MFSA Newsletter

August 2014

MFSA
Malta Financial Services Authority

Inside this issue:

Ms Marianne Scicluna takes up MFSA Director General post

Ms Marianne Scicluna has taken up the post as the new MFSA Director General as from August 2014, having served in the position of Designate Director General since November 2013. She takes over from Dr Andre Camilleri who retired this month.

Ms Marianne Scicluna has eighteen years of experience in the regulation and supervision of financial services. She joined MFSA in 1995 and held several senior positions within the Securities Unit. She later served as Deputy Director in the newly formed Pensions Unit and was a member of the Pensions Working Group set up by the Government. As Deputy Director of the Pensions Unit, she established and developed a new regulatory framework for retirement pension schemes.

Following a reorganisation of the MFSA in 2010, Ms Scicluna was entrusted with the creation of a new Authorisation Unit. Following Malta's accession to the European Union, she has also been involved with various working groups related to the financial sector. Ms Scicluna is professionally qualified in finance and regulation of financial services holding an Honours Degree in Banking and Finance and Management from the University of Malta and a Master degree in Financial Regulation.

Regulation a key driver in Malta fund segment

In an extensive feature carried by the August edition of the FTSE Global Markets publication, MFSA Chairman Professor Joseph Bannister looks into the recent positive developments in the asset management sector, which has stepped up as general trading conditions continued to ease and growth began its slow return in the larger European economies.

Commenting on these developments, the MFSA Chairman noted that "growth and new licences were registered across the range of the industry. The fund services infrastructure in Malta continued to build up in 2013, with the issuance of more investment services licences predominantly at Category 2 level." This means that much of the new fund and funds services activity is, in fact, in line with European AIFMD regulation.

The fund management and fund services sector in Malta continues to grow at a sustained manner, with FTSE Global Markets quoting recent data which shows that the past three years, 80% of foreign direct investment into Malta has been in financial services.

FTSE investigates the benefits of Malta as a financial jurisdiction, highlighting the greater credibility when compared to past years through the interaction of a number of trends: "The jurisdictions financial stability was tested like others during the financial crisis, but the island withstood the global financial turmoil relatively well. The conservative policies which Maltese financial institutions adopted in the running of their business, with regards to lending policies and borrowing in a traditional retail funding model, have in fact safeguarded Malta's financial stability from systemic events, adversely encountered in other economies."

Focusing on the funds sector, the report notes what it describes as a "concerted effort to encourage fund inflows, through a flexible regulatory regime which also incorporates all current EU financial regulation.

The MFSA uses both formal regulation and requirements based on a flexible and regularly expanding rulebook. The regulator works in a very open and transparent basis and all companies seeking to establish themselves in Malta must meet personally with the regulator. This proactive approach is more formally referred to as 'innovation through regulation'.

FTSE reports that the MFSA licensed 135 new Collective Investment Schemes—including sub-funds—a slight increase over the previous year. While the number of PIFs (at least last year) remained at almost the same level as in 2012, the number of new licensed UCITS funds doubled over the same period. Additionally, there were 188 non-Malta domiciled funds administered by Malta-based fund administration companies at the end of last year, a 31% increase. Retirement pension schemes were the most popular, rising by 88% in number over the year.

In the interview, Prof Bannister also highlights the substantial challenges which the jurisdiction – and the industry as a whole – will be facing in the coming months, as incoming European regulation will have important connotations. " They aim to lay the foundations for a more stable, robust and competitive finance industry", adding: "Confidence is the critical element, and fundamental to the EU's ability to remain globally competitive in financial services", explained the MFSA Chairman. FTSE also highlights the important conduct of business regulatory regime which is currently being undertaken with particular regard to the investment services sector, a review which is described by Professor Bannister as "a challenge for us all to apply the new regimes and keep an eye open for threats and opportunities that arise from implementation and revision across Europe.

The full article is available on: http://bit.ly/1y1Bywp

AIFMD offers potential for increased business to Investment Service Providers

Besides the in-depth discussion on the financial industry, which included the above interview with the MFSA Chairman, in a separate article in the same issue of FTSE Global Markets, the journal also dwells into the opportunities provided by Europe's Alternative Investment Fund Management Directive (AIFMD) which offers potential for increased business to investment services providers working in Malta.

"AIFMD rules on marketing of alternative funds offer an incentive for managers based outside Europe to consider a domicile within the EU in order to gain immediate and guaranteed access to the directive's 'passport' for distribution to sophisticated investors throughout the 27-member union."

The report notes how a number of financial services firms are setting up new sales operations overseas that are targeting asset gatherers outside of the EU, which can make use of Malta's cooperative funds regime, lower cost location and its suitability for managers starting out with resource constraints.

This article is available on: http://bit.ly/1ww1jcO

Practical Implementation of AIFMD in Malta: The MFSA's Authorisation Process

By Dr Christopher P. Buttigieg and Ms Clare Farrugia

Introduction

The Maltese legislation which implements the Alternative Investment Fund Managers Directive ('AIFMD') has been in place for over a year. This is set in the Investment Services Act ('the Act'), the legal notices issued by the Minister of Finance, and the Investment Services Rules issued by the Malta Financial Services Authority ('MFSA' or 'the Authority'), Malta's single regulator and supervisor for financial services.

All fund managers and self-managed schemes, which were licensed on or before the 22nd July 2013, were required to submit a request to the MFSA for re-authorisation by 31st March 2014. In the meantime, a number of new applicants have also requested authorisation as an AIFM.

The practical implementation of AIFMD has proven to be more challenging than originally anticipated. The processing of applications for authorisation as AIFM in an environment where there is lack of European uniformity in the interpretation of certain aspects of the regulation, such as the requirements on delegation, is one of the most significant challenges that the MFSA has faced to date in connection with AIFMD implementation.

This brief paper provides an overview of the transposition of the AIFMD in Malta and examines the procedure for the processing of applications for authorisation as an AIFM. The paper is divided into three additional sections. Section 1 provides an overview of the legislation which transposes the AIFMD. Section 2 examines the authorisation process and the resulting challenges. Section 3 sets out concluding remarks in relation to this paper.

Malta's Legislative Framework

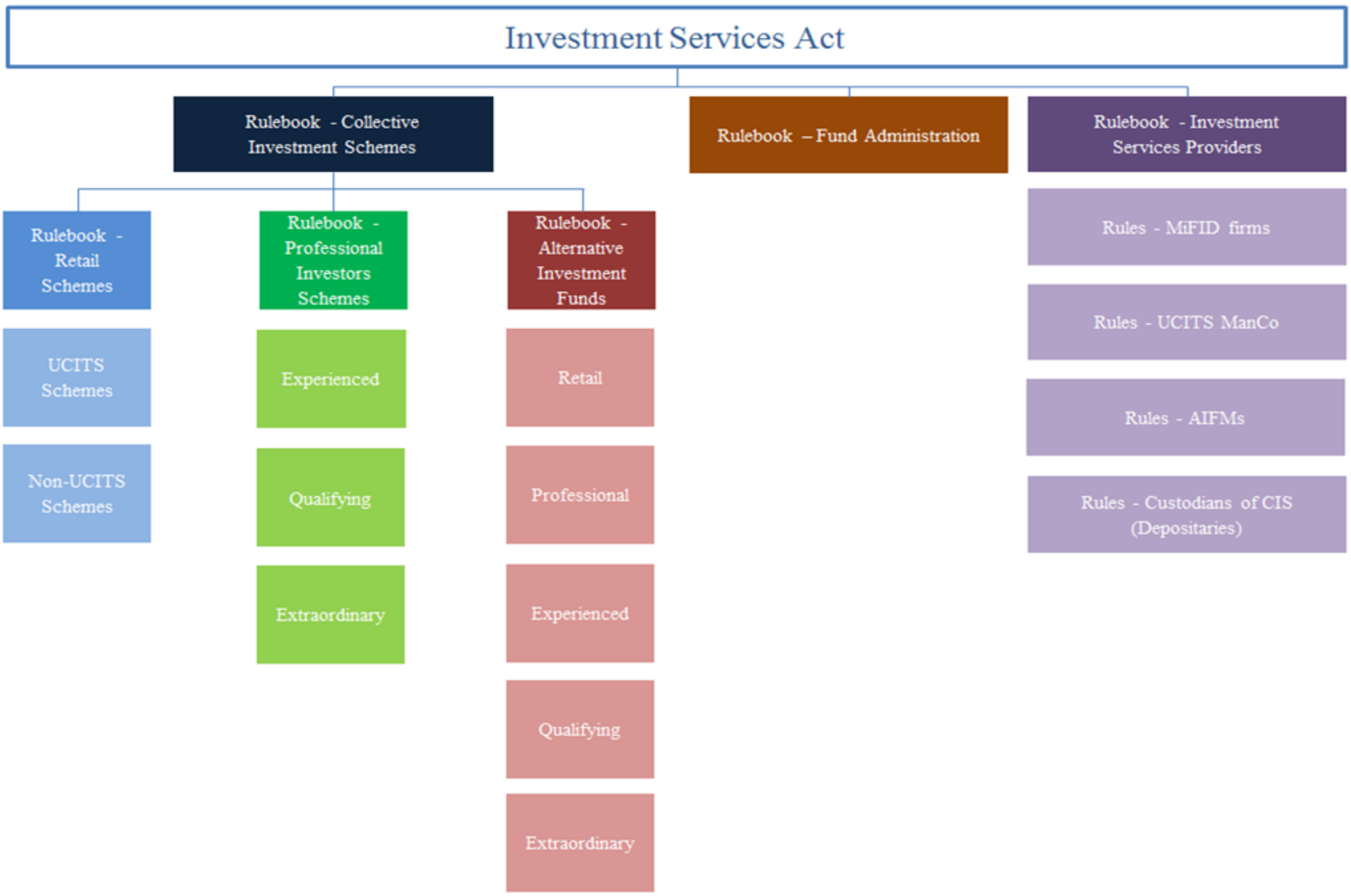
The transposition of the AIFMD in Malta required amendments to the Act, which were supplemented by the following legal notices:

- Investment Services Act (Alternative Investment Fund Manager) Regulations, which enhance the MFSA's powers qua competent authority for the purpose of the AIFMD;
- Investment Services Act (Alternative Investment Fund Manager) (Passport) Regulations, which apply to AIFM exercising passporting rights;
- Investment Services Act (Marketing of Alternative Investment Funds) Regulations, which regulate the cross-border marketing of AIFs; and
- Investment Services Act (Alternative Investment Fund Manager Third Country) Regulations, which implement the third country provisions, including the framework applicable to the national private placement regime and the choice of the Member State of reference by third country AIFMs.

In addition to the Act and the legal notices, changes were made to the MFSA's Investment Services Rules. The Investment Services Rules for Investment Services Providers, which regulate the activity of investor firms, fund managers and depositaries, was amended to implement the governance, compliance, capital, risk management, conduct of business and transparency requirements applicable to AIFM.

The Rulebook also contains specific regulation applicable to de minimis AIFM. Malta decided to regulate de minimis AIFM with a stricter regime then what is prescribed in the AIFMD. In the MFSA's view a licensing regime is preferable than mere registration for de minimis AIFM as it is in the best interest of investor protection and financial integrity that all fund managers are subject to a robust but proportionate regulatory framework. Moreover, it was deemed important that fund managers, irrespective of the size and complexity of their operations, should be subject to Malta's anti-money laundering deterrence framework. This is in line with Malta's international commitments to combat financial crime. Therefore, de minimis AIFMs are subject to regulation, authorisation and supervision in Malta.

The MFSA's Investment Services Rulebook:



During the process that led to the implementation of the AIFMD in Malta, the MFSA decided to adopt the Investment Services Rules for Alternative Investment Funds, a rule book for the establishment of AIFMD compliant funds. While on the one hand the MFSA opted to retain the existing regulatory framework applicable to professional investor funds, it decided to reinforce the framework for the regulation of the industry by establishing a rulebook which regulates self-managed funds, which in terms of the AIFMD qualify as the AIFM, and third party managed funds that are targeted for distribution as AIFs across Europe.

Authorisation Process

This section examines the procedure for the processing of applications for authorisation as an AIFM and the resulting challenges.

The MFSA may only grant a licence if it is satisfied that the applicant is fit and proper and will comply with applicable regulation. The fit and proper test seeks to ensure that an applicant is honest, competent and solvent. These characteristics are critical for the sound conduct of business of a regulated entity. The fulfilment of the test requires a comprehensive assessment of the adequacy and effectiveness of the organisational structure and internal governance of the applicant. Robust governance structures are crucial to ensure, amongst others, the level of awareness of regulation and sophistication of compliance monitoring mechanisms that are required for the sound implementation of the Directive. Robust governance does not only focus on revenue and profits but promotes a culture that recognises that the decisions made by the AIFM do not simply have an impact on profit generation but also on the legitimacy of the system in which it operates.

As part of the application review process, due diligence enquires on the key officials and significant shareholders of the applicant are carried out with previous employers, bankers and other relevant parties, so as to ensure that the management of the business of the AIFM is conducted by persons of experience and good repute. Moreover, an applicant is required to provide extensive information on the applicant's proposed structure, activities and operating conditions, including remuneration, risk management, compliance, internal audit and on the mechanisms for the management of conflicts of interest. Furthermore, the Authority requires an AIFM to indicate whether it intends to delegate any of its activities in connection with its regulated business and to provide a detailed overview of the proposed delegation structure. In this regard, sufficient local presence is required from every applicant to ensure compliance with the requirements on letter box entities set in the Directive.

The Authority's Authorisations Unit is responsible for the processing of all applications for a financial services licence, including applicants in terms of the AIFMD. This governance mechanism for financial supervision seeks to ensure a consistent and proportionate approach to the processing of applications in all financial sectors.

After reviewing the application documents, the Authorisations Unit would communicate with the applicant and may request clarifications in order to ensure proper understanding of the business proposal, particularly the operational set-up which must satisfy the strict conditions set in the Directive. Once all matters raised by the Authority are addressed and due diligence assessment is completed, the application is submitted for the consideration of the Authority's Supervisory Council, which is responsible for all decisions on regulatory and supervisory matters.

Once a licence is issued, the financial entity is allowed to operate in the local market and passport its activities to other EU member states. Hence, unless the review of the application process for a licence is thorough and robust to the extent that it identifies and manages to weed out rotten apples, regulatory concerns may arise once the financial entity becomes subject to on-going supervision. This is particularly the case where the financial entity does not have a robust compliance and prudent business culture. Therefore, to guarantee a higher level of vetting, the assessment of an application does not stop at the level of the Authorisations Unit and additional filters at higher-level also apply.

The legislative framework that establishes the MFSA demands that all applications for a licence should be considered and approved or rejected by the Authority's Supervisory Council, which is chaired by the Director General and is also composed of the Directors of the Authority's Regulatory and Supervisory Units. The Supervisory Council discusses and considers the acceptability or otherwise of the application and may request additional clarifications on the application before making a final decision. In Malta, the submission of an application is no guarantee that a licence will be granted by the Authority. Indeed, there have been a number of instances where, due to unsatisfactory outcomes resulting from the Authority's due diligence processes or inadequate proposed business models, the Authority's Supervisory Council rejected an application for a licence. Where an application is rejected, the applicant has a right of appeal from the Authority's decision at the level of the Financial Services Tribunal. This is a basic accountability mechanism which seeks to ensure that financial supervisors do not abuse the powers granted in terms of law.

Ensuring proper substance in Malta is a key element of the Authority's assessment when reviewing applications. The lack of a European convergent approach in this field has caused uncertainty over how the qualitative criteria and principles set in regulation should be interpreted and applied to AIFM delegation structures. Regulatory certainty is important for business development and to ensure that the investor protection and systemic stability objectives of the AIFMD are attained. The Authority has sought to address the uncertainty on delegation through an informal exchange of views and debate with the industry on the different delegation structures that could be applied in order to satisfy the requirements of the Directive.

This has led towards a better understanding of what is expected in terms of substance. Moreover, it also had a positive impact on the quality of applications submitted to the MFSA and the overall on-going compliance with the requirements of the Directive, thereby making practical implementation more manageable. The debate also resulted in the establishment of an MFSA policy on substance and is a good example of the Authority's pragmatic approach to resolving the challenges resulting from the implementation of the Directive.

The MFSA's approach with regards to delegation structures of AIFMs are based on the principles of delegation as set out in the

Directive. In this regard, while the Authority would be willing to exercise a degree of flexibility during the start-up phase of an AIFM, in assessing proposed structures, the Authority focuses on ensuring that an adequate degree of substance is retained by the AIFM.

When the delegation concerns portfolio management, the MFSA would ordinarily require AIFMs to satisfy delegation requirements through a well-designed and fully operational risk management function in Malta. In such scenario, AIFMs would be required to demonstrate to the Authority how such function is proportionate in view of the portfolio management activities undertaken by the AIFM. Furthermore, AIFMs would be required to explain how the effectiveness of the function will be achieved; thereby ensuring that the setting up of the function is not merely a tick-box exercise and that it covers the range of risks identified in the Directive.

In line with regulatory requirements and to further strengthen the governance and substance of AIFMs in Malta, the fund manager would also be required to identify who is responsible for the company's remuneration policy and internal audit function and must also engage a compliance officer and an anti-money laundering officer in Malta. All the critical functions must report to the board of directors of the AIFM, which has overall responsibility for the company's business.

A critical feature of a delegation structure, which is closely examined by the Authorisations Unit during the application process, is the AIFM arrangements for monitoring/control of delegated functions. An AIFM is required to state who is responsible within its set-up for supervising the delegated functions, so as to ensure that the identified individuals are competent, experienced and have the level of seniority within the organisational structure of the AIFM that allows them to challenge decisions by senior management at the level of the AIFM and also the delegate. An AIFM is also required to provide information on the extent of due diligence undertaken by it on the proposed delegates, as well on the frequency of reporting in relation to the services provided by the delegates. Furthermore, an AIFM is also required to provide a detailed explanation and evidence of the objective reasons for the delegation arrangements. The MFSA also has the discretion to assess the competency aspect of key persons involved at the delegate level. This discretion is generally exercised where the delegate is not a regulated entity.

The Authority's processes inter alia aim at ensuring that delegation structures which may have the purpose of circumventing the Directive are rejected. For example where: [a] the aim of the delegation structure appears to be that of circumventing the regulatory requirements in another Member State (regulatory arbitrage); [b] the AIFM does not have adequate oversight over the delegate; and [c] the AIFM does not have an acceptable level of local substance. Each application is of course assessed and considered on its own merits, however, such structures are considered by the MFSA as being inconsistent with the AIFM's obligation to provide objective reasons for the delegation to a third party service provider. Indeed, circumvention is not consonant with the requirement that a delegation structure is justifiable as long as it increases the efficiency of the conduct of the AIFM's business.

Conclusion

The correct implementation of the AIFMD without undermining the competitive position of the Malta fund industry was the main objective of the Malta implementation process. This paper provided a brief outline of the legislation, which transposes the AIFMD in Malta. It examined the application process for authorisation as an AIFM and the resulting challenges. The point is made that the lack of an EU harmonised approach to the interpretation of the requirements on delegation, has created uncertainty on the correct meaning and implementation of these requirements. As a consequence, the practical implementation of the AIFMD has proven to be more demanding than originally anticipated. Nonetheless, pragmatic solutions have been identified and implemented to address these difficulties.

Dr Christopher P. Buttigieg is the Director of the Securities and Markets Supervision Unit of the MFSA and a member of the Authority's Supervisory Council. He has a D.Phil. in Law Studies from the University of Sussex and is a lecturer in the Banking and Finance Department of the University of Malta.
Ms Clare Farrugia has a Banking and Finance Hons. degree from the University of Malta and is currently reading for an MSc in Finance and Financial Law at University of London. She is an analyst in the MFSA's Authorisation Unit.
The authors would like to thank Professor Joseph V. Bannister, Chairman of the MFSA and Mr Joseph Agius, Deputy Director of the MFSA's Securities and Markets Supervision Unit, for their comments and suggestions on the paper. The views expressed in the paper are solely those of the authors at the time of writing and do not engage the MFSA.

Dealing with Change - the Opportunity of Regulatory Innovation

By Angele Grech

As published in the Captive Insurance Times

We are living in a world where change has become the norm. Consumer needs change, financial products are developed and financial markets continuously evolve and innovate. As financial markets adjust, so too must regulatory systems which oversee them. Regulation must interface with innovation in a mutual and dynamic relationship in order to enhance the positive regulatory effects on innovation. This is reflective of the approach of the Malta Financial Services Authority which has been progressively developing as a single financial services regulator since before Malta joined the European Union in 2004 and adopted the Euro as a currency in 2008.

Malta's regulatory framework is known internationally to be both robust and adaptable, allowing promoters to innovate and develop new products in a stable, proactive and transparent environment. The regulatory regime is built on an internationally recognised secure and stable regulatory framework for prudential supervision, consumer protection and market surveillance. Malta's business environment is characterised by a product-driven jurisdiction, access to decision makers and a recognised ability to adapt to change. All this is underpinned by a focus on good governance, good risk management and good business practice.

The financial services sector, which represents over one tenth of Malta's economy includes more than fifty banking and payment institutions, a well-established insurance market and a thriving asset management and investment servicing industry. The capital market infrastructure has also recently been expanded by the addition of a new specialised market for debt securities – the European Wholesale Securities Market - set up as a joint venture between the Irish and Maltese Stock Exchanges. Activity in these core areas and in other business sectors such as trust management and pensions has resulted in a convergence in products and distribution systems that is fuelling further synergies and potential for growth.

The insurance market which in Malta has been regulated since 1981, is no exception. The market has evolved from 8 domestically-oriented insurance providers at the time of Malta's accession in the EU to a complement of over 60 international life and non-life insurers and reinsurers as well as an expanding captive market over the last ten years. The sector has an asset base of over Euro 10 billion and an annual premium income of close to Euro 3 billion.

Malta's insurance regulatory framework transposes EU Directives and is based on two enabling pieces of legislation – the Insurance Business Act (Chapter 403 of the laws of Malta) and the Insurance Intermediaries Act (Chapter 487 of the laws of Malta), which are separate but complimentary pieces of legislation establishing the legal and prudential framework for the regulation of insurance business and insurance intermediaries activities in Malta. The two laws are reinforced by regulations and Rules which are issued under these laws to strengthen the regulatory and supervisory process. The framework benefits from related financial services legislation and is further supported by standards and principles established by International Organisations.

In the development of its insurance sector, Malta has been dynamic and proactive in being sensitive to market needs in new landscapes through sound and innovative regulation. As regulators, we appreciate and value the importance of communication and dialogue with stakeholders and this has consistently underpinned our approach in adapting new regulation to keep pace with market developments. Throughout, we have sought to balance innovation with sound institutional development through sustainable regulation. The process is ongoing.

Over the years we have always striven to open up new areas of business while restructuring and updating traditional ones. The legislative framework specifically tailored for captives – whose legal term is affiliated insurance companies - is one such example. Captive insurance business is regulated under a set of tailor made rules that take into consideration the current state of the market and possible future developments. The framework carves out and exempts captives from certain requirements under the Insurance Business Act including reduced timeframes for the application process and reduced regulatory fees. The establishment of a regulatory regime for protected cell companies (PCC) is another milestone in the development of Malta's insurance sector. Indeed, Malta is the only full European member state to offer Protected Cell Company legislation.

The PCC model can be adopted – and is currently used by - insurance and reinsurance companies including captives, insurance brokers and insurance managers alike. Currently, there are 16 PCCs established in Malta, with more than 20 protected cells being created over recent years. Key features of PCCs include the segregation of cellular assets and liabilities from core and other cells, lower capital requirements for cells as they share capital with the core since the Minimum Guarantee Fund applies to the PCC as a whole, and secondary recourse to core capital by cell creditors in case of insolvency of the cell.

The core and its cells constitute a single legal entity and the cells do not have separate legal personality but constitute distinct and segregated patrimonies, which are ring-fenced from each other. The PCC model is a classic case of innovative regulation which provides further opportunity for insurers, even more so under the three Pillars of Solvency II once this is implemented.

Incorporated Cell Companies (ICC) build on the cellular model but unlike cells in Protected Cell Companies, cells of Incorporated Cell Companies have their own legal identity. Accordingly, each incorporated cell set up within an ICC is individually incorporated and assets and liabilities are attributed either to the cell company itself, or to a particular separate cell of the cell company. This provides the flexibility of incorporated cells being allowed to enter into binding agreements with one another and with the ICC, thereby facilitating the possibility of financial guarantees or reinsurance arrangements between cells as well as between the cells and the ICC, where the core may act as the reinsurer to the fronting cell.

The current challenging economic environment, together with the need to maximise return on capital, has recently triggered a specific market need for an innovative product in a sound regulatory environment to enable the efficient management of risk. Against this background, consultations held with various industry stakeholders, including a number of international experts in the field, led the MFSA to initiate an exercise aimed at evaluating the possibility of introducing appropriate provisions within the legal and regulatory infrastructure.

The outcome of all this was a framework for the establishment and regulation of reinsurance special purpose vehicles (RSPVs) based on the interaction between Malta's highly developed insurance legislation, the specific provisions of the Securitisation Act and EU regulatory standards. RSPVs which are a form of insurance securitisation add to the realm of opportunities that insurers and reinsurers have at their disposal to obtain access to capital resources, in a broader sense than their own shareholders' funds.

The RSPV Regulations are aligned to EIOPA's draft Solvency II advice on Level II Implementing Measures. The RSPV Regulations continue to complement and expand Malta's regulatory framework. Furthermore, the MFSA is also considering the use of protected cell companies as securitisation vehicles and is currently working on drafting legislation to cater for such structures. Malta's regulatory framework incorporates re-domiciliation legislation applicable to all types of companies including securitisation vehicles under the Continuance of Companies Regulations and offers a legal framework for domestic and cross-border securitisations under the Securitisation Act (Chapter 484 of the laws of Malta).

Furthermore, Malta offers the possibility for the listing of wholesale securities issued by the RSPV. A new regulated market, the European Wholesale Securities Market (EWSM), jointly owned by the Irish Stock Exchange and the Malta Stock Exchange, for the wholesale fixed income securities was set up, registered and domiciled in Malta in 2012. The EWSM is approved as an EU regulated market under MiFID and is a "Recognised Stock Exchange" within the meaning of the UK Income Tax Act, 2007. The regulatory requirements are available in the Guidelines for Listing and Trading on the EWSM website [www.ewsm.eu].

Regulation is complex, multifaceted and dynamic. Financial markets today are characterised by rapid innovation and an evolving business environment, together with changes in customer needs and profiles. Implementing change in this environment is challenging and the process is ongoing.

Going forward, we will continue to be proactive in further developing the financial sector bearing in mind our duty to continue to ensure that this is done in an a prudent and sustainable way. We will continue to find an appropriate balance between preserving safety and soundness of the system and allowing financial institutions and markets the flexibility to perform their intended functions through fostering sustainable business growth. This is the opportunity of regulatory innovation.

By Angele Grech

Captive Insurance Times

Angele Grech holds the post of Director at the MFSA Autorisation Unit. Ms Grech is a Certified Public Accountant, qualified from the University of Malta in Accountancy and obtained a Master of Science degree in Risk Management from Glasgow Caledonian University. She is a member of the Accountancy Board and lectures in insurance regulation at the University of Malta.

Ms Grech has over 18 years of experience in the regulation and supervision of financial services. She has represented the MFSA in various expert working groups on a local level and within the European Insurance and Occupational Pensions Authority and the International Association of Insurance Supervisors.

European Supervisory Authorities Press Releases issued during August 2014

European Securities and Markets Authority (ESMA)

01/08/2014 - ESMA Statement on Potential Risks Associated with Investing in Contingent Convertible Instruments

European Central Bank

08/08/2014 - ECB Press Release: ECB publishes Comprehensive Assessment Stress Test Manual

European Banking Authority (EBA)

20/08/2014 - EBA publishes final templates for the 2014 EU-wide stress test

01/08/2014 - The Joint Committee of the ESAs reminds financial institutions of their responsibilities when placing their own financial products with consumers

MFSA Licences - July 2014

NEW LICENCES

Collective Investment Schemes

Professional Investor Funds targeting Qualifying Investors

- Collective Investment Scheme licence issued to **Woodman Funds SICAV plc** in respect of four sub-funds.
- Collective Investment Scheme licence issued to **The Nascent Fund SICAV plc** in respect of one sub-fund.
- Collective Investment Scheme licence issued to **Himalaya SICAV plc** in respect of one sub-fund.
- Collective Investment Scheme licence issued to **Alpha Value Fund SICAV plc** in respect of one sub-fund.
- Collective Investment Scheme licence issued to **Accolade Fund SICAV plc** in respect of one sub-fund.
- Collective Investment Scheme licence issued to **Core Strategy SICAV plc** in respect of three sub-fund.

Professional Investor Funds targeting Extraordinary Investors

- Collective Investment Scheme licence issued to **LL Global Fund Series SICAV plc** in respect of one sub-fund.
- Collective Investment Scheme licence issued to **Foinavon SICAV plc** in respect of one sub-fund.

Professional Investor Funds targeting Experienced Investors

- Collective Investment Scheme licence issued to **Falcon Investment Property SICAV plc** in respect of one sub-fund.

UCITS

- Collective Investment Scheme licence issued to **Eiger SICAV plc** of two sub-funds.
- Collective Investment Scheme licence issued to **Vilhena Funds SICAV plc** of one sub-fund.

Incorporated Cells

- Collective Investment Scheme licence issued to **Nordic Global Alpha IC SICAV plc.**

Investment Services

- Category 1A licence issued to **Lutetia Capital Advisors Limited.**
- Category 2 licence issued to **Allanzia Asset Management Limited.**

AIFs'

- Category 2 licence issued to **Mirabella Malta Limited.**

Insurance

- Approval of licence issued to **RCI Life Limited** to carry on business of reinsurance in two classes of the Life classes in terms of the Insurance Business Act, 1998.

Company Service Provider

- A registration certificate issued to **Dominion Corporate Services (Malta) Limited** to act as a company service provider.

SURRENDERED LICENCES

Collective Investment Schemes

Professional Investor Funds targeting Qualifying Investors

- Surrender of licence issued to **The Nascent Fund SICAV plc** in respect of one sub-fund.

Professional Investor Funds targeting Extraordinary Investors

- Surrender of licence issued to **Futura Funds SICAV plc** in respect of one sub-fund.

UCITS

- Surrender of licence issued to **Alpstar Capital Funds SICAV plc** in respect of one sub-fund.

Non-UCITS

- Surrender of licence issued to **HSBC No Load Funds SICAV plc** in respect of one sub-fund.
- Surrender of licence issued to **Wignacourt Funds SICAV plc** in respect of one sub-fund.

Incorporated Cells

- Surrender of licence issued to **Adequation Fund IC SICAV plc.**
- Surrender of licence issued to **Absolute AKJ Fund IC SICAV plc.**

Investment Services

- Surrender of Category 2 licence issued to **COMAC Capital (Europe) Limited**.

EXTENDED AND REVISED LICENCES

Investment Services

- Revision of licence issued to **Swissquote Financial Services Malta Limited** from Category 3 to Category 4A Licence.

AIFs'

- Revision of licence issued to **Oceanwood Capital Management (Malta) Limited** to act as an Alternative Investment Fund Manager.
- Revision of licence issued to **HSBC Global Asset Management (Malta) Limited** to act as an Alternative Investment Fund Manager.
- Revision of licence issued to **Andurand Capital Management Limited** to act as an Alternative Investment Fund Manager.
- Revision of licence issued to **Multi Partners Financial Services Limited** to act as an Alternative Investment Fund Manager.

De Minimis

- Revision of licence issued to **Somerset Management (Malta) Limited** to act as De Minimis Licence Holders.
- Revision of licence issued to **Altruid Systems Limited** to act as De Minimis Licence Holders.
- Revision of licence issued to **Falcon Money Management Limited** to act as De Minimis Licence Holders.
- Revision of licence issued to **Merit Performance Concepts Limited** to act as De Minimis Licence Holders.
- Revision of licence issued to **PVE Capital Limited** to act as De Minimis Licence Holders.
- Revision of licence issued to **Global Capital Financial Management Limited** to act as De Minimis Licence Holders.
- Revision of licence issued to **Praude Asset Management Limited** to act as De Minimis Licence Holders.
- Revision of licence issued to **Exante Limited** to act as De Minimis Licence Holders.
- Revision of licence issued to **Nemea Bank plc** to act as De Minimis Licence Holders.
- Revision of licence issued to **Malta Capital Management Limited** to act as De Minimis Licence Holders.
- Revision of licence issued to **APS Bank Limited** to act as De Minimis Licence Holders.
- Revision of licence issued to **Altarius Asset Management Limited** to act as De Minimis Licence Holders.
- Revision of licence issued to **Amarillo Investment Solutions Limited** to act as De Minimis Licence Holders.
- Revision of licence issued to **Amstel Capital (Malta) Limited** to act as De Minimis Licence Holders.
- Revision of licence issued to **AUM Asset Management Limited** to act as De Minimis Licence Holders.
- Revision of licence issued to **C8 Investments Limited** to act as De Minimis Licence Holders.
- Revision of licence issued to **Integradvisory Limited** to act as De Minimis Licence Holders.
- Revision of licence issued to **LL Capital & Partners Limited** to act as De Minimis Licence Holders.
- Revision of licence issued to **Liongate Capital Management Limited** to act as De Minimis Licence Holders.
- Revision of licence issued to **Mansard Capital Management Limited** to act as De Minimis Licence Holders.
- Revision of licence issued to **ProAurum Limited** to act as De Minimis Licence Holders.
- Revision of licence issued to **Terra Partners Assets Management Limited** to act as De Minimis Licence Holders.

Registry of Companies - New Registrations - July 2014

Companies	Partnerships	Total
399	2	401

MFSA Announcements

MFSA Circulars

11/08/2014 - Circular to the financial services industry on the Alternative Investment Fund Managers Directive (‘AIFMD’)

13/08/2014 - Publication of updated Investment Services Rules to implement the provisions on diversification of collateral in ESMA’s revised Guidelines on ETFs and other UCITS

22/08/2014 - Guidance Note - Solvency Requirements in Relation to Protected Cell Companies

MFSA Notices

07/08/2014 - Public Notice - Maltese Cross Financial Services Limited

12/08/2014 - Public Notice – Maltese Cross Financial Services Limited

22/08/2014 - Public Notice – Maltese Cross Financial Services Limited

Notices issued by the MFSA can be viewed on MFSA Website / Announcements / Notices

MFSA Warnings

18/08/2014 - Finexten Transition – Finexten SICAV P.L.C.

Foreign warnings received by MFSA can be viewed on MFSA Website/ Announcements / Warnings

Forthcoming Events

18-19/09/2014 - The 4th Annual Malta Spring Fund Conference 2014

The 4th Annual Malta Fund Conference
AIFMD ONE YEAR AFTER
Implications for Funds, Managers, Service Providers
September 18th & 19th Morning, 2014 – Hilton – St. Julian's Bay – Malta

11-12/11/2014 - European Captive Forum 2014

Education Consultative Council (ECC)

Training by members of the ECC:

- Malta International Training Centre
- Malta Institute of Accountants
- Institute of Financial Services

You can keep up-to-date on our news and regulatory developments by regularly visiting our website or by subscribing to our RSS feeds.

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