

Securities Unit

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14th January, 2009

The Directors

By e-mail and mail

Dear Sirs,

Re: Investment Services Act (Licence and Other Fees) Regulations, 2008

On the 1st January, 2009 the regulatory fees due to the MFSA were revised. The purpose of this circular is to bring to the attention of investment services licence holders, the new regulatory fees as stipulated in the Investment Services Act (Licence and Other Fees) Regulations, 2008 (*henceforth referred to as “the Regulations”*). A copy of these Regulations is enclosed with this letter for your attention.

The Regulations stipulate the new: [a] application fees which are due to the MFSA upon submission of an application for the granting of an investment services licence; [b] licence fees payable upon issue of an investment services licence; and [c] annual supervisory fees payable by investment services licence holders. The said legal notice introduces a new methodology for the calculation of the supervisory fee applicable to category 1, 2 and 3 investment services licence holders. Given these changes, the MFSA has issued Guidance Notes on the computation of Regulatory Fees applicable to investment services licence holders.

The Guidance Notes, a copy of which is enclosed with this letter for your attention, have the purpose of providing investment services licence holders with direction on: [a] the fees and respective amounts payable by applicants for an investment services licence; [b] the fees payable upon the issue of an investment services licence; and [c] the fee calculation mechanism for the annual supervisory fees. Investment services licence holders are encouraged to consider these Guidance Notes prior to calculating the regulatory fees due to the MFSA.

The Regulations have also changed the due date of the annual supervisory fee. In terms of the Investment Services Act (Licence and Other Fees) Regulations, 2007 (*henceforth referred to as “the Old Regulations”*) investment services licence holders were required to pay their supervisory fee annually, upon the anniversary of the date when the licence was granted. On the other hand, the Regulations require investment services licence holders to pay their supervisory fee annually, upon the submission of their annual audited financial statements. In order to avoid the double payment of supervisory fees for the year 2009, the MFSA authorises investment services licence

holders to deduct, from the amount due to the MFSA for the year 2009 as calculated in terms of the Regulations, the amount paid in advance for 2009 during the year 2008. This amount has been calculated by the Authority and in your case it amounts to € ____ . Please ensure that this figure is **deducted** from the supervisory fee due to the MFSA in 2009 as calculated in terms of the Regulations and due for submission with the next annual audited financial statements.

Lastly, please note that the Regulations repeal the Old Regulations.

Should you have any queries with respect to the above, please do not hesitate to contact us by sending a query to the following e-mail address su@mfsa.com.mt.

Yours sincerely,

Cristina Parlato Trigona
Director

Encls.