

16 January 2023

MFSA Launches Consultation on the Establishment of a Framework for Notified Professional Investor Funds

The Malta Financial Services Authority (MFSA) has [launched](#) a stakeholder consultation on the proposed establishment of a new framework for Notified Professional Investor Funds (NPIFs).

The proposal is part of a number of key regulatory and policy initiatives being undertaken by the Authority in relation to asset management. These initiatives are aimed at further improving the regulatory platform for professional investment funds by means of streamlined, pragmatic and risk-based policy-making.

The NPIF proposal seeks to provide an additional fund structure which complements existing fund frameworks. This new fund structure entails potentially lower associated setup and other operational and regulatory costs than those which are currently experienced in operating a fully licensed fund. It also seeks to take a more proportionate and risk-based approach to the onboarding process, given the regulated status of the funds' service providers and the qualified status of the target investors.

NPIFs will be subject to a notification process and will therefore not be licensed by the MFSA. Such funds and their service providers will be required to adhere to the relevant conditions as stipulated in the proposed regulatory framework issued for consultation. NPIFs will be non-retail schemes made only available to Qualifying Investors and will be required to provide the appropriate risk disclosures to any prospective investor accordingly.

The [Consultation Document](#) is available on the Authority's website.

Interested parties are encouraged to send their comments by email to assetmanagementstrategy@mfsa.mt by not later than **31 January 2023**.

About MFSA

The Malta Financial Services Authority (MFSA) is the single regulator of financial services in Malta, covering banks, insurance companies, investment services, trusts and pensions. In 2018, the MFSA became the first European regulator to develop a framework to regulate virtual financial assets. The MFSA's mission, as enshrined in its Vision 2021, is to enhance its position as an independent, proactive and trustworthy supervisory authority with the main purpose of safeguarding the integrity of markets and maintaining stability within the financial sector, for the benefit and protection of consumers. The MFSA licenses over 2,000 entities to operate in the financial services sector.



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