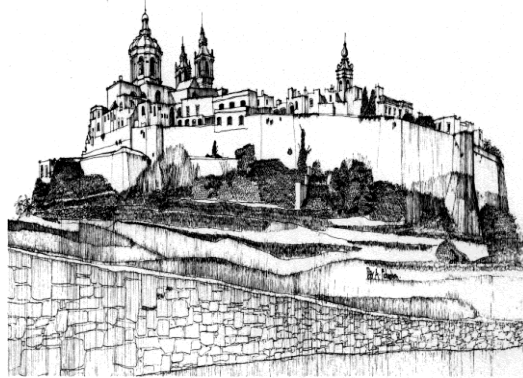


# MALTA

## A GUIDE ON ESTABLISHING INCORPORATED CELL COMPANIES IN MALTA

[INVESTMENT SECTOR]



Mdina - Malta

# MFSA

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MALTA FINANCIAL SERVICES AUTHORITY

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## **INTRODUCTION**

The “Guide on Establishing Incorporated Cell Companies in Malta” provides a general overview of the structure, background and use of the Incorporated Cell Company as an investment vehicle.

## **CONCEPT**

The concept of cell companies *per se* was first introduced in Malta in 2004, and has since evolved into a number of different types of cell company structures. The cellular concept provides for the establishment of a cluster of incorporated cells grouped under an incorporated cell company structure. Assets and liabilities are attributed either to the incorporated cell company itself, or to a particular separate cell of the cell company.

Prior to the introduction of the cell concept, Maltese legislation already provided for the concept of a segregated multi-fund company. The key differentiating element between the segregated multi-fund company and the traditional non-cellular company is that the latter provides a flexible corporate vehicle within which assets and liabilities can be ring-fenced, or segregated, so as only to be available to the creditors and shareholders of each particular sub-fund. The incorporated cell company enhances the feature of ‘segregation’ within the multi-fund structure as is explained below.

## **Background to Legislation**

The possibility of setting up a multi-fund company licensed as a collective investment scheme containing multiple, segregated sub-funds with ring-fenced assets and liabilities has existed under Maltese law, since 2003, backed up by the Companies Act (Investment Companies with Variable Share Capital) Regulations (hereinafter referred to as the “SICAV Regulations”).

The Companies Act (SICAV Incorporated Cell Company) Regulations (hereinafter referred to as “SICAV ICC Regulations”) came into effect by Legal Notice 559 of 2010 and went a step further providing for the registration and licensing of schemes as “Incorporated Cells” with separate legal personality under the umbrella of the Incorporated Cell Company (ICC). The overall Scheme has to function as a collective investment scheme but can still be structured in a way which allows it to achieve high efficiency levels.

The launch of the SICAV ICC generated a lot of interest across the fund sector generally and the Authority received several enquiries. Most of the demand revolved around a ‘platform’ model that would involve an ICC providing administrative services to any number of incorporated cells licensed as collective investment schemes. These requests further led to the development of Recognised Incorporated Cell Companies (‘RICCs’) which came into force by Legal Notice 119 of 2012 Companies Act (Recognised Incorporated Cell Companies) Regulations (hereinafter referred to as the “RICC Regulations”).

## **KEY FEATURES OF THE ICCs**

### **[I] Separation of assets and liabilities**

The SICAV Regulations provide that a segregated multi-fund company may elect to have the assets and liabilities of each sub-fund treated as a patrimony separate from the assets and liabilities of each other sub-fund. Similarly, both the SICAV ICC and RICC Regulations provide for separation of assets and liabilities between the cell company and each cell.

The difference between the two structures lies in the fact that in an ICC, liability is limited through the separate legal identity of each cell, whereas in a segregated multi-fund company, limitation of liability is achieved through the option of segregation of assets and liabilities of each sub-fund stipulated by virtue of the company's memorandum of association

### **[II] Separate Legal Personality**

The main difference between an ICC and a segregated multi-fund company structure lies in the legal status of their parts. The incorporated cells enjoy a separate legal personality in the same way as their ICC does.

Conversely, in a segregated multi-fund company structure, the SICAV and its sub-funds together represent one legal entity. Thus due to this lack of legal personality a sub-fund in a segregated multi-fund company structure cannot transact in its own name.

## **CATEGORIES OF ICCs**

An ICC can take one of two forms, either:

- [i] a SICAV ICC that operates as a collective investment scheme with a Collective Investment Scheme Licence granted in terms of the Investment Services Act and regulated by the Companies Act (SICAV Incorporated Cell Companies) Regulations.

The SICAV ICC Regulations define an 'Incorporated Cell Company' as a SICAV formed and registered as, continued as, transformed or divided into, an incorporated cell company. The establishment of an ICC structure under these Regulations is limited to the carrying out of the activity of a collective investment scheme, as defined under the Investment Services Act, 1994.

- [ii] a Recognised Incorporated Cell Company (RICC) that provides purely administrative services to incorporated cells within the platform structure in accordance with the Companies Act (Recognised Incorporated Cell Companies).

The RICC Regulations define a "Recognised Incorporated Cell Company" as a limited liability company formed, continued as, transformed or divided into an incorporated cell company and recognised by the competent authority in terms of article 9A of the Investment Services Act.

Therefore, in terms of the RICC Regulations, the RICC is required to obtain a recognition certificate to operate as a pure platform not carrying out any activity amounting to a licensable activity.

An RICC may only undertake administrative activities as indicated in the Schedule to the RICC Regulations and for which it is issued with a Recognition Certificate in terms of Article 9A of the Investment Services Act.

The RICC does not qualify as a Recognised Fund Administrator and the range of activities an RICC may carry out is different to that of a Recognised Fund Administrator

## **COMMON FEATURES OF ICCs**

The two categories of ICCs referred to above have very different purposes but enjoy many commonalities as far as their structure and mechanics are concerned. These are examined in further detail in the following sections:

### **[I] Establishment of a Cell**

An incorporated cell is created by virtue of a resolution of the Board of Directors which:

- a. approves the name of the incorporated cell being established;
- b. approves the terms of the memorandum and articles of association of the incorporated cell and resolves that the said memorandum and articles of association are to be entered into by the incorporated cell company; and
- c. authorises, if applicable, the subscription by the incorporated cell company of a share or shares in the incorporated cell.

Once the resolution has been passed, the memorandum and articles of association adopted by the resolution of the Board of Directors are filed with the Registrar of Companies and a certificate of registration is issued in terms of the Companies Act.

### **[II] Continuation Provisions**

The Companies Act (Continuation of Companies) Regulations apply to both the SICAV ICCs and the RICCs. Therefore an ICC or a similar structure domiciled outside Malta may continue as a SICAV ICC or RICC in Malta.

### **[III] Transformations**

A limited liability company may, by extraordinary resolution and provided it is authorised to do so by its memorandum of association, go through a transformation. A limited liability company may, be transformed:

- (a) From a non-cellular company into an ICC or into an incorporated cell;

- (b) From an ICC having no incorporated cells or form an incorporated cell into a non-cellular company;

The transformation must be approved by the Board of Directors. Furthermore, a transformation cannot be carried out except with the prior written consent of the Authority and it has to be carried out in accordance with the terms and conditions stipulated by the Authority.

#### **[IV] Incorporation of Cells**

A non-cellular company may transform itself into an incorporated cell by entering into an incorporation agreement with an ICC. The incorporation agreement must be approved by the board of directors and by an extraordinary resolution of both the non-cellular company and the ICC. Furthermore, the incorporation agreement must also be approved by the Authority.

#### **[V] Division**

A segregated multi-fund company which has one or more segregated sub-funds may be divided into an ICC and one or more incorporated cells. In a division of a segregated multi-fund company, each of the directors of the company shall sign a declaration stating that he has made a full enquiry into the affairs of the company and each of its segregated sub-funds, and that, having so done, he is of the opinion that the company and each of its segregated sub-funds are able to discharge their liabilities as they fall due and that there are no creditors of the company or of the segregated sub-funds whose interests will be unfairly prejudiced by the division. A division can only occur with the approval of the Authority.

#### **[VI] Relocations**

An incorporated cell of an ICC may enter a relocation agreement and move from one ICC structure to another subject to approval by the Authority. The incorporated cell must pass an extraordinary resolution to so relocate and amends its memorandum and articles of association accordingly. Lastly, the relocation agreement must be entered into between the incorporated cell and the receiving ICC structure.

The relocation agreement has to be submitted to the Authority for prior approval. Furthermore, it will also have to be approved by:

- (a) the board of directors and an extraordinary resolution of the incorporated cell;
- (b) the board of directors and an extraordinary resolution of the receiving ICC Structure;  
and
- (c) the board of directors of the Exiting ICC.

#### **[VII] Duties of Directors**

The directors of an ICC are duty bound to keep the assets and liabilities of the ICC separate and separately identifiable from the assets and liabilities of its incorporated cells.

The directors of each incorporated cell are duty bound to keep the assets and liabilities of their incorporated cell separate and separately identifiable from the assets and liabilities of another incorporated cell.

The directors' report of an ICC must include the names and registration numbers of all its incorporated cells.

### **[VIII] Transactions**

The ICC and its incorporated cells enjoy separate legal personality and therefore the ICC cannot transact on behalf of its incorporated cells and vice versa.

The directors of an ICC or of an incorporated cell must ensure that in respect of every transaction entered into, it is identified or specified whether that transaction is being entered into by the ICC or by the incorporated cell, and if the transaction is entered into by an incorporated cell, which incorporated cell.

### **[IX] Accounts and Annual Return**

The ICC and its cells must each submit an annual return containing the requirements prescribed in the Seventh Schedule to the Companies Act.

The accounts/ financial statements of an incorporated cell are not to be consolidated with those of the ICC or of other incorporated cells except when the incorporated cell is a subsidiary of the ICC and only to such an extent.

### **[X] Amendments to the Constitutional Documents**

The memorandum and articles of association of an incorporated cell may be amended by an extraordinary resolution of the incorporated cell following the written approval of its ICC.

### **[XI] Expulsion of a cell**

An ICC may, subject to approval by the Authority and on specific grounds listed in the Regulations expel an incorporated cell.

### **[XII] Synchronised Winding Up**

An ICC that has been dissolved and wound up cannot be struck off until each of its incorporated cells has either:

- a. been transformed into non-cellular companies; or
- b. relocated to another ICC; or
- c. expelled; or
- d. continued as a body corporate under the law of another jurisdiction; or
- e. struck-off.

Furthermore, the Authority's consent is required before the Registrar may proceed to strike off the ICC.

The appointment of a liquidator in respect of an ICC shall not affect the position of its incorporated cells, subject to any direction to the contrary given during the course of a winding up by the court or the Authority.

### **[XIII] Connectivity**

The ICC and its incorporated cells are separate legal persons however they are loosely connected to each other.

The ICC and its cells must share the same registered office. They must also have at least one common director between them.

## **DISTINGUISHING FEATURES**

There are certain distinctions between the two types of ICCs that one must bear in mind when choosing the right structure:

- a) Within a SICAV ICC structure the ICC itself has to be in possession of a CIS licence and must actually function as a fund. Within the RICC structure, on the other hand the ICC can only be a limited liability company and cannot perform any licensed activity.
- b) The incorporated cells of a SICAV ICC may not have sub-funds while incorporated cells of a RICC can.
- c) A SICAV ICC can have either incorporated cells which are self-managed or incorporated cells which are all 3<sup>rd</sup> party managed. An RICC can have a mixture of both.
- d) An RICC may have a mixture of UCITS/Non-UCITS/PIFs incorporated cells but the SICAV ICC incorporated cells must all be of the same type.
- e) There are some transformations which are particular to the structure.
  - i. A segregated multi-fund company having no segregated sub-funds may transform into an ICC of a SICAV ICC structure and vice versa. A segregated multi-fund company with sub-funds may transform into a SICAV ICC with incorporated cells.
  - ii. A segregated multi-fund company may transform into an incorporated cell within an RICC structure and vice versa.

## **FEES**

An application fee is payable when the draft licence application is submitted (the application fee). A supervisory fee is payable on the day a licence is issued and on each subsequent anniversary thereafter. The fees payable vary depending on whether an RICC structure or a SICAV ICC is opted for as indicated hereunder:



	<b>Application Fee</b>	<b>Supervisory Fee</b>
<b>RICC Structure</b>		
• Recognition of RICC	€3,000	€1,500
• Incorporated Cells (UCITS and non-UCITS Retail Schemes) Sub-Funds	€2,500 €450	€3,000 €500 <sup>1</sup>
• Incorporated Cells (AIFs and PIFs) Sub-Funds	€2,000 €1,000	€2,000 €600
<b>SICAV ICC</b>		
• ICC (UCITS and non-UCITS Retail Schemes)	€2,500	€3,000
• ICC (AIF and PIF)	€2,000	€2,000
• IC (UCITS and non-UCITS Retail Schemes) Sub-Funds	€2,500 €450	€3,000 €500 <sup>2</sup>
• Incorporated Cells (AIFs and PIFs) Sub-Funds	€2,000 €1,000	€2,000 €600

## **FREQUENTLY ASKED QUESTIONS AND TABLE OF COMPARISONS**

A list of frequently asked questions about RICCs is attached as Appendix I for specific guidance. A comparative table highlighting the differences between the SICAV ICC and the RICC structures is also attached as Appendix II.

<sup>1</sup> Up to 15 Scheme sub-funds [per sub-fund]. No Annual Supervisory Fee will be payable from the 16<sup>th</sup> Scheme sub-fund upwards.

<sup>2</sup> Up to 15 Scheme sub-funds [per sub-fund]. No Annual Supervisory Fee will be payable from the 16<sup>th</sup> Scheme sub-fund upwards.

## ANNEX I

### FAQs on RICCs

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#### **Q1) What are the activities that may be undertaken by a Recognised Incorporated Cell Company (RICC)?**

**A1)** An RICC may only undertake administrative activities for which it is issued with a Recognition Certificate article 9A of the Investment Services Act, as specified in the Schedule to the RICC Regulations. The RICC is not a Recognised Fund Administrator and the range of activities it may carry out is different to that of a fund administrator. The following is a list of activities that may be carried out by an RICC:

- i. Provision of administrative services related to the establishment of incorporated cells;
- ii. Procurement of external service providers and approval of any changes thereto;
- iii. Negotiation of service provision agreements and control of changes thereto;
- iv. Submission of model agreements to be used by incorporated cells of the recognised incorporated cell company to the competent authority;
- v. Advice to the competent authority of any changes or amendments to model agreements and submission of new model agreements negotiated with service providers;
- vi. Signature of tripartite agreements between service providers, the recognised incorporated cell company and an incorporated cell based on the model agreements;
- vii. Standardisation of any other documentation to be used by incorporated cells;
- viii. Approval and joint signature of any applications for licences (including variations, extensions thereof) to be submitted by incorporated cells; provision of written declarations identifying any changes to model agreements already submitted to the competent authority, including a NIL declaration;
- ix. Provision of ancillary services as may be approved by the competent authority.

#### **Q2) Are mixed use Schemes (UCITS v PIF, Managed vs Self-Managed,) allowed?**

**A2)** The Authority is prepared to consider applications for recognition of RICCs with different types of ICs having different compliance, competence and service provision requirements, as would be the case of a mixed PIF-UCITS RICC. Every application will be considered separately taking into consideration all relevant factors including how the structure will fit within the RICC framework and any other relevant Local and International Rules and Regulations.

In the case of an RICC, the Authority may also allow the establishment of both self-managed and third party managed Cells under the same cell company. *This would*

*however still be subject to any overriding provisions of EU legislation which will always prevail in case of conflict.*

**Q3) Would any consideration be given to the RICC having an IS licence to perform investment management services rather than a CIS licence?**

A3) No. Regulation 5 of the RICC Regulations states that an RICC may only be permitted to provide services of an administrative nature in terms of article 9A of the Investment Services Act. The activities that may be permitted are those listed in the Schedule to the RICC Regulations. Under no circumstance can an RICC be licensed as a manager.

**Q4) Can an RICC be used as a “platform” and not operate as a fund? And if so, will it need authorisation?**

A4) Unlike the SICAV ICC structure, the new RICC structure in the RICC Regulations provides promoters with an ICC structure that may be used as a vehicle to achieve various objectives including the setting up of a fund platform.

Depending on the business model adopted, one would be able to establish an ICC either as:

- [I] a SICAV operating under a CIS licence in accordance with the **Companies Act (SICAV Incorporated Cell Companies) Regulations** (already in force) – a SICAV ICC is in possession of a CIS licence and must therefore operate as an investment company as authorised in terms of the Investment Services Act also at the ICC level; or
- [II] a platform serving purely for the creation of any number of incorporated cells. In this case, the ICC would not carry out any licensable activity and its objects in the Memorandum of Association must be restricted to the provision of administrative services to its ICs in terms of the RICC Regulations. Prior to the establishment of any ICs however, the ICC would still be required to submit to the Authority an application for a Recognition Certificate to operate as a pure platform not carrying out any activity amounting to licensable activity.

**Q5) Can an RICC take the form a SICAV?**

A5) A fund platform set up as an ICC not carrying out any licensable activity would not be permitted to operate as a SICAV but must be established as a normal limited liability company. Under Maltese law only a collective investment company may be established as a SICAV. On the other hand an Incorporated Cell of an RICC may only operate as a licensed collective investment scheme and may therefore be structured as a SICAV.

**Q6) In the event that the RICC has a number of ICs and the ICs are going to be self-managed open ended funds, would:**

- a. the capital requirement for the RICC be only that required for the purpose of its own activities independently of the Cells?
- b. the capital requirements for each IC be the EUR125,000 required for self-

**managed schemes?**

- A6)** a) Yes, the RICC would only be required to satisfy the capital requirement applying to its own activities, independently of those of the cells. Under an ICC structure there is no recourse to the ICC from the creditors of any particular cell.
- b) Yes, the capital requirements for each IC in the case of self-managed schemes would be EUR 125,000.

**Q7) Is an RICC required to hold shares or founder shares in its ICs?**

- A7)** An RICC is not required to hold shares or founder shares in its ICs. Founder shares are normally issued as a separate class of shares to achieve certain practical objectives, such as maintaining control of the company or certain aspects of governance in the hands of the founder members. It is within the RICC's discretion whether to hold founder shares in its ICs or not.

**Q8) Can ICs of an RICC have sub-funds? Would the same sub-fund Rules apply in a Cell/sub-fund relationship?**

- A8)** Regulation 11(3) of the RICC Regulations provides that an IC may not itself be an RICC however an IC of an RICC may take the form of a segregated multi-fund company. In the case of a mixed platform RICC as mentioned in Q2 a PIF Cell can only have PIF sub-funds and a UCITS Cell can only have UCITS sub-funds.

**Q9) The Investment Services Rules for Recognised Persons [Part AIII] specify that at least one director on the Board of Directors of the RICC should also sit on the Board of Directors of an IC as this would allow a look through framework. Is there any limit as to how many directors the RICC Board and the IC Board may have in common? To what extent should the board of the Cell be independent?**

- A9)** The relevant Investment Services Rules require the Board of Directors of the RICC and the Board of Directors of the IC to have one director in common. As a general rule there are no other requirements as to the commonality or otherwise of the directors on the respective boards. The MFSA would expect the boards to be independent of one another.

**Q10) Will there be different fees for cells as opposed to normal fully fledged schemes?**

- A10)** No. In view of their independence and separate legal personality, ICs are subject to the same fees as a normal Scheme.

**Q11) Can the ICs in an RICC be able to be independently quoted on the Malta Stock Exchange?**

- A11)** Yes, the ICs can be quoted independently of each other and independently of the RICC on the Malta Stock Exchange.

**Q12) Will the IC qualify as a “Maltese Regulated Fund”?**

**A12)** Yes, Regulation 5(1) of the Regulations provides that a fund shall only be constituted as an IC in the case where it is licenced in terms of Article 4 of the Investment Services Act as a collective investment scheme.

**Q13) Would every IC require an investment manager?**

**A13)** Unless it is self-managed, each IC of an RICC is required to appoint an investment manager. However these ICs may appoint the same investment manager.

**Q14) Can the different ICs within the same RICC have different internal arrangements in place, for example with respect to outsourcing of fund administration services?**

**A14)** Yes, each IC can make its own outsourcing arrangements and whilst an IC may choose to outsource the fund administration or other services to a different provider than that already proposed by the RICC, the MFSA would still need to approve any service provider not already approved at the RICC level before the IC is licensed.

**Q15) Does every incorporated cell (IC) require a custodian?**

**A15)** Yes, every incorporated cell must appoint a custodian if this is required under the applicable licensing regime. However, in practice, one of the main advantages of the RICC is that ICs of the same RICC may appoint the same pre-approved custodian.

**Q16) Can ICs appoint the same service providers?**

**A16)** Yes, each IC may appoint the same Service Providers. This may expedite approval of ICs on the same RICC/platform particularly if the service provision agreements are standardised across the board

**Q17) What documentation should be available for the RICC and each IC?**

**A17)** The RICC is regulated by its Memorandum and Articles of Association which have to be drawn up in conformity with the Regulations and applicable Rules. Each IC is regulated by its own Memorandum and Articles of Association.

**Q18) What is the position regarding the submission of Financial Statements. Should all the ICs have the same year end?**

**A18)** In terms of the Companies Act, the RICC and each individual IC are separate legal entities and independent from one another. The RICC and each individual IC are responsible for their respective financial statements. The different ICs may have different financial year ends.

**Q19) Can incorporated cells (ICs) use different currencies?**

**A19)** Yes, ICs may adopt different currencies. Each IC is required to submit its own financial statements in terms of the Companies Act, and in terms of Regulation 17 of the Regulations, the financial statements of an incorporated cell shall not be consolidated with those of an incorporated cell company or of other incorporated cells, except when the incorporated cell is a subsidiary of the incorporated cell company (the RICC).

**Q20) Can an IC migrate out of the RICC?**

**A20)** An IC can migrate out of the ICC it shares with other ICs and be established as a separate independent Scheme. This usually happens when the IC would have attained certain economies of scale which would justify its moving out of the RICC structure in terms of costs and benefits or else in the case where it wishes to change service providers.

**Q21) Can a foreign IC redomicile to Malta as an IC of a Maltese RICC or as an independent Scheme?**

**A21)** Yes, subject to the provisions of the Companies Act (Continuation of Companies) Regulations, a body corporate registered, incorporated or constituted under the laws of an approved jurisdiction outside Malta, and carrying on the activity of a collective investment scheme, which is similar in nature to an incorporated cell as known under the laws of Malta may be continued as an incorporated cell of a recognised incorporated cell company in Malta or as an independent scheme.

**Q22) Can a foreign IC redomicile to Malta as an RICC?**

**A22)** No, in terms of Regulation 4(1)(b) of the RICC Regulations, subject to the provisions of the Companies Act (Continuation of Companies) Regulations, only a body corporate registered, incorporated or constituted under the laws of an approved jurisdiction outside Malta, and carrying on the activity of a collective investment scheme, which is similar in nature to a company as known under the laws of Malta may be constituted as an incorporated cell of a Recognised Incorporated Cell Company.

**Q23) Can a foreign ICC with ICs redomicile to Malta to be continued as an RICC without redomiciling its ICs?**

**A23)** No, in terms of Regulation 4(1)(a) of the RICC Regulations, subject to the provisions of the Companies Act (Continuation of Companies) Regulations, a body corporate with variable share capital, registered, incorporated or constituted under the laws of an approved country or jurisdiction outside Malta and carrying on the activity of a collective investment scheme, which is similar in nature to a recognised incorporated cell company (RICC) as known under the laws of Malta may be continued as a recognised incorporated cell company. If such body corporate has a cell or cells which

are similar in nature to incorporated cells as known under the laws of Malta, the continuation of the body corporate shall require the simultaneous continuation of all such cells as incorporated cells.

**Q24) Can a cellular or non-cellular company be transformed into an IC of an RICC?**

**A24)** Yes, in terms of Regulation 23(1)(a) and (c) of the RICC Regulations, a SICAV may by extraordinary resolution and in compliance with the Regulations and provided it is authorised to do so by its memorandum of association be transformed from a non-cellular or cellular (segregated multi-fund) company into an incorporated cell.

**Q25) Can a multi-fund structure be transformed into an RICC**

**A25)** A multi-fund company may not be directly transformed into an RICC. In terms of Regulation 23(1)(c) of the RICC Regulations, a SICAV may by extraordinary resolution and in compliance with the SICAV ICC Regulations and provided it is authorised to do so by its memorandum of association only be transformed from a segregated multi-fund company established under the Act and Regulation 9 of the SICAV Regulations into an Incorporated Cell of an RICC. A segregated multi-fund company which has one or more segregated sub-funds, may be divided into a number of incorporated cells of an RICC.

**Q26) Can an RICC structured as a private limited liability company (“RICC Ltd.”) have ICs that are structured as public limited liability companies**

**A26)** The RICC and the individual ICs constitute separate legal persons for all intents and purposes of law. Therefore, unless there are regulatory reasons that dictate otherwise, an RICC can be a private company (“ICC Ltd”) while its cells can be Plc’s. In such case the ICs would have to add the terms “SICAV IC Plc” or “IC Plc” to their name.

**Q27) Is it possible that an ICC be licensed as an SICAV ICC if there are no subscriptions from investors at the level of the ICC?**

**A27)** An SICAV ICC must function and be licensed as a collective investment scheme. Otherwise it can only be structured as an RICC.

## ANNEX II

### COMPARATIVE TABLE

COMPARATIVE TABLE		
Distinctive Features	ICC SICAV	RICC
<b>Applicable Regulations</b>	Companies Act (SICAV Incorporated Cell Companies) Regulations, 2010	Companies Act (Recognised Incorporated Cell Companies) Regulations 2012
<b>Licensing requirement</b>	The ICC is licensed as a SICAV CIS. Each IC requires a CIS licence under the Investment Services Act, independently from the ICC.	The RICC requires a Recognition Certificate. Each IC requires a CIS licence under the Investment Services Act.
<b>Activity</b>	The ICC must be established as a SICAV and operate as a collective investment scheme	The RICC cannot carry out any licensable activity. The RICC can only provide the administrative functions outlined in the Schedule to the Regulations.
<b>Legal form:</b> ICC IC  <b>Separate legal personality of ICC/RICC and Incorporated Cells</b>	SICAV SICAV or investment company with fixed share capital Yes	Limited liability Company SICAV or investment company with fixed share capital Yes
<b>Mixed platform</b>	The following mixed use ICCs are allowed: <ul style="list-style-type: none"> <li>• SICAVs/ Closed ended</li> <li>• Listed/ non-listed</li> </ul> The following mixed use ICCs are not allowed: <ul style="list-style-type: none"> <li>• UCITS/Non-UCITS/PIFs;</li> <li>• Managed/Self-Managed</li> </ul>	The following mixed use ICCs are allowed: <ul style="list-style-type: none"> <li>• SICAVs/ Closed ended</li> <li>• 3<sup>rd</sup> party/ Self-managed</li> <li>• Listed/ non-listed</li> <li>• UCITS/Non-UCITS/PIFs</li> </ul>
<b>Can ICC issue principal prospectus and IC's issue supplementaries based on it?</b>	No – each IC must issue its own prospectus, but IC may adopt principal prospectus issued by the ICC	No – each IC must issue its own prospectus, but IC may base its principal prospectus on standard model provided by the RICC
<b>Can an IC have sub-funds?</b>	No – (ICs may function as sub-funds of ICC)	Yes
<b>IC: Members on Board of Directors</b>	May be same as ICC. At least one ICC Director to sit on the Board of each IC.	May be same as RICC. At least one ICC Director to sit on the Board of each IC.
<b>Service Providers/ Outsourcing</b>	The Service Providers would ordinarily be the same as the ICC unless otherwise authorised by the MFSA;	The Service Providers would ordinarily be the same as those identified by the RICC for its ICs and authorised by the MFSA
<b>Allowed transformations</b>	<ul style="list-style-type: none"> <li>• From a non-cellular company into an ICC or into an IC</li> <li>• From an ICC or IC into a non-cellular company</li> <li>• From a segregated multi-fund company with no sub-funds into an ICC and vice versa</li> <li>• Segregated multi-fund company with sub-funds into an ICC with ICs</li> </ul>	<ul style="list-style-type: none"> <li>• From a non-cellular company into an RICC or into an IC</li> <li>• From an RICC or IC into a non-cellular company</li> <li>• From a segregated multi-fund company into an IC</li> <li>• IC into a segregated multi-fund company</li> </ul>
<b>IC: registered address</b>	Same as ICC	Same as RICC
<b>Redomiciliation</b>	Yes	Yes
<b>Listed on the stock exchange</b>	Yes	Yes
<b>Licencing and supervision fees</b> ICC IC	Same as CIS Same as CIS	Same as Fund Administrator Same as CIS