# Single Family Offices in Malta – Regulatory Amendments Introduced

Malta has become an attractive jurisdiction for high-net-worth individuals and families looking to establish Single Family Offices.

By **Andrea Nurchi**, 4th February 2025

In recent years, Malta has become an attractive jurisdiction for high-net-worth individuals and families looking to establish Single Family Offices (SFOs) due to its robust regulatory environment and favourable tax regime. A SFO is an entity that manages the wealth of a single family, offering services such as investment management, estate planning, philanthropic activities and lifestyle management. The primary objective is to preserve, increase, and seamlessly transfer family wealth across generations.

Family Offices are one of the priority areas indicated in the Strategy for Financial Services launched in March 2023. On the same line, the Malta Financial Services Authority (MFSA), in a recent circular, has identified family offices as a growth opportunity for Malta's financial services sector. In collaboration with the Malta Financial Services Advisory Council and other representative industry bodies, it has updated its regulatory framework to facilitate the establishment of such structures in the country.

The MFSA circular amends the framework for setting up and operating SFOs in Malta.

**Key Frameworks Amended**

The circular, published on 27 November 2024, outlines regulatory updates and guidelines, requirements, compliance obligations, and operational expectations for individuals or entities setting up SFOs within Malta's jurisdiction. The document highlights the framework adjustments aimed at attracting high-net-worth families to manage their wealth from Malta while ensuring compliance with financial regulations and risk mitigation. The MFSA has amended two frameworks, namely the Investment

Services Rules for Notified Professional Investor Funds (PIFs) and Related Due Diligence Service Providers; and the Trustees of Family Trusts Rulebook.

**Amendments to the Investment Services Rules for Notified PIFs**

A Notified PIF, an instrument that was launched at the end of 2023, can now be managed by a Fund Manager in Malta who is exempt from needing an investment services license, provided the PIF only invests in the private wealth of family members and does not raise external capital. This is applicable to family office vehicles. The amendments also clarify what constitutes a "family office vehicle" and specify the types of investors that can use such structures.

In addition, local managers who are exempt from an investment services license will now have reporting obligations. These managers are required to report according to specific parts of Annex 2 to the Rules.

A new Section has been added to provide supplementary rules for Notified Professional Investor Funds (PIFs) managed by exempt managers. It defines specific thresholds for the applicability of exemptions available to Fund Managers, requiring Due Diligence Service Providers and the governing body of the Notified PIF to verify and confirm the eligibility for these exemptions both initially and on an ongoing basis.

**Amendments to the Trustees of Family Trusts Rulebook**

One of the most significant changes is about the definition of 'family member/family dependent', which has been broadened to reflect modern family structures. In certain cases, the definition may now extend to include **'family clients'** who can benefit from family Trusts.

As a consequence of these amended definitions, registration considerations also needed to be amended to accommodate Trusts involving family clients as beneficiaries.

**What Changes for High-Net-Worth Families**

The amendments to these frameworks present an opportunity to create wealth management structures that include investment capabilities, while reducing reporting requirements. When combined with Malta's existing global mobility and immigration routes, EU membership, use of English as an official language, and a diversified financial services sector, these new elements are designed to enhance Malta's appeal to high-

net-worth families.

**Additional Information**

The Dixcart Malta office can assist from a structuring, regulatory compliance and operational perspective. For further information on Single Family Offices in Malta, please speak to Jonathan Vassallo: advice.malta@dixcart.com