MFSA Newsletter

December 2014

MFSA
Malta Financial Services Authority

Inside this issue:

A Year of Change at the MFSA

Professor Joe V. Bannister

In spite of the global economic crisis, the country's financial services industry has continued to expand and to be instrumental in the economic development of our country, to job creation, and to the building of a competitive infrastructure for the Island's financial services industry.

During the past year the MFSA, following the introduction of the Single Supervisory Mechanism under the ECB, has been working on the introduction of legislation and practice wide ranging initiatives at EU level which underpin a stronger focus on good customer outcomes in investment services, insurance and banking.

The current international emphasis on prudential regulation, that seeks to promote stable and fair markets, is a principle which also drives consumer confidence and fosters positive financial outcomes for consumers. However a new emphasis on conduct of business has been the initiative taken by the G20 in February 2011 which called on the OECD and other international institutions to develop common principles on consumer protection in the field of financial services.

The creation of a separate conduct regulator in the UK, USA and other jurisdictions reflects this new prioritisation for conduct of business in financial services. The MFSA will also embark during 2015 on a major internal restructuring exercise to reflect these international priorities. A number of reforms will be carried out in order to enhance the protection of consumers where these are disadvantaged in transactions with financial service providers. These will include: a] an enhanced institutional framework; b] an improved regulatory framework and c] a strengthened enforcement regime.

The MFSA is currently preparing legislative proposals for the adoption of a conduct of business regime and the revised MFSA Act will also establish a more defined enforcement process and an internal audit function as required under the ECB to enhance the systematic evaluation of MFSA's governance processes, internal controls and risk management.

The proposed legislative changes together with the set of rules for enforcement and conduct of business rules will be published for consultation in 2015. The proposed changes will be supported by the setting up of the Financial Services Arbiter. The MFSA has made recommendations to Government for the setting-up of this Office will be a specialized, single and independent dispute-resolution authority.

The MFSA also faces the challenge to continue making Malta attractive for international finance. The Authority has been reviewing insurance legislation for sometime as part of its efforts to introduce innovation within the existing EU legislation. Specific legislation for re-domiciliation of insurance companies followed by the Protected Cell Company legislation and more recently as part of the drive to introduce Capital Markets activity, legislation for Re-insurance Special Purpose Vehicles was introduced. However, this latest introduction - the Securitisation Cell Company legislation allows Securitization Vehicles to set up cell structures.

This is a unique type legislation not available in any other jurisdiction as it allows a single cell to issue separate tranches, to transact in different currencies and keep accounts in the currency of choice. The Securitization Cell Company is also applicable for all types of securitization transactions.

Various other pieces of legislation and rules are expected to be published during 2015. Regulations regarding a revised Companies Act Tenth Schedule for the establishment of investment funds as Limited Partnerships are expected in the new year as also the Rules for Personal and Occupational Pensions under the Retirement Pensions Act. These Rules aim to further enhance the development of the international pensions sector.

Publication of the Securitisation Cell Companies Regulations

The Securitisation Cell Companies Regulations 2014 [SCC Regulations] were published in the Government Gazette on the 28th November 2014, and are now in force.

These Regulations provide a statutory framework for the segregation of different sets of assets, tailored for the launch of multiple securitisation transactions or activities of reinsurance special purpose vehicles without incurring any risk of cross-contamination between the different sets of creditors and investors.

These Regulations were issued following a consultation period between the 4th and the 24th September 2014. The SCC Regulations, as well as the related consultation document and feedback statement are accessible on the MFSA website. The Authority is currently in the process of issuing an information flyer intended to assist any persons interested in incorporating a securitisation cell company. Any queries regarding the above stated Regulations may be directed to Dr. Emaliese Lofaro via email on elofaro@mfsa.com.mt.

IMF highlights stability of the Maltese financial services jurisdiction

The stability and strength of the Maltese financial services jurisdiction was confirmed this month following the International Monetary Fund (IMF)'s annual Article IV report on Malta.

The IMF reported that Malta continues to host a relatively large financial sector without exposing itself to excessive risk, and most importantly, solvency and liquidity of banks remain comfortably above regulatory requirements. It notes that the recent deleveraging of some international banks had minimal impact on the economy.

The Fund also refers to the recent results of the ECB's comprehensive assessment which confirmed the ability of the largest banks to withstand shocks without capital shortfalls. The comprehensive assessment consisted of two components, namely an asset quality review (AQR) on the basis of a methodology designed and published by the ECB, and a stress test following a methodology designed and published by the EBA. The comprehensive assessment identified no capital shortfalls, both in the baseline and adverse scenarios.

Moreover, the IMF notes that the amendments to the regulations (BR09) enacted in 2013 introduced additional provisioning requirements for nonperforming loans (NPLs). It also highlights the fact that Joint Financial Stability Board has enhanced inter-agency cooperation on financial stability. In this context, design of the macro-prudential framework is ongoing. The Fund described the transfer of supervisory responsibilities of the largest banks from the MFSA to the SSM as smooth.

In its recommendations, the Fund refers to the need for the swift implementation of the action plans resulting from the ECB's comprehensive assessment. The ongoing work applying the same standards across the rest of the banking sector is considered as welcome. The Fund also calls on the MFSA and the FIAU to continue to aim for high standards in the AML framework.

Looking at the wider economic context, the IMF noted that Malta continues to weather the global crisis well. Real GDP growth has been one of the highest in the euro area since the crisis and remains solid into 2014. The external position has stayed strong, and unemployment is close to historical lows and among the lowest in the euro area.

Future prospects are also described as positive, with the Fund projecting continued good real GDP growth in 2015-16, driven by domestic demand. The main drivers are ongoing investment projects and strong private consumption, the latter underpinned by rising wages and employment.

2014 EIOPA Stress Test

The European Insurance and Occupational Pensions Authority (EIOPA) has published the results of the 2014 EIOPA Stress Test Exercise. The exercise was conducted by EIOPA in conjunction with the national competent authorities responsible for insurance supervision in these Member States.

The purpose of the 2014 Stress Test Exercise was to develop criteria for the identification and measurement of systemic risk and an adequate stress testing regime which includes an evaluation of the potential for systemic risk that may be posed by financial institutions to increase in situations of stress.

This stress testing regime shall help to identify those financial institutions that may pose a systemic risk. These stresses were calibrated with the consultation of the European Systemic Risk Board (ESRB).

Participation in the exercise was sufficiently representative to be able to draw inferences of a systemic nature.

The exercise has two elements involving two different samples:

a) A Core Stress module which focused on groups results covering asset price stresses, a set of insurance specific stresses and a qualitative assessment of entities responses to stress; and

b) A Low Yield module entirely run at individual level focusing specifically on the impact of low interest rates as a follow-up to the EIOPA Opinion on the supervisory response to a prolonged period of low interest rates published in 2012.

General Questions about the Stress Test

What are the objectives of the exercise?

The main objectives of the exercise are:

- To explore overall resilience of the insurance sector;
- To identify its major vulnerabilities;
- To reveal areas that require further supervisory focus (especially in relation with the upcoming Solvency II regime); and
- To follow-up on EIOPA’s Opinion on Supervisory Response to the Prolonged Low Interest Rate Environment.

How many companies and groups participated in the exercise?

A total of 167 entities, 60 insurance groups and 107 individual undertakings, representing 55% of Gross Written Premium at the EU level participated in the Core Module. The core module sample includes 29 members of the so-called “Top-30” group which involves the largest and internationally more active European insurance groups.

A total of 225 undertakings representing 60% of Gross Technical provisions at the EU level participated in the Low Yield Module.

With regards to the Maltese participation, 9 individual undertakings participated in the Core Module; of which 4 individual undertakings also participated in the Low Yield Module.

Will Member States release the national results of the stress test?

It was decided by EIOPA that the stress test results of the individual participants should not be disclosed under any circumstances. The primary reason is to avoid giving misleading information to the market, since the Solvency II specification utilised for the test was not the final specification that will be implemented in 2016.

While it is possible to draw broad conclusions from the exercise, the fact remains that firms are still preparing for Solvency II and have not yet full adjusted their balance sheets to the new regime.

As outlined at the launch of the exercise, the objective is to examine the resilience of the insurance sector as a whole and to identify its vulnerabilities.

The exercise does not set out to define capital levels for firms.

What are the differences in vulnerabilities banks and insurers are exposed to?

A key vulnerability of the European insurance sector is the so-called 'double hit'. Insurers are large investors in government and corporate bonds, equity and real estate. Insurers are therefore particularly vulnerable to the risk of an abrupt fall in global asset prices, as a result of a reassessment of risk premia, and an aggravation of sovereign debt crisis. In addition insurers are vulnerable to prolonged low risk free interest rate levels. Low risk free yields increase the value of their long-term liabilities and compress margins between guaranteed returns in life policies and matching long-term low risk investments. Hence insurers face risks at both their assets and their liabilities side of the balance sheet. These risks are fully captured by the two proposed financial market scenarios.

How many firms failed the test and how big is the capital shortfall?

The aim of this exercise was to assess participant's resilience and vulnerabilities to the stress scenarios imposed as part of the exercise and was not a pass/fail exercise.

A by-product of the exercise is an evaluation of where entities stand in terms of the SCR using the end-2013 balance sheet and the technical specifications available at the launch of the exercise. This gives an indication of firms' positioning but is not precise in that some firms will utilize internal models and a greater proportion may utilize Long Term Guarantee (LTG) / Transitional measures. Consequently, it is not fully correct to put a number on any sort of capital shortfall. A rough estimate of the total capital shortfall of all the European participants of the exercise would be in the region of €3 billion.

How did the Maltese participants fare in the stress test?

The solvency ratios pre-stress for the Maltese participants are above 100%. In view that as part of the stress test technical specifications, the recalculation of the SCR post-stress was optional, the solvency ratio post-stress for the Core Module Stress Test and the Low Yield Module do not provide a clear indication of the solvency position of the participants.

The aim of the stress test was to assess the participant's resilience to the stress scenarios imposed and was not a pass/fail exercise. In this regard if the calculations resulted in a solvency ratio less than 100%, no supervisory action would be taken. However, in instances where the post-stress calculations resulted in a solvency ratio of less than 100%, the MFSA is closely monitoring these undertakings.

<u>Questions about the Core Module Stress Test</u>

What does the Core Module Stress Test consist of?

The core-module is a stress test with focus on financial resilience, which is based on market stress-scenarios and on single-factor-insurance stresses. It consists of:

1. Baseline/pre-stress scenario – a starting point (a pre-stress) evaluation of the companies' balance sheets, available assets and liabilities, eligible own funds and Solvency Capital Requirements cover. This evaluation was based on the balance sheet values as at 31st December 2013.

2. Core Adverse market scenario 1 (CA1) according to which the EU equity market as a whole is assumed to be the source of distress

3. Core Adverse market scenario 2 (CA2) according to which the non-financial corporate bond market is assumed to be the source of distress

Both CA1 and CA2 contain the following shocks: equity, sovereigns and corporate bonds shocks; real estate assets prices' and interest rates stresses

4. Separately to the CA1 and CA2, 15 single factor insurance stress test scenarios were applied. These factors include: 5 pre-defined and 2 to-be defined-by-participants Natural Catastrophes scenarios; 2 non-life stresses, 4 life stresses (2 longevity and 2 mortality shocks) as well as 2 mass lapse events i.e. when a massive number of clients refuses to renew their policies in the same time, which in its turn negatively impacts insurance balance sheets.

What are the key findings of the Core Module Stress Test?

1. Under the most severe "double hit" stress scenario:

- 56% companies would have a sufficient level of capital, compared to 78% in the less severe scenario tested
- Overall available assets would decrease by 42%

2. The insurance sector is more vulnerable to a "double hit" (i.e. asset values decrease and lower risk free rate) scenario
3. Insurance specific stresses show vulnerability to mass lapse, longevity, natural catastrophe and provision deficiency

How will EIOPA use the results of the Core Module Stress Test?

EIOPA will use the results of the exercise for its participation in the colleges of supervisors in order to assess a group's risk profile and vulnerabilities, as benchmarked against the stress test samples. EIOPA will also use the overall stress test results for its participation in the ESRB and other relevant bodies where systemic risks are considered and discussed.

<u>Questions about the Low Yield Module</u>

Why does the EU Stress Test 2014 include the Low Yield Module?

This module was designed to follow up on EIOPA's Opinion on Supervisory Response to a Prolonged Low Interest Rate Environment published on 28 February 2013. The aim was to develop a framework for the quantitative assessment of the scope and scale of the risks posed by a prolonged low interest rate environment.

What are the main findings of the Low Yield Module?

1. Low yield environment has most impact on:

- Countries with a significant mismatch in duration and returns between assets and liabilities (i.e. liabilities are "longer" than assets and/or guarantee rates are above the return rates of assets)
- Life insurance business with long-term guarantees

2. 24% of the total European undertakings would not meet the SCR under the "Japanese-like" scenario, while 20% of total undertakings would not meet the threshold in the "Inverse" scenario.

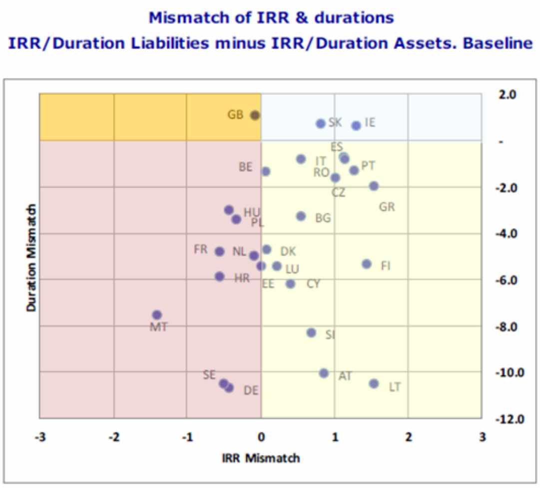
3. A continuation of current low yield conditions could see some undertakings exposed to this risk having problems in meeting promises to policyholders in 8- 11 years.

Which Member States are more vulnerable to the low interest rate environment and which are less?

Those countries plotted in the left-lower quadrant are exposed to a low yield scenario characterised by constrained interest rates. Most of the countries with a material business providing long-term guarantees have fallen in that quadrant.

The further from the central point of the XY-axes the higher mismatch of IRR, durations or both of them.

The mismatch of Internal Rate of Return (IRR) and durations for Malta does not imply that there are any particular solvency concerns for the Maltese participants.



Why are the individual results of the Low Yield Module not available?

In order to avoid unintended financial stability consequences the results of the Low Yield Module are presented in EIOPA report at a country level and it is up to the NSAs to complete the national analysis but respecting the consensus of not disclosing individual firm results for the reasons already explained as part of the above.

Rules applicable to Trustees acting for Family Trusts

By Dr. Petra Camilleri

The amendments to the Trusts and Trustees Act, which were brought into force by Act XI of 2014 on 25th April 2014, introduced the concept of family trusts in Article 43B of the said Act. Family trusts are trusts created to hold property settled by the settlor for the present and future needs of family members or family dependants who are definite and can be ascertained. Trustee companies which satisfy the requirements set out in Article 43B are not required to obtain authorisation, although they are subject to a registration requirement. The amendments also included an amendment to Article 52, empowering the Authority to issue rules to regulate trustees which are subject to a registration procedure in terms of Article 43B.

On 25th November 2014, in terms of Article 52, the MFSA issued for consultation draft rules applicable to trustees acting for family trusts as defined in Article 43B. On the same date, during a conference entitled 'The 4th Annual Malta Wealth Management Forum – Malta Family Law & Family Wealth' organised by ESAFON, Dr. Michelle Mizzi Buontempo gave a presentation on 'The Legal and Regulatory considerations relating to the Introduction of Family Offices in the Trusts and Trustees Act'. In her presentation, Dr. Mizzi Buontempo provided a brief background relating to the rationale leading up to the introduction of the concept of family trusts and also announced the way forward in relation to the regulatory approach to be adopted for companies acting as trustees for such trusts. In this respect Dr. Mizzi Buontempo referred to some of the matters which have been regulated by means of the draft rules, namely the definition of 'family members' and 'family dependants', the registration procedure and the relevant conditions, the composition of the board of directors, the requirement of a 'qualified director' and the duties incumbent on such director, as well as reporting obligations and co-operation with regulatory authorities.

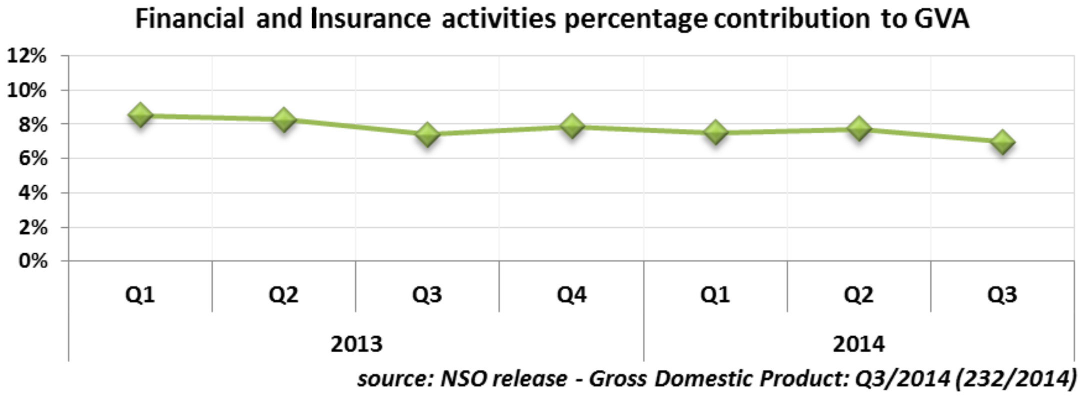
The consultation period on these draft rules ended on 23 December 2014 and the Authority is currently in the process of reviewing the feedback received. The relative consultation document and draft rules are available for download from the MFSA website.

Financial and Insurance activities contribution to Gross Value Added

Malta's economy continued to expand throughout 2014 registering provisional Gross Domestic Product (GDP) of EUR 2,097.8 million during the third quarter. This reflects a 5.3 per cent growth over the same quarter of the previous year. In real terms, GDP grew by 3.8 per cent over the period under review.

Growth in Gross Value Added (GVA), comparing the third quarter of 2014 from that of the previous year, was mainly generated by increases in wholesale and retail trade, repair of motor vehicles and motorcycles, transportation and storage, accommodation and food service activities; and also from professional, scientific and technical activities, administrative and support service activities.

Financial and insurance activities registered a provisional GVA estimate of EUR 126 million during the third quarter of 2014. The sector's contribution to total GVA reflects a 0.4 percentage point drop from that recorded during the same quarter of the previous year. Up until the third quarter of 2014 direct financial intermediation activities' contributed 7.4 per cent to total GVA.



ESRB: Call for papers on Systemic Risk

The Advisory Scientific Committee of the European Systemic Risk Board (ESRB) has issued a call for papers in relation to "The Ieke van den Burg Prize for Research on Systemic Risk".

The invitation for the submission of papers on topics falling within the ESRB's mission is open to eligible researchers as specified in the terms of the Call. The deadline for applications is 15 February 2015. The details of the call for papers are published on the ESRB's website: http://www.esrb.europa.eu/home/html/index.en.html.

Industry Updates

Industry Update on the new Market Abuse Regulation 'MAR' and Market Abuse Directive 'MAD'

MAR and MAD provide for a common regulatory framework in the European Union on insider dealing, unlawful disclosure of inside information and market manipulation (market abuse). They will both apply from the **3rd July, 2016.**

MAD establishes a minimum standard of criminal sanctions. This Directive, which can be accessed through this link, must be transposed by Member States by the **3rd July, 2016**. MAR provides for the substantive law which prohibits market abuse and stipulates transparency requirements applicable to listed companies and investment firms, and can be accessed through this link.

The European Securities and Markets Authority 'ESMA' was requested to draft technical standards and technical advice on buy-back programmes and stabilisation measures, market sounding, accepted market practices, suspicious transaction and order reporting, technical means for public disclosure of inside information and delays, insider list, managers' transactions: format and template for notification and disclosure and investment recommendations.

On the 11th July, 2014, ESMA published a Consultation Paper on Draft Technical Standards on the Market Abuse Regulation link, and another Consultation Paper on Draft Technical Advice on Possible Delegated Acts concerning the Market Abuse Regulation link.

ESMA organised an Open Hearing on the 8th October, 2014 and intends to issue additional information on the MAR/MAD in the coming months. Further information is available through the following link.

For further information, kindly contact: **Mr Edward Grech**, Analyst, Securities and Markets Supervision Unit (egrech@mfsa.com.mt) or **Dr Ilona Schembri**, Analyst, Securities and Markets Supervision Unit (ischembri@mfsa.com.mt).

Money Market Funds Regulation

On 27 November 2014, the Presidency of the Council of the European Union issued a second compromise proposal (16185/14) relating to the proposed Regulation on MMFs to delegations (the 'Regulation').

The European Parliament's Committee on Economic and Monetary Affairs is due to consider the draft report in December 2014 and January 2015 and the final text of the Regulation is expected to be issued by the first half of 2015.

MMFs are important sources of short-term financing for financial institutions, corporates and governments in Europe. The proposed regulation will rely on the existing authorisation procedures harmonised by the UCITS Directive as well as the AIFM Directive.

Fund Managers will continue to be regulated by either the UCITS or AIFM Directive but collective investment schemes falling under the scope of this Regulation will have to comply with this additional layer of specific MMF product rules, which are intended to safeguard the integrity and robustness of the internal market whilst reducing systemic risk.

The changes in the proposed Regulation inter alia include: [i] a revised classification of eligible assets including the use of securitisations; [ii] the introduction of minimum liquidity and diversification requirements (10% in daily maturing assets, 20% in weekly maturing assets; [iii] an obligation to maintain a “know your client” policy; [iv] change in the valuation of MMFs assets; and [v] the prohibition of sponsor support unless approved by the appropriate National Competent Authority in exceptional circumstances.

For further information, kindly contact Mr Ian Meli, Analyst, Securities and Markets Supervision Unit (imeli@mfsa.com.mt).

ESMA’s Advice to the Commission on Level II Measures

UCITS V which amends the existing UCITS IV regime aims at harmonising the requirements: (i) applicable to depositaries; (ii) on remuneration policies applicable to management companies; and (iii) on sanctions for breaches of UCITS regulation.

On 3 July 2014 ESMA received a provisional request from the European Commission for technical advice on the content of two of the delegated acts on depositaries required by UCITS V dealing with the insolvency protection of UCITS assets when delegating safekeeping and the independence requirement (between the management company or investment company and the depositary). ESMA published a consultation paper on 26 September setting out the draft technical advice on those delegated acts. That consultation closed on 24 October.

On 28 November 2014 ESMA issued its final advice on the delegated acts as follows.

<u>Advice on the insolvency protection of UCITS assets when delegating safekeeping</u>

UCITS V provides that when the custody functions are delegated by the depositary to a third party, such a third party shall take “all necessary steps to ensure that in the event of insolvency of the third party, assets of a UCITS held by the third party in custody are unavailable for distribution among or realisation for the benefit of creditors of the third party”. The European Commission will adopt delegated acts specifying the steps to be taken by the third party pursuant to these provisions. This section of the advice proposes measures, arrangements and tasks for the third party to which custody is delegated as well as measures to be put in place by the depositary.

<u>Advice on the independence requirement</u>

UCITS V also states that “In carrying out their respective functions, the management company [and the investment company] and the depositary shall act […] independently and solely in the interest of the UCITS and the investors of the UCITS”. The European Commission will adopt delegated acts specifying the conditions for fulfilling this independence requirement. This section of the advice identifies two types of link between the management company/investment company and the depositary (namely (a) common management/supervision and (b) cross-shareholdings between these entities) which may jeopardise their independence and recommends measures to address the risks that may arise.

ESMA is cooperating closely with the European Commission in view of the transformation of the technical advice into formal delegated acts. The final advice may be accessed from the ESMA website through the following link.

For further information on the UCITS V Directive, kindly contact Mr Jonathan Sammut jsammut@mfsa.com.mt.

European Supervisory Authorities Press Releases issued during December 2014

European Securities and Markets Authority (ESMA)

23/12/2014 - ESMA publishes credit rating agencies' market share calculations for 2014

22/12/2014 - ESMA provides implementing rules for MiFID II

12/12/2014 - ESMA reviews supervisory practices on MiFID investor information

02/12/2014 - ESMA consults on AIFMD asset segregation requirements

European Banking Authority

22/12/2014 - ESAs tackle cross-selling practices in the financial sector

22/12/2014 - EBA to strengthen security of internet payments in the EU

15/12/2014 - EBA publishes a consultation paper on draft Guidelines on arrears and foreclosure under the Mortgage Credit Directive (MCD)

European Insurance and Occupational Pensions Authority (EIOPA)

22/12/2014 - EIOPA consults on the Solvency II equivalence of Bermuda, Japan and Switzerland

04/12/2014 - EIOPA delivers a Common Application Package for Internal Models

03/12/2014 - EIOPA launches Public Consultation on the Solvency II Standards and Guidelines

03/12/2014 - EIOPA publishes the outcome of the Public Consultation related to the first set of the Draft Guidelines for Solvency II

03/12/2014 - EIOPA Publishes its Third Consumer Trends Report

01/12/2014 - EIOPA Issues Sound Principles For Crisis Prevention, Management And Resolution

MFSA Licences - November 2014

NEW LICENCES

Insurance

- Licence issued to **QIC Europe Limited** to carry on business of insurance in nine classes of the general business.

Collective Investment Schemes

Professional Investor Funds targeting Qualifying Investors

- Collective Investment Scheme licence issued to **Lagonda Fund SICAV plc** in respect of one sub-fund.
- Collective Investment Scheme licences issued to **Audentia Capital SICAV plc** in respect of four sub-funds.
- Collective Investment Scheme licences issued to **Woodman Funds SICAV plc** in respect of two sub-funds.

Alternative Investor Funds targeting Extraordinary Investors

- Collective Investment Scheme licence issued to **PSquared Master SICAV Ltd** in respect of one sub-fund.
- Collective Investment Scheme licence issued to **PSquared SICAV Ltd** in respect of one sub-fund.

Investment Services

- Category 2 licence issued to **DS Platforms Ltd**.

AIFMs

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

SURRENDERED LICENCES

Collective Investment Schemes

Professional Investor Funds targeting Qualifying Investors

- Surrender of licences issued to **Swiss Investment Funds SICAV plc** in respect of three sub-funds.
- Surrender of licence issued to **Polystone SICAV plc**.

Professional Investor Funds targeting Extraordinary Investors

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

Incorporated Cells

- Surrender of licence issued to **Q Behavioural Global Macro Fund IC SICAV plc**.

Retail Non - UCITS

- Surrender of licence issued to **Malta Development Fund Ltd**.

Investment Services

- Surrender of Category 1A licence issued to **Phenom Directors Limited**.
- Surrender of Category 2 licence issued to **Alpstar Capital (Malta) Limited.**
- Surrender of Category 2 licence issued to **Fortelus Capital Management Limited.**

EXTENDED AND REVISED LICENCES

Investment Services

AIFMs

- Revision of licence issued to **Innocap Global Investment Management Ltd.** to act as a full Alternative Investment Fund Manager.
- Revision of licence issued to **Portcullis Asset Management Limited** to act as a full Alternative Investment Fund Manager.

Registry of Companies - New Registrations - November 2014

Companies	Partnerships	Total
411	9	420

MFSA Announcements

MFSA Circulars

04/12/2014 - Industry update on the new Market Abuse Regulation 'MAR' and Market Abuse Directive 'MAD'

04/12/2014 - Circular to the financial services industry on the Proposed Regulation on Money Market Funds ('MMFs')

05/12/2014 - Industry Update – UCITS V: ESMA's Advice to the Commission on Level II Measures

10/12/2014 - Circular addressed to the Investment Services Industry – Own Funds Disclosures

16/12/2014 - Thematic Review on compliance of Recognised Fund Administrators with the requirements on Governance and Compliance

17/12/2014 - Circular to the financial services industry on the transparency requirements applicable to Alternative Investment Fund Managers ('AIFMs')

18/12/2014 - Circular to credit institutions including branches on the Draft Implementing Technical Standard (ITS) on Supervisory Reporting regarding Asset Encumbrance templates and revisions to COREP/FINREP templates

23/12/2014 - Circular - Industry update on MiFID II and MiFIR

23/12/2014 - Notice to Financial Services Licence Holders - Amendments to the Prevention of Money Laundering and Funding of Terrorism Regulations

MFSA Consultation

Consultation Papers and Documents

22/12/2014 - Consultation on the proposed amendments to the Insurance Business Act and Insurance Intermediaries Act

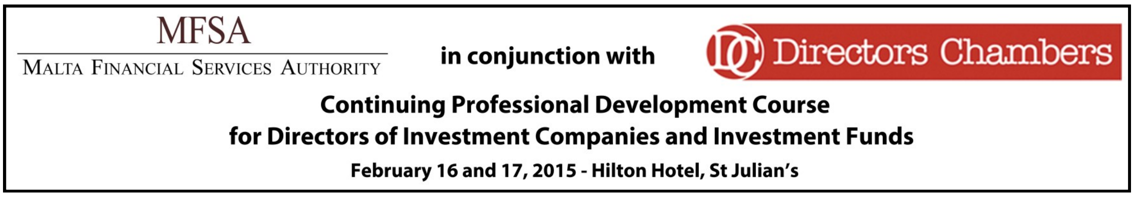
25/12/2014 - Consultation Document on the Proposed Rules for Trustees of Family Trusts

Warnings

Foreign warnings received by MFSA can be viewed on MFSA Website / Announcements / Warnings

Forthcoming Events

16-17/02/2015 - Continuing Professional Development Course for Directors of Investment Companies and Investment Funds



22-23/01/2015 - Captive Live UK 2015

MFSA ECC
Education Consultative Council

Training by members of the ECC:

- Malta International Training Centre - Diploma in Risk Management in Financial Services
- Malta Institute of Accountants
- Institute of Financial 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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