

**CENTRAL BANK OF MALTA NOTICE No 1**  
**TO INSTITUTIONS LICENSED UNDER**  
**THE BANKING ACT 1994, AND**  
**THE FINANCIAL INSTITUTIONS ACT, 1994.**

in terms of the

**CENTRAL BANK OF MALTA ACT**  
**(CAP. 204)**

**Interest Rates**

BY virtue of subsection (1) of section 38 of the Central Bank of Malta Act *Cap 204*, the Central Bank has issued the following notice with immediate effect:

1. The minimum rate of interest which credit institutions may pay on deposits, other than current accounts, denominated in Maltese lira shall be 3% per annum.
2. Credit institutions may determine and announce the interest rates payable on deposits denominated in foreign currency.
3. The maximum rate of interest that credit or financial institutions may charge on loans and advances denominated in Maltese lira shall be ten percentage points above the Central Bank's minimum discount rate.

In the case of loans and advances for one residential unit for own use, up to the first Lm15,000 the maximum rate of interest shall be one and a half percentage points above the Central Bank's minimum discount rate. The foregoing does not apply if a person disposes of his residential unit and is granted a new loan or advance in respect of a subsequent unit and three years have not yet elapsed from the final drawdown of the previous facility.

4. The maximum rate of interest that credit or financial institutions may charge on loans and advances denominated in any foreign currency in respect of any category of lending shall be ten percentage points above the prevailing London Inter-Bank Offered Rate (LIBOR).
5. The rates of interest applicable under articles 3 and 4 of this Notice shall be inclusive of any management and/or other administration fee, commission and any other cost, howsoever described, charged to a customer on a regular basis.
6. This Notice replaces Notice No 1 of 30 March 1995.

Deposits denominated  
in Maltese Lira.

Deposits denominated  
in foreign currency.

Loans and Advances denominated in Maltese Liri.

Loans and advances  
denominated in foreign currency.

Charges.

Withdrawal of previous Notice.  
**23rd November 1995**