

Changes to Various Rulebooks

Amendments to the ISR ISP Part BI

Old Rule	New Rule
N/A	"EU parent mixed financial holding company" means an EU parent mixed financial holding company as defined in point (58) of Article 4(1) of the IFR;"
N/A	R1-1.1.3 Section 23 of this Title shall apply to Investment Services Licence Holders as set out in R1-1.1.1 above, credit institutions in relation to investment services or activities and ancillary services, branches of third-country firms, and APAs and ARMs which have a derogation in accordance with Article 2(3) of MiFIR.
N/A	<p>R1-1.2.1:</p> <p>4. "Approved Publication Arrangement", or "APA" means the same as the meaning assigned to it in point (34) of Article 2(1) of MiFIR;</p> <p>5. "Approved Reporting Mechanism", or "ARM" means the same as the meaning assigned to it in point (36) of Article 2(1) of MiFIR;</p>
N/A	<p>Section 23 Reporting of Infringements</p> <p>R1-1.23.1 Licence Holders, ARMs and APAs with a derogation in accordance with Article 2(3) of MiFIR, credit institutions in relation to investment services or activities and ancillary services, and branches of third-country firms shall develop and maintain appropriate mechanisms for employees to report potential or actual infringements of the local provisions transposing MiFID and MiFIR internally through a specific, independent and autonomous channel. Such mechanisms shall include at least:</p>

	<p>i. specific procedures for the receipt of reports on potential or actual infringements and their follow-up, including the establishment of secure communication channels for such reports;</p> <p>ii. appropriate protection for employees who report breaches committed within the Licence Holder, ARM or APA with a derogation in accordance with Article 2(3) of MiFIR, credit institution in relation to investment services or activities and ancillary services or branch of a third-country firm against retaliation, discrimination or other types of unfair treatment;</p> <p>iii. protection of the identity of both the person who reports the infringements and the natural person who is allegedly responsible for an infringement, at all stages of the procedures unless such disclosure is required by Maltese law in the context of further investigation or subsequent administrative or judicial proceedings.</p> <p>R1-1.23.2 Licence Holders and ARMs and APAs with a derogation in accordance with Article 2(3) of MiFIR shall also refer to and comply with the applicable provisions of the Protection of the Whistleblower Act, Chapter 527 of the Laws of Malta.</p>
<p>R1-2.5.3.1 Where applicable, the Licence Holder shall disclose to institutional investors how the investment strategy and implementation thereof, as referred to in Rules R1-2.5.2.1 and R1-2.5.2.2, contributes to the medium to long-term performance of the assets of institutional investors or a collective investment scheme.</p>	<p>Where applicable, the Licence Holder shall disclose to institutional investors how the investment strategy and implementation thereof, as referred to in Rules R1-2.5.2.1 and R1-2.5.2.2, contributes to the medium to long-term performance of the assets of institutional investors or a collective investment scheme.</p> <p>Such disclosure shall be made in the annual report for the financial year, or</p>

Such disclosure shall be made in the Annual Audited Financial Statements and shall include reporting on:	together with the periodic communications referred to in Article 25(6) of Directive 2014/65/EU to the institutional investor or a collective investment scheme, or published on the Licence Holder's website, and shall include reporting on:
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Amendments to the ISR ISP Part BII

Old Rule	New Rule
<p>INTRODUCTION Part BII of the Investment Services Rules for Investment Services Providers applies to Investment Services Licence Holders which provide services in terms of the Directive 2009/65/EC. Therefore, Part BII does not apply to Investment Services Licence Holders which qualify as MiFID Firms, Alternative Investment Fund Managers or Custodians.</p>	<p>INTRODUCTION Part BII of the Investment Services Rules for Investment Services Providers applies to Investment Services Licence Holders which provide services in terms of the Directive 2009/65/EC. Therefore, Part BII does not apply to Investment Services Licence Holders which qualify as MiFID Firms, Alternative Investment Fund Managers or Depositories.</p>
<p>1.04 The following SLCs shall apply to the provision of services referred to in SLC 1.02 by Licence Holders:</p> <p>c. Rules R1-1.2.1, R1-2.2.5 , R1-2.2.6, R3-1.2.1, R3-1.2.3 (i) to (iii), R3-1.2.5, R3-1.3.2.1 to R3-1.3.2.4, R3-2.2.1, R3-2.2.2, R3-2.2.5, R3-2.2.6, R3-3.2.1 to R3-3.2.6, R3-5.2.1, R3-5.2.2, R4-2.2.1 to R4-2.2.13, R4-2.4.1 to R4-2.4.6, R4-4.4.3 , R6-1.2.1 and Sections 4 and 7 of Title 5 and Title 4 of Chapter 3, Sections 3, 4 and 5 of Title 4 of Chapter 4 of Part BI of these Rules;</p>	<p>1.04 The following SLCs shall apply to the provision of services referred to in SLC 1.02 by Licence Holders:</p> <p>c. Rules R1-1.3.1, R1-1.3.2(xviii), R1-1.4.3, R1-1.4.4, R1-1.4.8, R1-1.4.9, R1-1.4.10, R1-1.4.11, R1-1.4.6 (i) to (iii), R1-1.5.3.1, R1-1.5.3.5, R1-1.5.3.6, R1-1.5.4.2, R1-1.5.4.3, R1-1.5.4.4, R1-1.5.4.5, , R1-1.5.3.2, R1-1.5.3.3, R1-1.5.3.4, R1-1.5.5.1, R1-1.5.5.2, R1-1.6.10, R1-1.6.11, R1-1.6.12, R1-1.6.13, R1-1.6.14, R1-1.8.1, R1-1.8.3, R1-1.8.4, R1-1.8.5, R1-1.8.6, R1-1.8.7, R1-1.8.8, R1-1.8.9, R1-1.8.10, R1-1.8.11, R1-1.8.12. R1-1.8.13, R1-1.8.14, R1-1.8.15, R1-1.8.16, R1-1.8.17, R1-1.8.18, R1-1.8.19, R1-8.1.1, R2-3.2.11, R2-3.2.12, R2-3.2.21, R2-3.2.22, R2-3.2.23, Part 1 Title 1 Section 9 Professional Indemnity Insurance Requirement, Part 1 Title 1 Section 15 Outsourcing Requirements, Part 1 Title 2 Section 2 Audited Annual Reporting Requirements of Part BI of these Rules;</p>

<p>1.04 The following SLCs shall apply to the provision of services referred to in SLC 1.02 by Licence Holders:</p> <p>c. R2-2.2.1 to R2-2.2.4 ,</p>	<p>5.07 The Licence Holders shall at all times maintain Own Funds equal to or in excess of their Initial Capital or the fixed overheads requirement, that is the Capital Requirement.</p>
<p>1.04 The following SLCs shall apply to the provision of services referred to in SLC 1.02 by Licence Holders:</p> <p>c. R2-2.2.1 to R2-2.2.4 ,</p>	<p>5.08 The meaning of Own Funds and the Capital Requirement applicable to the Licence Holder, as well as the methodology for calculating such a Licence Holder's satisfaction of its financial resources requirement, are set out in Part 2 Title 2 Section 3 Elements of Own Funds and Part 3 Title 2 Section 3 Own Funds of the Part BI of these Rules, SLC 5.02 above, and Appendix 1A.</p>
<p>4.03 A delegation of the core function of investment management shall not be made to the custodian or to any other undertaking whose interests may conflict with those of the Licence Holder or of the unit-holders.</p>	<p>4.03 A delegation of the core function of investment management shall not be made to the depositary or to any other undertaking whose interests may conflict with those of the Licence Holder or of the unit-holders.</p>
<p>5.07 The Licence Holder shall take out and maintain such insurance cover as it considers appropriate. The Licence Holder shall be required to maintain such insurance policies of such classes and types to provide at least the minimum level of protection set out in Section 2 of Appendix 6 of these Rules.</p> <p>For the purposes of demonstrating to the satisfaction of the MFSA that the above requirement is being complied with on an on-going basis, the Licence Holder shall upon request by the MFSA submit a copy of the renewal cover note or such other written evidence as the MFSA may require to establish compliance with these Rules.</p> <p>The Licence Holder shall, within two working days from the date it becomes aware of any of the circumstances specified in (a) to (g), inform the MFSA in writing where:</p> <p>a. during the currency of a policy, the Licence Holder has notified insurers of</p>	<p>5.09 The Licence Holder shall take out and maintain such insurance cover as it considers appropriate. The Licence Holder shall be required to maintain such insurance policies of such classes and types to provide at least the minimum level of protection set out in Part 1 Title 1 Section 9 Professional Indemnity Insurance Requirement of Part BI of these Rules.</p> <p>For the purposes of demonstrating to the satisfaction of the MFSA that the above requirement is being complied with on an on-going basis, the Licence Holder shall upon request by the MFSA submit a copy of the renewal cover note or such other written evidence as the MFSA may require to establish compliance with these Rules.</p> <p>The Licence Holder shall, within two working days from the date it becomes aware of any of the circumstances specified in (a) to (g), inform the MFSA in writing where:</p>

<p>an incident which may give rise to a claim under the policy;</p> <p>b. during the currency of a policy, the insurer has cancelled the policy or has notified its intention of doing so;</p> <p>c. the policy has not been renewed or has been cancelled and another policy satisfying the requirements of Appendix 6 has not been taken out from the day on which the previous policy lapsed or was cancelled;</p> <p>d. during the currency of a policy, the terms or conditions are altered in any manner so that the policy no longer satisfies the requirements of Appendix 6;</p> <p>e. the insurer has intimated that it intends to decline to indemnify the insured in respect of a claim under the policy;</p> <p>f. the insurer has given notice that the policy will not be renewed or will not be renewed in a form which will enable the policy to satisfy the requirements of Appendix 6;</p> <p>g. during the currency of a policy, the risks covered by the policy or the conditions or terms relating thereto, are altered in any manner.</p>	<p>a. during the currency of a policy, the Licence Holder has notified insurers of an incident which may give rise to a claim under the policy;</p> <p>b. during the currency of a policy, the insurer has cancelled the policy or has notified its intention of doing so;</p> <p>c. the policy has not been renewed or has been cancelled and another policy satisfying the requirements of Part 1 Title 1 Section 9 Professional Indemnity Insurance Requirement of Part BI of these Rules 6 has not been taken out from the day on which the previous policy lapsed or was cancelled;</p> <p>d. during the currency of a policy, the terms or conditions are altered in any manner so that the policy no longer satisfies the requirements of Part 1 Title 1 Section 9 Professional Indemnity Insurance Requirement of Part BI of these Rules;</p> <p>e. the insurer has intimated that it intends to decline to indemnify the insured in respect of a claim under the policy;</p> <p>f. the insurer has given notice that the policy will not be renewed or will not be renewed in a form which will enable the policy to satisfy the requirements of Part 1 Title 1 Section 9 Professional Indemnity Insurance Requirement of Part BI of these RulesA;</p> <p>g. during the currency of a policy, the risks covered by the policy or the conditions or terms relating thereto, are altered in any manner.</p>
<p>5.11 The Annual Financial Return shall be submitted to the MFSA within one month of the Accounting Reference Date . In addition, the Annual Audited Financial Return shall be submitted to</p>	<p>5.11 The Annual Financial Return shall be submitted to the MFSA in soft copy within one month of the Accounting Reference Date . In addition, the Annual Audited Financial Return shall be</p>

the MFSA within four months of the Accounting Reference Date.	submitted to the MFSA within four months of the Accounting Reference Date.
N/A	5.12 The Licence Holder shall also submit the original Representations Sheet of the Annual Financial Return, signed in accordance with SLC 5.10.
N/A	5.13 The Audited Annual Financial Return shall be submitted to the MFSA in soft copy within four months of the Accounting Reference Date. Such Return shall be signed in accordance with SLC 5.10 and by the Auditors.
N/A	5.14 The Licence Holder shall also submit the original Representations Sheet, and the original Annual Supervisory Fee Calculator Sheet of the Audited Annual Financial Return, signed in accordance with SLC 5.10 and by the Auditors.
5.17 The Interim Financial Return shall be submitted to the MFSA within one month of the date up to which it has been prepared. It shall be signed by at least two directors or partners or any other persons authorised to sign by way of a Board Resolution. In the latter case, the Licence Holder is expected to provide a certified true copy of such Board Resolution to the MFSA.	5.17 The Interim Financial Return shall be submitted to the MFSA in soft copy within one month of the date up to which it has been prepared. It shall be signed by at least two directors or partners or any other persons authorised to sign by way of a Board Resolution. In the latter case, the Licence Holder is expected to provide a certified true copy of such Board Resolution to the MFSA.
N/A	5.18 The Licence Holder shall also submit the original Representations Sheet of the Interim Financial Return, signed in accordance with SLC 5.15 within one month of the date up to which it has been prepared.
5.29 When requested to do so by the MFSA, a Licence Holder shall also submit, on the following email address: statistics@mfsa.com.mt any statistical returns which may be required under MFSA Rule 1 of 2012 on foreign currency lending.	5.35 When requested to do so by the MFSA, a Licence Holder shall also submit, on the following email address: statistics@mfsa.mt any statistical returns which may be required under MFSA Rule 1 of 2012 on foreign currency lending.
6.08 Where applicable, the Licence Holder shall disclose to institutional investors how the investment strategy	6.08 Where applicable, the Licence Holder shall disclose to institutional investors how the investment strategy

<p>and implementation thereof, as referred to in SLCs 6.04 and 6.05, contributes to the medium to long-term performance of the assets of institutional investor or the UCITS.</p> <p>Such disclosure shall be made in the Annual Audited Financial Statements and shall include reporting on:</p>	<p>and implementation thereof, as referred to in SLCs 6.04 and 6.05, contributes to the medium to long-term performance of the assets of institutional investor or the UCITS.</p> <p>Such disclosure shall be made together with the annual report of the UCITS for the financial year and shall include reporting on:</p>
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Amendments to the ISR ISP Part BIII

<u>Old Rule</u>	<u>New Rule</u>
<p>SECTION: TRANSITIONAL ARRANGEMENTS</p> <p>Licence Holders performing activities outlined in SLC 1.03 of these Rules and licenced in terms of the Act prior to 22 July 2013, shall take all necessary measures to comply with the SLCs prescribed in this Part of the Investment Services Rules by 22 July 2013 and shall thereafter submit an application for authorisation [Schedule A2] within 1 year from such date being 22 July 2014.</p> <p>Licence Holders, in so far as they manage AIFs of the closed-ended type prior to 22 July 2013 which do not make any additional investments after 22 July 2013 may continue to manage such AIFs without submitting an application for authorisation in terms of these Rules. However, these shall still subject to the requirements set in this Part of the Investment Services Rules.</p> <p>Licence Holders in so far as they manage AIFs of the closed-ended type whose subscription period for investors has closed prior to the 22 July 2011 and are constituted for a period of time which expires at the latest 3 years after 22 July 2013, may continue to manage such AIFs without needing to comply with the</p>	<p>Deleted as now obsolete</p>

<p>SLCs prescribed in this Part of the Rules with the exception of:</p> <p>[I] SLCs 7.01 to 7.03 of this Part of the Rules and SLCs 2.01 to 2.07 of Appendix 13 to these Rules; and</p> <p>[II] Where relevant SLCs 9.01 to 9.21 of this Part of the Rules and SLCs 2.08 to 2.10 of Appendix 13 to these Rules.</p> <p>Alternatively such Licence Holders may submit an application for authorisation in terms of these Rules.</p>	
<p>SECTION 1 – PART BIII: INVESTMENT SERVICES LICENCE HOLDERS – CATEGORY 2 – DE MINIMIS</p> <p>2 (c) not be permitted to provide portfolio management services to any Custodian which performs custodial duties for collective investment schemes in respect of which it acts as Manager.</p>	<p>SECTION 1 – PART BIII: INVESTMENT SERVICES LICENCE HOLDERS – DE MINIMIS AIF MANAGER</p> <p>2 (c) not be permitted to provide portfolio management services to any Depositary which performs custodial duties for collective investment schemes in respect of which it acts as Manager.</p>
<p>20. The de minimis Licence Holder shall be a separate person from the Custodian of a Scheme for which it acts as Manager and shall act independently of each other and solely in the interests of the Unit holders. Since independence may be compromised in various ways, any facts, relationships, arrangements or circumstances which arise which may at any stage bring that independence into question shall be declared to the MFSA as soon as the de minimis Licence Holder becomes aware of any such matter.</p>	<p>20. The de minimis Licence Holder shall be a separate person from the Depositary of a Scheme for which it acts as Manager and shall act independently of each other and solely in the interests of the Unit holders. Since independence may be compromised in various ways, any facts, relationships, arrangements or circumstances which arise which may at any stage bring that independence into question shall be declared to the MFSA as soon as the de minimis Licence Holder becomes aware of any such matter.</p>
<p>1.09 The following SLCs shall apply to the provision of services referred to in SLC 1.02 by Licence Holders:</p> <p>c. R2-2.2.1 to R2-2.2.4 ,</p>	<p>1.09 The following SLCs shall apply to the provision of services referred to in SLC 1.04 by Licence Holders:</p> <p>c. Rules R1-1.3.1, R1-1.3.2(xviii), R1-1.4.3, R1-1.4.4, R1-1.4.8, R1-1.4.9, R1-1.4.10, R1-1.4.11, R1-1.4.6 (i) to (iii), R1-1.5.3.1, R1-1.5.3.5, R1-1.5.3.6, R1-1.5.4.2,</p>

	<p>R1-1.5.4.3, R1-1.5.4.4, R1-1.5.4.5, , R1-1.5.3.2, R1-1.5.3.3, R1-1.5.3.4, R1-1.5.5.1, R1-1.5.5.2, R1-1.6.10, R1-1.6.11, R1-1.6.12, R1-1.6.13, R1-1.6.14, R1-1.8.1, R1-1.8.3, R1-1.8.4, R1-1.8.5, R1-1.8.6, R1-1.8.7, R1-1.8.8, R1-1.8.9, R1-1.8.10, R1-1.8.11, R1-1.8.12, R1-1.8.13, R1-1.8.14, R1-1.8.15, R1-1.8.16, R1-1.8.17, R1-1.8.18, R1-1.8.19, R1-8.1.1, R2-3.2.11, R2-3.2.12, R2-3.2.21, R2-3.2.22, R2-3.2.23, Part 1 Title 1 Section 9 Professional Indemnity Insurance Requirement, Part 1 Title 1 Section 15 Outsourcing Requirements, Part 1 Title 2 Section 2 Audited Annual Reporting Requirements of Part BI of these Rules;</p> <p>6.10 The Licence Holders shall at all times maintain Own Funds equal to or in excess of their Initial Capital or the fixed overheads requirement, that is the Capital Requirement.</p>
<p>1.13 (c). Information on the arrangements made for the appointment of the custodian for each AIF which the Licence Holder intends to manage;</p>	<p>1.13 (c). Information on the arrangements made for the appointment of the depositary for each AIF which the Licence Holder intends to manage;</p>
<p>2.25 (b) The custodian appointed for an AIF shall not be appointed as an external valuer of that AIF, unless it has functionally and hierarchically separated the performance of its custodian functions from its tasks as external valuer and the potential conflicts of interest are properly identified, managed, monitored and disclosed to the investors of the AIF.</p>	<p>2.25 (b) The Depositary appointed for an AIF shall not be appointed as an external valuer of that AIF, unless it has functionally and hierarchically separated the performance of its Depositary functions from its tasks as external valuer and the potential conflicts of interest are properly identified, managed, monitored and disclosed to the investors of the AIF.</p>
<p>3.12 Where the Licence Holder on behalf of an AIF uses the services of a prime broker, the terms shall be set out in a written contract. In particular any possibility of transfer and reuse of AIF assets shall be provided for in that contract and shall comply with the fund rules or instruments of incorporation. The contract shall provide that the custodian be informed of the contract.</p>	<p>3.12 Where the Licence Holder on behalf of an AIF uses the services of a prime broker, the terms shall be set out in a written contract. In particular any possibility of transfer and reuse of AIF assets shall be provided for in that contract and shall comply with the fund rules or instruments of incorporation. The contract shall provide that the Depositary be informed of the contract.</p>

<p>4.03 No delegation of portfolio management or risk management shall be conferred on:</p> <p>a. The custodian or a delegate of the custodian; or</p>	<p>4.03 No delegation of portfolio management or risk management shall be conferred on:</p> <p>a. The Depository or a delegate of the custodian; or</p>
<p>4.06 No sub-delegation of portfolio management or risk management shall be conferred on:</p> <p>a. The custodian or a delegate of the custodian; or</p>	<p>4.06 No sub-delegation of portfolio management or risk management shall be conferred on:</p> <p>a. The Depository or a delegate of the Depository; or</p>
<p>5.01 The Licence Holder shall ensure that a single custodian is appointed for each AIF it manages in accordance with the following:</p> <p>a. For a Non-UCITS retail collective investment scheme or a retail AIF licensed in Malta, a Custodian having a Category 4a Investment Services Licence issued by the Authority;</p> <p>b. For a fund which qualifies as a Professional Investor Fund or an AIF licenced in Malta, a Custodian having a Category 4a Investment Services Licence issued by the Authority or a credit institution having its registered office in the EU and authorised in accordance with Directive 2013/36/EU:</p> <p>c. For an AIF established in a EEA Member State other than Malta, a Custodian which complies with the requirements applicable in the said Member State;</p> <p>e. For an AIF established in a third country, a Custodian which is established in the country of the AIF and which is either a credit institution or an investment firm subject to effective prudential regulation including minimum capital requirements and supervision which have the same effect as EU Law and are effectively enforced or a Custodian having a Category 4a</p>	<p>5.01 The Licence Holder shall ensure that a single Depository is appointed for each AIF it manages in accordance with the following:</p> <p>a. For a Non-UCITS retail collective investment scheme or a retail AIF licensed in Malta, a Depository having a Depository Investment Services Licence issued by the Authority;</p> <p>b. For a fund which qualifies as a Professional Investor Fund or an AIF licenced in Malta, a Depository having a Depository Investment Services Licence issued by the Authority or a credit institution having its registered office in the EU and authorised in accordance with Directive 2013/36/EU:</p> <p>c. For an AIF established in a EEA Member State other than Malta, a Depository which complies with the requirements applicable in the said Member State;</p> <p>e. For an AIF established in a third country, a Depository which is established in the country of the AIF and which is either a credit institution or an investment firm subject to effective prudential regulation including minimum capital requirements and supervision which have the same effect as EU Law and are effectively enforced or a Depository having a Depository</p>

<p>investment services licence issued by the Authority:</p> <p>Provided further that the appointment of a Custodian established in a third country shall at all times be subject to the following conditions:</p> <p>i. The European Regulatory Authorities of the Member States in which the units or shares of the non-EU AIF are intended to be marketed, and, where the AIFM is licenced in Malta, the MFSA, have signed cooperation and exchange of information arrangements with the competent authorities of the Custodian;</p> <p>ii. The third country where the Custodian is established is not listed as a Non-Cooperative Country and Territory by the FATF;</p> <p>iii. The Member States in which the units or shares of the non-EU AIF are intended to be marketed, and where the AIFM is licenced in Malta, the MFSA, have signed an agreement with the third country where the Custodian is established which fully complies with the standards prescribed in Article 26 of the OECD Model Tax Convention on Income and on Capital and ensures an effective exchange of information in tax matters including multilateral tax agreements;</p> <p>iv. The Custodian shall by contract be liable to the AIF or to the investors of the AIF, consistently with article 21(12) and (13) of the AIFM Directive and shall expressly agree to comply with article 21(11) of the AIFM Directive.</p>	<p>investment services licence issued by the Authority:</p> <p>Provided further that the appointment of a Depositary established in a third country shall at all times be subject to the following conditions:</p> <p>i. The European Regulatory Authorities of the Member States in which the units or shares of the non-EU AIF are intended to be marketed, and, where the AIFM is licenced in Malta, the MFSA, have signed cooperation and exchange of information arrangements with the competent authorities of the Depositary;</p> <p>ii. The third country where the Depositary is established is not listed as a Non-Cooperative Country and Territory by the FATF;</p> <p>iii. The Member States in which the units or shares of the non-EU AIF are intended to be marketed, and where the AIFM is licenced in Malta, the MFSA, have signed an agreement with the third country where the Depositary is established which fully complies with the standards prescribed in Article 26 of the OECD Model Tax Convention on Income and on Capital and ensures an effective exchange of information in tax matters including multilateral tax agreements;</p> <p>iv. The Depositary shall by contract be liable to the AIF or to the investors of the AIF, consistently with article 21(12) and (13) of the AIFM Directive and shall expressly agree to comply with article 21(11) of the AIFM Directive.</p>
<p>5.02 For third country AIFs, which are marketed in the EU/EEA in terms of Article 36 of the AIFM Directive, the Licence Holder shall ensure that one or more entities are appointed to carry out the duties of cash flow monitoring, safekeeping and general oversight as</p>	<p>5.02 For third country AIFs, which are marketed in the EU/EEA in terms of Article 36 of the AIFM Directive, the Licence Holder shall ensure that one or more entities are appointed to carry out the duties of cash flow monitoring, safekeeping and general oversight as</p>

described in Article 21(7), (8), and (9) respectively of the AIFM Directive. Where such entity is established in Malta, it shall be in possession of a Depositary 4a or 4b Investment Services Licence as prescribed in the Investment Services Act (Custodians of Collective Investment Schemes) Regulations, 2016.	described in Article 21(7), (8), and (9) respectively of the AIFM Directive. Where such entity is established in Malta, it shall be in possession of a Depositary or Depositary Lite Investment Services Licence as prescribed in the Investment Services Act (Custodians of Collective Investment Schemes) Regulations, 2016.
5.03 For the purpose of SLCs 5.01 and 5.02, the Licence Holder may not be appointed as custodian.	5.03 For the purpose of SLCs 5.01 and 5.02, the Licence Holder may not be appointed as Depositary.
5.05 The Licence Holder shall ensure that the appointment of the custodian shall be evidenced by a written contract. This contract shall inter alia, regulate the flow of information deemed necessary to allow the custodian to perform its functions for the AIF for which it has been appointed as custodian.	5.05 The Licence Holder shall ensure that the appointment of the Depositary shall be evidenced by a written contract. This contract shall inter alia, regulate the flow of information deemed necessary to allow the Depositary to perform its functions for the AIF for which it has been appointed as Depositary.
5.07 The Licence Holder shall ensure that in the execution of its obligations in terms of the AIFM Directive, the Depositary Custodian complies with Part BIV of the Investment Services Rules for Investment Services Providers, where the entity is established in Malta or article 21 of the AIFM Directive where the Custodian is established in another Member State.	5.07 The Licence Holder shall ensure that in the execution of its obligations in terms of the AIFM Directive, the Depositary Custodian complies with Part BIV of the Investment Services Rules for Investment Services Providers, where the entity is established in Malta or article 21 of the AIFM Directive where the Depositary is established in another Member State.
6.19 The Annual Financial Return shall be submitted to the MFSA within one month of the Accounting Reference Date. In addition, the Annual Audited Financial Return shall be submitted to the MFSA within four months of the Accounting Reference Date.	6.20 The Annual Financial Return shall be submitted to the MFSA in soft copy within one month of the Accounting Reference Date
N/A	6.21 The Licence Holder shall also submit the original Representations Sheet of the Annual Financial Return, signed in accordance with SLC 6.19.
N/A	6.22 The Audited Annual Financial Return shall be submitted to the MFSA in soft copy within four months of the Accounting Reference Date. Such Return shall be signed in accordance with SLC 6.19 and by the Auditors

N/A	6.23 The Licence Holder shall also submit the original Representations Sheet, and the original Annual Supervisory Fee Calculator Sheet of the Audited Annual Financial Return, signed in accordance with SLC 6.19 and by the Auditors.
N/A	6.27 The Licence Holder shall also submit the original Representations Sheet of the Interim Financial Return, signed in accordance with SLC 6.24 within one month of the date up to which it has been prepared.
11.06 When structuring the AIF as an investment company, the AIF shall at all times have one or more directors independent from the AIFM, the custodian, the promoter and all other service providers appointed by the AIF and/or the AIFM. Furthermore, the board of directors of the investment company shall be composed of at least three members one of whom must be resident in Malta:	11.06 When structuring the AIF as an investment company, the AIF shall at all times have one or more directors independent from the AIFM, the Depositary, the promoter and all other service providers appointed by the AIF and/or the AIFM. Furthermore, the board of directors of the investment company shall be composed of at least three members one of whom must be resident in Malta:
<p>11.46 (b). in any case where the custodian has given notice of termination under the custody agreement or is in liquidation or subject to bankruptcy proceedings or has had its license to provide custody services in respect of NAIFs suspended or cancelled:</p> <p>Provided that the AIFM shall request the competent authority to remove the NAIF from the List of Notified AIFs where the transitional period agreed to between the parties in terms of regulation 8 of the Investment Services Act (Custodians of Collective Investment Schemes) Regulations will expire in less than 10 days and the AIFM has not entered into any arrangements with a substitute custodian or where at any time during such transitional period, it becomes clear to the AIFM that a replacement custodian will not be appointed before the end of the transitional period;</p>	<p>11.46 (b). in any case where the Depositary has given notice of termination under the custody agreement or is in liquidation or subject to bankruptcy proceedings or has had its license to provide custody services in respect of NAIFs suspended or cancelled:</p> <p>Provided that the AIFM shall request the competent authority to remove the NAIF from the List of Notified AIFs where the transitional period agreed to between the parties in terms of regulation 8 of the Investment Services Act (Custodians of Collective Investment Schemes) Regulations will expire in less than 10 days and the AIFM has not entered into any arrangements with a substitute Depositary or where at any time during such transitional period, it becomes clear to the AIFM that a replacement Depositary will not be appointed before the end of the transitional period;</p>

<p>f. in all other cases as may be specified in the custody agreement between the NAIF or the AIFM on behalf of the NAIF and the custodian as grounds for requesting removal of NAIF from the List of Notified AIFs in terms of the regulations and these rules; and</p>	<p>f. in all other cases as may be specified in the custody agreement between the NAIF or the AIFM on behalf of the NAIF and the Depositary as grounds for requesting removal of NAIF from the List of Notified AIFs in terms of the regulations and these rules; and</p>
<p>12.08 Where applicable, the Licence Holder shall disclose to institutional investors how the investment strategy and implementation thereof, as referred to in SLCs 12.04 and 12.05 contributes to the medium to long-term performance of the assets of institutional investors or the AIF.</p> <p>Such disclosure shall be made in the Annual Audited Financial Statements and shall include reporting on:</p>	<p>12.08 Where applicable, the Licence Holder shall disclose to institutional investors how the investment strategy and implementation thereof, as referred to in SLCs 12.04 and 12.05 contributes to the medium to long-term performance of the assets of institutional investors or the AIF.</p> <p>Such disclosure shall be made together with the annual report of the AIF for the financial year and shall include reporting on:</p>

ISR AIF Part B

<p>1.06 The AIF shall notify the MFSA in writing of:</p> <p>ii. a change of address: at least one month in advance;</p>	<p>1.06 The AIF shall notify the MFSA in writing of:</p> <p>ii. DELETED;</p>
<p>5.06 The AIF, the AIFM or Administrator on its behalf shall submit copies of the AIF's annual audited financial statements to the MFSA and such other information, as the MFSA may from time to time request. The annual reports shall be published and provided to investors in the AIF upon request. The annual reports shall be submitted to the MFSA within six months from the end of the respective period concerned:</p>	<p>5.06 The AIF, the AIFM or Administrator on its behalf shall submit copies of the AIF's annual audited financial statements to the MFSA and such other information, as the MFSA may from time to time request. The annual reports shall be published and provided to investors of the AIF upon request. The annual reports shall be submitted to the MFSA within six months from the end of the respective period concerned:</p> <p>Provided that in respect of the AIF, admitted to listing on a regulated market in Malta, the annual reports shall submit to the MFSA within four months from the end of the respective period concerned.</p>
<p>5.08 In the case where the submission of the financial statements to the MFSA</p>	<p>5.08 DELETED</p>

will be justifiably and exceptionally delayed, the AIF or the AIFM on behalf of the AIF shall, at least one week prior to the deadline for the submission of the financial statements, submit a request with the MFSA to consider the possibility of such a delay. This request shall be accompanied by the following documents:

a resolution from the governing body of the AIF setting out clearly the reasons which justify the delay and requesting the MFSA to grant the proposed extension period which should be clearly stated in the resolution;

a written confirmation from the Administrator of the AIF that the underlying investors of the AIF have been informed of the delay and the reasons for such delay;

a written confirmation from the external auditor of the AIF supporting the request for extension and confirming that the audit will be completed within the proposed extended deadline.

Provided that where the delay consists of two or three days, the documents requested in paragraphs (i) to (iii) need not be submitted.

8.10 Where the AIF has entered into the arrangements, as referred to in Article 3h of Directive 2007/36/EC, with institutional investor, as defined in the Glossary to the Investment Services Rules for Investment Services Providers, it shall disclose to such institutional investor how the investment strategy and implementation thereof, as referred to in SLCs 8.102 and 8.103, complies with that arrangement and contributes to the medium to long-term performance of the assets of the AIF.

8.15 Where the AIF has entered into the arrangements, as referred to in Article 3h of Directive 2007/36/EC, with institutional investor, as defined in the Glossary to the Investment Services Rules for Investment Services Providers, it shall disclose to such institutional investor how the investment strategy and implementation thereof, as referred to in SLCs 8.102 and 8.103, complies with that arrangement and contributes to the medium to long-term performance of the assets of the AIF.

Such disclosure shall be made in the Annual Report to the Audited Financial Statements and shall include reporting on:	Such disclosure shall be made together with the annual report of the AIF for the financial year and shall include reporting on:
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ISR RCIS Part BII

5.2A Without prejudice to SLC 5.2, in the case of an advertent breach, the Scheme shall be subject to provision of SLC 12.21A of this Part of the Rules.	5.2A Without prejudice to SLC 5.2, in case of an advertent breach, the Scheme shall be subject to provision of SLC 12.21 of this Part of the Rules.
16.27. Where the Scheme has entered into the arrangements, as referred to in Article 3h of the Directive 2007/36/EC , with institutional investors, as defined in the Glossary to the Investment Services Rules for Investment Services Providers, it shall disclose to such institutional investors, how the investment strategy and implementation thereof, as referred to in SLCs 16.23 and 16.24, contributes to the medium to long-term performance of the assets of the UCITS.	16.27. Where the Scheme has entered into the arrangements, as referred to in Article 3h of the Directive 2007/36/EC , with institutional investors, as defined in the Glossary to the Investment Services Rules for Investment Services Providers, it shall disclose to such institutional investors, how the investment strategy and implementation thereof, as referred to in SLCs 16.23 and 16.24, contributes to the medium to long-term performance of the assets of the UCITS.
Such disclosure shall be made in the Annual Report to the Annual Audited Financial Statements and shall include reporting on:	Such disclosure shall be made together with the annual report of the UCITS for the financial year and shall include reporting on:

ISR PIF Part BI

1.48 The Scheme shall comply with the investment restrictions within six months from the launch of the Scheme or upon reaching a value equivalent to EUR 2,500,000, or USD2,500,000 whichever is sooner. However, the Scheme will, provided it considers this to be in the best interest of its shareholders and that it observes the principle of risk spreading, not be required to comply with its investment restrictions upon reaching a value equivalent to EUR2,500,000 or USD2,500,000 subject to it complying with such restrictions within a maximum of six months from launch.	1.48 The Scheme shall comply with the investment restrictions within six months from the launch of the Scheme or upon reaching a value equivalent to EUR 2,500,000 or its currency equivalent, whichever is sooner. However, the Scheme will, provided it considers this to be in the best interest of its shareholders and that it observes the principle of risk spreading, will not be required to comply with its investment restrictions upon reaching a value equivalent to EUR2,500,000 or its currency equivalent subject to it complying with such restrictions within a maximum of six months from launch.
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<p>1.81 The minimum investment which the Scheme may accept is EUR 10,000 or USD10,000 or (for Schemes having applied for a licence prior 1/1/2010) EUR15,000 or USD15,000. Once the minimum investment has been made, any additional amount may be invested but the total amount invested must not at any time be less than EUR10,000/EUR15,000 USD10,000/USD15,000 as applicable unless this is the result of a fall in the net asset value. In the case of an umbrella Scheme where each of the Sub-Funds is set up as a Professional Investor Fund, the EUR 10,000/EUR15,000 or USD10,000/ USD15,000 threshold may apply on a per scheme basis rather than on a per Sub-Fund basis.</p>	<p>1.81 The minimum investment which the Scheme may accept is EUR 10,000 or its currency equivalent or (for Schemes having applied for a licence prior 1/1/2010) EUR15,000 or its currency equivalent. Once the minimum investment has been made, any additional amount may be invested but the total amount invested must not at any time be less than EUR10,000/EUR15,000 or its currency equivalent as applicable unless this is the result of a fall in the net asset value. In the case of an umbrella Scheme where each of the Sub-Funds is set up as a Professional Investor Fund, the EUR 10,000/EUR15,000 or its currency equivalent threshold may apply on a per scheme basis rather than on a per Sub-Fund basis.</p>
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ISR PIF Part BII

<p>1.53 The minimum investment which the Scheme may accept is EUR100,000 or USD100,000. Once the minimum investment has been made, any additional amount may be invested but the total amount invested must not at any time be less than EUR100,000 or USD100,000 unless this is the result of a fall in the net asset value. In the case of an umbrella Scheme where each of the Sub-Funds is set up as a Professional Investor Fund, the EUR100,000 or USD100,000 threshold may apply on a per scheme basis rather than on a per Sub-Fund basis.</p>	<p>1.53 The minimum investment which the Scheme may accept is EUR100,000 or its currency equivalent per investor. Once the minimum investment has been made, any additional amount may be invested but the total amount invested must not at any time be less than EUR100,000 or its currency equivalent unless this is the result of a fall in the net asset value. In the case of an umbrella Scheme where each of the Sub-Funds is set up as a Professional Investor Fund, the EUR100,000 or its currency equivalent threshold may apply on a per scheme basis rather than on a per Sub-Fund basis.</p>
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ISR PIF Part BIII

<p>1.55 The minimum investment which the Scheme may accept is EUR750,000 or USD750,000. Once the minimum investment has been made, any additional amount may be invested but the total amount invested must not at</p>	<p>1.55 The minimum investment which the Scheme may accept is EUR750,000 or its currency equivalent. Once the minimum investment has been made, any additional amount may be invested but the total amount invested must not at</p>
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<p>any time be less than EUR750,000 or USD 750,000 unless this is the result of a fall in the net asset value. In the case of an umbrella Scheme where each of the Sub-Funds is set up as a Professional Investor Fund, the EUR750,000 or USD 750,000 threshold may apply on a per scheme basis rather than on a per Sub-Fund basis.</p>	<p>any time be less than EUR750,000 or its currency equivalent unless this is the result of a fall in the net asset value. In the case of an umbrella Scheme where each of the Sub-Funds is set up as a Professional Investor Fund, the EUR750,000 threshold may apply on a per scheme basis rather than on a per Sub-Fund basis.</p>
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