

MFSA

MALTA FINANCIAL SERVICES AUTHORITY

**INVESTMENT SERVICES
RULES**

FOR

**PROFESSIONAL INVESTOR
FUNDS**

Issued: 22 July 2013

Last Updated: 18 June 2015

INVESTMENT SERVICES RULES FOR PROFESSIONAL INVESTOR FUNDS

INTRODUCTION

These Investment Services Rules have been issued in terms of Article 6 of the Investment Services Act, 1994 and set out MFSA's regulatory regime applicable to Collective Investment Schemes set up as Professional Investor Funds.

These Rules provide for three principal classes of PIFs as follows:

1. PIFs promoted to Experienced Investors (or Experienced Investor Funds);
2. PIFs promoted to Qualifying Investors (or Qualifying Investor Funds); and
3. PIFs promoted to Extraordinary Investors (or Extraordinary Investor Funds).

These classes of PIFs are further described in Section 4 of Part A of these Rules.

These Rules transpose/ implement:

- i. CESR's Guidelines on a common definition of European Money Market Funds [CESR/10-049] as amended by the opinion published by ESMA on 22 August 2014 [ESMA/2014/1103] with respect to the assessment of credit quality of money market instruments;

These Rules are divided into 2 Parts as follows:

Part A: The Application Process

This Part provides:

- i. a detailed description of the Application Process and includes as Schedules the relevant Application Documents for a PIF Licence;
- ii. an outline of the licensing requirements applicable to Professional Investor Funds in terms of the Investment Services Act, 1994;
- iii. a detailed description of the different classes of Professional Investor Funds licensed by the MFSA;
- iv. a description of the eligibility requirements to be satisfied by prospective Service Providers of the PIF;
- v. a non exhaustive list of documents to be submitted by an applicant in support of an application for a collective investment scheme licence;
- vi. the requirements applicable for the licensing of additional sub-funds within an existing umbrella PIF; and

- vii. the requirements applicable for the approval of additional classes of shares of an existing PIF (which classes of shares do not constitute one or more sub-funds).

Part B: Standard Licence Conditions

This Part is divided into three sections and includes a number of Appendices. The standard conditions for PIFs promoted to Experienced Investors are set out in Part B I, in Part B II as regards PIFs promoted to Qualifying Investors and in Part B III as regards PIFs promoted to Extraordinary Investors.

Other Investment Services Rules issued by the MFSA in terms of the Investment Services Act, 1994

The MFSA has also issued:

i. Investment Services Rules for Investment Services Providers.

The Investment Services Rules for Investment Services Providers set out MFSA's regulatory regime applicable to Investment Services Licence Holders, including Custodians and Managers of Collective Investment Schemes. They also include the Rules which are applicable to European Investment Firms establishing a Branch in Malta and to European Management Companies which provide services in Malta, on a cross border basis in terms of the passporting provisions set out in MIFID, UCITS Directive and AIFMD.

ii. Investment Services Rules for Recognised Persons

These Investment Services Rules set out MFSA's regulatory regime applicable to Recognised Persons, namely Recognised Fund Administrators and Recognised Private Collective Investment Schemes.

iii. Investment Services Rules for Retail Collective Investment Schemes.

These Investment Services Rules set out MFSA's regulatory regime applicable to Retail Collective Investment Schemes. These Rules include the Standard Licence Conditions applicable to Maltese Non-UCITS and Maltese UCITS Collective Investment Schemes respectively.

iv. Investment Services Rules for Alternative Investment Funds.

These Investment Services Rules set out MFSA's regulatory regime applicable to Alternative Investment Funds pursuant to the AIFMD.