MALTA PROFESSIONAL INVESTOR FUNDS (PIFS)

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)

SECTOR EXPANSION
25% Annual Growth

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

MALTA FINANCIAL SERVICES AUTHORITY
Approachable, Single Regulator

TOTAL ASSET VALUE PIFS
€6.6 billion

FINANCIAL SERVICES FRAMEWORK
EU and OECD approved

www.chetcuticauchi.com/investment-funds
MALTA

Malta is positioned as an innovative, reliable and flexible EU financial services centre, hosting and attracting a variety of financial services businesses and structures including Professional Investor Funds (PIFs), Alternative Investor Funds (AIFs), UCITS, Fund Managers and Fund Administrators.

Malta PIFs are regulated but yet flexible investment vehicles for those promoters who wish to establish a collective investment scheme but which falls short from being classified as an Alternative Investor Fund (AIF) which fall under the AIFM Directive. PIFs are promoted to Qualifying Investors and may be used as non-traditional investments as well as specialist instruments with a minimum investment of €100,000.

LEGAL BASIS

The principal legislation governing PIFs in Malta is the Investment Services Act, 1994 “ISA” as subsequently amended. The ISA establishes the regulatory framework for investment services providers and for Collective Investment Schemes including PIFs. A PIF licence is issued by the Malta Financial Services Authority (MFSA) once the PIF fully satisfies the requirements and criteria relating to its nature and purpose.

LEGAL FORM

A PIF may take the form of an investment company with variable share capital (SICAV), an investment company with fixed share capital (INVCO), a public limited liability company, a limited partnership or a unit trust. A PIF may be also constituted as a multi-class fund (single fund with a number of share classes) or an umbrella fund (fund with a number of sub-funds and share classes). The most popular fund vehicle is the SICAV which can be established both as an open-ended or closed-ended fund.

BENEFITS

- Structure Variants
- Self Managed Fund Option
- PIF Branding
- Freedom to use Foreign Administrators
- No Investment / Borrowing Restrictions
- Rules and Documentation in English
KEY REQUIREMENTS

A PIF requires the attainment of a licence by the MFSA. The promoters, directors and decision makers including service providers shall be subject to a fit and proper test by the same Authority. This test is a key regulatory concept which requires potential and existing licensees, as well as shareholders and senior staff to demonstrate competence, integrity and solvency in all their dealings.

PARTICIPANTS
A PIF requires a minimum two investors who may be individuals or body corporates.

BOARD OF DIRECTORS / COMPLIANCE AND MLRO
A PIF shall have at least three directors one of which is to be located in Malta. The local director may also act as the PIF’s compliance and money laundering reporting officer.

INVESTORS
A PIF may be promoted to those individuals or entities which are classified as a Qualifying Investors and satisfy certain eligibility criteria. Investors would need to maintain a minimum investment of €100,000 at all times.

SERVICE PROVIDERS
The functionaries of a PIF are ordinarily a manager, an administrator, an investment advisor and/or a custodian/prime broker. In the case of self-managed PIFs, an investment committee acts as a manager.

OFFERING DOCUMENTS
The MFSA requires that a PIF establishes its investment objectives, policies and restrictions as well as any risk factors within the offering documents of the PIF. Such documents are then reviewed and approved by the MFSA.

Fit & Proper Test
Approved Service Providers
Appropriate Legal Vehicle
Min. Investment: €100,000
MFSA Approved Offering Documents
Local Director, Compliance & MLRO
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

Process Timeline

Engagement
Preliminary Meeting with the MFSA & Submit Application
In Principle Approval
Licence issued

< 1 MONTH PREPARATION TIME
- Preparing the application file and supporting documents

3-6 MONTHS REVIEW TIME
- The MFSA Authorisation Unit reviews the application documents & provides feedback

4-6 WEEKS PRE-LICENSING STAGE
- The MFSA issues the approval of the licence and the applicant fulfills the outstanding requirements until official licence is issued

7 MONTHS

7 MONTHS
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Malta
Cyprus
London
Zürich
Hong Kong

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