

MFSA

MALTA FINANCIAL SERVICES AUTHORITY

PUBLIC NOTICE

Regulatory Action against Ariadne Capital Malta Limited

On 11 May 2018, the Malta Financial Services Authority (“MFSA” or “the Authority”) has suspended the licence of Ariadne Capital Malta Limited (“ACML”) with immediate effect in terms of the powers granted to it under Article 7(2) (a) (b) and (e) of the Investment Services Act.

The Company was found to be in breach of the Standard Licence Conditions of Part BIII of the Investment Services Rules for Investment Services Providers (“the Rules”), as set out hereunder:

Standard Licence Condition	Breach
SLC 1.14 of Part BIII of the Rules	ACML failed to cooperate with the MFSA in an open manner and to supply the MFSA with the requested information and documentation.
SLC 1.16 of Part BIII of the Rules	ACML was not effectively directed and managed by at least two individuals in line with the ‘dual control’ principle.
SLC 1.17(e) of Part BIII of the Rules	ACML did not notify the MFSA of the departure of Directors and senior officials.
SLC 1.27 and 1.28 of Part BIII of the Rules	ACML failed to establish and maintain a compliance function and was also without an appointed of Compliance Officer since 03 January 2018.
SLC 2.01 of Part BIII of the Rules	ACML does not have adequate and appropriate human and technical resources to manage Alternative Investor Funds.
SLC 2.04 of Part BIII of the Rules	ACML was without a permanent, functionally and hierarchically separate risk management function since 05 February 2016.
SLC 11.13 of Part BIII of the Rules	The Compliance Function of a NAIF under the management ACML, namely Ariadne Capital ECO2 VC Limited Partnership was the responsibility of ACML as its AIFM. The Compliance Officer position remained vacant since 03 January 2018 as the Compliance Officer of ACML resigned from the

	position.
SLC 11.26 of Part BIII of the Rules	Following the resignation of the MLRO of ACML with effect from 02 November 2017, the position of MLRO of the NAIF under its management, which was appointed in view of ACML's role as AIFM, remained vacant.

ACML was also not acting in line with the Terms of Reference of the Investment Committee adopted on 15 November 2017. The Investment Committee has not been properly constituted following the resignation of a number of members of the Investment Committee. The Investment Committee is consequently unable to function properly due to the inability to attain a quorum.

This notice is being published in terms of the powers vested in the Authority under Article 16(8) of the Malta Financial Services Authority Act. The MFSA's decision may be appealed before the Financial Services Tribunal within thirty (30) days from the date of the MFSA's communication.

Communications Unit
Malta Financial Services Authority
MFSA Ref: 43-2018
11 May 2018