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MFSA Launches New Framework for Notified Professional Investor Funds

The Malta Financial Services Authority (MFSA) is today launching a new framework for Notified Professional Investor Funds (NPIFs).

The framework provides for an additional fund structure in Malta that benefits from an appropriately streamlined onboarding process and complements other existing fund frameworks. The MFSA is launching this framework following two separate public consultation exercises.

The new framework is governed by a set of proportionate and risk-based criteria - these funds must be serviced by specified regulated service providers, should fall within the established asset thresholds, and be offered only to eligible investors.

A Notified Professional Investor Fund is a special type of non-retail collective investment scheme which is notified to the Authority and solely available to professional and/or qualifying investors.

NPIFs are subject to a streamlined notification process and are governed by a regulatory framework which their service providers are also required to adhere to. NPIFs may only be set up as non-retail schemes available to Qualifying and/or Professional Investors and will be required to provide the appropriate risk disclosures to any prospective investor accordingly.

The establishment of this framework is part of a number of key regulatory and policy initiatives being undertaken by the Authority in relation to asset management. Commenting on its launch, Chief Officer Strategy, Policy and Innovation Michael Xuereb said: "These initiatives are aimed at further improving the regulatory platform for professional investment funds by means of streamlined, pragmatic and risk-based policymaking. It is expected that the framework will lead to lower setup, operational and regulatory costs than those currently experienced in operating a fully licensed fund."

Further information on this framework is [available](#) on the MFSA website.

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.

