

Malta Stock Exchange Market Making Rules and Structures

Recently, the Malta Stock Exchange (MSE) presented an outline of the rules set to regulate market making activities on the local market with effect from the 1st October 2013. The presentation given by the MSE sought to provide MSE members, listed companies, representatives of the Treasury, the Central Bank of Malta and the MFSA a general overview of the market making bye-laws which the MSE is proposing to implement.

The introduction of market making activities to the securities traded on the MSE is expected to increase the liquidity of the Maltese market. The main factors affecting the liquidity of our market are the size of the market itself and the nature of investors (generally retail in nature with a tendency to buy to hold rather than for trading purposes).

The MSE requires at least two duly authorised market makers per instrument traded. Market making will be possible in relation to all instruments listed and traded on any of the MSE's markets. The market makers, who will be required to be members of the MSE and hold a category 3 license (issued in terms of the Investment Services Act for the provision of any investment service and the holding and control of clients' money or customers' assets) or equivalent authorisation issued by a EEA competent authority having its services passported in Malta, will be required to sustain a continuous bid and offer price, whilst being subject to a minimum order quantity when operating within a defined spread.

The members of the MSE were consulted prior to the approval and issue of the bye-laws which were recently presented to the wider market with a view to receiving feedback by the end of July.

If you would like additional information on the proposed Bye-Laws kindly contact:

Louis de Gabriele

Partner

E. louis.degabriele@camilleripreziosi.com

T. (356) 2123 8989

Malcolm Falzon

Partner

E. malcolm.falzon@camilleripreziosi.com

T. (356) 2567 8111

A presentation by the MSE relating to the above may be accessed by [clicking here](#).