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Malta

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Regulatory framework

1 What are the principal governmental and regulatory policies that govern the banking sector?

In 1994, the Republic of Malta enacted a series of laws designed to turn Malta into a reputable international financial centre. To date, the government of Malta (together with the other main party in opposition) is still fully committed to this project, which has seen substantial growth over the past few years, particularly since Malta became a member state of the European Union in 2004. As a result, the policies governing the banking sector are focused on rendering the Maltese system accessible and attractive to the international markets, while maintaining a strong regulatory regime.

In addition, since Malta was left relatively unscathed by the recent financial crisis, the Maltese regulators have not been unduly distracted by these events when it comes to licensing new entities. The regulator of the banking industry in Malta is the Malta Financial Services Authority (MFSA), which is a single regulator responsible for most financial services activities undertaken in or from Malta.

Malta follows the risk-based, principles-driven basis of regulation and, generally, all laws and regulations follow the International Convergence of Capital Measurement and Capital Standards published by the Basel Committee on Banking Supervision.

2 Summarise the primary statutes and regulations that govern the banking industry.

The main statute governing the banking industry is the Banking Act (the Act). The Act caters for the licensing of banks as well as for their ongoing regulation and supervision. The Act's objective is to create a comprehensive regulatory framework for the business of banking. The 'business of banking' means the business of a person who accepts deposits of money from the public withdrawable or repayable on demand or after a fixed period or after notice or who borrows or raises money from the public (including by the issue of debt securities), in either case for the purpose of lending such money to others or investing the said sums for its own account and risk.

The activity will be caught whether the person does so as principal or as agent and if carried out as a regular feature of his business. The solicitation of deposits is likewise caught. In terms of article 5 of the Banking Act, no business of banking can be transacted in or from Malta except by a company that is in possession of a licence granted to it by the MFSA. In the event of reasonable doubt as to whether the business of banking or of accepting deposits is or is not being transacted by any person in or from Malta, the matter is to be determined conclusively by the MFSA.

The Act implements the Capital Requirement Directives of the EU and establishes the statutory requirements and obligations of credit institutions and electronic money institutions. This includes rules relating to own funds, large exposures and minimum capital requirements. The Act is supplemented by a set of 14 Banking Rules issued by the MFSA. The rules provide more detail on how the MFSA would determine certain issues and covers matters ranging from applications for a licence, to the prudential assessment of acquisitions and increase of shareholdings in credit institutions.

Other laws govern other issues that are of direct relevance to banks, such as laws relating to the prevention of money laundering and funding of terrorism and laws relating to professional secrecy.

3 Which regulatory authorities are primarily responsible for overseeing banks?

The MFSA is responsible for the oversight and regulation of banks in Malta. One should also note, however, that the Central Bank of Malta (CBM) is entrusted with maintaining price stability within the context of the European System of Central Banks and with ensuring the stability of the financial system.

4 Describe the extent to which deposits are insured by the government. Describe the extent to which the government has taken an ownership interest in the banking sector and intends to maintain, increase or decrease that interest.

The Maltese deposit guarantee scheme is established under the Depositor Compensation Scheme Regulations (Subsidiary Legislation 371.09) as amended in 2012 by means of Legal Notices 159 and 340 of 2012. These regulations transpose EC Directive 94/19/EC of the European Parliament and of the Council of 30 May 1994 on deposit guarantee schemes, as amended by Directive 2009/14/EC of the European Parliament and of the Council of 11 March 2009.

Every credit institution licensed under the Act must participate and contribute to the scheme. The scheme imposes the duty on banks to contribute a specified sum into a fund and does not as such draw on government funds. Therefore, although deposits are protected they are not technically insured directly by the government. The total amount of compensation that may be paid out to a depositor in respect of that depositor's eligible deposits is €100,000 or its equivalent in any designated currency. Designated currency excludes non-EEA currencies.

The general rule is that only persons falling within the definition of depositors may make a claim against the Depositor Compensation Scheme. A 'depositor' is defined as any person who has entrusted a deposit to a credit institution to the exclusion of persons listed in the First Schedule, which roughly replicates annex I of the European Directive.

The government retains a minimal ownership interest in the local industry having around 25 per cent shareholding in one of the local banks, Bank of Valletta. We are not aware of any plans to increase or decrease the current holding.

5 Which legal and regulatory limitations apply to transactions between a bank and its affiliates? What constitutes an 'affiliate' for this purpose? Briefly describe the range of permissible and prohibited activities for financial institutions and whether there have been any changes to how those activities are classified.

The term 'affiliate' is not found under Maltese banking law. The Banking Act, however, provides for situations of 'close links' whereby two or more persons are linked in defined ways (eg, through control).

The concept of close links enters into play immediately during the licensing process since the MFSA will issue a banking licence only if it is satisfied that there are no close links between the applicant and other persons that through any law, regulation, administrative provision or in any manner prevent the MFSA from exercising effective supervision of the applicant under the provisions of the Banking Act.

The Act provides for specific prohibited transactions as regards banks which range from the provision of particular services to certain types of acquisitions. A bank is not allowed to grant any credit facility against the security of its own shares or any other securities it issues, or any shares or any other securities of another body corporate in which it retains control.

Furthermore, a bank cannot grant credit facilities or permit credit to be outstanding (or extend other banking services) under more favourable terms and conditions than it would apply to normal customers to any body of persons (not being a bank, or the parent undertaking of the bank, a subsidiary of this parent undertaking or a subsidiary of the bank) in which it or any one or more of its directors maintains control. The same restriction applies in view of any one of the bank's directors or their spouses whether jointly or severally, as well as to any person in whom or in which the bank or any of its directors is interested as a director, partner, manager, agent or member or to any person of whom any of the bank's directors is a guarantor.

As regards acquisitions, a bank is not allowed to acquire or hold, directly or indirectly, any qualifying shareholding in any company that is not another bank, or any other company carrying out an activity that is supervised on a consolidated basis by the competent authority, the original cost value of which exceeds 15 per cent of the credit institution's own funds or its consolidated own funds. Banks are also disbarred from acquiring or holding any immoveable property or any right thereon except as may be reasonably necessary for the purpose of conducting its business or housing or providing amenities for its staff.

6 What are the principal regulatory challenges facing the banking industry?

The banking industry in Malta is subject to the continuous implementation of EU directives and other developments in international banking regulation. On a practical level, this requires that banks remain abreast of legislative changes, as failure to comply with such rules could have an impact on the retention of their credit institution licence.

In addition, some small to medium-sized Maltese banks may find the process of abiding by increased regulatory standards challenging.

The higher capital standards to be required under Basel III may also reduce profitability for banks, but this should be a worldwide phenomenon rather than merely a Maltese one.

7 How has regulation changed in response to the recent crisis in the banking industry?

The banking sector in Malta did not suffer a direct impact as a result of the recent banking crisis. This was mainly due to the reliance of local banks on traditional retail banking rather than investment banking and also because there was not much exposure to the international interbank market. There was, however, an indirect effect on the banks due to a slowdown in the country's general economy.

The regulatory authorities have turned their attention towards the exposure of the banks servicing the Maltese economy to the real estate sector. A crash in the real estate sector may hit such banks. This issue, however, does not concern the larger number of banks that do international banking business from Malta and that are not exposed to the Maltese real estate sector.

The only direct legal interventions were those necessary to implement the relevant EU directives. The regulator, while retaining an open-for-business attitude, has also adopted a more cautious approach to licensing since 2010. The MFSA in fact published a policy paper in February 2012 stating the regulator's preference for newly proposed credit institutions to have a bank of repute in its shareholding structure, management structure or both. The MFSA subsequently issued a follow-up policy paper in May 2012 relaxing this requirement in relation to applicant banks proposing a funding structure which does not have an impact on the local Depositor Compensation Scheme.

8 In what ways do you anticipate the legal and regulatory policy changing over the next few years?

Malta is not immune to the developments in international banking regulation and the recent development of the Basel III rules, and the suggested changes to the capital adequacy levels will need to be implemented by the local banks. The main quantum for change will therefore inevitably be the implementation of the new capital adequacy regimes rules. The effects of the implementation of these new rules has yet to be seen.

Regulatory policy will also increasingly become more prudent and stringent given the increased supervisory duties and warnings from the IMF to protect financial stability and safeguard against systemic risks.

Supervision

9 How are banks supervised by their regulatory authorities? How often do these examinations occur and how extensive are they?

The MFSA adopts a regime of principles-based, prudential supervision and regulation, and assesses the risk profile of a credit institution using a variety of sources including desk-based off-site analysis, on-site inspections and routine relationship management.

The MFSA may conduct its supervision on an individual basis or on a consolidated basis taking account of the operations of banking and other financial companies connected to the authorised institution.

As regards off-site supervision, the MFSA will review and evaluate credit institutions' internal capital adequacy assessments and strategies, as well as their ability to monitor and ensure their compliance with own funds' requirements, and will take supervisory action if the result of this review process is considered inadequate. This is usually done through the monitoring and analysis of data periodically submitted by the credit institutions.

On-site supervision usually occurs once every two or three years per bank (although it can be more frequent in more systemically important banks), and involves officials of the MFSA entering the premises of the institution and interacting with the bank's management and reviewing documentation of processes. The officials would carry out several supervisory reviews, including reviews of the credit risk, deposit accounts, the internal audit function, IT management and risk management. Officials would also request information on good practice.

Following the on-site inspection a report would then be drawn up and any points brought to the attention of the bank. These may be accompanied by specific deadlines where certain actions would be requested by the MFSA for the bank to comply with.

10 How do the regulatory authorities enforce banking laws and regulations?

A breach of banking laws may lead to sanctions of both a criminal and administrative nature. For lesser breaches, the MFSA may enforce rules via several options ranging from a simple warning letter to the imposition of administrative penalties imposed by the MFSA without recourse to a court hearing (subject to the right of appeal to an independent Financial Services Tribunal).

Certain actions may also amount to a criminal offence punishable with a sentence of imprisonment or a criminal fine imposed after a prosecution in the courts of Malta.

In extreme cases the MFSA may also proceed to restrict, suspend or revoke the credit institution's licence.

11 What are the most common enforcement issues and how have they been addressed by the regulators and the banks?

Some enforcement issues never reach the public domain because they are resolved immediately between the credit institution and the MFSA.

The most recent enforcement issues that have reached the public domain include:

- the suspension of the licence of two banks (and the revocation of one of the licences) following certain developments relating to each of the banks' ownership that impeded the respective bank from properly carrying out its activities;
- the imposition of an administrative penalty against a bank that temporarily breached its obligation to maintain the obligatory level of minimum own funds; and
- the imposition of an administrative penalty against a bank for breach of the Investment Services Act.

12 How has bank supervision changed in response to the recent crisis?

The MFSA has always adopted a careful approach based on prudential supervision. There has been no significant change following the recent crisis to the manner in which it carries out supervision.

Resolution

13 In what circumstances may banks be taken over by the government or regulatory authorities? How frequent is this in practice? How are the interests of the various stakeholders treated?

Article 29 of the Banking Act empowers to the MFSA, after consultation with the Central Bank of Malta, a degree of extraordinary powers to be used in instances where, inter alia:

- a bank is likely to become unable to meet its obligations or can no longer be relied upon to fulfil its obligations towards depositors and creditors;
- a bank has insufficient assets to cover its liabilities; or
- a bank has suspended payment or is about to suspend payment.

In such instances the MFSA is granted a number of powers including the right to appoint a competent person to assume control of the business of the bank and to carry on that business as the MFSA may direct.

Since the enactment of the Banking Act in 1994 there have no situations to our knowledge where these powers have been used.

14 What is the role of the bank's management and directors in the case of a bank failure? Must banks have a resolution plan or similar document?

There is no legislative requirement under the laws of Malta requiring banks to have living wills in place. As mentioned in question 13, the MFSA retains wide powers to control and guide the bank, and in such situation these powers would override those of the bank's management and directors.

15 Are managers or directors personally liable in the case of a bank failure?

In terms of article 33 of the Banking Act, every officer of a bank is responsible for ensuring compliance of a bank with the provisions of the Banking Act and of its licence or any Banking Rule or regulation issued under the Banking Act. For directors, these duties are further supplemented by the provisions of the Companies Act relating to directors' duties, primarily by the overarching duty to act always in the best interests of the bank, which includes the interests of its creditors its depositors. If directors are found to be in breach of their statutory duties, they may be found to be personally liable.

16 How has bank resolution changed in response to the recent crisis?

There has been no significant change to bank resolution following the recent crisis.

Capital requirements

17 Describe the legal and regulatory capital adequacy requirements for banks. Must banks make contingent capital arrangements?

The Banking Act establishes that a credit institution is obliged to maintain certain capital requirements to risk-weighted assets. Other than the general rule in the Act, the capital adequacy regime for credit institutions is regulated by Banking Rules issued by the MFSA.

The capital requirement criteria are usually represented by means of the capital requirements ratio. This ratio expresses own funds as a proportion of risk-weighted assets and off-balance-sheet items, together with notional risk-weighted assets in respect of operational and market risk.

The minimum level of the capital requirements ratio is 8 per cent, which must be maintained on a permanent basis. The MFSA may set a higher minimum level as a licence condition.

Furthermore, no company is granted a licence unless it has initial capital amounting to at least €5 million. In practice, the MFSA may require a higher amount of capital depending on the nature of the applicant's business and require them to provide a suitable loss-absorbing buffer for start-up operational costs.

Contingent capital arrangements are relevant in the context of a bank's own funds. Under the Banking Rules, original own funds of a bank are divided into paid-up capital, reserves and other instruments, and must be available to a bank for unrestricted and immediate use to cover risks or losses as soon as these occur. Convertible instruments are instruments that must be converted into ordinary shares within a predetermined range during emergency situations. These may be converted at the initiative of the authority, at any time, based on the financial and solvency situation of the issuer. Only instruments that cannot be redeemed in cash but can only be converted into ordinary shares are considered convertible instruments. The emergency situations are to be clearly defined within the terms of the convertible instrument, legally certain and transparent.

The MFSA does not define all the cases that should be considered as an 'emergency situation' triggering mandatory conversion. Furthermore, no contractual clause may prevent the MFSA from exercising the option to trigger the conversion.

18 How are the capital adequacy guidelines enforced?

A credit institution is obliged to notify the MFSA of its capital requirements on a quarterly basis, which must coincide with its balance sheet date.

The capital adequacy requirements must be reported on a solo basis where applicable. A credit institution that is the parent company within a group of companies must report on a solo and on a consolidated basis. The MFSA may also request reports on a solo consolidated basis irrespective of whether the reporting credit institution is itself the parent or a subsidiary within a group of companies of which it forms part. The MFSA may, however, request a credit institution to report on a solo, solo consolidated or consolidated basis at any time, subject to prior notification.

19 What happens in the event that a bank becomes undercapitalised?

The MFSA will seek to intervene at an early stage to prevent capital from falling below the minimum levels required to support the risk characteristics of a particular credit institution and will require it to take rapid remedial action if capital is not maintained or restored.

Article 17(1)(c) of the Act imposes the obligation on a credit institution to immediately notify MFSA upon that institution's own funds' requirements to risk-weighted assets and off-balance-sheet items falling below the prescribed minimum. The notification must be accompanied by the bank's representations of the circumstances leading to that position.

Undercapitalisation would also constitute a breach of the Banking Act and Rules, rendering the bank subject to the sanctions set out in question 10.

20 What are the legal and regulatory processes in the event that a bank becomes insolvent?

In the event that a licensed bank becomes insolvent, a number of laws come into play, including the Companies Act, the Banking Act, the Controlled Companies (Procedure for Liquidation) Act and the Credit Institutions (Reorganisation and Winding-Up) Regulations (Law No. 228 of 2004) transposing the provisions of Directive 2001/24/EC on the reorganisation and winding up of credit institutions.

Broadly speaking, as well as the normal rules applicable to all insolvent companies, the MFSA has a number of enforcement powers under the Banking Act, including the power to appoint a competent person to take charge of the bank's assets, to assume control of the bank's business, to appoint a liquidator, etc. In addition, the MFSA has the necessary powers to restrict, suspend or revoke the licence as may be necessary. The MFSA would be expected to play a central role in the orderly winding up of a bank or in its rescue, although several simultaneous processes are triggered in order to minimise the damage that may be caused to its creditors, the most important of whom are the depositors of the bank.

From a company law point of view, an insolvent winding up may either be a creditors' winding up or a winding up by the court. Further, the Credit Institutions Winding-Up Regulations broadly provide that it is the home state of a credit institution that will have exclusive jurisdiction to open winding-up proceedings and reorganisation measures in relation to the credit institution (and its branches set up in host states). All the winding-up proceedings are governed by the insolvency law of the home state (the lex concursus), subject to specified exceptions.

The state of insolvency of a bank also triggers the application of the Depositor Compensation Scheme. The scheme provides for the payment of compensation in respect of claims arising out of a bank's inability to repay money owed to or belonging to depositors and held on their behalf in connection with banking business.

21 Have capital adequacy guidelines changed, or are they expected to change in the near future?

Pursuant to the requirements of Directive 2010/76/EU (CRD III) a number of amendments relating to the strengthening of capital requirements were made to the consolidated version of the Capital Requirements Directive. As a result, the Authority was required to undertake amendments to a number of Banking Rules including Banking Rule 04 dealing with capital requirements of credit institutions authorised under the Banking Act 1994. This has been updated with the relevant CRD III changes and is applicable from 1 January 2011.

Ownership restrictions and implications

22 Describe the legal and regulatory limitations regarding the types of entities and individuals that may own a controlling interest in a bank. What constitutes 'control' for this purpose?

All qualifying shareholders, controllers and all persons who will effectively direct the business of the bank must be suitable persons to ensure its prudent management. All such persons (whether entities or individuals) must satisfy the 'fit and proper' test relating to solvency, integrity and competency. Rigorous due diligence is carried out by the MFSA in this regard.

Under Maltese law, qualifying shareholding in a credit institution refers to a direct or indirect holding of 10 per cent or more of the share capital or voting rights of the company. A controller is a person (whether an entity or individual) who has the power to determine in any manner the financial and operating policies of the bank, the power to appoint or remove the majority of the members of the board of directors or the power to cast the majority of votes at meetings of the board of directors.

Where the applicant is not itself a bank, it is at the MFSA's discretion whether to require an active participation by another credit institution both by way of shareholding interest in, and by way of management of, the applicant company. The exercise of this discretion by the MFSA would depend on a number of criteria, such as the composition of the board, the experience of the relevant persons and other such factors.

23 Are there any restrictions on foreign ownership of banks?

No. In fact, most of the banks licensed by the MFSA in recent years have a predominantly foreign beneficial ownership.

24 What are the legal and regulatory implications for entities that control banks?

As a general rule, Maltese law adopts the legal principle of separate legal personality and therefore the shareholders are not generally liable for acts of the bank, except in very limited circumstances. Broadly speaking, assuming there is no complicity in any criminal act, company and banking legislation do not impose specific responsibilities on controlling entities. It is reasonable to say that most responsibilities fall on the board of directors of the bank.

There are, however, some sections in the Act that apply directly to persons who control banks. For example, at the application stage of the licensing process, the MFSA may require any person, including the potential controllers of a bank, to provide any information it may need. All qualifying shareholders and controllers must also be suitable persons possessing the necessary expertise and qualification to ensure the bank's prudent management.

In exercising its powers of supervision, the MFSA may request information from a qualifying shareholder of the bank if this is desirable in the interests of depositors. Furthermore, the MFSA may enter the premises of a qualifying shareholder for the purpose of obtaining any information or documentation necessary.

Update and trends

After a substantial increase in the number of bank licences issued between 2000 and 2010, this decade has so far been characterised by a decrease in the interest in and frequency of licensing credit institutions in Malta. Rather, there is now a strong interest in obtaining licences for financial institutions to provide payment services in terms of Directive 2007/64/EC on payment services in the internal market and to provide the business of electronic money institutions in terms of Directive 2009/110/EC relating to the taking up, pursuit and prudential supervision of the business of electronic money institutions.

During investigations on the nature and conduct of banks or the ownership or control of a bank, the MFSA may also investigate the business of a person having qualifying shareholding in a bank.

25 What are the legal and regulatory duties and responsibilities of an entity or individual that controls a bank?

The Act provides the duty of notification in writing to the MFSA where a qualifying shareholder increases such qualifying shareholding in a bank, resulting in the proportion of voting rights or capital held reaching or exceeding 20, 30 or 50 per cent. This also applies in the case of a disposal of a qualifying shareholding.

The duty of notification by the qualifying shareholders is also necessary where they become aware that the bank intends to merge, undergo a reconstruction or division or increase or reduce its nominal or issued share capital or any material change in its voting rights.

Maltese company law also provides that the doctrine of separate legal personality may be lifted such that the benefit of limited liability of shareholders for the obligations of the bank will no longer apply. This lifting of the corporate veil would occur when allowed by statute or generally when the courts deem it equitable in the interests of justice. In fact, where it is shown that the shareholders have used their limited liability status to the detriment of third parties or to avoid certain legal responsibilities, then the veil may be lifted and the shareholders found liable for such breaches.

26 What are the implications for a controlling entity or individual in the event that a bank becomes insolvent?

In this scenario, the Act provides the MFSA with the power to appoint a person to wind up the company or take control of the company. This may be to the detriment of the shareholders who may lose control over the appointment of the board of the bank.

Once again, this issue must also be seen from a company law perspective, specifically the provisions relating to liquidation and winding up of a company and the possibility of attributing some liability of the company on the shareholders in the instances mentioned above.

Changes in control

27 Describe the regulatory approvals needed to acquire control of a bank. How is 'control' defined for this purpose?

A notification in writing on the proposed acquisition of shares of the bank would need to be sent to the MFSA in the situation where a person intends to acquire directly or indirectly an interest that would result in the acquirer holding 10 per cent or more of the share capital or voting rights of the company or otherwise increasing such a qualifying shareholding. Such an acquisition (as well as the corresponding disposal) must be approved by the MFSA.

Where the acquisition results in at least 5 per cent but less than 10 per cent of the share capital or voting rights of the bank, then all that is required is that the MFSA be informed and no approvals are required.

28 Are the regulatory authorities receptive to foreign acquirers? How is the regulatory process different for a foreign acquirer?

The regulatory authorities are very receptive to foreign acquirers and do not distinguish between foreign or domestic acquirers.

29 What factors are considered by the relevant regulatory authorities in an acquisition of control of a bank?

The MFSA must satisfy itself that the person acquiring the control of a bank is a 'suitable person'. This area of the law is governed by applicable EU directives.

According to Banking Rule 13, the MFSA will appraise the suitability of the proposed acquirer and the financial soundness of the proposed acquisition against all of the following criteria:

- the reputation of the proposed acquirer;
- the reputation and experience of any person who will direct the business of the credit institution as a result of the proposed acquisition;
- the financial soundness of the proposed acquirer, in particular in relation to the type of business pursued and envisaged in the credit institution in which the acquisition is proposed;
- whether the credit institution will be able to comply and continue to comply with the prudential requirements emanating from the Act and any regulations and rules made thereunder and, in particular, whether the group of which it will become a part of has a structure that makes it possible to exercise effective supervision, effectively exchange information among the authority and overseas regulatory authorities and determine the allocation of responsibilities among the authority and overseas regulatory authorities; and

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- whether there are reasonable grounds to suspect that, in connection with the proposed acquisition, money laundering or terrorist financing is being or has been committed or attempted, or that the proposed acquisition could increase the risk thereof.

If the MFSA is of the opinion that any person acquiring control of a bank is not a suitable person it may make an order requiring such a person to cease to be a controller or restraining such a person from becoming a controller.

30 Describe the required filings for an acquisition of control of a bank.

The notification would take the form of a simple letter to the MFSA containing information relevant to the transaction, indicating, among other matters, the size of the intended shareholding. For the MFSA to be able to approve any new qualifying shareholder, specific forms would need to be filed by the proposed acquirer with the MFSA.

31 What is the typical time frame for regulatory approval for both a domestic and a foreign acquirer?

The MFSA must acknowledge in writing to the proposed acquirer the receipt of the notification within two working days following receipt thereof.

Furthermore, the MFSA has a maximum of 60 working days as from the date of the written acknowledgement of receipt of the notification (and all documents required to be attached to such notification) to carry out the assessment on the basis of such information in accordance with the applicable Banking Rules.

The MFSA may request further information necessary to complete its assessment. The assessment period is interrupted between the date of request for additional information and the receipt of a response by the proposed acquirer. This period should not exceed 20 working days. The MFSA may extend the interruption period to 30 working days under certain circumstances, including where the acquirer is situated or regulated in a third country. Further requests for information must not be made later than the fiftieth working day of the assessment period.

Upon completion of the assessment period, the MFSA must issue a notice not later than the date of the expiry of the assessment period either:

- granting unconditional approval to the proposed acquisition;
- granting approval to the proposed acquisition subject to such conditions as the MFSA may deem appropriate; or
- refusing the proposed acquisition.

If the MFSA does not refuse the proposed acquisition in writing within the said assessment period, the proposed acquisition is deemed to be approved.

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