

MFSA Newsletter

February 2016

MFSA

MALTA FINANCIAL SERVICES AUTHORITY

Inside this issue:

New investment fund structure

Transparency Directive

MFSA hosts UCITS V conference

Fitch - Malta's banking sector

MITC Annual Certificate Award event

**European Supervisory Authorities
Press Releases**

MFSA Circulars & Consultations

MFSA Licences

Forthcoming Events



Malta launches new investment fund structure

The Malta Financial Services Authority [MFSA] has announced the launch of a new framework applicable for notification of Alternative Investment Funds [the Notified AIFs] which will be promoted to qualifying or professional investors. The AIFs falling within the scope of the notification process shall be managed by a full-scope AIFM. The Notified AIF is not authorised or in any way approved by the MFSA.

In addition, Notified AIFs will not be subject to ongoing supervision. The MFSA shall make available and maintain updated on its website a List of Notified AIFs in good standing.

The Notified AIF can be established as any structure allowed under Maltese law and the AIFM will assume full responsibility for the Notified AIF and for the fulfilment of the obligations of the Notified AIF. EU/EEA AIFMs may submit a notification to the MFSA for an AIF to be included on the List of Notified AIFs. Third country AIFMs will be able to submit a request for notification of an AIF once the country where these have been established has been granted passporting rights pursuant to the AIFMD.

The Authority will in due course announce further details about the framework and how managers will be able to avail themselves of this new product. It will also provide templates and further documentation to assist fund managers.

The MFSA will be holding a presentation on the new framework applicable for notification of Alternative Investment Funds. The presentation will be held on Friday 1st April 2016 at 09.00hrs. Registrations are to reach the MFSA by Wednesday 30 March, by e-mail to registration@mfsa.com.mt.

Transparency Directive - Findings following examination of annual reports of local Listed Entities

The Transparency Directive (Directive 2004/109/EC or the 'TD') establishes the periodic financial information to be published by issuers whose securities are admitted to trading on a regulated market.

The TD provides that 'information requirements also require adequate control by the competent authority of the Member State' of the issuer. Regulation 1606/2002/EC paved the way for convergence of the financial reporting standards throughout the Community for issuers whose securities are admitted to trading on a regulated market and who are required to prepare consolidated accounts.

The periodic financial information covered by the TD basically relates to the annual report, the half-yearly report and the interim management statements. According to Article 24 of the TD, a single competent authority should be designated in each Member State to assume final responsibility for supervising compliance with the provisions adopted pursuant to the Directive, as well as for international cooperation.

In this regard, ESMA has issued Guidelines on enforcement of financial information under Article 16 of the Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 ('ESMA regulation') in relation to the acts referred to in Article 1(2) of the ESMA Regulation, which includes the Transparency

Directive, with a view to establish consistent, efficient and effective supervisory practices in relation to, and ensuring the common, uniform and consistent application of, such acts.

These guidelines are principles-based and i) define enforcement of financial information and its scope under the Transparency Directive; ii) set out what characteristics enforcers should possess; iii) describe selection techniques that should be followed and other aspects of enforcement methodology; iv) describe the types of enforcement actions that should be made use of by enforcers and explain how enforcement activities are coordinated within ESMA.

The Malta Financial Services Authority is the local independent authority responsible for ensuring compliance by listed companies with the International Financial Reporting Standards. The Authority's function aims to ensure investor protection and promote market confidence by contributing to improved transparency of accurate and reliable financial information, which is fundamental for investors as well as potential investors, to arrive at an informed investment decision.

In this context, the Authority has issued a Circular to assist local Listed Entities who have still not been selected by the Authority for examination of the published accounts to ensure that applicable disclosures are included in their annual financial statements.

For further information, enquirers may contact Dr. Christopher P. Buttigieg, Director Securities and Markets Supervision Unit (cbuttigieg@mfsa.com.mt), Ms Lorraine Vella, Senior Manager, Securities and Markets Supervision Unit (lvella@mfsa.com.mt), or Ms Stephanie Buhagiar Camilleri, Analyst, Securities and Markets Supervision Unit (scamilleri@mfsa.com.mt).

MFSA hosts UCITS V conference

In view of the transposition process of UCITS V, MFSA and Finance Malta organised an educational clinic on the Directive aiming to update stakeholders with recent developments on the matter.

UCITS V aims to increase the level of protection already offered to investors in UCITS and to improve investor confidence in UCITS. It aims to do so by enhancing the rules on the responsibilities of depositories and by introducing remuneration policy requirements for UCITS fund managers. UCITS V also aims to ensure that all EU regulators responsible for the supervision of UCITS funds and their managers have a common set of powers available to investigate infringements of national laws transposing the UCITS Directives and to sanction any breaches.

The UCITS V Directive was published in the Official Journal of the EU on 18 August 2014. Member States will have to implement it into national law within 18 months, that is, by 18 March 2016.

Towards the end of 2015, the MFSA had launched a Consultation Document explaining the manner in which the Authority proposes to transpose the provisions of the UCITS V Directive. Proposed amendments to legislation and Investment Services Rules were also circulated with the industry. The Authority is currently evaluating the feedback received.

The session was addressed by Dr Isabelle Agius, who discussed the Transposition of UCITS V in the Maltese Legislative and Regulatory Framework. Dr Agius explained that the transposition of UCITS V impacted primarily on the Investment Services Act, the Investment Services Act (Control of Assets) Regulations and on the Investment Services Rules.

Looking ahead to future developments, Mr Jonathan Sammut, analyst at the MFSA, addressed the participants on a number of considerations from a Regulatory Perspective.

Malta's banking sector is robust – Fitch

Credit rating agency Fitch has issued a strong endorsement of the Maltese banking industry and the financial services sector as a whole in its assessment of different aspects of the Maltese economy.

Fitch Ratings

In a detailed report published this month, Fitch explained that the Maltese banking sector is robust, despite its size. Capitalisation and liquidity ratios of systemically important core domestic banks are well above the minimum regulatory requirements, at 13.9% and 52.1%, respectively, as of June 2015, and profitability is improving.

In the broader economic context, Fitch expects the Maltese economy to continue to outperform eurozone peers, with projected average real GDP growth of 3.2% in 2016-2017, broadly in line with the 'A' median. The deficit is forecast to narrow to 1.1% of GDP in 2016 and 1% of GDP in 2017, down from an estimated 1.6% of GDP in 2015.

Fitch Ratings has affirmed Malta's rating at 'A' with Stable Outlook.

Malta International Training Centre awards certificates

The Malta International Training Centre held its annual Certificate Award event on Friday 19th February 2016.

The Director of Studies, Mr Andre Farrugia, highlighted the milestones achieved by MITC in attaining accreditation for its home grown insurance and finance qualifications. The Chairman of the Board of Directors of the Malta International Training Centre, Mr Joseph Demanuele outlined the importance of training and the opportunities available in the financial services sector while congratulating the successful students.



Attendees at the MITC Annual Certificate Award event

Guest speaker at this event, Ms Edel Cassar, CEO of the National Commission for Higher and Further Education (NCFHE) spoke on the role and functions of the NCFHE in maintaining academic standards in Malta. Ms Cassar gave an overview of how the Commission developed through the years, culminating to the newly launched referencing report which is the holy grail of mutual recognition of qualifications across Europe.

Mr Demanuele and Ms Cassar distributed Certificates and Awards to participants successfully completing courses at the Malta International Training Centre. Details on forthcoming programmes may be sought from www.mitcentre.com or by sending an enquiry on info@mitcentre.com.

The Malta International Training Centre (MITC), which is a subsidiary of the MFSa was established to support the financial services industry through the provision of technical training in, among others, Insurance, Risk Management and Financial Services.

MITC has attained excellent reputation for professional training and has acquired accreditation recognition for its insurance products by the Chartered Insurance Institute (CII) and locally, achieved level rating recognition by the Malta Qualifications Council. In fact, home-grown MITC programmes are level rated on both the National Qualifications Framework (NQF) and the European Qualifications Framework (EQF).

European Supervisory Authorities Press Releases

European Securities and Markets Authority (ESMA)



11/02/2016 - [ESMA publishes first supervisory convergence work programme](#)

European Insurance and Occupational Pensions Authority (EIOPA)



02/02/2016 - [EIOPA - Stress test 2016](#)

European Banking Authority (EBA)



11/02/2016 - [EBA expresses dissent over EU Commission proposed amendments to the MREL technical standards](#)

16/02/2016 - [EBA publishes Guidelines on cooperation agreements between deposit guarantee schemes](#)

16/02/2016 - [EBA publishes final draft ITS on the mapping of ECAs credit assessments for securitisation positions](#)

24/02/2016 - [EBA launches 2016 EU-wide stress test exercise](#)

MFSA Circulars

01/02/2016 - [Consultation Document – Draft Guidelines on the Market Abuse Regulation](#)

05/02/2016 - [Tool for Undertakings \(T4U\) Status Update](#)

26/02/2016 - [Notice to Financial Services Licence Holders – FATF identifies jurisdictions with strategic deficiencies](#)

MFSA Warnings

Foreign warnings received by MFSA can be viewed on [MFSA Website / Announcements / Warnings](#)

MFSA Licences - January 2016

NEW LICENCES

Collective Investment Schemes

Professional Investor Funds targeting Qualifying Investors

- Collective Investment Scheme licence issued to **Audentia Capital SICAV II plc** in respect of one sub-fund.
- Collective Investment Scheme licence issued to **Magiston Funds SICAV plc** in respect of one sub-fund.
- Collective Investment Scheme licence issued to **Spinoza Capital SICAV plc** in respect of one sub-fund.
- Collective Investment Scheme licences issued to **Northern Cross SICAV plc** in respect of two sub-funds.
- Collective Investment Scheme licences issued to **Infinity Capital SICAV plc** in respect of two sub-funds.

Professional Investor Funds targeting Extraordinary Investors

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

Investment Services

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

Insurance

Insurance Undertakings

- Licence issued to **Hillwood Limited** to carry on business of insurance in sixteen classes of the general business.

Cells

- Approval of **Cell A20** as a protected cell of White Rock Insurance (Europe) PCC Limited to write business of insurance and reinsurance in one class of the general business.

Trustees and Fiduciaries

- Authorisation issued to **(Gibraltar) Trustees Limited** to provide fiduciary services which do not include acting as a trustee.

Company Service Providers

- Registration certificate issued to **DGA Corporate Limited**.
- Registration certificate issued to **Directa Management Limited**.
- Registration certificate issued to **Asteria Management Limited**.
- Registration certificate issued to **CCA Interserv Limited**.
- Registration certificate issued to **Calamatta Cuschieri Funds Services Limited**.
- Registration certificate issued to **ARQ Corporate Limited**.
- Registration certificate issued to **Prospera Europe Limited**.

Securitisation Vehicles*Notified Securitisation Vehicles*

- Acknowledgement issued to **Malta IFP Finance SCC PLC**.

Cells

- Acknowledgement issued to **MIFP 2021 ZC Cell**.

SURRENDERED LICENCES**Collective Investment Schemes***Professional Investor Funds targeting Qualifying Investors*

- Surrender of licence issued to **Melita Funds SICAV plc**.
- Surrender of licence issued to **Petra Umbrella Fund SICAV plc**.
- Surrender of licence issued to **R&R Quality Funds SICAV plc**.
- Surrender of licence issued to **The Nascent Fund SICAV plc** in respect of one sub-fund.
- Surrender of licence issued to **Innocap Fund SICAV plc** in respect of one sub-fund.
- Surrender of licence issued to **DTMR Management SICAV plc** in respect of one sub-fund.

Professional Investor Funds targeting Experienced Investors

- Surrender of licences issued to **Cerro Torre SICAV plc** in respect of two sub-funds.

Incorporated Cells

- Surrender of licence issued to **Auka Tactical Trading IC SICAV plc**.

UCITS

- Surrender of license issued to **Eiger SICAV plc** in respect of one sub-fund.

Trustees and Fiduciaries

- Surrender of licence issued to **Safehaven International Limited**.

Insurance*Managers List*

- Surrender of licence issued to **Kane LPI Solutions (Malta) Limited**.

Brokers List

- Surrender of licence issued to **International Insurance Brokers Limited**.

EXTENDED AND REVISED LICENCES

Banking

Financial Institutions

- Extension of license issued to **Fexserv Financial Services Limited** to carry out lending activities, payment services as defined in the second schedule, issuing and administering other means of payment and trading for own account or for account of customers in foreign exchange.

Collective Investment Schemes

- Licence issued to **Bastion Wealth Strategies SICAV plc** was converted from Professional Investor Fund to Alternative Investment Fund.

Registry of Companies - New Registrations - January 2016

Companies	Partnerships
369	5

Forthcoming Events

February 18 - FinanceMalta - [Educational Clinic on the UCITS V Directive organised in collaboration with the MFSA](#)

February 23 - FinanceMalta - [Why Malta? Securitisation Benefits and Growth in 2016](#)

May 4 - 5 - [2016 International Financial Crime Forum](#)



Training by members of the ECC:

- [Malta International Training Centre](#)
- [Malta Institute of Accountants](#)
- [Institute of Financial Services](#)
- [Institute of Legal Studies](#)
- [Institute of Financial Services Practitioners](#)
- [Malta Institute of Management](#)
- [Castille Institute](#)
- [PricewaterhouseCoopers](#)



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



Notabile Road, Attard BKR 3000, Malta

Phone: +356 21 44 11 55; Fax: +356 21 44 11 89

www.mfsa.com.mt registry.mfsa.com.mt mymoneybox.mfsa.com.mt www.careersinfinance.mfsa.com.mt

