

# MFSA

---

MALTA FINANCIAL SERVICES AUTHORITY

## **CONSULTATION DOCUMENT**

### **CONSULTATION ON THE PROPOSED REVISED RULEBOOKS APPLICABLE TO COLLECTIVE INVESTMENT SCHEMES**

**[MFSA REF.: 16-2016]**

**CLOSING DATE: 27/01/2017**

## **1. Introduction**

On 1 April 2016, the Authority announced the intention to consolidate and reduce the number of fund frameworks which are currently available to fund promoters in terms of the Investment Services Act and the applicable Investment Services Rules. This announcement was further followed by a Circular to the industry outlining the manner in which the fund frameworks will be consolidated and reduced.

## **2. Purpose of this consultation exercise**

The purpose of the consultation exercise is to seek feedback from the industry with regards to proposed amendments to the Rulebooks which are currently in force and which will remain in force in relation to those schemes which are already in possession of a collective investment scheme licence granted in terms of the Investment Services Act. The consultation process will run till 27<sup>th</sup> January 2017.

The following section outlines briefly the proposed amendments to the different Rulebooks.

## **3. Amendments to Rulebooks**

### **3.1. Investment Services Rules for Retail Collective Investment Schemes**

The proposed amendments to the Investment Services Rules for Retail Collective Investment Schemes concern the following:

- (a) Part A: The amendments being proposed to Part A aim at updating this section by including reference to the decision of the Authority not to accept any further applications for the licencing of Non-UCITS Retail Schemes. Furthermore, the Overseas Based Non-UCITS Retail Schemes regime is being phased out and such schemes are being currently requested to comply with the Maltese National Private Placement Regime.
- (b) Part BII: The amendments to Part BII aim at updating and including the requirements indicated by MFSA in the circular dated 19 August 2016. Other requirements such as the requirement of submitting the management letter to the MFSA have also been included. Furthermore, new rules have been included on acquisitions in specie, financing of SPVs and investments through joint ventures in the case of minority interests. New SLCs have been included on the obligations of the governing body of the scheme.
- (c) Appendix 2: Appendix 2 has been revised to include further beef up the requirement to submit financial statements.
- (d) Appendix 7: The amendments to Appendix 7 concerned the inclusion of additional rules on constant and variable NAV for money market funds.

### **3.2. Investment Services Rules for Alternative Investment Funds**

The proposed amendments to the Investment Services Rules for Retail Collective Investment Schemes concern the following:

Part A: The amendments being proposed to Part A aim at updating this section and at including a reference to European Venture Capital Funds, European Social Entrepreneurship Funds and European Long Term Investment Funds.

Part B: The amendments to Part B focussed on updating and including the requirements indicated by MFSA in the circular dated 19<sup>th</sup> August 2016. New rules have been included on acquisitions in specie, financing of SPVs and investments through joint ventures in the case of minority interests.

Appendix I: The amendments to Appendix I aimed at updating the rules on MMFs in relation to the reference to constant and variable NAV. Furthermore, Appendix I was also updated to include the requirements listed by the Authority in the circular dated 19<sup>th</sup> August 2016.

Appendix II: The amendments to Appendix II included updating of references.

### **3.3. Investment Services Rules for Professional Investor Funds**

The proposed amendments to the Investment Services Rules for Professional Investor Funds concern the following:

Part A: The amendments to Part A concern general updating and revisions to the section on service providers.

Parts BI, BII, BIII: The changes to Parts BI, II and III are aimed primarily at updating this Rulebook. In particular any USD figures have been replaced by the term “currency equivalent. New SLCs have been included on acquisitions in specie, financing of SPVs and investments through joint ventures in the case of minority interests and the obligations of the governing body of the scheme. SLCs on general requirements and notifications to the MFSA have been included. Furthermore, the rule on cross sub-fund investment has been revised in Part BII and III.

Appendix I: Updated in relation to the SLCs on resignations and included additional rules on constant and variable NAV for money market funds.

## **4. Contacts**

Interested parties are to send their comments in writing by not later than **27<sup>th</sup> January 2017**.

Any comments and feedback are to be addressed to Dr. Isabelle Agius, Senior Manager, Authorisation Unit on [iagius@mfsa.com.mt](mailto:iagius@mfsa.com.mt)

**Communications Unit  
Malta Financial Services Authority  
MFSA Ref: 16-2016  
27<sup>th</sup> December 2016**