

## INVESTMENT SERVICES RULES FOR PROFESSIONAL INVESTOR FUNDS

### PART B: STANDARD LICENCE CONDITIONS

#### Appendix VI

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Regulatory Requirements	Experienced Investor PIFs	Qualifying Investor PIFs	Extraordinary Investor PIFs	PIFs (Experienced, Qualifying and Extraordinary) managed by AIFMs
<b>Minimum Investment</b>	€10,000	€75,000	€750,000	Same minimum investment requirements apply as in the different categories of PIFs
<b>Investor Eligibility Criteria</b>	√	√	√	Same investor eligibility criteria apply as in the different categories of PIFs
<b>Appointment of Service Providers</b>				
• <b>Fund Manager</b>	√  (Unless PIF is self-managed. Fund manager	√  (Unless PIF is self-	√  (Unless PIF is self-	AIFM is Mandatory with Portfolio Management and Risk Management

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	can be <i>de minimis</i> AIFM)	managed. Fund manager can be <i>de minimis</i> AIFM)	managed. Fund manager can be <i>de minimis</i> AIFM)	Functions (excl. self-managed AIFs)
<ul style="list-style-type: none"> <li><b>Fund Administrator</b></li> </ul>	<p>Administrator optional.</p> <p>If not appointed, fund manager is responsible for the fund administration.</p>	<p>Administrator optional.</p> <p>If not appointed, fund manager is responsible for the fund administration.</p>	<p>Administrator optional.</p> <p>If not appointed, fund manager is responsible for the fund administration.</p>	<p>AIFM is responsible for the fund administration where authorised to that effect or else the Fund Administrator is appointed by the fund.</p> <p>AIFM can delegate the fund administration functions to fund administrator.</p>
<ul style="list-style-type: none"> <li><b>Investment Advisor</b></li> </ul>	Optional	Optional	Optional	Optional
<ul style="list-style-type: none"> <li><b>Custodian</b></li> </ul>	√	Optional	Optional	√
	<p>The appointment of the custodian is mandatory.</p> <p>Custodian is entrusted with safekeeping and monitoring functions.</p> <p>Separate and independent from the Manager.</p>	<p>PIF must make provision for adequate safekeeping arrangements.</p> <p>PIF may appoint either custodian or prime broker. In default, PIF shall be responsible for the safekeeping arrangements.</p>	<p>PIF must make provision for adequate safekeeping arrangements.</p> <p>PIF may appoint either custodian or prime broker. In default, PIF shall be responsible for the safekeeping arrangements.</p>	<p>The appointment of the custodian is mandatory [Ref.: Article 21 AIFMD].</p>
<ul style="list-style-type: none"> <li><b>Valuation</b></li> </ul>	<ul style="list-style-type: none"> <li>For listed assets no</li> </ul>	<ul style="list-style-type: none"> <li>For listed assets no</li> </ul>	<ul style="list-style-type: none"> <li>For listed assets no</li> </ul>	√

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	particular requirement regarding who undertakes the valuation applies. ▪ For unquoted assets the appointment of an external valuer is ordinarily required by the Authority.	particular requirement regarding who undertakes the valuation applies. ▪ For unquoted assets the appointment of an external valuer is ordinarily required by the Authority.	particular requirement regarding who undertakes the valuation applies. ▪ For unquoted assets the appointment of an external valuer is ordinarily required by the Authority.	The valuation may be either undertaken by External Valuer or else the AIFM can carry out such function, subject to the AIFM satisfying the requirements of Article 19(4)
• <b>Local Representative</b>	√ The appointment of the Local Representative is mandatory where all service providers and Directors are based outside Malta	√ The appointment of the Local Representative is mandatory where all service providers and Directors are based outside Malta	√ The appointment of the Local Representative is mandatory where all service providers and Directors are based outside Malta	√ The appointment of the Local Representative is mandatory where all service providers and Directors are based outside Malta
• <b>Compliance Officer</b>	√	√	√	√
• <b>Money Laundering Reporting Officer</b>	√	√	√	√
• <b>Auditor</b>	√	√	√	√
• <b>Prime Broker and Counterparties</b>	X	X	X	Optional  The appointments of the prime broker and the counterparties are optional,

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				but if appointed are regulated by AIFMD.
<b>Investment Restrictions</b>	√ There are investment restrictions applicable dealing with concentration limits, borrowing and leverage.	X	X	Investment Restrictions are applicable in the case of Experienced Investor PIFs but not in the case of Qualifying and Extraordinary Investor PIFs.
<b>Marketing Documents</b>				
• <b>Offering Document</b>	√	√	√	√
• <b>Constitutional Document</b>	√	√	√	√
• <b>Annual Report</b>	√	√	√	√
<b>Corporate Governance</b>	Corporate Governance Manual is applicable	Corporate Governance Manual is applicable	Corporate Governance Manual is applicable	Specific SLCs applicable to the Governing Body including the provisions of the Corporate Governance Manual
<b>Requirement of MFSA prior approval</b>	√ The Authority's approval is sought prior to appointing and effecting changes to service providers	√ The Authority's approval is sought prior to appointing and effecting changes to service providers	√ The Authority's approval is sought prior to appointing and effecting changes to service providers	√ The Authority's approval is sought prior to appointing and effecting changes to service providers and senior

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				officers (including staff involved in portfolio management and risk management). The Authority's approval is also sought when making changes to the activities and operations.
<b>Additional Disclosure Requirements</b>	X	X	X	√  Reference to Articles 23 and 24 AIFMD for transparency requirements applicable vis-à-vis investors and the MFSA
<b>Acquiring control of listing companies</b>	X	X	X	√  Supplementary conditions including asset stripping safeguards and related reporting. [Ref. Articles 25 30 AIFMD]
<b>Self-Managed Collective Investment Schemes</b>				
• <b>Capital Requirements</b>	EUR 125,000 or equivalent	EUR 125,000 or equivalent	EUR 125,000 or equivalent	EUR 300,000 initial own funds plus 0.02% of the

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				amount of AUM exceeding EUR 250m. Capped at 10m.
• <b>Liability Cover</b>	X	X	X	√ A liability cover is required either in the form of additional own funds or in the form of insurance.
• <b>Operational Arrangements</b>	√ Rulebook provides for such arrangements including the establishment and functioning of the Investment Committee	√ Rulebook provides for such arrangements including the establishment and functioning of the Investment Committee	√ Rulebook provides for such arrangements including the establishment and functioning of the Investment Committee	√ Rulebook provides for such arrangements including the establishment and functioning of the Investment Committee, Risk Management Function, Liquidity Management Policy, Securitisation positions, Valuation, Conduct of Business, Remuneration Policy, Delegation.