



AQA

CAPITAL

Collective Investments Schemes
European Funds solutions





AQA Capital, is a Maltese asset management company authorized by the Malta Financial Services Authority (the "MFSA") as a full scope AIFM and UCITS Management Company, and therefore, can manage both AIFs and UCITS and can market such funds throughout the EU.

AQA Capital aims to partner with banking institutions, wealth managers and family offices who want to set up their own funds. Our dedicated team of qualified financial professionals have hands-on experience in a wide range of fund types and investment strategies. AQA Capital has all the tools required, whether as a stand-alone fund, a segregated sub-fund on an existing 'white-label' fund structures, or even exclusive fund platforms.

In addition to our own experience and knowledge, AQA Capital has partnered with leading custodians, administrators and auditors that bring their own expertise. Our network can provide an efficient working structure for prospective launches and management of complex fund structures.

Why Malta

Malta's single regulator is the MFSA. Malta has transposed all EU directives and regulations governing the provision of investment services, namely MIFID, AIFMD and UCITS Directive into local laws. Malta is a growing European financial services hub thanks to:

- Full membership in the European Union since 1st May 2004;
- Member of the United Nations and the Commonwealth;
- Over 65 Double Taxation Treaties;
- UCITS and AIFs set up in Malta benefit from the passporting regime in EU;
- Governmental institutions act with a severe but business oriented approach;
- English-speaking workforce and highly educated professionals;
- International Monetary Fund and credit rating agencies consider the Maltese financial services sector as robust and resilient;
- State-of-the-art ICT infrastructure;
- Daily flights to all major EU cities.

Disclaimer: This brochure is not intended to impart advice; readers are advised to seek confirmation of statements made herein before acting upon them. Specialist advice should always be sought on specific issues.



INTRODUCTION

The investment management and fund industry are experiencing a period of significant changes. The regulatory overhaul in anti-money laundering, the importance of transparency to clients and risk management controls are becoming more and more important in a world where new high net worth individuals (“HNWI”) and ultra-high net worth individuals (“UHNWI”) come from various jurisdictions around the world. Macroeconomic studies suggests that it is crucial for experienced management companies to adopt a multidisciplinary approach when identifying appropriate investment opportunities for clients and to find sustainable alternative investments in order to protect clients’ wealth.

With the ever-growing changes in legal and regulatory landscape it is becoming more important to have experienced management companies managing ones wealth, to generate satisfactory returns with a very low total expense ratio and provide the most appropriate investment to HNWI and UHNWI.

Throughout these major developments in the investment management and fund industry, AQA Capital is well placed to assist clients with riding the legal and regulatory wave and taking full advantage of the opportunities offered by the market.

More often than not, the best solution to manage HNWI and UHNWI assets is through the use collective investment schemes (“CISs”). CISs allows management companies to centralise the investment process, reduce risks and also provides optimal tax treatment for investors.

When establishing a CIS, various regulatory regimes can be used. Promoters may set up undertakings for collective investment in transferable securities (“UCITS”) and/or alternative investment funds (“AIFs”) in any EU jurisdiction. In addition, various jurisdiction have their own CIS regimes such as professional investor funds (“PIFs”) in Malta or specialized investment funds (“SIFs”) and reserved alternative investment fund (“RAIFs”) in Luxembourg. The appropriate choice of regime depends on the risk profile of the market which the fund manager or promoter is targeting, as well as the type of investment contemplated.



UCITS

UCITS, as well as their management companies, must be established within, and authorised by, an EU home state regulator. A UCITS authorized in terms of the UCITS Directive may be passported and marketed throughout all EEA, without being subject to any additional licencing requirements.

The UCITS Directive provides a harmonised regime across the EU and therefore, in substance, there is no distinction between the establishment of a UCITS in Malta, Luxembourg or Ireland.

In view of the investment eligibility requirements and restriction imposed by the Directive 2009/65/EC, as amended (the "UCITS Directive"), which are aimed at ensuring portfolio diversification and liquidity, UCITS are typically the best type of investment for retail investors.

On the basis of clients' preferences in commercial, timing and costs , AQA Capital can support the creation of a UCITS in any EU jurisdiction.

AIFs

AIFs are CISs which are not authorized as a UCITS. An AIF can only be launched and managed by a fund manager authorised as an alternative investment fund manager ("AIFM") in terms of the Directive 2011/61/EU (the "AIFMD").

By default, AIFs may only be marketed to professional investors as defined under the Directive 2014/65/EU on markets in financial instruments ("MIFID"). Under Maltese law, AIFs may also be made available to qualifying investors as defined in the MFSA Rules. A qualifying investor is one which invests a minimum of EUR 100,000 in the AIF and which satisfies other eligibility criteria relating to the net worth and experience of the investor, to mention a few. AIFs are not subject to any investment restrictions and are therefore particularly appropriate for the a small group of investors desirous to invest in illiquid assets.

In Malta, AIFs may be set up as an authorized and regulated fund, or, following the introduction of the notified alternative investment fund regime, as an unregulated AIF known as a Notified AIF ("NAIF"). In the case of a NAIF, the time to market is much shorter because it benefits from a time effective registration process of merely 10 working days as it is the AIFM which is assuming responsibility for the activities of the NAIF.

An AIF (including NAIFs) may be marketed through the exercise of the European passporting rights in terms of the AIFMD. By default, AIFs can only be marketed to professional investors (as defined in MiFID), however they may also be marketed to other investors in the home state jurisdiction where the investor is located provided that the AIFM complies with the private placement regime where the investor is located.

AQA Capital can support the creation of an AIF in every European jurisdiction, however the Maltese regime is ideal and cost-efficient for AIFs dedicated to a limited number of professional and qualifying investors.

PIFs

PIFs are specialised CISs which are solely regulated in Malta and subject to authorization and supervision by the MFSA. By their very nature, PIFs are AIFs however they do not fall within the AIFMD regime and therefore are subject to less onerous rules.

Investors in a PIF must satisfy the requirements of a qualifying investor (as defined above under the MFSA Rules). PIFs do not benefit from an EU passport, and therefore cannot be passported and marketed in the EU. PIFs can only be marketed on a private placement basis in accordance with the local laws and regulations in the jurisdiction where the investor is located.

For this reason, PIFs are ideal structures for funds which will be marketed on a private placement basis in or out of the EU, or for funds which will only be available to a closed group of investors and will not be marketed. Thus, this fund structure is ideal for family offices and private funds investing in private equity, venture capital, real estate and other commodities.

PIF allows extremely high flexibility as they are not subject to any investment restrictions and may appoint any service provider provided that such service providers are regulated in a reputable jurisdiction.





Headquarters

6, Market Street, Floriana
FRN1082 Malta
Tel. +356 23479800

Italian branch

Via Cavallotti 8
20122 Milano
Tel. +39 02 36574500

Czech Republic

Pařížská 68/9, 110 00
Praha 1 Staré Město
Tel. +420 220 950 677

www.aqa-capital.com

info@aq-capital.com

