

Ms Danièle Nouy, Chair of the ECB Supervisory Board, visits MFSA

The Chair of the Supervisory Board of the European Central Bank, Ms Danièle Nouy held a number of meetings at the Malta Financial Services Authority on a two-day visit, as she met a number of officials from the Authority. Ms Nouy was in Malta as part of a regular follow-up on the implementation of the Single Supervisory Mechanism (SSM).

Ms Nouy also met with a number of officials from the Maltese banking sector.

The Supervisory Board's mandate is to plan and carry out the ECB's supervisory tasks, undertake preparatory work, and propose complete draft decisions for adoption by the ECB's Governing Council. The aim of her visit to Malta is to address MFSA staff who would be directly or indirectly involved within the wider SSM processes and procedures and to develop a sense of unity and community of interest within the SSM. This visit allowed MFSA officials to engage in an open discussion with Ms Nouy and to develop a more holistic awareness of the challenges which the Authority and the Maltese financial services jurisdiction in are facing with the recent developments taking place in the Eurozone and in the SSM.



Ms Danièle Nouy addressing MFSA officials



Ms Danièle Nouy in discussion with MFSA officials

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MFSA consults on changes to Investment Services Rules for Investment Services Providers

Member States of the European Union have until 3 July 2017 to bring their laws and regulations in line with the requirements of the Market in Financial Instruments Directive, which will apply from 3 January 2018 ("MiFID" or "The Directive"). This Directive introduces new processes for authorising investment firms and expands on the scope of regulated services and activities.

This consultation does not make any qualified amendments or rules and it is a guidance, which is purely a help for firms to decide what MiFID-related notifications and applications they should make. Moreover, this consultation is not an exhaustive document and 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 consists 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.

In particular, the following will be revised/introduced in the Rulebooks:

- New requirements imposed directly by the Directive in relation to the Management bodies of an investment firm, market operator or data reporting services provider;
- Schedule A (Application Form) will be revised to comply with the MiFID II requirements for new applicants, however the finalised form will come into force upon receipt of feedback and implementation of the Directive.
- New stricter approach to the remuneration regime.
- New category of licence for the new entities wishing to become Data Reporting Services Providers. The authorisation process will encounter the requirements introduced by the Directive (Title V article 59 and the technical standards published by the Commission).
- New rules in relation to the algorithmic trading activities.
- Amendments in relation to the Tied Agent regime in accordance with the article 29;
- An application process for the Regulated Market, MTF or OTF;

Comments and replies with respect to the above and/or the attached drafts can be sent by email on ISRConsultation@mfsa.com.mt by not later than 17 April 2017.

Involving Consumers of Financial Services in Policy-Making

Consumers are increasingly being expected to take responsibility for their own financial well-being but admittedly they face a complex marketplace. The 2007/2008 financial crises has reinforced the need to increase the active participation and involvement of consumers in the relevant decision-making processes in the financial sector. The involvement of consumers in the formulation and implementation of the regulatory regime allows regulators to access different sources of information and opinions, resulting in better outcomes.



To achieve those objectives, and following a cross-party initiative of the European Parliament, the European Commission initiated at the end of 2011 a pilot project and a subsequent preparatory action¹ aimed at providing grants to support the development of a financial expertise centre to the benefit of consumers, other end-users

and stakeholders representing their interests to enhance their capacity to participate in Union policy making in the area of financial services and to foster the development of a resilient banking system. The main policy objectives are the following: (i) to ensure that Union policy-makers, when initiating new legislation, would be provided with views other than those expressed by the financial sector professionals, (ii) ensuring that the interests of consumers and other financial services end-users would be reflected in new legislation, (iii) that the wider public is better informed about issues at stake in financial regulation, resulting in an enhancement of financial literacy, and (iv) enhancing the active participation of consumers and other financial services end-users in Union policy-making in the area of financial services, resulting in well-balanced legislation.

Following successive open calls for proposals, the Commission awarded operating grants to two non-profit organisations based in Brussels, Finance Watch and Better Finance between 2012 and 2015. The two non-profit organisations mainly conducted research work, policy analysis, advocacy and communication activities during that period. In 2015, an evaluation of the pilot project and the subsequent preparatory action was conducted in order to decide on potential further steps in this area. The evaluation concluded that the policy objectives have been generally achieved.

Despite regular efforts, both organisations did not manage to attract stable and significant funding from other donors, independent from the financial industry, and, therefore, remain heavily dependent on Union funding in order to be financially sustainable. Stopping funding would lead the organisations to reduce dramatically or even cease their activities, which would have meant that the policy objectives could no longer be achieved. It was therefore necessary to establish a Union programme for the period 2017-2020 to support the activities of Finance Watch and Better Finance, which will supplement similar policies pursued by Member States at national level. The financial envelope for the implementation of the Programme for the period from 1 May 2017 to 31 December 2020 shall be maximum EUR 6 000 000.

In order to achieve its objectives, the following activities shall be co-financed by the Programme:

- a. research activities, including production of own research and data, and development of expertise;
- b. engaging with consumers and other financial services end-users by liaising with existing consumer networks and helplines in the Member States and, in the area of financial services, in order to identify issues relevant for Union policy-making for the protection of the interests of consumers in the area of financial services;
- c. raising awareness, dissemination, financial education and training, directly or through their national members, including to a wide audience of consumers, other financial services end-users in the area of financial services, and non-experts;
- d. activities reinforcing the interactions between the members of the organisations as well as advocacy and policy advice activities fostering the positions of those members at Union level and fostering the public and general interest in financial and EU regulation.

The European Union's contribution proves essential to secure funding for Finance Watch and Better Finance, who have been properly evaluated and proved to be relevant, effective and efficient in achieving the policy objectives. Hence, the Commission has proposed a framework for a Regulation establishing a Union programme to support specific activities enhancing the involvement of consumers and other financial services end-users in Union policy making in the field of financial services for the period of 2017-2020. In order to ensure the continuity of the actions supported by Union funding that are carried out by the beneficiaries, the Regulation should enter into force on the day following that of its publication and should apply as of 1 May 2017.

By Ms. Pauline Tonna and Dr. Krista Calleja - Conduct Supervisory Unit, MFSa

¹ Preparatory actions are defined as actions in the fields of application of the European commission Treaty and the Euratom Treaty and of title VI of the TEU, designed to prepare proposals with a view to the adoption of future actions.

A tradition of making history – Malta

Malta has been described as an ideal platform for British financial firms looking for a mirror operation offering free access to the European

The Report Company

Union. This review was made in an extensive feature produced by The Report Company and published in the influential British newspaper The Guardian. The report notes how Malta is positioning itself as a friendly destination for continent-wide activities.

The report notes that from a low base of just three percent in the 1990s, the sector now contributes more than 12 percent to Malta's GDP, adding that "in what is becoming a boom in the middle of the Mediterranean, Malta already has 40 fintech firms operating from its territory thanks to its commitment to encouraging financial start-ups. As well as taking advantage of a positive regulatory environment, this fintech cluster is driven by strong ICT performance on the island and knowledgeable supporting financial services."

Despite the growth, Professor Scicluna is quoted as saying that the island nation maintains its friendly, dynamic environment in which to do business. "We stand out in that a businessperson can have an idea and immediately go to the relevant minister and discuss it. If it requires a tweaking of the legislation, we can do it in a matter of months, as we did with the insurance industry to draw up the first legislation in the whole of the European Union to create cell structures."

The report also features extensive interviews with other key stakeholders as well as an impressive photography selection highlighting the best Malta has to offer. Malta is described as an island straddling Mediterranean diversity which brings together visitors from the rest of the world. "During its EU presidency, Malta will use its charm and experience to broker deals, while its dynamic financial sector continues to grow in capacity and in the confidence that it is a player to be reckoned with."

The full report is accessible on <http://malta.the-report.com/home>

European Supervisory Authorities Announcements

European Banking Authority (EBA)

01/03/2017 - [EBA publishes results of the CRDIV-CRR/Basel III monitoring exercise as of end June 2016](#)

02/03/2017 - [EBA sees good range of options in recovery plans but areas for improvement still remain](#)

02/03/2017 - [EBA consults on specification of an economic downturn](#)

03/03/2017 - [EBA Consultation on Recommendations on the coverage of entities in a group recovery plan](#)

MFSA Circulars

03/03/2017 - [Circular on Markets in Financial Instruments Directive \('MiFID II'\) and Markets in Financial Instruments Regulations \('MiFIR'\)](#)

09/03/2017 - [Circular – Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups](#)

- 09/03/2017 - [Circular to the Market - Assessment Required Prior To Proposing Individuals for Approved Positions](#)
- 13/03/2017 - [Circular to the Financial Services Industry on Regulation \(EU\) No 909/2014 of the Central Securities Depository Regulation \('CSDR'\)](#)
- 15/03/2017 - [Circular to Enrolled Persons carrying on Insurance Intermediaries Activities who are required to submit the management accounts and the compliance statements in terms of their licensing conditions](#)
- 15/03/2017 - [Circular - Packaged Retail and Insurance-Based Investment Products \("PRIIPs"\) Regulation - Delegated Regulation on the Key Information Document \("KID"\)](#)
- 29/03/2017 - [Circular relating to EIOPA Guidelines on Facilitating an Effective Dialogue between Insurance Supervisors and Statutory Auditors](#)
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MFSA Consultation Papers & Feedback Statements

- 14/03/2017 - [Feedback Statement on Amendments to the Insurance Rules issued under the Insurance Business Act](#)
- 16/03/2017 - [Consultation on the proposed Changes to Part A and Part BI of the Investment Services Rules for Investment Services Providers](#)
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MFSA Media Releases

- 16/03/2017 - [Public Notice concerning Nemea Bank p.l.c.](#)
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MFSA Warnings

- 02/03/2017 - [Notice addressed to the general public, namely to retail investors, regarding the sale of speculative products \[Contracts for Difference; Binary Options; Forex and other speculative products\] and their associated risks](#)
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Foreign Warnings

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

MFSa Licences – February 2017

NEW LICENCES

Banking

Financial Institutions

- Financial Institution licence issued to **MoneyMatrix**.

Collective Investment Schemes

Professional Investor Funds targeting Qualifying Investors

- Collective Investment Scheme licences issued to **Audentia Capital SICAV plc** in respect of three sub-funds.
- Collective Investment Scheme licences issued to **Audentia Capital SICAV II plc** in respect of three sub-funds.
- Collective Investment Scheme licence issued to **PMG Special Funds SICAV plc** in respect of one sub-fund.
- Collective Investment Scheme licence issued to **PMG Partners SICAV plc** in respect of one sub-fund.

Professional Investor Funds targeting Experienced Investors

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

Alternative Investment Funds targeting Professional & Qualifying Investors

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

UCITS

- Collective Investment Scheme licences issued to **ARIA SICAV plc** in respect of three sub-funds.

Notified Alternative Investment Funds targeting Qualifying Investors

- **High Tech Private Equity Fund 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.

Notified Alternative Investment Funds targeting Qualifying and Professional Investors

- **Cosmos 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.

Investment Services

- Category 1A licence issued to **ELP Finance Limited**.
- Category 1B licence issued to **Wood Finance Limited**.

Company Service Providers

- Registration certificate issued to **MGI Finconsult Limited**.

- Registration certificate issued to **Fenlex Corporate Services Limited**.
- Registration certificate issued to **USA Risk Group (Malta) Limited**.
- Registration certificate issued to **CSU Corporate Services Limited**.

Securitisation Vehicles

Cells

- Acknowledgement issued to **Absolute Securitisation Cell**.

Trustees and Fiduciaries

- Authorisation issued to **Family Office Limited** to receive property under trusts and to act as a trustee or co-trustee and to provide other fiduciary services including acting as an administrator of private foundations in terms of Article 43 of the Trusts and Trustees Act.

Pensions

Back office Administrators

- Recognition certificate issued to **OFL Administrators (Malta) Limited**.

SURRENDERED LICENCES

Insurance

Insurance Agents

- Surrender of licence issued to **SMS Insurance Agency Limited**.

Collective Investment Schemes

Professional Investor Funds targeting Qualifying Investors

- Surrender of licence issued to **Rascasse Capital SICAV plc**.
- Surrender of licence issued to **TRIPS SICAV plc** in respect of one sub-fund.
- Surrender of licences issued to **Focus Funds SICAV plc** in respect of two sub-funds.
- Surrender of licence issued to **Productivity Media SICAV plc**.
- Surrender of licence issued to **Royal Fund SICAV plc**.

Professional Investor Funds targeting Experienced Investors

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

Alternative Investment Funds targeting Experienced Investors

- Surrender of licence issued to **Comino II Umbrella Fund SICAV plc**.

UCITS

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

Non-UCITS

- Surrender of licence issued to **HSBC No-Load Funds SICAV plc**.

Recognised Private Collective Investment Schemes

- Surrender of recognition issued to **Brokart Investment Unit Trust Fund**.

Incorporated cells

- Surrender of licence issued to **Bestum Universalis Fund IC SICAV plc**.

Investment Services

- Surrender of Category 2 licence issued to **Capital Asset Management Limited**.

Pensions*Retirement Scheme Administrators*

- Surrender of licence issued to **Custom House Global Fund Services Limited**.

EXTENDED AND REVISED LICENCES**Insurance***Insurance Undertakings*

- Extension of licence issued to **Rhenas Insurance Limited** to carry on business of reinsurance in one more class of the general business.

Company Service Providers

- Extension of registration issued to **Integritas Consulting Limited** to include arranging for another person to act as a director/ secretary of a company.
- Extension of registration issued to **FJV Management Limited** to include providing a registered office, a business address, correspondence or administrative address or related services for a body corporate or a partnership.

Registry of Companies - New Registrations – February 2017

Companies	Partnerships
421	6

Forthcoming Events

2017

Malta EU Council Presidency events:

<http://www.eu2017.mt/en/Events/Pages/Events.aspx>



MALTAEU2017

5-7 April - [**THE EUROFI HIGH LEVEL SEMINAR 2017**](#)

4 May - [**20th European Corporate Governance Conference**](#)

17-18 May - [**FinanceMalta 10th Annual Conference**](#)

18 May - [**AIMA - The future of EU alternative investment management**](#)

20-22 June - [**NeMa 2017 The Premier Network Management Event**](#)



The MFSa's ECC has started to give active thought to issues related to the topic of Vocational Qualifications being also considered within licensed financial services sector firms from both recruiting and internal promotion aspects. Late last year, the ECC invited Prof. Maurice Mullard to address its members about the topic and a very interesting discussion ensued.

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](#).



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