Institutions Act (Consumer Credit) Regulations, 2025. They are to be issued under the Financial Institutions Act (Cap. 376) and shall repeal the Financial Institutions Act (Consumer Credit) Regulations, 2025 (hereinafter referred to the "principal regulations") issued under L.N. 266 of 2025 and published as S.L. 376.09.

These regulations seek to amend the provisions of the principal regulations in order to transpose Directive (EU) 2023/2225 of the European Parliament and of the Council of 18 October 2023 on credit agreements for consumers and repealing Directive 2008/48/EC ("CCD2").

2. Summary and background

The revised Consumer Credit Directive, also referred to as CCD2, seeks to widen the regulatory framework for consumer credit agreements, including revolving credit and certain high-cost short-term loans that were previously excluded under the Consumer Credit Directive. Overall, the CCD2 aims to improve harmonisation among EU Member States, ensuring consistent consumer protection standards, whilst fostering competition and an integrated credit market in the EU.

The CCD2 also provides for Member State Options and Discretions which have been carefully considered by the MFSA alongside the Malta Competition and Consumer Affairs Authority (MCCAA) as the competent authority pertaining to creditors in scope of CCD2 that are not entities supervised by the MFSA.

The CCD2 applies to creditors as defined therein and includes financial institutions that have been duly licensed by the MFSA to grant or promise to grant credit to consumers. These regulations are therefore applicable to such types of creditors.

3. Overview of the structure of the instrument

These regulations transpose the CCD2 and therefore contain provisions relating to definitions, obligations on the MFSA, as the designated competent authority, the rights and obligations of creditors and credit intermediaries in relation to the consumer credit services offered, the rights of consumers, and other provisions as provided in the CCD2 .

4. Commentary

The regulations generally relate to the following:

• Regulation 1 provides the citation, scope and commencement of the regulations;
• Regulation 2 provides the relevant definitions;
• Regulation 3 designated the Malta Financial Services Authority as the competent authority responsible for the implementation of the CCD2;
• Regulations 4 and 5 outline the applicability and non-applicability of certain credit agreements;
• Regulation 6 provides for the general obligations of creditors and credit intermediaries;
• Regulation 7 outlines certain obligations in relation to advertisements;
• Regulation 8 provides for general information to be provided to consumers;
• Regulations 9 to 11 deal with the obligation to provide pre-contractual information and the content of how such information is presented.
• Regulation 12 provides that adequate explanations are to be given to the consumer in certain circumstances;
• Regulations 13 to 25 provides further detail on how the services in relation to consumer credit are offered including new provisions introduced by CCD2 in relation to advisory services and tying and bundling practices, amongst others;
• Regulations 26 and 27 provide for the right of withdrawal afforded to the consumer and how such right can also be exercised for linked credit agreements;
• Regulation 28 provides the right of consumers in relation to open-end credit agreements as defined in regulation 2;
• Regulation 29 provides for the right of consumers to early repayment;
• Regulation 30 provides for the calculation of the annual percentage rate of charge to be undertaken by the creditor;
• Regulation 31 provides the maximum annual percentage rate of charge and further detail on the calculation, as an optional measure that was provided in the CCD2 for Member States to exercise at their discretion;

• Regulation 32 outlines the conduct of business obligations of creditors and credit intermediaries when providing credit to consumers;

• Regulation 33 provides for the requirements in relation to the knowledge and competence requirements for staff;

• Regulation 34 provides for the rights of creditors in relation to forbearance measures.

• Regulation 35 provides that independent debt advisory services as defined in Regulation 2 are referred by the creditors to consumers experiencing financial difficulties;

• Regulation 36 provides for the right of creditors in relation to assignment of rights and set off;

• Regulation 37 caters for the administrative penalties, other administrative measures and appeals;

• The Schedules contain the Annexes to the CCD2 in relation to the Standard European Consumer Credit Information, the European Consumer Credit Information Form, further details regarding the calculation of the annual percentage rate of charge as referred to in regulation 30, and the minimum knowledge and competence requirements referred to in regulation 34.

5. Concluding sections

The regulations shall come into force on the 20th November, 2026.

Annex

Transposition Notes for the transposition of:

Directive (EU) 2023/2225 of the European Parliament and of the Council of 18 October 2023 on credit agreements for consumers and repealing Directive 2008/48/EC, as may be amended from time to time, and includes any binding legal instruments, guidelines and any other measures that have been or may be issued thereunder.

Directive and Article number **Directive (EU) 2023/2225**	**Transposing Regulations** Financial Institutions Act (Consumer Credit) Regulations, 2026
Article 1	Regulation 1
Article 2 (1)	Regulation 4(1)
Article 2 (2)	Regulation 5
Article 2 (3)	Regulation 5 (d)
Article 2 (4)	Regulation 4(2)(a)
Article 2 (5)	Regulation 5 (l)
Article 2 (7)	Regulation 4(2)(b)
Article 2 (8)	Regulation 4(2)(c)
Article 3 (1)	Regulation 2(1)
Article 3 (2)	Regulation 2(1)
Article 3 (3)	Regulation 2(1)
Article 3 (4)	Regulation 2(1)
Article 3 (7)	Regulation 2(1)
Article 3 (10)	Regulation 2(1)
Article 3 (12)	Regulation 2(1)
Article 3 (17)	Regulation 2(1)
Article 3 (18)	Regulation 2(1)
Article 3 (19)	Regulation 2(1)
Article 5	Regulation 6(4)

Article 6	Regulation 6(5)
Article 7	Regulation 7(1)
Article 8 (1)	Regulation 7(2)
Article 8 (2)	Regulation 7(3)
Article 8 (3)	Regulation 7(4)
Article 8 (4)	Regulation 7(4)
Article 8 (5)	Regulation 7(5)
Article 8 (6)	Second proviso to regulation 7(4)
Article 8 (7)	Regulation 7(6) (a) (b) and (c)
Article 8 (8)	Regulation 7(6) (d) and (e)
Article 9	Regulation 8
Article 10 (1) first paragraph	Regulation 9(1)
Article 10 (1) second paragraph	Regulation 9(2)
Article 10 (2)	Regulation 9(3)
Article 10 (3) (a) to (l)	Regulation 10(1) (a) to (l)
Article 10 (4)	Proviso to regulation 10(1)
Article 10 (5) (a) to (q)	Regulation 10(2) (a) to (q)
Article 10 (5) second paragraph	Regulation 10(5)
Article 10 (6)	Regulation 10(3) and (4)
Article 10 (7)	Regulation 10(6) and (7)
Article 10 (8)	Regulation 10(8)
Article 10 (9)	Regulation 10(9)
Article 11(1)	Regulation 11(1) and (2)
Article 11(2)	Regulation 11(3)
Article 11(3)	First proviso to regulation 11(3)
Article 11(4)	Regulation 11(4)
Article 11(5)	Regulation 11(5)
Article 11(6)	Second proviso to regulation 11(3)
Article 11(7)	Regulation 11(6)
Article 11(8)	Regulation 11(7)
Article 12 (1)	Regulation 12
Article 13	Regulation 13
Article 14 (1)	Regulation 14(1)
Article 14 (2)	Proviso to regulation 14(1)
Article 14 (3)	Regulation 14(2)
Article 14 (5)	Regulation 14(3)
Article 15 (1)	Regulation 15(1)
Article 15 (2)	Regulation 15(2)
Article 16 (1)	Regulation 16(1)
Article 16 (2)	Regulation 16(2)
Article 16 (3)	Regulation 16(3)
Article 16 (4) first paragraph	Regulation 16(4)
Article 16 (5)	Regulation 16(5)
Article 16 (6) first paragraph	Regulation 16(6)
Article 16 (6) second paragraph	Regulation 16(6)

Article 17	Regulation 17
Article 18 (1)	Regulation 18(1)
Article 18 (2)	Regulation 18(2)
Article 18 (3)	Regulation 18(3) and (4)
Article 18 (4)	Regulation 18(5)
Article 18 (5)	Regulation 18(6)
Article 18 (6)	Regulation 18(7)
Article 18 (7)	Regulation 18(8)
Article 18 (8)	Regulation 18(9)
Article 18 (9)	Regulation 18(10)
Article 18 (10)	Regulation 18(11)
Article 18 (11)	Regulation 18(12)
Article 19 (5)	Regulation 19 (1)
Article 19 (6)	Regulation 19 (2)
Article 20 (1)	Regulation 20
Article 21 (1) first paragraph	Regulation 21 (1)
Article 21 (1) second paragraph	Proviso to regulation 21 (1)
Article 21 (2) first paragraph	Regulation 21 (2)
Article 21 (2) second paragraph	First proviso to regulation 21 (2)
Article 21 (2) third paragraph	First proviso to regulation 21 (2)
Article 21 (2) fourth paragraph	Second proviso to regulation 21 (2)
Article 21 (3)	Regulation 21 (3)
Article 22	Regulation 22
Article 23 (1)	Regulation 23(1)
Article 23 (2)	Regulation 23(2)
Article 24 (1)	Regulation 24(1)
Article 24 (2) first paragraph	Proviso to regulation 24(1)
Article 24 (2) second paragraph	Regulation 24(2)
Article 24 (3)	Regulation 24(3)
Article 24 (4)	Regulation 24(4)
Article 25 (1)	Regulation 25(1)
Article 25 (2)	Regulation 25(2)
Article 25 (3)	Regulation 25(3)
Article 25 (4)	Regulation 25(4)
Article 26 (1) first paragraph	Regulation 26(1)
Article 26 (1) second paragraph	Regulation 26(1)
Article 26 (1) third paragraph	Proviso to regulation 26(1)
Article 26 (2)	Regulation 26(2)
Article 26 (3)	Regulation 26(3)
Article 26 (5)	Regulation 26(4)
Article 26 (6)	Regulation 26(5)
Article 26 (7)	Regulation 26(6)
Article 26 (9)	Regulation 26(7)
Article 27 (1)	Regulation 27(1)
Article 27 (2)	Regulation 27(2)

Article 27 (3)	Regulation 27(3)
Article 28 (1) first paragraph	Regulation 28(1)
Article 28 (1) second paragraph	Proviso to regulation 28(1)
Article 28 (2)	Regulation 28(2)
Article 29 (1)	Regulation 29(1)
Article 29 (2) first paragraph	Regulation 29(2)
Article 29 (2) second paragraph	Proviso to regulation 29(2)
Article 29 (3)	Regulation 29(5)
Article 29 (4) first paragraph	Regulation 29(3)
Article 29 (4) second paragraph	Proviso to regulation 29(3)
Article 29(4) third paragraph	Proviso to regulation 29(3)
Article 29 (5)	Regulation 29(4)
Article 30 (1)	Regulation 30(1)
Article 30 (2) first paragraph	Regulation 30(2)
Article 30 (2) second paragraph	Proviso to regulation 30(2)
Article 30 (3)	Regulation 30(3)
Article 30 (4)	Regulation 30(4)
Article 30 (5) first paragraph	Regulation 30(5)
Article 31 (1)	Regulation 31
Article 31 (2)	Regulation 31
Article 32 (1)	Regulation 32(1)
Article 32 (2)	Regulation 32(2)
Article 32 (3)	Regulation 32(3)
Article 32 (4)	Regulation 32(4)
Article 33 (1)	Regulation 33(1)
Article 33 (2)	Proviso to regulation 33(1)
Article 33 (3)	Regulation 6(3)
Article 34 (1)	Regulation 3(4)
Article 35 (1) first paragraph	Regulation 34 (1) and the proviso to regulation 34(1)
Article 35 (1) second paragraph	Regulation 34(3)
Article 35 (1) third paragraph	Regulation 34(2)
Article 35 (2)	Proviso to regulation 34(2)
Article 35 (3)	Regulation 34(4)
Article 36 (1)	Regulation 35
Article 36 (2)	Regulation 35(2)
Article 36 (3)	Regulation 35(2)
Article 38	Regulation 6(2)
Article 39	Regulation 36
Article 41 (1)	Regulation 3(1)
Article 43 (1)	Regulation 38(1)
Article 43 (2)	Regulation 38(3)
Article 44 (1)	Regulation 37(1)
Article 44(2)	Regulation 37(1)
Article 47 first paragraph	Regulation 1(2)
Article 47 second paragraph	Proviso to regulation 39

Article 47 third paragraph	Regulation 5(a) Proviso to regulation 5(a)
ANNEX I	First Schedule
ANNEX II	Second Schedule
ANNEX III	Third Schedule

The amendments introduced in these Regulations constitute the partial transposition of Directive (EU) 2023/2225 of the European Parliament and of the Council of 18 October 2023 on credit agreements for consumers and repealing Directive 2008/48/EC. Other provisions of such Directive that are not transposed in these Regulations are or will be transposed in other legislative instruments.

Consumer Credit Intermediaries (Admission) Regulations, 2026

1. Introduction

The title of these regulations is the Consumer Credit Intermediaries (Admission) Regulations, 2026. They are to be issued under the Banking Act (Cap. 371) and the Financial Institutions Act (Cap. 376) and read in conjunction with the Banking Act (Consumer Credit) Regulations, 2026 and the Financial Institutions Act (Consumer Credit) Regulations, 2026 (hereinafter referred to as the "CCD2 regulations").

These regulations seek to transpose Article 37 of Directive (EU) 2023/2225 of the European Parliament and of the Council of 18 October 2023 on credit agreements for consumers and repealing Directive 2008/48/EC ("CCD2").

2. Summary and background

The CCD2 introduces a new obligation on competent authorities such as the MFSA, to ensure that creditors and credit intermediaries are subject to an adequate admission process, to registration and to supervision arrangements. This does not apply to creditors that are duly authorised by the MFSA as aforementioned, and therefore, in the context of these regulations, this new obligation will only apply to credit intermediaries acting on their behalf.

3. Overview of the structure of the instrument

These regulations provide for the admission and registration process as mandated by Article 37 of CCD2. Therefore, the regulations include provisions concerning the obligation of credit intermediaries to undergo an admission process with the MFSA as the designated competent authority in this regard. Further details are provided in relation to the admission process and the relevant criteria for such admission. The regulations also provide certain powers of the MFSA in relation to the admission process including the power to grant or refuse admission, the power to withdraw an admission, the power to impose certain restrictions on an admission, the power to issue Credit Intermediaries Rules, and the power to impose administrative penalties or any other administrative measure. A right of appeal is also provided for as applicable. The obligation to establish a register is also included in the regulations as well as the obligation on the credit intermediary to ensure ongoing compliance with the regulations and any other applicable regulations in relation to activity as catered for in the CCD2 regulations.

4. Commentary

The regulations generally relate to the following:

• Regulation 1 provides the citation, scope and commencement of the regulations;
• Regulation 2 provides the relevant definitions;

• Regulation 3: provides that credit intermediaries must be duly admitted by the Malta Financial Services Authority as the competent authority in order to provide credit intermediation activities in relation a consumer credit agreement as defined in regulation 2;

• Regulations 4 and 5 provide further detail on the application for admission and the right of the competent authority to grant or refuse admission;

• Regulation 6 provides that the head office and registered office must be located in Malta;

• Regulation 7 provides that the competent authority shall establish and maintain a register of credit intermediaries that have been duly admitted in accordance with the regulations;

• Regulation 8 provides the power of the competent authority to issue, amend, or revoke Credit Intermediaries Rules in relation to these regulations;

• Regulation 9 provides the obligation on the credit intermediary to ensure its ongoing compliance;

• Regulation 10 provides for the withdrawal of admission of credit intermediaries and the imposition of restrictions, as necessary;

• Regulation 11 caters for the administrative penalties, other administrative measures, and appeals.

5. Concluding sections

The regulations shall come into force on the 20th November 2026 and shall be supplemented with a revised version of the Credit Intermediaries Rules published by the MFSA.

Annex

Transposition Notes for the transposition of:

Directive (EU) 2023/2225 of the European Parliament and of the Council of 18 October 2023 on credit agreements for consumers and repealing Directive 2008/48/EC, as may be amended from time to time, and includes any binding legal instruments, guidelines and any other measures that have been or may be issued thereunder.

Directive and Article number **Directive (EU) 2023/2225**	**Transposing Regulations** Consumer Credit Intermediaries (Admission) Regulations, 2026
Article 37 (1)	Regulations 3, 4, and 7
Article 37 (2)	First proviso to regulation 3(1)

The legal provisions introduced in these Regulations constitute the partial transposition of Directive (EU) 2023/2225 of the European Parliament and of the Council of 18 October 2023 on credit agreements for consumers and repealing Directive 2008/48/EC. Other provisions of such Directive that are not transposed in these Regulations are or will be transposed in other legislative instruments.

Should more information be required, the MFSA may be contacted on +356 21441155.

N.B. These Explanatory Notes are not intended to be an exhaustive description of the instrument nor a substitute thereof or a legislative supplement to it. These Explanatory Notes do not purport to be an authoritative ruling on the interpretation of the legislation.

3rd July, 2026