

MFSA support at European negotiations during Maltese Presidency

In the space of a few hours on 30 May 2017, after long months of negotiating, the Maltese Presidency of the Council of the EU achieved political agreement between the European institutions in Brussels on two financial services files that are at the core of the Capital Markets Union initiative of the EU: a review of the European Venture Capital Funds (EuVECA) and the European Social Entrepreneurship Funds (EuSEF) Regulations, and a new framework for securitisation.



This achievement followed the successful conclusion of the EU consumers support programme earlier on in the year. What these files had in common was a strong participation of MFSA staff and expertise in the Malta Presidency teams all throughout the planning, negotiating and drafting process, so as to arrive at a final legislative compromise proposal.

EUVEca/EUSEf

The EUVEca/EUSEf updating initiative is a cornerstone of the EU's programme to revive the European economy and open up sources of finance particularly to start-ups and SMEs. While EuVECA funds are intended to support young and innovative companies by investing in privately held undertakings, EuSEF funds focus on enterprises the aim of which is to achieve positive social impact. Under the reforms agreed to by the Council and Parliament, businesses with up to 499 employees will be eligible for investment by EuVECA funds in future, as will SMEs listed on SME growth markets.

Current regulations also generally prohibit asset managers from operating EuVECA funds if they already manage assets worth more than €100m. However, that threshold is set to be removed under the new rules agreed upon. In future, fund managers of any size will be able to manage EuVECA funds.

New framework for Securitisation

By minimizing risk, the new framework for Securitisation will aim to free up bank lending resources and allow for EU citizens and entrepreneurs to benefit from secure and accessible loans. Further, the carefully defined model drawn up following BCBS-IOSCO criteria for simple, transparent and standardised securitisations should provide an additional source of finance, particularly for SMEs and start-ups. It was agreed that the European Supervisory Authorities are to be entrusted with interpretation and guidance responsibilities. Institutional investors should be able to place appropriate reliance on the STS notification and the information disclosed by the originator, sponsor and SSPE on whether a securitisation meets the STS requirements. Furthermore, STS criteria should not allow synthetic securitisation.

The Regulation introduces a ban on re-securitisation, subject to certain derogations. The Regulation also stresses that securitisation instruments are generally not appropriate for retail investors within the meaning of Directive MiFID II [2014/65/EU].

What's Inside This Issue:

MFSA support at European negotiations during Maltese Presidency | Key banking themes discussed in EBI event hosted by MFSA | Note for information on changes to Chapter 14 of the Insurance Rules—Application Forms for RSPVs and RSPV SCCs | MFSA gives Feedback on Consultation | Registry of Companies launches new Website | ECB launches consultation on review of ECB Regulation on supervisory fees

Capital Requirements Regulation (CRR)

The file also included an amending act to CRR [Regulation (EU) No 575/2013] with regard to its securitisation content. For legal certainty purposes and to mitigate transitional costs, institutions will be allowed to grandfather all outstanding securitisation positions held, until 31 December 2019. Where an institution makes use of this option, outstanding securitisations should continue to be subject to the applicable provisions in Regulation (EU) No 575/2013 in the version that applied prior to the date of application of the amending act.

Consumer Support Programme

The aim of the EU consumers support programme was to establish a Union programme to financially support the involvement of consumers in EU policy-making in financial services. This was achieved through direct support by the Union budget to two financial consumer watchdogs.

Ongoing files

MFSa staff are also closely involved in a substantial ongoing file to review EU banking legislation, aiming mainly to reduce risk in the financial sector and take into account regulatory developments at international level and challenges affecting the EU economy. The wide-ranging scope of this file touches upon the Capital Requirements Regulation and Directive (CRR, CRDIV), the Bank Recovery and Resolution Directive (BRRD), and the Single Resolution Mechanism Regulation (SRM).

Final discussions to approve the amendments to the Anti-Money Laundering Directive are also under way, involving ongoing MFSa support and participation.

Key banking themes discussed in EBI event hosted by MFSa

The MFSa hosted a number of key banking officials from Malta and Europe in an event co-hosted with the European Banking Institute this June. This event, which focused on Reflections on competent authorities' measures in EU banking law was another organised under the auspices of the Malta Presidency of the EU.

The opening and closing speeches were given by Thomas Gstädtner and Enrico Leone, respectively President of the Supervisory Board and Chairman of the European Banking Institute.

The discussion covered a number of key themes affecting the banking issues including the supervisory and administrative measures under Article 65 and 66/67 CRD IV, the set of supervisory measures under CRD IV and the SSM and SRM regulations as well as their use as early intervention measures. Delegates also took part in an interesting debate on the prospects of reform for European banking regulation and supervision.

The European Banking Institute is an international centre for banking studies resulting from the joint venture of the most highly regarded European academic institutions which have decided to share and coordinate their commitments and structure their research activities in order to provide the highest quality legal and economic studies in the fields of banking regulation and supervision in Europe.

The European Banking Institute's ambition is to become the point of reference for banking regulation research in Europe and an instrument to facilitate the interactions between academia, supervisors, regulators and industry.

Additional information on the European Banking Institute, its members and governing bodies are available on www.ebi-europa.eu.



Participants at the EBI Strategy Day

Note for information on changes to Chapter 14 of the Insurance Rules -

Application Forms for RSPVs and RSPV SCCs

The MFSA has published a revised version of Chapter 14 of the Insurance Rules and its Schedules ('the Rules').

The Rules are made pursuant to the Reinsurance Special Purpose Vehicles Regulations, 2016, ("the RSPV Regulations") and the Securitisation Cell Companies Regulations 2014 ("the SCC Regulations") and determine the application process and reporting obligations applicable to reinsurance special purpose vehicles ['RSPVs'] and securitisation cell companies carrying on business as reinsurance a special purpose vehicles from their cells, ['RSPV SCCs'].

The Rules have been amended in order to:

1. introduce new application templates facilitating the application process for authorisation to operate as a RSPV or as a RSPV SCC. The Rules now include three schedules corresponding to three application forms:

- First Schedule – an application form for authorisation of a RSPV;
- Second Schedule – an application form for authorisation of a RSPV SCC;
- Third Schedule – an application form for approval of a cell of a RSPV SCC; and

2. further align them with Chapter XV of the Commission Delegated Regulation (EU) 2015/35 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II); and Commission Implementing Regulation (EU) 2015/462 which lays down implementing technical standards with regard to the procedures for supervisory approval to establish special purpose vehicles, for the cooperation and exchange of information between supervisory authorities regarding special purpose vehicles as well as to set out formats and templates for information to be reported by special purpose vehicles in accordance with Directive 2009/138/EC.

The revised Rules are available for download from the MFSA website. Any queries should be addressed to the Regulatory Development Unit by e-mail on rdu@mfsa.com.mt

MFSA gives Feedback on Consultation

The Authority has issued Feedback Statements with regards to Consultation documents which were circulated amongst the industry during the previous months.

The first Feedback Statement concerned a Consultation with the financial services industry with regards to a number of Legal Notices transposing MiFID II. The Authority sought the financial industry's comments and suggestions with regards to a number of draft Legal Notices ('LNs') intended to be issued under the Financial Markets Act ('FMA') and the Investment Services Act ('ISA').

This Consultation had followed up on two previous communications by the Authority, namely: the Circular to the financial services industry on the changes being proposed to the Financial Markets Act (FMA) as a result of the transposition of MiFID II and the implementation of MiFIR; and the Circular to the financial services industry on the changes being proposed to the Investment Services Act (ISA) as a result of the transposition of MiFID II and the implementation of MiFIR.

This Feedback Statement is [available here](#).

The second Feedback Statement was issued further to Industry responses to MFSA Consultation on the Proposed Changes to Part A and Part BI of the Investment Services Rules for Investment Services Providers.

This consultation was intended as a help for firms to decide what MiFID-related notifications and applications they

should make. It is the firms' responsibility to take the necessary action to ensure that their authorisation is appropriate and in accordance with MiFID II for the business that they plan or currently carry out.

The purpose of this consultation is to assess the industry feedback on the proposed changes before the rules are finalised and published. The consultation consisted of two main parts: 1) Consultation on changes being proposed to Part A of the Investment Services Rules for Investment Services Providers ('ISRISPs' or 'the Rules'); and 2) Consultation on changes being proposed to Part BI of the Investment Services Rules for Investment Services Providers.

The Market in Financial Instruments Directive ("MiFID"), will apply from 3 January 2018. This Directive introduces new processes for authorising investment firms and expands on the scope of regulated services and activities.

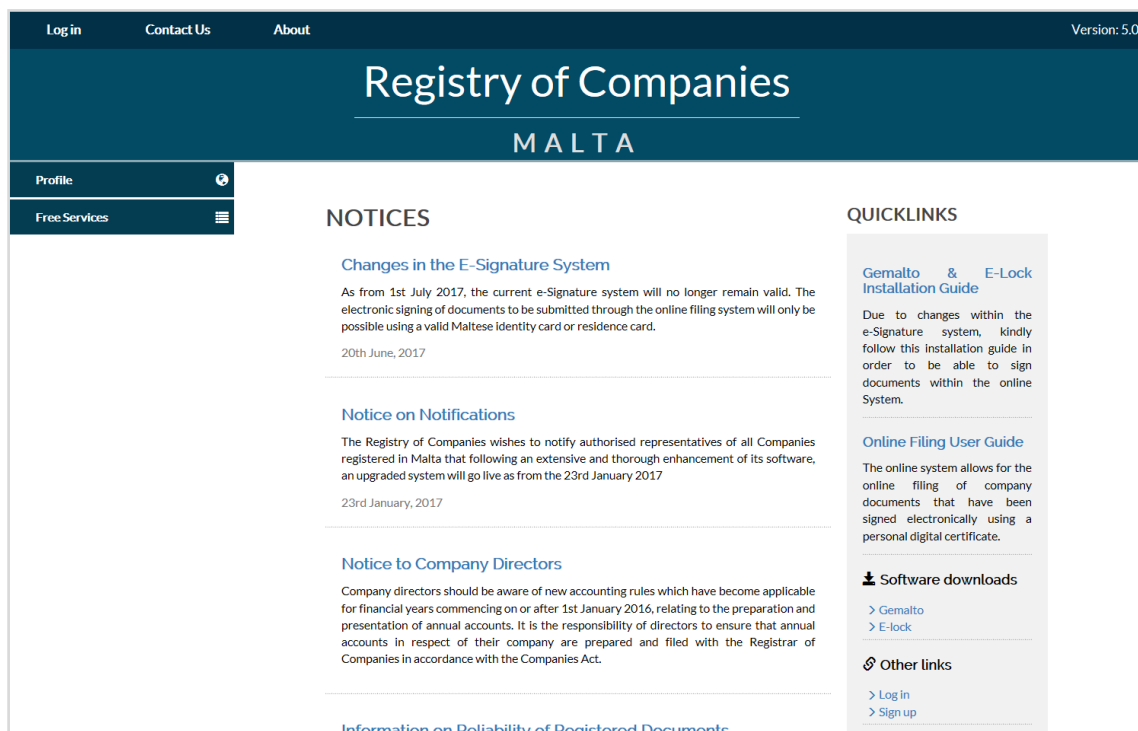
This Feedback Statement is [available here](#).

Registry of Companies launches new Website

The Registry of Companies has launched a new version of its website.

Following the upgrade, the new Registry of Companies website can be accessed as usual from <https://registry.mfsa.com.mt>

While normal users will continue to use the Website normally, authorised users need to register their new Authentication Certificate and Signing Certificate using their personal Identity Card. As communicated by the Registrar of Companies, these changes will not affect the current functionality of the system.



ECB launches consultation on review of ECB Regulation on supervisory fees



EUROPEAN CENTRAL BANK

The European Central Bank (ECB) has launched a public consultation on the review of the ECB Regulation on supervisory fees. The aim of the consultation, which is provided for under Article 17 of the Regulation, is to gather feedback from interested parties with a view to assessing possible improvements. Responses will provide the ECB with important insights for preparing, if considered appropriate, a formal update to the ECB

Regulation on supervisory fees. The review will focus on the methodology and criteria for calculating the annual supervisory fee that is levied on each supervised bank and group.

Under the EU Regulation governing the Single Supervisory Mechanism (SSM Regulation), the ECB is required to levy an annual supervisory fee on supervised entities, i.e. credit institutions established in the participating Member States and branches established in a participating Member State by a credit institution established in a non-participating Member State. The fee is to cover expenditure incurred by the ECB in relation to the tasks conferred on it under Articles 4 to 6 of the SSM Regulation. The amount of the fee levied on an individual supervised entity is to be determined in accordance with arrangements established by the ECB.

ESAs publish central contact point standards in fight against financial crime

The Joint Committee of the three European Supervisory Authorities (EBA, EIOPA and ESMA - ESAs) published today draft regulatory technical standards (RTS) to help Member States determine when payment service providers and electronic money issuers should appoint a Central Contact Point (CCP) to support the fight against money laundering and terrorist financing.

The consultation starts runs until 20 July 2017. The consultation paper and frequently asked questions are available on the ECB's banking supervision website: www.bankingsupervision.eu

ESAs publish AML/CFT guidelines

The Joint Committee of the three European Supervisory Authorities (EBA, EIOPA and ESMA - ESAs) published today its final Guidelines on anti-money laundering and countering the financing of terrorism (AML/CFT). The Guidelines promote a common understanding of the risk-based approach to AML/CFT and set out how it should be applied.

These Guidelines are part of the ESAs' wider work on fostering a consistent and effective approach to AML/CFT by both, credit and financial institutions, and AML/CFT supervisors. The Guidelines provide credit and financial institutions with the tools they need to make informed, risk-based decisions on the effective management of individual business relationships and occasional transactions for AML/CFT purposes.

MFSA Circulars

- 19/06/2017 - [Circular on Markets in Financial Instruments Regulations \('MiFIR'\) - Consultation Paper on the Trading Obligation for Derivatives under MiFIR](#)
- 28/06/2017 - [Note for information on changes to Chapter 14 of the Insurance Rules - Application Forms for RSPVs and RSPV SCCs](#)
-

Foreign Warnings

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

Consultation Feedback Statements

- 08/06/2017 - [Feedback statement issued further to Industry responses to MFSA Consultation Documents with regards to a number of Legal Notices transposing MiFID II](#)
- 09/06/2017 - [Feedback statement issued further to Industry responses to MFSA Consultation on the Proposed Changes to Part A and Part BI of the Investment Services Rules for Investment Services Providers](#)
-

European Supervisory Authorities Announcements

European Banking Authority (EBA)

- 08/06/2017 - [EBA issues 2018 EU-wide stress test methodology for discussion](#)
- 30/06/2017 - [EBA publishes 2017 consumer trends report](#)
- 30/06/2017 - [EBA publishes Report on consumer data and identifies a number of applicable requirements under EU law](#)
- 30/06/2017 - [EBA publishes its Opinion in response to the European Commission intention to amend the EBA Technical Standards for open and secure electronic payments under the PSD2](#)
-

MFSA Licences – May & June 2017

NEW LICENCES

Banking

Financial Institutions

- Financial Institution licence issued to **Payscout Limited**.

Collective Investment Schemes

Professional Investor Funds targeting Qualifying Investors

- Collective Investment Scheme licence issued to **VIP Select Funds SICAV plc** in respect of one sub-fund.
- Collective Investment Scheme licence issued to **Top Selection Fund SICAV plc** in respect of one sub-fund.
- Collective Investment Scheme licences issued to **Patrimonium SICAV plc** in respect of two sub-funds.
- Collective Investment Scheme licences issued to **Audentia Capital SICAV II plc** in respect of three sub-funds.
- Collective Investment Scheme licences issued to **Selenium SICAV plc** in respect of six sub-funds.

Notified Alternative Investment Funds targeting Qualifying Investors

- **Bergholt SICAV plc** in respect of one sub-fund included in the List of Notified AIFs in terms of Regulation 6 of the Investment Services Act (List of Notified AIFs) Regulations 2016.
- **Apollo IFINA SICAV plc** in respect of one sub-fund included in the List of Notified AIFs in terms of Regulation 6 of the Investment Services Act (List of Notified AIFs) Regulations 2016.
- **Global Series SICAV plc** in respect of two sub-funds included in the List of Notified AIFs in terms of Regulation 6 of the Investment Services Act (List of Notified AIFs) Regulations 2016.

Notified Alternative Investment Funds targeting Professional and Qualifying Investors

- **Cosmos SICAV plc** in respect of one sub-fund included in the List of Notified AIFs in terms of Regulation 6 of the Investment Services Act (List of Notified AIFs) Regulations 2016.
- Collective Investment Scheme licence issued to **Mistral KBCM Global Macro Hedge Fund IC SICAV plc**.

Recognised Incorporated Cell Companies

- Recognition Certificate issued to **Scotstone RICC Limited**.

Investment Services

- Category 2 licence issued to **Constat Asset Management Limited**.
- Category 2 licence issued to **Gala Investments Limited**.
- Category 2 licence issued to **NordHedge Asset Management Limited**.

Insurance

Insurance Undertakings

- License issued to **Munich Re PCC Limited** to carry on business of insurance in two classes of the long term business.

Cells

- Approval for **Cell Coopex** as a cell of **Highdome PCC Limited** to write business of insurance in one class of the general business.
- Approval for **Cell Savings and Investments** as a cell of Munich Re PCC Limited to write business of insurance in two classes of the long term business.

Underwriting agreement

- **Osprey Insurance Brokers Company Limited** was granted the registration of an underwriting agreement with Advent Capital Holdings (Lloyd's Syndicate 780) in two classes of the general business, in terms of article 32 of the Insurance Intermediaries Act, 2006.

Pensions

- Exemption granted to **LGT Vestra (Jersey) Ltd** to act as an Investment Manager and Custodian through Vesta Wealth (Jersey) Nominees Ltd in terms of the Retirement Pensions Act.

Securitisation Vehicles

Notified Securitisation Vehicles

- Acknowledgement issued to **Astra Securities SCC Limited**.
- Acknowledgement issued to **Astra Finance SCC Limited**.

Trustees and Fiduciaries

- Authorisation issued to **Trustmoore Malta Limited** to act as a trustee and to provide other fiduciary services including the administration of private foundations in terms of Article 43 of the Trusts and Trustees Act.
- Authorisation issued to **Kaszony Limited** to act as a trustee of a family trust in terms of Article 43B of the Trusts and Trustees Act.
- Authorisation issued to **Nadier Trustees Limited** to act as a trustee and to provide other fiduciary services including acting as administrator of private foundations in terms of Article 43 of the Trusts and Trustees Act.

Company Service Providers

- Registration certificate issued to **TMF Management and Administrative Services (Malta) Limited**.
- Registration certificate issued to **Abalone Services Limited**.

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

- Surrender of licence issued to **Swiss Investment Funds SICAV plc** in respect of one sub-fund.
- Surrender of licence issued to **Bosphorus Umbrella SICAV plc**.
- Surrender of licence issued to **General Investment Markets SICAV plc**.
- Surrender of licence issued to **W1 Fund SICAV plc**.

Professional Investor Funds targeting Experienced Investors

- Surrender of licence issued to **The Timeless US Growth Fund SICAV plc**.

Alternative Investment Funds targeting Professional Investors

- Surrender of licence issued to **RohFund Global SICAV plc** in respect of one sub-fund.

UCITS

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

Investment Services

- Cancellation of Category 2 licence issued to **Temple Asset Management Limited**.

Trustees and Fiduciaries

- Surrender of warrant issued to **Valletta Offshore Management Nominee Limited**.

Company Service Providers

- Voluntarily cancellation of the registration issued to **Hand Limited**.

Insurance*Insurance Brokers*

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

EXTENDED AND REVISED LICENCES**Collective Investment Schemes**

- Licence issued to **Cosmos Diversified Global Markets Fund SICAV plc** was converted from Professional Investor Fund to Alternative Investment Fund.

Incorporated cells

- Licence issued to **Knights of Malta Investments Funds SICAV plc** was converted into an Incorporated Cell.

Investment Services*AIFMs*

- Revision of licence issued to **Falcon Money Management Limited** to reflect the conversion of the Company from a De Minimis AIFM to a full Alternative Investment Fund Manager.

Company Service Providers

- Extension of registration issued to **Business Serving Limited** to include forming companies or other bodies corporate and arranging for another person to act as a director / secretary of a company.

Registry of Companies - New Registrations – May & June 2017

Companies	Partnerships
775	15

Forthcoming Events



Education Consultative Council

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](#)
- [Malta College of Arts, Science and Technology \(MCAST\), Institute of Business & Commerce](#)
- [The Department of Banking & Finance, Faculty of Economics, Management & Accountancy, The University of Malta](#)

Communications to be addressed to:

The Secretary, Educational Consultative Council, MFSA, Notabile Road, Attard.



A portal of financial information from the regulator about financial products and 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](#).



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