MALTA
ALTERNATIVE INVESTMENT FUND MANAGERS
Malta Fund Management

GDP GROWTH
6.3% in 2015

MALTA FUNDS
580+ investment funds with combined NAV of €9.7 billion

FUND DOMICILE RECOGNITION
Rated No. 1 Europe’s favoured fund domicile (Hedge Fund Review’s 2013 and 2014 Service Provider Rankings)

TOTAL ASSET VALUE PIFS
€6.6 billion

TIMEZONE
Central European Time Zone (UTC+01:00)

BANKING SYSTEM
10th soundest system in the world (WEF)

TOTAL ASSET VALUE UCITS
€2.4 billion

FINANCIAL SERVICES FRAMEWORK
EU and OECD approved

cccmalta.com/investment-services-law
Over the last two decades, Malta has established itself as an innovative and reliable financial services centre, hosting a variety of financial services businesses and structures including fund managers, fund administrators, forex brokers, payment services providers, investment advisors and insurance principals.

The Malta Financial Services Authority (MFSA), is responsible for the licensing, regulation and supervision of investment services providers operating in and from Malta and is the island’s single regulator for financial services. Malta’s appeal is also enhanced by its highly skilled workforce, multilingualism, extensive tax treaty network, and reliable IT infrastructure.

Alternative Investment Fund Managers (AIFM) provide portfolio management and risk management services to one or more AIFs.

The principal legislation governing Alternative Fund and Investment Services Managers in Malta is the Investment Services Act, 1994 (“ISA”) as subsequently amended. The ISA establishes the regulatory framework for investment services providers including fund managers, portfolio managers, investment advisors, and forex brokers.
The Alternative Investment Fund Managers Directive (AIFMD) requires all EU Alternative Investment Fund Managers (AIFMs) within scope, to obtain authorisation and adhere to a number of ongoing obligations including investor disclosure, regulatory reporting, appointment of a fund depositary and limits on remuneration. An AIFM can exercise the following functions; portfolio and risk management, administration duties, marketing and activities related to the assets of AIFs.

KEY REQUIREMENTS

The minimum capital and own funds requirement is €125,000 but if the portfolio value of the AIFs managed by the AIFM exceeds €250 million, an additional 0.02% of the amount exceeding €250 million is required. However, this amount shall not exceed €10 million and either 0.01% of the portfolio value of the AIF or professional indemnity insurance cover.

THE DE MINIMIS REGIME

In line with the AIFMD framework, de minimis AIFMs are managers which, whether directly or indirectly, manage portfolios of AIFs whose assets under management collectively do not exceed the following amounts:

- €100m or;
- €500m for AIFMs managing only unleveraged AIFs with no redemption rights exercisable within 5 years from the date of initial investment in each AIF.

A de minimis AIFM will be exempt from complying with certain provisions of the AIFMD but is not able to make use of the EU passporting rights.

Approved Service Providers
Local Representative
Reporting Requirements
Capital & Own Funds Requirement: €125,000
Fit & Proper Management and Shareholding
Process Timeline

1 WEEK PREPARATION TIME
- Compiling the application documents

3-6 MONTHS REVIEW TIME
- The MFSA Authorisation Unit reviews the application

4-6 WEEKS PRE-LICENSE STAGE
- The MFSA issues the approval of the licence and the applicant executes the outstanding conditions until official licence is issued

Engagement

Preliminary Meeting with the MFSA & Submit Application

In Principle Approval

Licence issued

WHY WORK WITH US?

Problem Solving, Integrity, Honesty
Ranked in Various Listing Directories
We’re lawyers: Lawyer - Client Privilege
15+ Years Experience in Financial Services
Malta-Cyprus Lawyers, Tax Advisors, Fiduciary Staff: 100+
Our Ethos: Big firm expertise, Small firm personal

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