

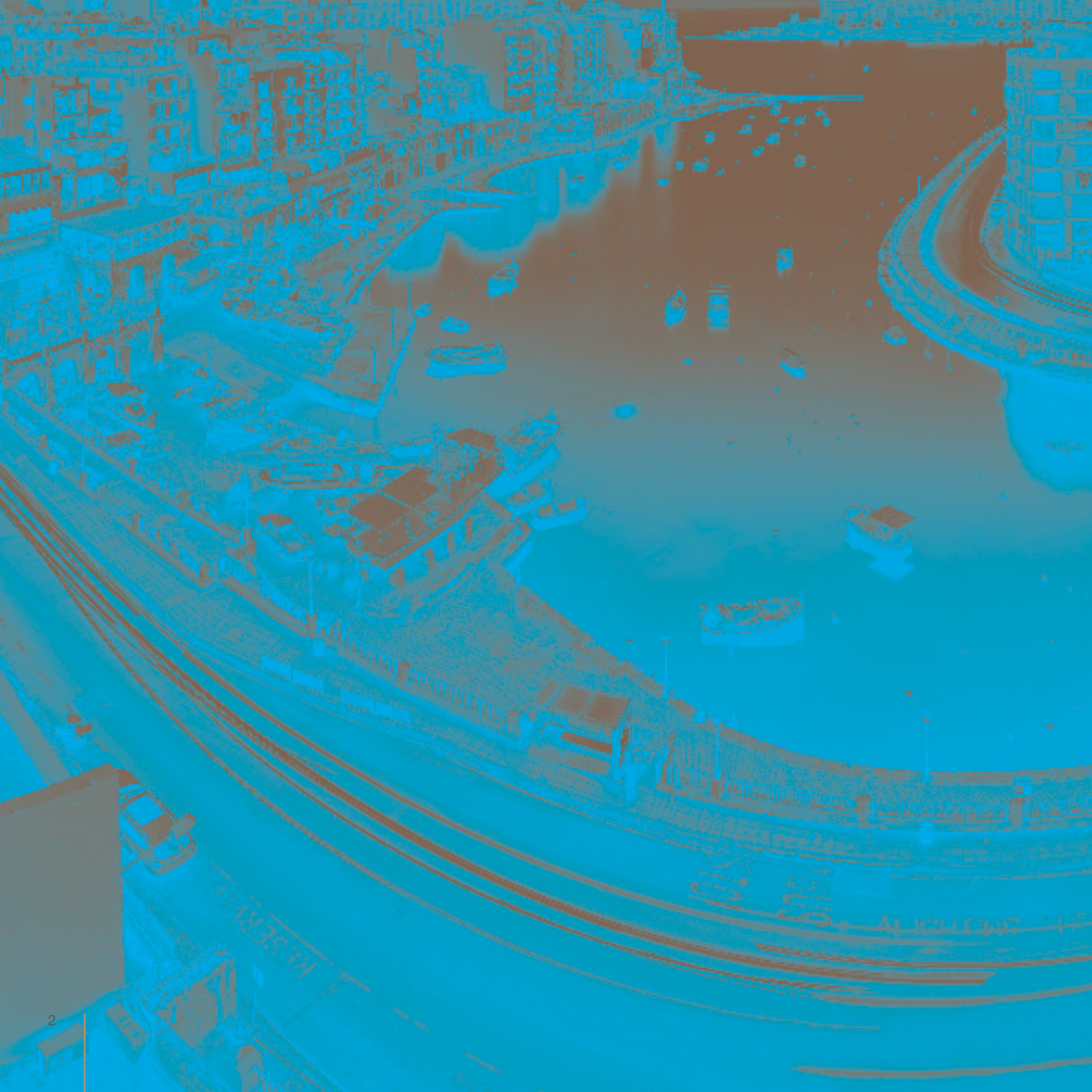


CHETCUTI
CAUCHI
ADVOCATES

Financial Services

Serving the investment community

BANKING • BLOCKCHAIN • CAPITAL MARKETS • CRYPTO EXCHANGES • ELECTRONIC MONEY INSTITUTIONS FINTECH • HEDGE
FUNDS • INVESTMENT MANAGEMENT • MIFID • PAYMENT SERVICE • VIRTUAL ASSETS



Dr Priscilla Mifsud Parker
Senior Partner, Tax & Corporate

At Chetcuti Cauchi we are committed to providing bespoke legal and advisory services to our extensive client base. Our mission is to support businesses and private clients in their journey to become global citizens and players. We are proud of our highly professional, multidisciplinary law firm that operates from five international financial centres set up in business hubs across Europe starting from our homeland Malta, Cyprus, London, Zurich and most recently, Hong Kong.

We may be a European-based firm, but our vision is global.

Whilst being a leading European law firm in the design and implementation of financial services solutions, we pride ourselves on our position to offer an exhaustive list of professional advisory services tailored to our clients' needs with the ultimate aim of maximising our clients' outcomes and future investments.



MISSION STATEMENT

Chetcuti Cauchi provides intelligent, practical and cutting-edge solutions revolving around client's goals and interests for successful entrepreneurs and business families. Through excellence, integrity, practicality and collaboration we position ourselves as a multidisciplinary law firm with an international footprint. We foster the well-being of our people by offering them professional challenges and opportunities, empowering them with the latest bespoke technology in a dynamic landscape. Through our values and actions, we enrich the communities we work in.

The Firm

Chetcuti Cauchi is one of the largest professional services firm in Malta, providing legal, tax and fiduciary to businesses, private clients and governments worldwide. It is continuously expanding its presence across, with offices in Cyprus London, Zurich and Hong Kong. It's global vision and business acumen has been the driving force behind the firm's evolution over the years to offer a host of comprehensive and integrated services to its growing client base.

The firm boasts unrivalled expertise in financial services law (including banking, capital markets investment funds and the like), corporate law, international tax law, intellectual property law, property law, trusts, residency and citizenship, as well as other investment programmes, thus it is well positioned to offer an all-inclusive service to its clients. Its multidisciplinary team are well respected in international circles and

are exemplary players in implementing the firms mission of providing high-quality, client-centric services that are focused on the clients' personal and commercial realities.

The firm's partners and managers are also instrumental in submitting position papers, research papers and proposals to government entities on an on-going basis in the various fields of law. They are also regular publishers and contributors to thought leadership papers on a vast range of trending subjects.

Unrivalled expertise in numerous legal areas, thus positioned to provide a fully comprehensive, all-inclusive service to clients.

“When we decided to establish a business in Malta, the obvious choice of lawyers to assist us was Chetcuti Cauchi. This decision was helped by their good reputation in Malta combined with the fact that we could meet with them in both their London and Malta offices”

Edwards, James

OUR CULTURE

The Firm’s culture is marked by the incessant drive to make our client’s objectives our challenges. Our team-work mentality means that we translate these challenges into opportunities. Throughout this process, we adopt a positive, open-minded attitude that not only fosters excellent and sustainable relations with our clients, but one which leads to optimum and innovative solutions. We adopt a results-based approach across the board so that our clients’ success becomes our own success. No less, we emphasize independence, transparency and timely delivery.

OUR DRIVING FORCE

The firm has grown out of a commitment to be different. We have created a unique environment where our team is continuously strengthening its legal and business acumen. By doing so, they are well positioned to align our clients’ objectives with commercial, social and economic realities. Tried and tested practices are continuously subjected to creative and innovative revision to ensure that Chetcuti Cauchi continues to render an unparalleled level of service to its clients.

THE FIRM IN THE MARKETPLACE

Chetcuti Cauchi embraces professionals from various related sectors and this unique multidisciplinary mix results in a greater learning experience for our members and all-encompassing results for our clients. The Firm is well positioned to service clients ranging from high net worth individuals and families, owner-managed companies to larger corporations. Chetcuti Cauchi has also grown to be regarded as the law firm of choice by various leading professional firms in the EU and worldwide.





Our Financial Services Practice

SERVING THE INVESTMENT COMMUNITY

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 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.

Our specialised Financial Services 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 boasts of an excellent relationship with the financial services regulator and has always successfully completed its files in collaboration with the client.

OUR BUSINESS APPROACH

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 professionals. Our legal team advises and assists financial services operators in setting up and operating in Malta as well as other jurisdictions either through our offices or collaborators. We provide advice from a 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 team who directs the client's business towards the most appropriate and most appropriate solution. 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 (CC), 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 in relation to an array of EU regulation (AIFMD, CRD & CRR, MiFID, MIFIR, Prospectus Directive and many more), banking, fintech, forex, payment infrastructure, virtual currencies, crowdfunding and more recently in cryptocurrencies, crypto exchanges & ICOs. Some key firsts include: Malta's first unit trust, first new AIFM compliant fund manager, first Malta based bitcoin exchange prior to the hype which has gripped the world over the last 18 months. 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 €50 million term loan facility intended to support a major project in the Maltese energy sector as well as the conclusion of the privatisation of Malta's main energy provider.





THE JURISDICTION

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, cost efficient environment 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 markets, 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 as well as banking & fintech.

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 several 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 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, Institutional Financial 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 three (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 INSTITUTIONAL FINANCIAL SECURITIES MARKET

The Institutional Financial Securities Market (IFSM) is the third Market launched by the Malta Stock Exchange. This market is specifically designed for the institutional investors. The minimum denomination of financial instruments quoted on IFSM is €100,000 or the equivalent in any other currency.

The types of instruments that are admissible to the IFSM are:

- Debt securities;
- Asset-backed securities;
- Insurance linked notes;
- Convertible debt securities; and
- Derivative securities.

The IFSM is regulated by the Listing Authority under the Wholesale Securities Market (WSM) Listing Rules and is recognised by HMRC as a Market under the Malta Stock Exchange Recognised Investment Exchange recognition.

An issuer seeking admissibility to listing must appoint a Listing Agent authorised by the Malta Financial Services Authority. The Listing Agent will guide the issuer on the compilation of the Application for Listing and the drafting of the Prospectus. Once these are finalised they are submitted to the Listing Authority for consideration and approval. At this stage the Listing Agent will also submit an application for Admission to Listing on IFSM to the Malta Stock Exchange.

“Chetcuti Cauchi Advocates have been instrumental in allowing us to set up & begin operations for our company. We have received excellent services from the Financial Services Unit, who have proven to be timely, professional and knowledgeable in all matters pertinent to our work. We have had the pleasure to have worked with Charles Cassar, Stevie Aquilina, Roberta Zammit and Antoine S. Haig for approximately two years under the guidance & direction of Jean-Philippe Chetcuti. We look forward to continue working with them.”

Islam, Asadul

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.

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.



Funds

Our financial services regulatory team has extensive experience guiding applicants through Maltese and other jurisdictions regulatory processes. We analyse which other jurisdictions may be beneficial for their structures and through our offices and partners around the world we determine the best solution for them. 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 Maltese and non-Maltese set-ups. 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 (MiFID)

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 or any other EU investment service provider can use their Malta or EU 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. We have advised clients on a wide range of investment services related licences correlated with:

- Reception and transmission of orders;
- Execution of orders on behalf of other persons;
- Dealing on own account;
- Third party asset management;
- Trustee, custodian or nominee services;
- Investment advice in the form of personal recommendations (excluding recommendations issued exclusively through distribution channels or to the public);
- 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, bringing together multiple third parties buying and selling interests instruments, resulting in a contract.





Banking

Chetcuti Cauchi provides a full suite of legal services designed to assist the financial services client with their regulatory, licensing and legal requirements in Malta and in the EU.

Our Credit & Financial Institutions Law team (C&FI) forms part of the larger umbrella team that covers the whole gamut of financial services. Our breadth of expertise spans all financial services client requirements including setting up of new structures reorganising existing structures, legal drafting and other regulatory requirements.

This sector has evolved from a handful of domestic banks into an industry which operates across all the EU Member States, set up as both 'brick & mortar' as well as online. This sector comprises domestic banks and traditional credit instructions, financial instructions, e-money & payment instructions.

“We and our clients have used CC’s services for several assignments mainly in the financial services sector, including for the application of a banking licenses. CC’s advice is always quick, precise and reliable. Their reputation in the market and with authorities is without any question very highly acknowledged.”

Richard Leitemann, Wilkinson & Barker Ltd

OUR BANKING SERVICES

As one of the few law firms in Malta to have a specialised C&FI Law team, Chetcuti Cauchi is very well placed to provide the financial industry with the necessary legal, corporate and regulatory advice and assistance. Our credit & financial instructions clients comprise credit institutions focusing on retail, corporate & private banking; credit institution specialising in short term loans; factoring companies; payment services operations; issuers of e-money & money brokers. Our services to the this industry include:

- setting-up, structuring and authorisation of Credit & Financial Institutions;
- M&A consultancy;
- On-going regulatory advice;
- On-going transactional work;
- Consultancy work in relation to compliance
- Obligations and structures;
- Drafting of or revision to policy documentation;
- Consultancy work in relation to compliance obligations and structures
- Passporting arrangements and other cross-border issues
- IT, IP, e-commerce and data protection legal consultancy.

As with all practice areas of the firm, CC's C&FI Law Team works closely with lawyers, commercial advisors and tax experts from other practice areas within the firm to provide its banking and financial instructions clients a holistic service covering legal, corporate structuring and tax planning.

Credit institutions authorised by an authority in the EU or EEA can use their European passport to establish a Maltese branch or provide cross-border services in Malta, without the requirement to obtain a separate licence from the MFSA. The same applies for a Maltese licenced bank which can benefit from the freedom of services and establishment in any other EU jurisdiction. Some conditions need to be satisfied before this right may be availed of, including that the bank must notify its home state regulatory authority of its intentions. In the case of a European bank operating in Malta through a branch or engaging an agent in Malta, the home state authority of the bank has the right, after having informed the MFSA, to conduct on-site verifications in Malta of certain information held by the banks. The foreign authority can also request the MFSA to carry out such verifications.



Financial Institutions

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 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 amongst the most effective in Europe.

“Chetcuti Cauchi and their Financial Services team have been excellent in meeting our legal needs in Malta. They have been highly responsive and a pool of knowledge and guidance. Throughout the process we have been able to liaise with other specialist teams within Chetcuti Cauchi in order to gain a broader picture of the effects of our structuring choices and also of various options open to us as we grow our business. They have been very flexible in meeting our changing needs, a quality which we value. We have no hesitation in recommending Chetcuti Cauchi to other firms.”

Linda Gingell - Instadebit Global Solutions Ltd





Blockchain, ICOs, Crypto Exchanges & Fintech

Blockchain technology is deemed to play a key role in both the financial services industry as well as other industries, from telecommunications, to transport, health and residency as well as education. There are three principal technologies that combine to create a blockchain. None of them are new. Rather, it is a combination of proven technologies applied in a new way. These technologies are:

- private key cryptography;
- a distributed network with a shared ledger; and
- an incentive to service the network's transactions, record-keeping and security.

It has the potential of disrupting the world economies in the way we transact and communicate. The distributed nature of Blockchain technology is expected to bring new applications, which to date have been unachievable.

ICOs

On the other hand, Initial Coin Offerings is the offer to investors of units in a new cryptocurrency or crypto-token in exchange for FIAT currency or against other cryptocurrencies. As subsets of financial markets, capital markets are integral parts in producing monetary output in economies globally, through which debt or equity-backed securities are bought and sold. The blockchain concept has generated a huge amount of interest within capital markets.

It is a process where start-ups, mainly from inside the digital-currency sector, create a new virtual coin or token and offer it for public sale. It lies somewhere between a traditional initial public offering (IPO) and investment-based crowdfunding. ICOs can raise tokens either as security, equity and utility tokens. The applications can be varied.

“Among quite a few Maltese lawyers/companies you were the only one who came up with an idea to meet with the regulators and found the solution how to incorporate a business like ours.”

Fintech assists asset and wealth managers, brokers, custodians, insurance companies well as banks to be in touch with clients through the use of technology.

Our multi-disciplinary team together with our partners and collaborators provide clients with a one stop shop seamless solution in order to provide you with peace of mind in assisting you in achieving your goal.



Main Areas of Services

The Financial Services team together with the other practice groups of the firm provide a holistic service offering to our clients.





Why Us



Multidisciplinary team of highly-talented individuals coming from different sectors, with a strong business and entrepreneurial acumen.

Offer a multitude of services, in a holistic manner, under one roof.



Over 15 years experience in advising clients from across the globe.

Pristine reputation, highly respected and well connected in international circles.



Adopt a 'big firm expertise, small firm personal relationship' approach with all our clients.



Ranked in Various Listing Directories.



Fully licensed law firm, subject to professional secrecy, client privilege.



Dedicated Financial Services practice.



Associations and Affiliations



Meet the Partners



Dr Jean-Philippe Chetcuti
Dip. Tax, Dip.ITM, B.A., LL.M. (Warwick),
LL.D., TEP
**Global Managing Partner &
Founder**
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Jean-Philippe is a private client lawyer to HNW individuals, international families and family businesses. He specialises in residency & citizenship law, international tax, trust & estate planning, family office structuring, family business governance and international asset protection.



Dr Maria Chetcuti Cauchi
B.A., LL.M.(Warwick), LL.D., TEP
**Co-founder and Senior Partner,
Global Property Investment**
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Co-founding partner, Maria leads the Property & Projects Practice Group of the firm. She focuses on providing bespoke advice to buyers seeking to invest in Malta through the use of structured asset plans, private equity and real estate funds, special purpose vehicles and trusts.



Dr Priscilla Mifsud Parker
B.A., M.A.(Fin.Serv.), LL.D., TEP
**Senior Partner,
Tax & Corporate**
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Priscilla is a private client lawyer heading our Families & Wealth practice group. In this capacity, she specialises in trusts and estate planning, wealth and business structuring for high net worth and successful business families. In the structuring field her main specialty is tailor-made solutions for the optimisation and protection of high value assets.



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