

**CENTRAL BANK OF MALTA NOTICE No.2
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)**

Assets held outside Malta

BY virtue of section 38B of the Central Bank of Malta Act, the Central Bank has made the following notice:

1. The value in Maltese Liri of assets that a credit or a financial institution may hold outside Malta will be determined by the Central Bank with each particular institution individually taking into consideration the institution's size and activities.

2. The amount established under Article 1 of this Notice consists of working balances in foreign currencies that an institution would require for its day to day transactions and any balances for investment purposes.

3. For the purpose of this Notice, all assets denominated in foreign currency and held by an institution on its own account locally or abroad would be considered as forming part of the amount established under Article 1 of this Notice. Such assets would include deposits, securities, equity shares, offshore loans, deposits denominated in External Maltese Liri, foreign cash held and other similar assets. Credit and financial institutions are to contact the Banking Supervision Department of the Central Bank of Malta for any clarifications.

4. Credit and financial institutions are bound by the following conditions:

(i) for reporting purposes, the actual amount of assets held outside Malta converted to Maltese Liri at the end of the reporting month exchange rates cannot exceed the amount established under Article 1 of this Notice;

(ii) all capital/exchange profits and interest earned is to be repatriated or netted out against daily transactions;

(iii) securities held are to be calculated for reporting purposes at original cost clean of accrued interest.

Determination of
amount.

Working and
Investment balances.

Components.

Conditions.

5. Credit and financial institutions are to file a monthly report with the Banking Supervision Department of the Central Bank of Malta detailing the assets held outside Malta and their value.

6. This Notice replaces Notice No 2 issued on 15 November 1994. Reporting to Central Bank.

Withdrawal of previous notice.

31 January 1995