L.N. 62 of 2011

INVESTMENT SERVICES ACT (CAP. 370)

Investor Compensation Scheme (Amendment) Regulations, 2011

IN exercise of the powers conferred by article 12 of the Investment Services Act, the Minister for Finance, the Economy and Investment, acting on the advice of the Malta Financial Services Authority, has made the following regulations:-

Citation and commencement.

S.L. 370.09

1. (1) The title of these regulations is the Investor Compensation Scheme (Amendment) Regulations, 2011, and these regulations shall be read and construed as one with the Investor Compensation Scheme Regulations, hereinafter referred to as "the principal regulations".

(2) These regulations shall be deemed to have come into force on the 1st January 2011.

Amends regulation 11 of the principal regulations.

2. Sub-regulation (1) of regulation 11 of the principal regulations shall be amended as follows:

(a) for the words "shall participate in and contribute to the Scheme, including branches of licence holders operating in other countries:", there shall be substituted the words "shall participate in and contribute to the Scheme:"; and

(b) in the first proviso thereto, for the words "providing investment services" there shall be substituted the words "licensed to provide investment services".

Amends the Second Schedule to the principal regulations.

3. For paragraph 2 of the Second Schedule to the principal regulations there shall be substituted the following:

"2. Fixed Contribution

(a) Every licence holder which participates in the Scheme shall pay a Fixed Contribution as follows:

(i) €2,911.72 in the case of Category 2 Investment Services Licence Holders; and

(ii) €17,470.30 in the case of Category 3 Investment Services Licence Holders.

(b) The fixed contribution that shall be payable by a licence holder during its first calendar year of participation, shall be calculated in accordance with the following formula:

$$\frac{\text{contribution} \times \text{days}}{365}$$

Where:

"contribution" means the fixed contribution as provided for in paragraph (a);

"days" means the number of days that elapse from the day when the said licence holder obtains a Category 2 or a Category 3 licence, as the case may be, up to the end of that calendar year.

(c) The additional fixed contribution that shall be payable during the calendar year in which a licence holder upgrades from a Category 2 to a Category 3 licence, shall be calculated in accordance with the following formula:

$$\frac{\text{difference} \times \text{days}}{365}$$

Where:

"difference" means the difference between the fixed contribution for Category 3 and the fixed contribution for Category 2 investment services licence holders as provided for in paragraph (a);

"days" means the number of days that elapse from the day when the said licence holder upgrades to a Category 3 licence, up to the end of that calendar year.

(d) Payment of the Fixed Contribution to the Scheme shall be made by the 30 April of each year or within thirty calendar days from the date when the licence holder shall become liable to participate in and contribute to the Scheme, as the case may be.

(e) A licence holder which has ceased to be a participant of the Scheme or which has downgraded its licence at any time during a calendar year shall not be

entitled to a refund of any contributions paid to the Scheme."

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