



BANK ĊENTRALI TA' MALTA
EUROSISTEMA
CENTRAL BANK OF MALTA

Ms. Chiara Zilioli
Chairperson
Legal Committee
European Central Bank

October 18, 2016

Dear Chiara,

Questionnaire on assigning powers to the NCB to assess competition and issue directions to lenders with regard to interest rates (2016/101/LEGCO) – First WP

In relation to the above-captioned subject-matter, kindly find hereunder replies to the questionnaire:

1. Has your central bank been assigned with tasks relating to the protection of competition? Has it been assigned similar powers to regularly assess the state of competition? Please describe briefly the scope of those tasks, also referring to the legal basis.

No. The Central Bank of Malta (CBM) has not been assigned with these tasks.

2. Has your central bank been assigned with powers to regulate the interest rates charged by banks in respect of loans and/or the savings remuneration offered by banks in respect of deposits; and/or the application of usury laws in your respective jurisdictions? Please describe briefly the scope of those powers, also referring to the legal basis.

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No. The CBM has not been assigned with these regulatory powers. Article 1852 of the Maltese Civil Code provides the maximum interest rate which can be agreed to by the parties. However, the Interest Rate (Exemption) Regulations (Legal Notice 142 of 2009) provide those situations where the relevant provisions of the Civil Code in so far as they limit or restrict the charging and compounding of interest will not apply.

3. Has another public authority, such as the national competition or consumer protection authority, been conferred with such tasks to assess competition, or to regulate interest rates on loans or deposit rates offered by financial institutions? How do these authorities interact with the central bank and/or the prudential supervisor in carrying out such tasks? Please describe briefly the scope of those powers, also referring to the legal basis.

According to Article 4 of the Malta Competition and Consumer Affairs Authority Act (Cap. 510 of the Laws of Malta), the Malta Competition and Consumer Affairs Authority is responsible to promote and enhance competition and to safeguard consumers' interests. In terms of Part VIII of the Act, the Authority may enter into agreements for the exchange information and other forms of collaboration with public authorities.

Kind regards

[Redacted]

cc. [Redacted] – Secretary to LEGCO
LEGCO Extended Composition

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