

MFSA

MALTA FINANCIAL SERVICES AUTHORITY

Circular regarding the proposed EU Directive on Alternative Investment Fund Managers

15th May, 2009

On the 29th April, 2009 the European Commission proposed a Directive on Alternative Investment Fund Managers (AIFM). The proposed Directive is considered as a fundamental part of the European Commission's response to the financial crisis.

The main aim of the proposal is that of creating a comprehensive and effective regulatory and supervisory framework for AIFM in the European Union. The proposed Directive will introduce harmonised regulatory and supervisory framework for AIFMs in the EU. For the purposes of the Directive, AIF are defined as all funds that are at present not harmonised under the UCITS Directive. The objectives of the proposed Directive are to:

[a] Ensure that all AIFM are subject to appropriate authorisation and registration requirements;

[b] Provide a framework for the enhanced monitoring of macro-prudential risks, e.g. through sharing of relevant data among supervisor;

[c] Improve risk management and organisational safeguards to mitigate micro-prudential risks;

[d] Enhance investor protection;

[e] Improve public accountability for AIF holding controlling stakes in companies;
and

[f] Develop the single market for AIFM.

The proposed Directive requires the approval of the European Parliament and Council.

The Authority is currently considering the implications of the proposed Directive on the local framework for the regulation of Non-UCITS collective investment schemes and their service providers. Local operators are encouraged to familiarise themselves with the proposed directive and to forward any comments to the Authority by mail addressed to: The Director – Securities Unit, Malta Financial Services Authority Notabile Road, Attard BKR 3000 or e-mail: su@mfsa.com.mt

A copy of the European Commission's proposal and other relevant documentation is available on the EU's web-site through the following web-link:
http://ec.europa.eu/internal_market/investment/alternative_investments_en.htm