



GOVERNMENT OF MALTA

## Government response to the Consultation on the EU Commission proposal on Covered Bonds

*13 July 2018*

*Ministry for Finance  
Maison Demandols, South Street, Valletta*

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# Executive Summary

## Introduction and overview

1. In March 2018, the Commission proposed a dedicated EU framework for covered bonds, consisting of a directive and a regulation. The proposals form part of the Capital Markets Union Action Plan and are aimed at improving the long-term finance for many EU Member States. Covered bonds are debt obligations issued by credit institutions which offer a so-called double-recourse protection to bondholders: if the issuer fails, the bondholder has a direct and preferential claim against certain earmarked assets and an ordinary claim against the issuer's remaining assets.

2. On 12 June 2018, the Ministry for Finance published a copy of the EU Commission Directive on Covered Bonds to elicit feedback from the industry operators. Currently, Malta does not have a national framework for Covered Bonds.

3. This consultation sought views on:

- *The proposed Directive and Regulation on Covered Bonds.*

## Responses to the consultation and process used to seek stakeholder views

This document is the Government Response to this consultation and sets out the Government's decisions on these matters.

4. The closing date of the public consultation. Which methods were used to receive the feedback. The total amount of responses. From whom you received the feedback.

*The consultation closed on 25 June 2018. The consultation document and the reply e-mail were available online and responses were accepted electronically and on paper. The Ministry received one response via e-mail, which turned out to be a spam e-mail.*

5. Include (if any) meetings with stakeholders and list who the stakeholders were.

*Following the poor response received following the public consultation, the Ministry is considering setting up meetings with stakeholders, specifically credit institutions.*

## Summary of responses and decisions

Not applicable.

6. Statistics.

- Total feedback received: 1
- Total feedback received by individuals: 1
- Total feedback received by organisations: X
- Total feedback received through email: X
- Total feedback received through online form: X
- Total feedback received by post: X

7. Summary of feedback received.

The feedback received was not considered admissible (spam e-mail).

8. Your assessment and the Government's decision (list the Government's decisions).

Government is still participating in the negotiations at the Council of the EU.

## Implementation

9. When you intend to implement the decisions

Negotiations at the EU-level are still ongoing.

## Contact Details

If you have any questions regarding this response, please contact: [info.mfin@gov.mt](mailto:info.mfin@gov.mt)