

5 September 2024

Circular on the Publication of Frequently Asked Questions on the Notified PIF Framework and Related Updates to the NPIF Rulebook

1. Publication of a Guidance Note on the Notified PIF Framework

On 4 September 2024, the Malta Financial Services Authority ('MFS' or 'the Authority') published a Frequently Asked Questions ('FAQ') document on the Notified Professional Investor Fund ('NPIF') framework. This document compiles answers to queries the Authority had addressed whilst developing the framework and in the months following its launch. It also provides clarifications with respect to certain practical aspects of the regime.

The FAQ document is divided into two sections, as follows:

1. Questions regarding the NPIF Framework in general; and
2. Questions relating to NPIFs' Service Providers.

Stakeholders should note that this is intended to be a live document and may therefore be updated from time to time to address additional queries raised and/or provide additional guidance on the framework as deemed appropriate by the Authority.

2. Amendments to the Investment Services Rules for Notified Professional Investor Funds and related Due Diligence Service Providers ('NPIF Rules')

The Authority would also like to bring to the attention of stakeholders the below amendments to the NPIF Rules, which *inter alia* reflect the positions outlined in the FAQ document:

Part A of the NPIF Rules

- Rule 11.05 has been amended to clarify the eligibility criteria for appointment as a Notified PIF Due Diligence Service Providers ('DDSP'). In addition, also for purposes of clarity, its format has also been amended.

- Rule 11.06 has been amended to reflect the positions outlined in Questions 2.04 to 2.07 of the FAQ document, *inter alia* to outline the process to be followed should DDSPs wish to be included in the MFSA Financial Services Register before the submission of a Notification Form for a prospective NPIF.

Part B of the NPIF Rules

- Rule 5.04 has been amended to require the DDSP to submit a declaration to the Authority confirming that it has carried out the necessary fitness and properness assessments, in the event of changes to the service providers and/or officials of the NPIF.

Should there be any queries in relation to the above, do not hesitate to contact us at ausecurities@mfsa.mt.