
Circular to the financial services industry on amendments to the Rules applicable to Collective Investment Schemes authorised to invest through loans

The Authority is today publishing a revised version of the Standard Licence Conditions applicable to collective investment schemes authorised to invest through loans.

- **Changes to Rulebook**

The main changes to the Rulebook consist of the following:

1. Section 1: General Requirements

- 1.1. SLC 1.02: this SLC has been revised to include reference to the Commission Recommendation of 6 May 2013 concerning the definition of micro, small and medium-sized enterprises;
- 1.2. SLC 1.06: this SLC has been revised to read “investment activities”.

2. Section 2: Service Providers

- 2.1. SLC 2.04: this SLC has been revised to include the obligation of the fund manager to comply with the applicable sections of the Investment Services Rules for Investment Services Providers together with other Rulebooks;
- 2.2. SLC 2.06: this SLC has been revised to include the possibility of having a fund manager which has been licenced/authorised in a recognised jurisdiction;
- 2.3. SLC 2.24: this SLC has been deleted since provision for notification is already made in SLC 1.09(d);
- 2.4. SLC 2.31: this SLC has been deleted since provision for notification is already made in SLC 1.09(d).

3. Section 3: Investment Objectives, Policies and Restrictions

- 3.1. SLC 3.06: this SLC has been revised to clarify the wording;
- 3.2. SLC 3.08: the revisions to this SLC have focussed on the conditions when the Scheme may borrow cash;
- 3.3. SLC 3.10: SLC 3.10 has been substituted to clarify the investor market which can be targeted;
- 3.4. SLC 3.11: this SLC has been substituted.

4. *Section 5: Liquidity Management*

4.1. SLC 5.17: this SLC has been revised to clarify the position with respect to the possibility of redemption and cancellation of any shares in the case to excess liquidity.

5. *Disclosure to investors*

5.1. SLC 7.04: SLC 7.04 has been revised to align to the amendments which were made to SLC 3.10 in relation to the investor market targeted.

- **Publication of Q&A**

The Authority is also publishing a Q&A as an addendum to the Rules, aimed at providing guidance on the application of the Rules in relation to certain investment strategies and in certain other situations. The Q&A can be accessed through the following [link](#).

Contacts

The revised Rules are available for [download from the MFSA website](#).

Any queries or requests for clarification in respect of the above should be addressed to the Regulatory Development Unit by e-mail to rd@mfsa.com.mt

Communications Unit

Malta Financial Services Authority

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