
2 May 2011

Gearing up for UCITS IV

The countdown to the implementation of Undertakings for Collective Investment in Transferable Securities (UCITS) IV in July 2011 is compelling the investment management industry to shift into higher gear the task of aligning their business process to meet the requirements of the new UCITS Directive.

The aim of UCITS IV is to increase economies of scale and reduce costs for UCITS investors by introducing an improved regulatory environment that will increase cross-border efficiencies while enhancing choice, transparency and investor protection. In addition, the range of UCITS funds will widen to include some alternative fund products.

On the 14 March, 2011 the MFSA issued a Consultation Document on the proposed new Regulations largely to transpose the Ucits IV Directive requirements. The Malta Funds Industry Association (MFIA), on behalf of its members, participated in this consultation process and subsequently submitted its joint feedback together with the Institute of Financial Services Practitioners (IFSP) to the MFSA.

MFIA chairman, Kenneth Farrugia, said "Ucits IV is an important development for the EU funds industry. Surely, obligations under Ucits IV will pose a number of administrative challenges but the new Directive will also offer excellent opportunities to the funds industry and is another important step towards a single European market".

Kenneth Farrugia added "The members of the MFIA are actively following up on the implications of the eventual transposition of Ucits IV, particularly the opportunity for Ucits Schemes set up in Malta to appoint non Malta based Ucits fund managers. The ability to passport investment management services to Ucits Schemes will increase the opportunity of UCITS Schemes being set up in Malta which may thereon be managed by non Malta based Ucits managers. Conversely, this opens up an opportunity for Malta to attract UCITS Asset Managers to manage Ucits funds not necessarily based in Malta".

A seminar titled 'Clarifying the complex legal and regulatory environment for UCITS and Newcits in 2011 and beyond' is being organized in London by EuroMoney Legal Forum on 24 and 25 May 2011. A member of the MFIA will be sitting on one of the panels whilst a number of practitioners from the local fund industry and the regulator will also be present at this conference. For more information kindly visit www.mfia.org.mt.

MFIA Profile

The MFIA's primary objective is to act as a channel of communication and to make representations to the Maltese Government and the Malta Financial Services Authority on legislative, regulatory and fiscal matters which amongst others, directly or indirectly, have an effect on the business and/or professional interests of its members.

MFIA is also represented on the Financial Services Consultative Council and on the Board of Governors of FinanceMalta, a Foundation which was set up between the Industry and the Government of Malta with the core remit to promote Malta's financial services industry in and outside Malta.
