

Investment service providers are licensed by the MFSA under the Investment Services Act and involve any natural or legal person conducting a service listed under schedule 1 of the Investment services act in relation to a financial instrument listed under schedule 2 of the same act, in or from within Malta.

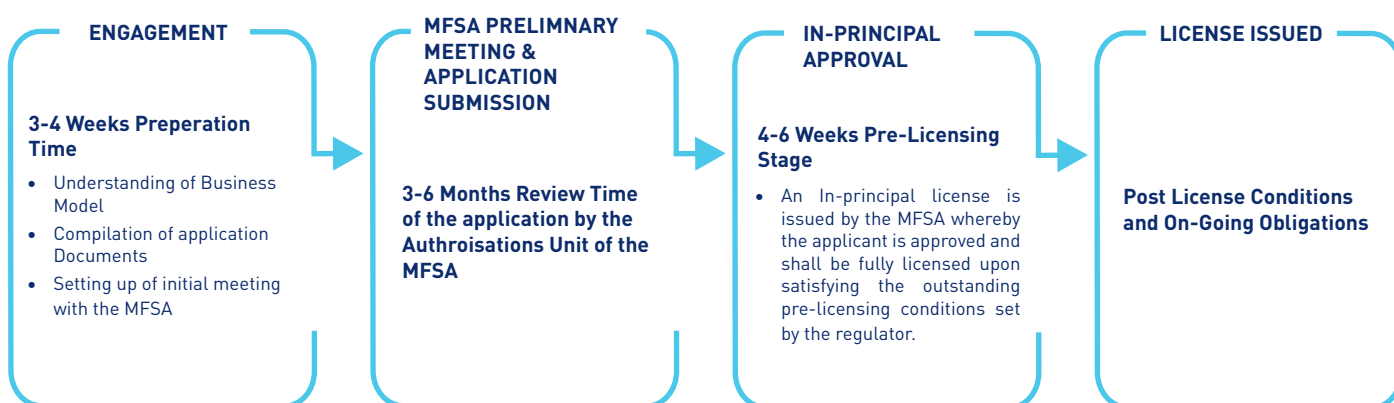
LICENSE CATEGORIES

Category	Licensed Activities	Minimum Initial Share Capital	MFSA Fees	
			Application Fee	Annual Supervisory Fee
1a	Licence Holders authorised to receive and transmit orders in relation to one or more instruments and, or provide investment advice and, or place instruments without a firm commitment basis but not to hold or control Clients' Money or Customers' Assets. (This Category does not include managers of Collective Investment Schemes.)	€50,000	€2,500	For Revenue up to €50,000 -€2,000 Further tranches of €50,000 up to a maximum of €1,000,000 - €350 per tranche or part thereof
1b	Licence Holders authorised to receive and transmit orders, and, or provide investment advice in relation to one or more instrument and, or place instruments without a firm commitment basis solely for professional clients and, or eligible counterparties but not to hold or control Clients' Money or Customers' Assets. This Category does not include managers of Collective Investment Schemes.	€20,000 with Professional Indemnity Insurance Or €50,000 without Professional Indemnity Insurance	€3,000	For Revenue up to €50,000 - €2750 Further tranches of €50,000 up to a maximum of €1,000,000 - €350 per tranche or part thereof
2	Licence Holders authorised to provide any Investment Service and to hold or control Clients' Money or Customers' assets, but not to operate a multilateral trading facility or deal for their own account or underwrite or place instruments on a firm commitment basis	€125,000	€5,000	For Revenue up to €250,000 - €4500 Further tranches of €250,000 up to a maximum of €5,000,000 - €400 per tranche or part thereof
3	Licence Holders authorised to provide any investment service and to hold and control Clients' Money or Customers' Assets.	€730,000	€7,000	For Revenue up to €250,000 - €6000 Further tranches of €250,000 up to a maximum of €50,000,000 - €400 per tranche or part thereof
3 – Local Firm	Licence Holders authorised to deal for their own account on markets in financial futures or options or other derivatives and on cash markets for the sole purpose of hedging positions on derivative markets, or dealing for the accounts of other members of those markets and being guaranteed by clearing members of the same markets, where responsibility for ensuring the performance of contracts entered into by such a firm is assumed by clearing members of the same markets, and they shall not service any Client in any manner whatsoever.	€730,000	€7,000	For Revenue up to €250,000 - €6000 Further tranches of €250,000 up to a maximum of €50,000,000 - €400 per tranche or part thereof
4a	Licence Holders authorised to act: (a) as custodians of AIFs which have no redemption rights exercisable during the five-year period from the date of initial investment and which generally do not invest in assets that must be held in custody in terms of the Investment Services Rules	€730,000	€7,000	€15,000
4b	As custodians to AIFs marketed in Malta in terms of regulation 7 of the Investment Services Act (Alternative Investment Fund Manager) (Third Country) Regulations	€125,000	€7,500	€5,000

For more information on Investment Services, please contact Denia Ellul on dellul@arqgroup.com. ARQ Group offers a number of complementary services including corporate structures, tax advice, residency & citizenship, compliance, legal service and accounting.

INVESTMENT SERVICES INSTRUMENTS

1. Transferable Securities
2. Money Market Instruments
3. Units in collective investment schemes
4. Any derivative contract relating to securities, currencies, interest rates or yields, emission allowances, climatic variables, freight rates, inflation rates or other economic statistics as well as other derivative instruments, financial indices or financial measures which may be settled physically or in cash.
5. Derivative instruments for the transfer of credit risk.
6. Rights under a contract for differences or under any other contract the purpose or intended purpose of which is to secure a profit or avoid a loss by reference to fluctuations in the value or price for property of any description or in an index or other factor designated for that purpose in the contract.
7. Foreign exchange acquired or held for investment purposes
8. Certificates or other instruments which confer property rights in respect of any instrument falling within this Schedule



GENERAL LICENSING REQUIREMENTS

1. Applicant must be incorporated in Malta
2. A minimum of 2 Directors
3. Shareholders, Directors & other employees must be competent and of good repute
4. Dedicated local presence by having the mind and management of the operation predominantly in Malta
5. Adhered Share Capital Requirements

PASSPORTING

Due to the compliance of the Law with the relevant EU Directive, a Malta Licensed Investment Services Company is able to operate in any other country member of the European Union either directly or through the establishment of a branch. This may be regarded as an advantage of great essence for non-EU companies, which wish to expand their operations in Europe

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