

# Malta Notified Alternative Investment Fund (NAIF)

## General Overview

**Legal Basis:** Governed by the Investment Services Act (Chapter 370 of the Laws of Malta), and specifically the MFSA Notified AIF framework established in 2016 and revised in 2021.

**Regulatory Oversight:** Not subject to direct supervision or licensing by the MFSA. Indirectly supervised through its appointed full-scope Alternative Investment Fund Manager (AIFM).

**Target Investors:** Professional Investors and Qualifying Investors (minimum €100,000 commitment and appropriate risk acknowledgment).

**Setup Timeframe:** 10 business days for MFSA notification upon valid submission; full setup (incl. structuring & onboarding) typically completed within 2–4 weeks.

## Key Features

**Corporate Flexibility:** The clear market practice for the NAIFs and other Maltese fund vehicles is to use a SICAV, even though it can be structured as a SICAV, INVCO, Limited Partnership, Unit Trust, ICC, RICC, or Contractual Fund.

**Investment Scope:** Eligible to invest in a wide array of asset classes, including private equity, real estate, hedge funds, debt instruments, infrastructure, and loan acquisitions (excluding origination).

**Quick Time-to-Market:** Notification regime, no MFSA licensing required. The MFSA includes the NAIF on its list within 10 working days of valid submission by the AIFM.

**Umbrella Fund Structure:** May operate as an umbrella fund with multiple sub-funds, each with segregated assets and liabilities.

**EU Passporting Rights:** Managed by an EU-authorized AIFM, enabling marketing across the European Union.

## Taxation

**Tax Neutrality:** Designed to be tax-efficient at the fund level.

### General Tax Treatment:

- **Fund Level:** Generally not subject to Maltese income tax, capital gains tax, or withholding tax on non-resident investor returns.
- **Stamp Duty:** Exempt on transfer or issuance of units if >85% of assets are located outside Malta.
- **VAT:** Management services provided to the fund are VAT-exempt (without credit).
- **Partnership Structures:** May benefit from tax transparency.
- **Tax Treaty Benefits:** Access to Malta's broad DTT network and EU directives (e.g. Parent-Subsidiary Directive).

## Governance & Service Providers

**Alternative Investment Fund Manager (AIFM):** Mandatory appointment of an authorized AIFM (EU based).

## KENDRIS

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**Depository:** Must appoint a local depository.

**Fund Administration:** Must be located in Malta or EU or appropriately delegated.

**Auditor:** Appointment of a Maltese-registered auditor is mandatory.

**Directors:** Minimum of 3 directors, including at least 1 Malta-resident and independent from key service providers.

## Advantages of a Maltese NAIF

1. **No Regulatory Approval Needed:** Only a notification to MFSA is required.
2. **Asset Flexibility:** Broad spectrum of eligible asset classes, including alternatives and private market strategies.
3. **Time & Cost Advantage:** Lower cost and faster launch compared to fully licensed AIFs.
4. **Cross-Border Marketing:** Passporting rights enable marketing to professional investors across the EU.
5. **Operational Scalability:** Suitable for both single-strategy funds and multi-compartment umbrella platforms.

## Use Cases

Private Equity & Venture Capital Funds  
Real Estate Investment Vehicles  
Hedge Funds & Debt Funds  
Infrastructure Investments

## Setup & Support

Assistance with NAIF structuring and registration.

Drafting of regulatory documents (Fund Prospectus, Limited Partnership Agreement, etc.).

Ongoing fund management, administration, and compliance services.

For further details or assistance in setting up a Maltese NAIF, please contact **KENDRIS Capital Limited**.