

INVESTMENT SERVICES RULES FOR ALTERNATIVE INVESTMENT FUNDS

PART B

APPENDIX V: TRANSPARENCY REQUIREMENTS APPLICABLE TO SELF-MANAGED AIFs

1 INTRODUCTION

1.01 The Rules prescribed in this Appendix are applicable to self-managed AIFs ('scheme(s)').

1.02 In complying with the requirements prescribed in this Appendix the scheme shall also refer and comply with the applicable provisions of the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision.

2 ANNUAL REPORT

1.03 In terms of Rule 6.93 of Part B of these Rules, the scheme, shall, make available an annual report for each financial year no later than 6 months following the end of the financial year. The annual report shall be made available to investors on request.

1.04 The annual report shall contain at least the following information:

- (a) a balance sheet or a statement of assets and liabilities;
- (b) an income and expenditure account for the financial year;
- (c) a report on the activities of the financial year;
- (d) any material changes in the information listed in the instruments of incorporation and the offering document during the financial year covered by the report;
- (e) the total amount of remuneration for the financial year, split into fixed and variable remuneration, paid by the scheme to its staff, and number of beneficiaries, and where relevant, carried interest paid by the scheme;
- (f) the aggregate amount of remuneration broken down by senior management and members of staff of the scheme whose actions have a material impact on the risk profile thereof.

1.05 Where the scheme is required to make public an annual financial report in accordance with Directive 2004/109/EC only such additional information referred to in Rule 2.02 above needs to be provided to investors on request, either separately or as an additional part of the annual financial report. In the latter case, the annual

financial report shall be made public no later than 4 months following the end of the financial year.

- 1.06 The accounting information given in the annual report shall be prepared in accordance with the IFRSs and with the accounting rules laid down in the instruments of incorporation.
- 1.07 The accounting information given in the annual report shall be audited by a certified auditor and in accordance with the accounting rules laid down in the instruments of incorporation and/or offering document. The auditor's report, including any qualifications, shall be reproduced in full in the annual report.

3 DISCLOSURE TO THE MFSA

- 1.08 In terms of Rule 6.94 of Part B of these Rules, the scheme shall regularly report to the MFSA on the principal markets and instruments in which it trades.
- 1.09 The scheme shall provide information on the main instruments in which it is trading, on markets of which it is a member or where it actively trades, and on its principal exposures and most important concentrations.
- 1.10 In complying with Rules 3.01 and 3.02 above, the scheme shall submit to the MFSA the information prescribed in Annexes 1 and 2 to this Appendix and shall further comply with:
- a. the applicable provisions of the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision; and
 - b. the ESMA Guidelines on reporting obligations under Articles 3(3)(d) and 24(1), (2) and (4) of the AIFMD [ESMA/2013/1339 (revised)].
- 1.11 The scheme shall provide the MFSA with the following information:
- (a) the percentage of the scheme's assets which are subject to special arrangements arising from their illiquid nature;
 - (b) any new arrangements for managing the liquidity of the scheme;
 - (c) the current risk profile of the scheme and the risk management systems employed thereby to manage the market risk, liquidity risk, counterparty risk and other risks including operational risk;
 - (d) information on the main categories of assets in which the scheme invested; and
 - (e) the results of the stress tests performed in accordance with Rules 6.45(b) and 6.50 of Part B of these Rules.

- 1.12 In complying with Rule 3.04 above, the scheme shall submit to the MFSA the information prescribed in Annex 3 to this Appendix and shall further comply with:
 - a. the applicable provisions of the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision; and
 - b. the ESMA Guidelines on reporting obligations under Articles 3(3)(d) and 24(1), (2) and (4) of the AIFMD [ESMA/2013/1339 (revised)].
- 1.13 The scheme shall, on request provide the MFSA with an annual report for each financial year in accordance with Rules 2.02 and 2.03 of this Appendix.
- 1.14 A scheme employing leverage on a substantial basis shall provide the MFSA with information about the overall level of leverage employed thereby, a break-down between leverage arising from borrowing of cash or securities and leverage embedded in financial derivatives and the extent to which the scheme's assets have been reused under leveraging arrangements.
- 1.15 The information provided pursuant to Rule 3.06 above shall include the identity of the five largest sources of borrowed cash or securities, and the amounts of leverage received from each of those sources for the scheme.
- 1.16 In complying with Rule 3.08 above, the scheme shall submit to the MFSA the information prescribed in Annex 4 to this Appendix and shall further comply with:
- 1.17 Where necessary for the effective monitoring of systemic risk, the MFSA may require information in addition to that prescribed in this Appendix on a periodic as well as on an ad-hoc basis. The MFSA will inform ESMA about the additional information requirements.