

GLOSSARY TO THE INVESTMENT SERVICES
RULES FOR NOTIFIED ALTERNATIVE INVESTMENT
FUNDS

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This Glossary should be read in conjunction with the Investment Services Rules for Notified
Alternative Investment Funds.

A

"Act" or "ISA"	The Investment Services Act, 1994.
"Administrator"	A person appointed by the Scheme or its AIFM responsible for the provision of Administration Services to the Scheme.
"AIFM"	An AIFM or Alternative Investment Fund Manager is a legal person whose regular business is managing one or more AIFs.
"AIFM" Directive	Directive 2011/61/EC of the European parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directive 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010.
"Alternative Investment Funds" or "AIFs"	Alternative Investment Funds or AIFs means a collective investment undertaking, including sub-funds thereof, which raises capital from a number of investors, with a view to investing it in accordance with a defined investment policy for the benefit of those investors and which does not qualify as a UCITS Scheme in terms of the UCITS Directive.

C

"Collective Investment Scheme"	The term 'collective investment scheme' shall have the same meaning as that assigned to it by article 2 of the Act and shall include any sub-funds of such Scheme.
"Compliance Officer"	The Compliance Officer is the person appointed by Scheme, responsible for ensuring compliance by the Scheme with its applicable Licence Conditions.
"Constitutional Documents"	The Constitutional Documents are the documents constituting a Scheme: in the case of an investment company its Memorandum and Articles of Association, statutory documents, or other instruments of incorporation; in the case of a limited partnership the Deed of Partnership contract or partnership agreement; in the case of a unit trust the trust deed; and in the case of a contractual fund the Fund Rules.
"Custodian"	The Custodian is the person appointed by the Scheme responsible for safekeeping of the assets of the Scheme and for carrying a monitoring function over the activities of the Manager.

D

"Delegation" The term "Delegation" means an arrangement of any form between a Scheme and a service provider by which that service provider performs a process, a service or any activity which would otherwise be undertaken by the Scheme itself.

E

"EEA" European Economic Area

"EEA Member State" The term 'EEA Member State' shall have the same meaning as that assigned to it by Article 2 of the Act.

"EU" European Union.

"EU Member State" A Member State of the European Union.

"European Regulatory Authority" The body or bodies designated by a Member State or an EEA State other than Malta in accordance with Article 44 of the AIFMD, Article 48 of the MiFID Directive, Article 97 of the UCITS Directive and Article 4 of the CRD to carry out each of the duties provided for under the different provisions of the said Directives.

G

"Governing Body of the AIF" "Governing body of the AIF" means the body with ultimate decision making authority for the AIF comprising the supervisory and managerial functions.

H

“Home Member State”

‘Home Member State’ shall have:

- (a) the meaning assigned to “home Member State or EEA State” in Regulation 2 of the European Passport Right for Investment Firms Regulations 2007, as may be amended from time to time; or
- (b) the meaning assigned to “home Member State or EEA State” in Regulation 2 of the Investment Services Act (UCITS Management Company Passport) Regulations, 2011, as may be amended from time to time; or
- (c) the meaning assigned to “home Member State or EEA State” in Regulation 2 of the Investment Services Act (Alternative Investment Fund Manager Passport) Regulations, 2013 as applicable.

I

“Investment Services Rules for Investment Services Providers”

Investment Services Rules issued by the MFSA in terms of Article 6 of the Investment Services Act, 1994 applicable to Investment Services Licence Holders and equivalent authorised persons.

L

“Licence Holder”

“Licence Holder” shall have the same meaning as an Investment Services Licence Holder.

M

“Marketing”

“Marketing” means a direct or indirect offering or placement at the initiative of an AIFM or on behalf of the AIFM of units or shares of an AIF it manages to or with investors domiciled or with a registered office in the Union.

“MFSA”

The Malta Financial Services Authority.

“Money Laundering Reporting Officer” or “MLRO” The Money Laundering Reporting Officer is the person appointed by an Investment Services Licence Holder in terms of Regulation 10 of the Prevention of Money Laundering and Funding of Terrorism Regulations, 2003.

N

“Notified AIF” “Notified AIF” means an AIF which has been notified to MFSA by the AIFM for the inclusion in the List of Notified AIFs and is included in the List of Notified AIFs maintained by the competent authority in terms of the Investment Services (List of Notified AIFs) Regulations 2016.

P

“Personal Questionnaire” or “PQ” The Personal Questionnaire, which is also referred to as the ‘PQ’ is available by logging into [LH Portal](#).

“Professional Investor Fund”

A special class of collective investment schemes which fall within the provisions of the Act and are subject to the Investment Services Rules for Professional Investor Funds. Presently there are three classes of Professional Investor Funds as follows:

- (a) PIFs promoted to Experienced Investors (or Experienced Investor Funds);
- (b) PIFs promoted to Qualifying Investors (or Qualifying Investor Funds); and
- (c) PIFs promoted to Extraordinary Investors (or Extraordinary Investor Funds).

Q

“Qualifying Shareholder” A person who has a Qualifying Shareholding.

“Qualifying Shareholding” Shall have the same meaning as that assigned to it by Article 2 of the Act.

R

“Recognised Fund Administrator” or “Recognised Administrator” A person who is in possession of recognition to act as an administrator of a collective investment scheme, in or from Malta, in terms of Article 9A of the Act.

“Regulations” The term “Regulations” shall be understood as referring to the Investment Services Act (List of Notified AIFs) Regulations.

“Retail Client” A client who is not a professional client.

S

“Scheme” See “Collective Investment Scheme”.

“Senior Management” Those natural persons who exercise executive functions within the Scheme and who are responsible, and accountable to the Management Body, for the day-to-day management of the Scheme.

“Special Purpose Vehicle” or “SPV” A special purpose vehicle:

1. set up by the Scheme as part of its investment strategy for the purpose of achieving its investment objectives; and
2. owned or controlled via majority shareholding of the voting shares either directly or indirectly by the Scheme; and

having the majority of its directors in common with the Scheme which set it up.

T

“Third Country” A country which is not an EU or an EEA Member State.

U

"UCITS"	A collective investment scheme, whether of the unit trust or open-ended investment company variety, falling within the scope of and authorised in terms of the UCITS Directive.
"UCITS Directive"	Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (recast) and includes any implementing measures that have been or may be issued thereunder;
"Units"	Shares in an investment company, units in a unit trust, or any other form of representation of the rights and interests of participants in a Collective Investment Scheme.

