

27 July 2022

Various Amendments to the Investment Services Rulebooks

1. Introduction

The purpose of this Circular is to communicate amendments that have been made to the Investment Services Rulebooks, namely:

- a) Various amendments to the Investment Services Rules for Investment Services Providers, Part BI: Rules applicable to Investment Services Licence Holders which qualify as MiFID Firms ('ISR ISP Part BI'):
 - i. Amendments to the Recovery and Resolution Plans;
 - ii. Miscellaneous changes; and
 - iii. Updated cross references to correct inconsistencies.
- b) Inclusion of a definition in the Investment Services Rules (ISR) for Alternative Investment Funds (AIFs), Notified Alternative Investment Funds (NAIFs), and Professional Investor Funds (PIFs);
- c) Removal of all instances of fees where figures are present from Part A of the Investment Services Rules for AIFs, Investment Services Providers, PIFs, and Retail Collective Investment Schemes.

A table outlining the amendments to the ISR ISP Part BI is attached with this Circular and marked as **Annex A**, whilst a table highlighting the added definition to the Investment Services Rules for AIFs, NAIFs & PIFs is marked as **Annex B**. **Annex C**, on the other hand, details the amendments with regards to fees.

2. Amendments to the ISR ISP Part BI

a) Recovery and Resolution Plans

Licence Holders which are authorised to deal on own account are obliged to submit to the Authority an original copy of the Recovery and Resolutions plan. The current Rule does not specify a deadline for such a submission. This has now been amended to specify that such plans have to be submitted by 1 June of each year.

b) Miscellaneous Changes

Rule R1-1.8.2 is being deleted due to it being a repetition of Rule R1-1.8.1.

A minor spelling mistake is being fixed in Rule R1-1.8.4.

c) Incorrect Cross References

Licence Holders which fail to meet the Combined Buffer Requirement are subject to certain restrictions on distributions. Due to amendments to the numbering of the Rulebook, the cross-references found in Rules R2-3.5.4 and RR2-3.5.7 have been updated.

3. Added Definition to the Glossaries for ISR: AIF, NAIF, & PIF

The definition of “Professional Investor Funds” was included in the Investment Services Rules Glossaries for Alternative Investment Funds, Notified Alternative Investment Funds, and Professional Investor Funds.

4. Removal of Fees from Part As of the Rulebooks

All instances of fees which include figures have been removed from Part A of the Investment Services Rules for Alternative Investment Funds, Investment Services Providers, Professional Investor Funds, and Retail Collective Investment Schemes. Other instances where fees are listed as a requirement, such as when submitting an application or supervisory fees, have been kept.

Licence Holders are to refer [to Subsidiary Legislation 370.03, Investment Services Act \(Fees\) Regulations](#), to understand the applicable fees.

5. Conclusion

The revised Rulebooks enter into force on the day following the publication of this circular.

Should you have any queries on the contents of this circular, please contact the Investment Services Supervision Function on isspolicy@mfsa.mt.