



Financial Services & Capital Markets

Practice



**CHETCUTI
CAUCHI**
ADVOCATES

CONTENTS

Financial Services Law Firm
 Capital Markets and Finance
 Financial Services
 Track Record
 The Jurisdiction
 Meet the Team
 Key Contacts Profiles
 Why Chetcuti Cauchi
 Client Testimonials
 The Law Firm

Financial Services Law Firm

Financial Services Law

- Funds
- Investment Services
- Banking
- Insurance
- Payment Services
- Electronic Money

Capital Markets and Finance

- Official Listing
- The European Wholesale Securities Market
- Prospects
- Alternative Companies List



Our specialised Financial Services Law and Capital Markets Practice consists of a multi-disciplinary team of lawyers, accountants and tax specialists drawn from our banking, capital markets, investment services, fund services, insurance, corporate, tax, and real estate practices.

Our lawyers, as well as, all our professionals have an unrivalled breadth and depth of experience working with a broad range of financial services institutions, credit institutions, insurance companies, funds and investment services companies.

Chetcuti Cauchi acts as a one-stop shop, catering for the financial needs of businesses and individuals who seek the advice and assistance of lawyers, accountants and tax professional. Our legal team advises and assists financial services operators in setting up and operating in Malta. We provide advice from a Maltese regulatory and legal perspective, working with promoters, inhouse legal and financial advisors, managers and other functionaries. Each particular case is examined by our Financial Services and Capital Markets team who directs the client's business towards the most appropriate and tax-efficient structure. Our Accounting and Tax Teams advise on ongoing monitoring and compliance, best accounting systems and procedures, historical analyses and projections. Chetcuti Cauchi's expertise and

familiarity with the peculiarities of this industry coupled with our in-depth knowledge of local regulatory processes has positioned us as advisors of choice in this field.

Track Record

This is a rapidly growing practice for Chetcuti Cauchi Advocates (CCA), which has experienced year on year growth in both personnel as well as clientele.

The Practice has a very well developed post-licensing compliance advisory practice with specialists housed within the team.

The firm has in-depth expertise in technology driven financial services; forex, payment infrastructure, algorithmic trading, virtual currencies and crowdfunding.

Some key firsts include: Malta's first unit trust, first new AIFM compliant fund manager, first Malta based bitcoin exchange.

While historically the firm's major strength in this sector has been its Financial Services Regulatory practice, in recent years it has also been increasingly involved with corporate finance matters, including the negotiation of a EUR 50 million term loan facility intended to support a major project in the Maltese energy sector.

The Jurisdiction

Malta has, over the past two decades, emerged as a serious jurisdiction in the world of financial services, offering a trustworthy alternative to traditional EU financial services jurisdictions such as Ireland and Luxembourg. Indeed, Malta has been very successful at attracting various financial businesses towards its shores, with the jurisdiction gaining considerable traction in the hedge funds, investment, foreign exchange and captive insurance markets.

Malta's growth in the financial services industry can be attributed to a diversity of features, including the support towards the industry given by the Maltese Government. Malta's

multi-lingual work force, as well as Malta's admission to the EU in 2004 and the Eurozone in 2008. In the past decade, Malta has also undergone a restructuring process bringing all its financial legislation in conformity with international best practice. Furthermore, the soundness of the country's financial system is demonstrated by the fact that the local banking system has emerged relatively unscathed from the financial crisis.

All these factors, together with the Malta Financial Services Authority (MFSA) firm but flexible approach, have helped Malta to become the jurisdiction of choice for renowned financial businesses seeking to establish themselves in a secure and well-regulated EU domicile.

Malta forms part of a very extensive network of double taxation treaties. Furthermore, Malta has transposed and implemented all the EU financial services directives. EU membership also offers a number of fiscal and business promotional incentives and other advantages including the single passport regime. This, coupled with a stable economy and an efficient regulator, has placed Malta on the financial map as a very significant and competitive jurisdiction.

Capital Markets and Finance

Malta's capital markets are steadily thriving, growing in size and liquidity, with the jurisdiction's finance markets reaching a remarkable level of sophistication. The Malta Stock Exchange (MSE), operating under the Malta Stock Exchange Act of 1990, operates to a high standard, providing effective facilities for the trading, settlement and registration of securities. It plays host to numerous equity and debt transactions, providing facilities by means of which securities can be admitted to trading and subsequently traded over a secure, well-regulated secondary market. In addition, international access is facilitated through the MSE's link to Clearstream. Various back office services are also provided through its in-house Central Securities Depository.

Our lawyers' commercial mindset in the framework of a multi-disciplinary approach ensures that the real needs of the business are met in a practical manner. Clients are given detailed advice and guidance in all aspects of capital market transactions, including corporate structuring, relations with regulatory authorities, corporate governance, drafting and revising the prospectus, and compliance AML process. Moreover, we can also provide a number of useful support services, assistance in relation to ongoing obligations as well as assisting clients through our broad network of "on-the-ground" contacts such as local experts and and strong working relations with relevant authorities.

In this respect, Malta offers various listing options including; Official Listing on the MSE, listing on the Alternative Companies List, the European Wholesale Securities Market as well as Prospects, a new capital market solution for SMEs. Each provides specific benefits to investors and is targeted at different audiences.

Official Listing

The eligibility criteria for Official Listing in Malta include securities at a market value of €1,000,000, as well as, a 3 year accounting history.

Listing on the MSE offers the benefit of associating oneself with an EU jurisdiction with a sterling reputation in financial services, and affords international visibility. Official Listing in Malta is also deemed to be a gateway to the European market.

The European Wholesale Securities Market

The European Wholesale Securities Market (EWSM) offers a niche platform for the trading of wholesale securities on a highly reputable, European, regulated market. The Platform guarantees review turnaround times enabling applicants to plan their listing with certainty. It delivers a seamless listing process and is committed to being approachable and responsive to market participants. EWSM is also a recognised market for the purpose of exemptions on withholding tax.

Prospects

Prospects is open to PLCs with a share capital of €46,588. The Platform is market regulated as a multi-lateral trading facility, operated by the Malta Stock Exchange (MSE) and providing finance solutions to small and medium sized companies (SMEs).

Prospects facilitates the access of SMEs to the capital market. The platform is fully compliant with Markets in Financial Instruments Directive (MiFID) which harmonises the regulation of investment services and Multilateral Trading Facilities (MTFs) at EU level.

Alternative Companies List

The Malta Alternative Companies List (ACL) is a Malta Stock Exchange (MSE) initiative aimed at providing listing opportunities for companies and investors with the potential to grow, yet not fulfilling the rigorous requirements for the MSE Official Listing option. Listing on the ACL offers the benefit of EU Passporting, as well as, international recognition.

Financial Services Law

Malta's financial sector has achieved rapid growth since the country's 2004 accession to the EU and the island is now rightly seen as having a sound and sophisticated financial system. This has led various investment service promoters to choose Malta as their home, including hedge funds, insurance captives, fund managers, investment services providers, credit institutions, insurance intermediaries and forex operators of various types. Thanks to its EU membership, low costs and favourable fiscal base, its English speaking workforce and geographical location, Malta is very well suited to the role of international financial centre of choice, and is particularly well adapted to serving as a platform and base of operations for businesses looking to penetrate the European and North African markets.

Funds

Malta hosts a variety of investment products and structures including professional investor funds, alternative investment funds, UCITS, fund managers, fund administrators, forex brokers, payment services providers, investment advisors and insurance principals. Our financial services regulatory team has extensive experience guiding applicants through Maltese regulatory processes. We have advised funds, investment advisors, portfolio managers, insurance businesses, forex brokers, market makers and many other businesses with respect to all aspects of their Malta set-up. Post-licensing, we assist our clients with all compliance and corporate maintenance matters. Our services include:

- Comprehensive project management solutions for the obtainment of the license, including;
- Assistance with the drafting of all regulatory documentation (including the offering memorandum);
- Management of all relations and communications with regulatory authorities;
- Introduction to relevant local service providers;
- Negotiation and/or drafting of agreements with service providers.

Investment Services

Investment services providers domiciled in Malta enjoy a key competitive advantage; the ability to passport their services and set up branches throughout Europe, thanks to the simplified 'passporting procedure'. This means that Maltese investment services providers can use their Malta license to provide their services throughout the EU, without the need for further licenses. This is a very attractive option which can reduce costs as well as regulatory complexity.

Banking

Banking in Malta has experienced noteworthy growth and continues to do so.

The country's banks provide a full range of personal, commercial and trade service

to clients. Over the last years the number of credit institutions licensed by MFSA has increased from 4 retail banks to over 29 foreign or privately owned banks and 42 financial institutions. These include various respected names in international finance as well as a number of trade finance banks presenting specialized trade related instruments. The banking sector in Malta includes retail banking, private banking, commercial banking, investment banking, trade finance, treasury and syndicated finance operations.

Insurance

The insurance sector in Malta is constantly growing both in number of companies and volume of business. This sector comprises commercial insurance companies carrying out both general and long-term business, subsidiaries of major international insurance and reinsurance undertakings, Affiliated Insurance Companies (Captives) and Insurance Management Companies.

Maltese insurance legislation incorporates the standards set by European Union Insurance Directives, including amongst others, the Insurance Mediation Directive and the Reinsurance Directive.

Malta's EU membership allows insurance companies licensed in Malta to access the EU's Single Market by writing directly into other EU/EEA markets without the need to apply for additional licences in the host Member States. Passporting rights may be exercised provided the insurance company is licensed and the host country regulator is notified by the home country regulator through a harmonized and streamlined notification procedure.

Payment Services Providers

The number of Payment Server Providers (PSPs) licensed in Malta has seen significant growth over the last few years.

PSPs may engage in various activities including: the execution of payment transactions, issuing and/ or acquiring of payment instruments, as well as money remittance.

Besides settling the initial application fee, the capital requirement for the setup of a PSP ranges from €20,000 to €125,000.

Electronic Money Institutions

Malta enjoys a stable financial services sector which serves as the apt domicile for the setting up of Electronic Money Institutions. The country offers highly effective corporate and personal tax rates as well as the opportunity to provide an EU wide service through the passporting regime (excl. small EMIs).

Ultimately, the cost of setting up and running such a business in Malta is considered to be amongst the most effective in Europe

Our Financial Services Law Practice Group

Led by **Dr Maria Chetcuti Cauchi**, the firm's co-founding partner, our Financial Services Law Practice assists businesses operating in every sector of the financial services industry in the obtainment of regulatory authorisations as well as with post-licensing compliance matters. Clients who choose our firm do not simply purchase a commoditised advisory service, but acquire a trusted business partner who adds expertise and long-term value to their operation. Our typical clients include investment advisers, funds and fund managers, insurance principals and intermediaries, as well as businesses operating in the banking sector. Although the firm maintains close relationships with the local market, our specialised international experience has allowed us to build a global clientele. Indeed the majority of our clientele is composed of foreign financial services professionals seeking to use Malta's advantageous legal and fiscal regime as a launch platform for the penetration of the EU marketplace, and who are interested in the seamless, one-stop-shop service, which our multi-disciplinary firm offers.

Lawyer-Client Privilege

Chetcuti Cauchi Advocates is a licensed law firm bound by professional secrecy: lawyer-client privilege is fully protected under Maltese law.

Why Chetcuti Cauchi

The below credentials highlight the importance we give to our Capital Markets and Financial Services Law Practice within the larger, multi-disciplinary environment we work in.

Recognition

Our lawyers represent Malta / Cyprus at international fora, seminars and lectures internationally & write and publish extensively on matters relating to Financial Services and Capital Markets.

Awards

- Awarded full Service Law Firm of the Year in Malta, Global Award Corp INTL 2011

Experience

- Chetcuti Cauchi enjoys a sterling reputation in the areas of Financial Services Law.
- Over fifteen years' experience in Financial Services, specialising exclusively on Malta and Cyprus in an international context

Licences & Certifications

- **Dr Maria Chetcuti Cauchi** has been a Chambers & Partners Global ranked lawyer. She is also an authorised Accredited Person by Identity Malta Agency (**licence no. IIP 001**).
- **Dr Maria Chetcuti Cauchi** was admitted to the bar and awarded her warrant to practise as an advocate before the Maltese Courts in 2003.
- All our **lawyers and accountants** are warranted and certified to practise in their respective professions.
- Our **trust company**, Claris Capital Ltd. (Reg. No. C-39315) is an authorised and regulated by the Malta Financial Services Authority in terms of the Trusts & Trustees Act to provide full fiduciary and trustee services as well as acting as an administrator on foundations.

Meet the Team

Partners



Dr Jean-Philippe Chetcuti

Tax, Immigration,
Managing Partner



Dr Maria Chetcuti-Cauchì

Art, Cultural Property, Senior Partner



Dr Priscilla Mifsud-Parker

Tax, Trusts, Estates, Senior Partner

Key Contacts Profiles



Dr Jean-Philippe Chetcuti

Tax, Immigration,
Managing Partner
jpc@cclex.com

- Tax & Immigration Lawyer, advisor to HNWIs, their advisors & Family Offices.
- Managing partner, CCA
- Member, AILA American Immigration Lawyers Association (International Chapter)
- Member, IBA International Bar Association (Immigration & Nationality Law Committee)
- Member, Malta Chamber of Advocates, Malta Chamber of Commerce, International Tax Planning Association, International Fiscal Association.
- Chairman, STEP Society of Trust & Estate Practitioners



Dr Maria Chetcuti-Cauchì

Art, Cultural Property,
Senior Partner
mcc@cclex.com

- Regulated Business, IP, Art & Cultural Property Lawyer
- Senior partner, CCA
- Registered trademark & patent attorney in Malta & in the EU
- Approved EPO European Patent Attorney
- Member, Institute of Financial Services Practitioners, Society for Trusts & Estates Practitioners, Chamber of Advocates
- Member, International Trademark Association, Remote Gaming Council
- Government Advisor, Malta Remote Gaming Regulations
- Engaged by Government for the Digitalisation of the Domestic Patent Database for Malta Enterprise
- Advisor, Malta Enterprise on the Roche Bolar Exemption for the Pharma Industry
- Advisor, Malta Council for Science & Technology
- Author & speaker, IPR law matters: ACTA, European Patents Convention & Patent Cooperation Treaty, Roche Bolar Exemption.



Dr Priscilla Mifsud-Parker

Tax, Trusts, Estates,
Senior Partner
pmp@cclex.com

- Executive Committee Member, IFSP Institute of Financial Services Practitioners
- Co-founder, Secretary, MAFE Malta Association of Family Enterprises, which he represents at the European Family Business Association.
- Private clients lawyer specialising in immigration law and in trusts and estates.
- Partner, CCA
- Member, Maltese Chamber of Advocates
- Technical, STEP Society of Trust & Estate Practitioners
- Member, IFSP Institute of Financial Services Practitioners

Client Testimonials

Testimonials

Below is a snapshot of what clients, firms, and independent directories say about us:



Buttigieg, Lawrence
COO, SGGG Fexserv

'Over the last five years I have collaborated with Chetcuti Cauchi numerous times in my capacity as COO of SGGG Fexserv. SGGG Fexserv is an MFSA recognized fund administrator and part of the international SGGG FSI group which has over 220 alternative investment funds under administration worldwide.

As such we often require reliable, high level legal advice. We have consistently found Chetcuti Cauchi Advocates and the rest of its multidisciplinary team to be dependable partners who provide us with good quality advice in a timely manner. We have worked with an array of lawyers, accountants and tax advisors in the firm.

In particular we are happy to recommend Dr Maria Chetcuti Cauchi, Dr Jean Philippe Chetcuti and Dr Charles Cassar. Dr Maria Chetcuti is an experienced and highly accomplished lawyer with expertise in a number of fields, including IP, financial services, capital markets and ICT, a strong negotiator and a very practical lawyer. Dr Jean Philippe Chetcuti can be described as a tax expert with a practical, business oriented attitude. Dr Charles Cassar is very knowledgeable on investment services and funds, with particular expertise in alternative investments.

We do not hesitate to recommend the firm for its highly quality service, responsiveness, technical expertise and attention to detail.'



Michael Evans
TTC Capital

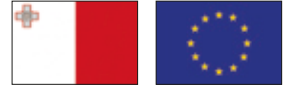
'From my first introduction to Chetcuti Cauchi at their London offices and subsequently their Malta offices the level of service received from Principal Partners and staff has always been courteous, friendly, professional, informative and timely, giving confidence that my colleagues and I were receiving the best possible advice in respect of what were very important business developments to us at both corporate and individual levels. Specific to this service was our introduction of a Swiss based fund manager and the subsequent successful approval by the Maltese Regulator for a Green Energy Fund. My business was responsible for providing funds for the Green Energy Fund development and with which we know have an on-going business relationship. This was a challenging process which was successfully achieved admirably supported and advised upon by Chetcuti Cauchi. At an individual level we have received excellent advices regarding set up of new companies in Malta and tax relevant structures.'



James Mendelssohn
Chairman MSI Global Alliance

'Chetcuti Cauchi are long-standing and well respected members of MSI Global Alliance. As a senior partner in the firm, Maria has been instrumental in the provision of high quality, responsive service to other members of MSI and their clients and we highly value her involvement and commitment.'

MALTA



CONTACT DETAILS

For more information, contact:

Dr Maria Chetcuti Cauchi

Partner, Financial Services

E: info@ccmalta.com ▪ W: www.ccmalta.com

MALTA

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Get in Touch...

T: (+356) 2205 6200 ▪ E: info@ccmalta.com
▪ W: www.ccmalta.com