

KEY FACTS

NOTIFIED PROFESSIONAL INVESTOR FUNDS

SINCE LAUNCHING ITS PROFESSIONAL INVESTOR FUND (PIF) REGIME IN 2000, MALTA HAS CONTINUED TO SEEK ADDITIONAL ROUTES TO MARKET FOR SMALLER OR EMERGING MANAGERS. IN 2023, THE MALTA FINANCIAL SERVICES AUTHORITY (MFSA) ANNOUNCED THE LAUNCH OF A NEW INVESTMENT FRAMEWORK TO ASSIST THIS –THE NOTIFIED PIF OR NPIF.

MALTA NOTIFIED PROFESSIONAL INVESTOR FUND (NPIF)

An NPIF is aimed at alternative investment fund managers (AIFMs) with less than €100m leveraged AUM or €500m unleveraged AUM, that qualify for the lighter regulatory regime available to *de minimis* managers under the EU's Alternative Investment Fund Managers Directive.

The NPIF is suitable for *de minimis* AIFMs across all EU member states, as well as AIFMs in a wide range of non-EU third-party domiciles, provided that they are authorised by the MFSA, or an EU or third-party equivalent.

NPIFs can only be promoted to qualifying and professional investors, with a minimum investment of €100k per investor.

BENEFITS OF USING AN NPIF

- > The NPIF offers a very short time to market of ten (10) business days and reduced set-up and operational expenses, with no required prior authorisation by the MFSA and no ongoing direct supervision of the vehicle itself
- > Investor protection ensured by full compliance with the PIF regime
- > May be used to raise capital across the EU, subject to national provisions applicable in the respective jurisdictions; marketing outside Malta of an NPIF in EU or EEA states may be allowed subject to national provisions in the respective jurisdictions
- > Suitable for a wide range of uses, for example, hedge, private equity, and real estate funds, as well as other fund types; however, it cannot be used as a loan fund

LEGAL STRUCTURING FLEXIBILITY

- > NPIFs may be set up either as a common fund in a contractual form, unit trust, RICC, limited partnership, or incorporated cell company; or as an investment company with variable/fixed capital (SICAV/INVCO) structured under any of the legal forms provided for in the Maltese Companies Act
- > NPIFs may be structured as an umbrella vehicle with ring-fenced compartments and may be closed-ended or open-ended

ATTRACTIVE AND FLEXIBLE TAX REGIME

- > NPIFs are by default subject to the same tax regime as PIFs
- > NPIFs may take advantage of Malta's 70-plus double tax treaties

SERVICE PROVIDER REQUIREMENTS

- > The NPIF must be monitored by an appointed service provider that is subject to supervision by its competent authority. The NPIF's fund administrator can also act as its designated service provider.
- > The service provider must ensure that before submitting a notification request, all the necessary due diligence processes have been carried out to ensure that the governing body of the NPIF and all other service providers are fit and proper as specified by the competent authority.
- > NPIFs are not required to appoint a custodian for safekeeping, but may alternatively appoint a prime broker or establish other proper arrangements.
- > The annual accounts of NPIFs must be audited by an independent statutory auditor.
- > The NPIF shall also appoint a fund manager and a money laundering reporting officer (MLRO).

TRIDENT FUND SERVICES (MALTA) LIMITED IS REGULATED BY THE MALTA FINANCIAL SERVICES AUTHORITY TO PROVIDE FUND ADMINISTRATION SERVICES IN TERMS OF THE INVESTMENT SERVICES ACT, 1994.

THE NOTIFICATION PROCESS

Although the NPIF is not subject to the standard licensing procedure, it is still subject to the following notification process.

- > The board of directors of the NPIF approves a resolution certifying that the offering documents of the NPIF satisfy the minimum criteria as prescribed by the MFSA
- > The NPIF's governing body prepares a written request, in the form and manner as required by the MFSA, for the NPIF and its sub-funds, if any, to be included in the list of NPIFs
- > The NPIF's governing body or service provider submits the duly completed written notification request together with the accompanying documents to the competent authority within 30 calendar days from the date of the resolution of the NPIF's governing body approving the NPIF's offering memorandum, and prior to the effective date of the offering memorandum
- > The competent authority includes the NPIF in the list of NPIFs within ten (10) working days from the date the notification request and completed required documentation are submitted
- > An official list of NPIFs is maintained by the MFSA

WHICH NON-EU DOMICILES ARE PREAUTHORISED?

- > Third-country AIFMs that are authorised in a jurisdiction with whom the MFSA has signed a cooperation agreement/memorandum of understanding on securities, and which the MFSA deems to be subject to regulation in an equal or comparable level to that it would have been subject to in Malta
- > Where there is no bilateral cooperation agreement/memorandum of understanding on securities in place, the MFSA may accept other forms of agreements/memoranda of understanding which it deems acceptable

A wide range of jurisdictions fit these criteria, including the UK. The current list is extensive and subject to change. To view the full list, please visit the ESMA website.

HOW WE CAN ASSIST

Trident Fund Services (Malta) Ltd is a recognised fund administrator regulated by the MFSA pursuant to the Investment Services Act, 1994. We have broad experience in handling the administration of a variety of fund structures and can provide the following services in relation to the NPIF:

- > Provision of fund administration services, including the appointment as the NPIF's service provider
- > Assistance with the notification of the fund in Malta, including liaising with the MFSA, legal advisors and other parties
- > Incorporation of the fund
- > Provision of registered office and company secretary services
- > Provision of directorships, including NEDs who will handle compliance, in case of the NPIF
- > Provision of MLRO services

CONTACT US

For further inquiries and more information on how we can assist you, kindly email malta@tridenttrust.com.

- ▶ PEOPLE LED
- ▶ TECH ENABLED
- ▶ GLOBAL COVERAGE
- ▶ TAILORED SERVICE

- ▶ 1,100 STAFF
- ▶ 25 JURISDICTIONS
- ▶ 47,000 ENTITIES
- ▶ \$177BN AUA

- ▶ FUNDS
- ▶ PRIVATE CLIENTS
- ▶ CORPORATE CLIENTS
- ▶ MARITIME

[TRIDENTTRUST.COM](https://tridenttrust.com)