

22 May 2023

MFSA Seeks Feedback on Regulatory Changes for New Notified Professional Investment Funds Framework

The Malta Financial Services Authority (MFSA) has [launched](#) a consultation seeking feedback from stakeholders on the proposed legislative amendments related to the establishment of a new framework for Notified Professional Investor Funds (NPIFs).

This consultation follows and is complementary to the previous consultation document on the [Proposed Establishment of a Framework for Notified Professional Investor Funds published in December 2022](#), which sought stakeholders' views on the main features of the proposed framework and the first draft of the dedicated rulebook for the same framework.

This latest consultation exercise intends to gather stakeholders' views on the proposed legislative amendments being envisaged to promulgate the framework, including the applicable fees.

The proposed framework 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 policymaking.

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

Interested parties are encouraged to submit their comments to assetmanagementstrategy@mfsa.mt by **22 June 2023**.

Background to the NPIF Framework Proposal

The Notified PIF 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. 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.

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 Strategic Statement, 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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