MALTA INVESTMENT SERVICES

Investment Service Providers

GDP GROWTH
7.5%, IN 2018 (EC)

MALTA FUNDS
580+ investment funds with combined NAV of €9.7 billion

FUND DOMICILE RECOGNITION
Rated No. 1 Europe’s favoured fund domicile (Hedge Fund Review’s 2013 and 2014 Service Provider Rankings)

TOTAL ASSET VALUE PIFS
€6.6 billion

TIMEZONE
Central European Time Zone (UTC+01:00)

BANKING SYSTEM
10th soundest system in the world (WEF)

TOTAL ASSET VALUE UCITS
€2.4 billion

FINANCIAL SERVICES FRAMEWORK
EU and OECD approved

ccmalta.com/investment-services-law
Over the last two decades, Malta has established itself as an innovative and reliable financial services centre, hosting a variety of financial services businesses and structures including fund managers, fund administrators, forex brokers, payment services providers, investment advisors and insurance principals. The Malta Financial Services Authority (MFSA), is responsible for the licensing, regulation and supervision of investment services providers operating in and from Malta and is the Island’s single regulator for financial services. Malta’s appeal is also enhanced by its highly skilled workforce, multilingualism, extensive tax treaty network, and reliable IT infrastructure.

The principal legislation governing Investment Services’ in Malta is the Investment Services Act, 1994 (“ISA”) as subsequently amended. The ISA establishes the regulatory framework for investment services providers including portfolio managers, investment advisors, and forex brokers.
INVESTMENT SERVICES PROVIDERS

The provision of an Investment Service activity with respect to an Instrument in or from Malta is a licensable activity. Investment Service Providers (ISPs) are required to hold a valid licence either issued by the MFSA or passported from another EU Member State.

THERE ARE FOUR CATEGORIES OF INVESTMENT SERVICES LICENSES:

CATEGORY 1
Authorised to receive and transmit orders in relation to one or more instruments and/or provide investment advice and/or place instruments without a firm commitment basis but not to hold or control clients’ money or customers’ assets. Minimum capital: €20,000/€50,000 (depending on client base/PiI)

CATEGORY 2
Authorized to provide any investment service and to hold or control clients’ money or customers’ assets, but not to operate a multilateral trading facility or deal for their own account or underwrite or place instruments on a firm commitment basis. Minimum capital: €125,000

CATEGORY 3
Authorized to provide any investment service and to hold and control clients’ money or customers’ assets. Minimum capital: €730,000.

CATEGORY 4
Authorized to act as trustees or custodians of collective investment schemes including depositary lite. Minimum capital: €125,000

PASSPORTING
In terms of the EU Markets in Financial Instruments Directive (MiFID), ISPs licensed in Malta can benefit from passporting their activities to other EU Member States.

KEY REQUIREMENTS

- Applicant Must be a Proposed or Incorporated Company
- A Board of at Least 2 Directors
- Dedicated Local Presence
- Committed Share Capital
- Shareholders, Directors & other Employees of Good Repute and Competent

EXAMPLES OF ISPS
Investment Services Providers include the following:
- AIFM Management Companies
- UCITS Management Companies
- Discretionary Portfolio Management Companies
- Introducing Brokers
- Online FOREX Brokers and Derivative Trading Companies
- Investment Advisors
- Multilateral Trading Facilities

INVESTMENT SERVICES ACTIVITIES
The applicable investment services activities are:
- Execution of orders on behalf of other persons
- Dealing on own account
- Management of Investments
- Trustee, Custodian or Nominee Services
- Investment Advice
- Underwriting of instruments and, or placing of instruments on a firm commitment basis
- Placing of Instruments without a firm commitment basis
- Operation of a Multilateral Trading Facility

Instruments include money market instruments, units in collective investment schemes, transferable securities, options, futures and swaps. The full list of instruments is provided within the second schedule to the ISA.
Process Timeline

1 WEEK PREPARATION TIME
- Compiling the application documents

3-6 MONTHS REVIEW TIME
- The MFSA Authorisation Unit reviews the application

4-6 WEEKS PRE-LICENSING STAGE
- The MFSA issues the approval of the licence and the applicant executes the outstanding conditions until official licence is issued

7 MONTHS

Engagement

Preliminary Meeting with the MFSA & Submit Application

In Principle Approval

Licence issued

WHY WORK WITH US?

- Problem Solving, Integrity, Honesty
- Ranked in Various Listing Directories
- We’re lawyers: Lawyer - Client Privilege
- 15+ Years Experience in Financial Services
- Malta-Cyprus Lawyers, Tax Advisors, Fiduciary Staff: 100+
- Our Ethos: Big firm expertise, Small firm personal

Scalability
Insolvency
Litigation
Compliance
Trusts
Private Clients

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