

11th July 2019

Circular to provide an update on the proposed Temporary Permission Regime ('TPR') for UK Investment Funds, Asset Managers and Investment Firms passporting into Malta in relation to a No- Deal Brexit Scenario

The aim of this circular is to update UK licensed Investment Funds, Asset Managers, and Investment Firms (hereinafter referred to as 'UK Entities') passporting into Malta in relation to a No-Deal Brexit Scenario, and is a continuation of the circular issued on 28 March 2019.

The Authority is in the process of preparing legislation so that UK Entities would be able to avail themselves of the TPR only if all of the following conditions are satisfied:

- i. There is a no-deal Brexit;
- ii. The UK Entity would have already obtained a European right to provide services in Malta on a cross-border basis prior to the no-deal Brexit date.
- iii. The UK Entity would only be servicing those contracts with clients that were featuring on the UK entities' respective books until 30 September 2019. Therefore, UK entities availing themselves of the TPR, would not be allowed to offer their services to new investors/clients after such date; and

The intention is for the temporary permission granted under the TPR shall remain valid in Malta until 31 March 2020. In the interim, UK Entities shall continue with the fulfilment of existing contracts with Maltese clients until 31 March 2020, or alternatively proceed with one of the following options:

- (i) terminate existing contracts in an orderly manner; and/or
- (ii) obtain the necessary authorisation until 31 March 2020; and/or
- (iii) proceed with the assignment of the existing contracts to a duly authorised entity.

Upon expiration of the 31 March 2020 deadline, and therefore as of 1 April 2020, UK Entities passporting into Malta shall be treated as third country firms.

The abovementioned entities should also be aware that they might be affected by possible legislative changes arising at EU Level. In such cases, the MFSA would inform the industry accordingly.

Even though the pertinent legislation is not in force, UK entities that intend to avail themselves of the TPR, when and if the legislation is enacted, are required to fill in, execute and submit the attached [TPR Notification form](#) at the earliest possible time and in any case by not later than three weeks from the no-deal Brexit date.