



## MALTA STOCK EXCHANGE PROSPECTS

### **PROSPECTS MTF NOTICE 07/2021**

We would like to draw the attention of all approved Corporate Advisors to the **revised** Prospects MTF Rules (“the Rules”), which have been approved by the MFSA and which are effective as from the date of this Notice. The updates to the Rules mainly relate to the role of the Corporate Advisors; however, we have reflected other changes in line with the revised Capital Markets Rules.

While the role of the Corporate Advisors as it is known today shall be retained, the Exchange will introduce two new roles: the Admissions Advisor and the Compliance Advisor, allowing the possible division of the Corporate Advisors’ responsibilities. The role of the Compliance Officer within the Prospects MTF admitted companies will also be retained.

The updated Rules can be accessed from the Exchange’s website via the following link:

<https://borzamalta.com.mt/ProspectsMTF/Documents/Prospects%20MTF%20Rules.pdf>

The most significant changes are outlined below. Other changes throughout the Rules mainly refer to previous references to the text “Corporate Advisor” which has now been updated to refer to the Admissions and/or Compliance and /or Corporate Advisor as may be applicable.

1. New definition under Rule 1.01.02 – Admissions Advisor

reads:

***“Admissions Advisor - The person appointed by the applicant to assess the appropriateness of the applicant for admission to Prospects MTF and to assist the applicant solely in relation to the Prospects MTF application and the admission process.”***

2. New definition under Rule 1.01.02 – Advisor

reads:

***“Advisor - The word ‘Advisor’ when used on its own refers to the collective usage of ‘Admissions’, ‘Compliance’ and ‘Corporate’ advisors.”***

3. New definition under Rule 1.01.02 – Compliance Advisor

reads:

***“Compliance Advisor - The person appointed by the applicant after the pre-assessment stage, who accompanies the Admissions Advisor during the application process stage. The Compliance Advisor must be aware of all matters contained in the Company Admission Document and post-admission will be responsible for all matters relating to continuing obligations with respect the Prospects MTF Rules.”***

4. Definition of Compliance Officer under Rule 1.01.02, which read:

***“Compliance Officer - The person appointed by the Issuer or Prospects MTF Company, who shall be responsible to provide the Exchange with any information or explanation that the Exchange may reasonably require from such Issuer or Prospects MTF Company for the purpose of verifying whether the Rules are being or have been complied with or which relate to the integrity or orderly operation of the Exchange’s markets for financial instruments.”***

now reads:

***“Compliance Officer - The person employed by the applicant company or Prospects MTF issuer, whose role within the company is to ensure that the entity complies with all laws under which it operates and who works closely with the company’s Advisors in all matters relating to compliance with the Prospects MTF Rules.”***

5. Definition of Corporate Advisor under Rule 1.01.02, which read:

***“Corporate Advisor - Any person admitted to the Prospects MTF marketplace to provide corporate advisory services under these Rules.”***

now reads:

***“Corporate Advisor - Any person admitted to the Prospects MTF marketplace to provide corporate advisory services under these Rules. The Corporate Advisor has the responsibility of guiding the issuer during the admission process and verifying the continued eligibility of the issuer post admission by ensuring that all the continuing obligatory requirements for the Admission to Prospects MTF are adhered to at all times. In this context, the role of Corporate Advisor encompasses the roles of the Admissions Advisor and the Compliance Advisor.”***

6. The heading under Chapter 3 which read “CORPORATE ADVISORS” now refers to “ADMISSIONS/COMPLIANCE/CORPORATE ADVISORS”

7. Rule 3.00.01, which read:

***“This Section of the Rules covers the roles and responsibilities of the advisors that a Company is required to appoint and retain to gain and maintain admission to the Prospects MTF marketplace. In addition to retaining the services of a Corporate Advisor, an Applicant or admitted Prospects MTF Company may also be required to retain the services of other professional and specialist advisors as necessary. It shall then be the added responsibility of the Corporate Advisor, in his official capacity of liaison with the Exchange, to guide an Applicant company on the broader range***

*of advice required and thereafter to co-ordinate and quality-assure the services of any such additional advisors.”*

now reads:

***“This Section of the Rules covers the roles and responsibilities of the Advisors that an Applicant or a Prospects MTF Company is required to appoint and retain, to gain and maintain, admission to the Prospects MTF marketplace. When the services of an Admissions Advisor are sought, an applicant company or a Prospects MTF issuer shall also retain the services of a Compliance Advisor. The Compliance Advisor shall be appointed as soon as an in principle approval has been obtained from the Prospects MTF Admissions Committee and retained during the Prospects MTF Company’s application process and throughout its continued admission, if approved. An Applicant or a Prospects MTF Company may also be required to retain the services of other professional and specialist advisors as necessary. It shall then be the added responsibility of the Advisors, in their official capacity as liaison with the Exchange, to guide an Applicant or Prospects MTF Company on the broader range of advice required and thereafter to co-ordinate and quality-assure the services of any such additional advisors”***

8. Rule 3.01.07 Responsibilities, which read:

*“A Corporate Advisor shall be responsible for:*

*3.01.07.01 being independent, impartial and objective from client Companies at all times. For the avoidance of doubt, this requirement precludes a Corporate Advisor or its Connected Persons from:*

*(a) holding a position of a director, officer or shadow director in a Prospects MTF Company for which the Corporate Advisor acts as its advisor; and*

*(b) holding securities, directly or indirectly such as through the Corporate Advisor's Connected Persons, in a Prospects MTF Company for which the Corporate Advisor acts as its advisor in excess of the Substantial Shareholder limits, subject to the following exemptions:*

- holding such investments as an Underwriter or liquidity provider; or*
- holding indirectly as an investor in a collective investment scheme which invests in such a Prospects MTF scheme; or*
- holding as trustee, executor, curator or another administrator on behalf of third party beneficiaries; or*
- temporarily holding such investments in excess of the above limit as he may have inherited, provided that the Corporate Advisor:*

- gives forthwith written notice to the Exchange of such an inheritance holding; and*
- disposes of the excess over the Substantial Shareholder limits within a period of one (1) year from the date of inheritance or such other period that may be agreed to by the Exchange from time to time.*

*(b) avoiding conflicts of interests in any relationship with the Prospects MTF Company as well as any relationship of any Connected Persons of either party;*

*(c) acting in more than one capacity for a Prospects MTF Company unless suitable confidentiality and independence safeguards are put in place, and are notified in writing to the satisfaction of the Exchange in advance of accepting their appointments.*

3.01.07.02 *having in place procedures to prevent and detect conflicts of interest in performing its role as a Corporate Advisor;*

3.01.07.03 *objectively assessing the ongoing appropriateness of an Applicant company to float and remain floated to Prospects MTF in accordance with the Prospects MTF Companies admission requirements and continuing obligations as outlined in Chapter 4 of these Rules;*

3.01.07.04 *ensuring that all matters known to it which should be taken into account by the Exchange in considering an Application or the continuing status of a Prospects MTF Company, have been duly disclosed in the Admission Document, in a Company Announcement or otherwise in writing to the Exchange as appropriate;*

3.01.07.05 *objectively assessing whether it has the capacity to provide the necessary advice, guidance and training to its Prospects MTF client Companies on their Applications to Float on Prospects MTF and the continuing obligations under these Rules;*

3.01.07.06 *assuming responsibility in:*

(a) *managing and co-ordinating the contribution of other advisors in connection with an admission and the continuing obligations of a Prospects MTF Company;*

(b) *presenting information in a consistent, coherent, complete and accurate manner in all material respects, devoid of material omissions, misleading information or superfluous content, in relation to any Admission Document, company announcements or other information and reports provided by a Prospects MTF Company for which it acts as Corporate Advisor, under these Rules;*

(c) *ensuring that submissions to the Exchange in connection with a Prospects MTF Company have the highest likelihood of being acted upon and approved as appropriate.*

3.01.07.07 *protecting the reputation of the Exchange and the Prospects MTF market, to whom Corporate Advisors will owe on a continuing basis fiduciary responsibility of the utmost good faith and highest standards of due care;*

3.01.07.08 *ensuring that the market at large and in particular, investors in securities in Prospects MTF companies for which it acts as Corporate Advisor, are adequately informed about Inside Information on a fair and equal basis primarily via the Exchange's website; and*

3.01.07.09 *dealing with the Exchange in a professional, open and co-operative manner responding promptly to any Exchange enquiries."*

now reads:

#### ***"Responsibilities***

***The following conditions apply notwithstanding the distinction between the different types of Advisors appointed with respect to the Prospects MTF. An Advisor must:***

***3.01.07.01 be independent, impartial from and objective of, the client companies at all times. For the avoidance of doubt, this requirement precludes an Advisor or its Connected Persons from:***

(a) ***holding a position of a director, officer or shadow director in a Prospects MTF Company for which the Advisor acts as advisor; and***

*(b) holding securities, directly or indirectly through the Advisor's Connected Persons, in a Prospects MTF Company for which an appointed Advisor acts as its advisor in excess of the substantial shareholder limits, subject to the following exemptions:*

- holding such investments as an underwriter or liquidity provider; or*
- holding indirectly as an investor in a collective investment scheme which invests in such a Prospects MTF scheme; or*
- holding as trustee, executor, curator or another administrator on behalf of third-party beneficiaries; or*
- temporarily holding such investments above the substantial shareholder limit as they may have inherited, provided that the Advisor:*
  - gives forthwith written notice to the Exchange of such an inheritance holding; and*
  - disposes of the excess over the substantial shareholder limit within a period of one (1) year from the date of inheritance or such other period that may be agreed to by the Exchange from time to time.*

*(c) having conflicts of interests in any relationship with the Prospects MTF Company as well as any relationship of any Connected Persons of either party;*

*(d) acting in more than one capacity for a Prospects MTF Company unless suitable confidentiality and independence safeguards are put in place and are notified in writing to the satisfaction of the Exchange in advance of accepting their appointments.*

**3.01.07.02** *have in place procedures to prevent and detect conflicts of interest in performing their role as an Advisor;*

**3.01.07.03** *The Admissions Advisor and the Corporate Advisor shall objectively assess the ongoing appropriateness of an Applicant company to have its securities admitted to Prospects MTF. Additionally, the Corporate Advisor or the Compliance Advisor, as the case may be, shall also have the responsibility to objectively assess on an ongoing basis, the Issuer's securities to maintain their admission to Prospects MTF in accordance with the Prospects MTF companies' admission requirements and continuing obligations as outlined in Chapter 4 of these Rules;*

**3.01.07.04** *in the case of an Admissions or Corporate Advisor, ensure that all matters known to them, have been duly disclosed in the Admission Document, Supplement, a Company Announcement and /or in writing to the Exchange as applicable and appropriate.*

**3.01.07.05** *objectively assess whether in their role as Admissions, Compliance or Corporate Advisors they have the capacity to provide the necessary advice, guidance and training to their prospective Prospects MTF client companies. In the case of the Compliance and Corporate Advisor, this self assessment must also be performed on an ongoing basis to ensure adherence to the continuing obligations under these Rules at all times;*

**3.01.07.06**

*(a) in the case of an Admissions or Corporate Advisor, assume responsibility in managing and co-ordinating the contribution of other advisors in connection with an admission;*

*(b) in the case of a Compliance or Corporate Advisor, assume responsibility in managing and co-ordinating the contribution of other advisors with respect to the continuing obligations of a Prospects MTF Company;*

*(c) in the case of an Admissions / Corporate Advisor present information in a consistent, coherent, complete and accurate manner in all material respects, devoid of material omissions, misleading information or superfluous content, in relation to any Admission Document and*



*Supplements thereto, and in the case of Compliance/Corporate Advisor in relation to Company Announcements or other information and reports provided by a Prospects MTF Company for which it acts as Compliance/Corporate Advisor, under these Rules;*

*(d) ensure that submissions to the Exchange, in connection with a Prospects MTF Company have the highest likelihood of being acted upon and approved as appropriate both at admission and post admission stages.*

*3.01.07.07 protect the reputation of the Exchange and the Prospects MTF market, to whom the Advisors will owe, fiduciary responsibility of the utmost good faith and highest standards of due care both during the application process and post admission on an ongoing basis.*

*3.01.07.08 ensure that the market at large, and in particular, investors in securities being admitted, or admitted to the Prospects MTF are adequately informed about Inside Information on a fair and equal basis primarily via the Exchange's website; and*

*3.01.07.09 deal with the Exchange in a professional, open and co-operative manner responding promptly to any Exchange enquiries.”*

9. Rule 3.01.08 Specific Responsibilities, which read:

*“In addition to the general responsibilities laid out in Rules 3.01.06 and 3.01.07 above, before co-signing and submitting an application for Admission to Prospects MTF a Corporate Advisor shall:*

*3.01.08.01 ensure that prior to their endorsement of an Admission Document, the Directors of Applicant Prospects MTF Company:*

*(a) can be relied upon to prepare and publish all information within their knowledge (or which it would be reasonable for them to obtain) that investors and their professional advisers reasonably require and expect to find in making an informed assessment of (a) the Applicant's current and future assets, liabilities, financial position and sustainability, profits and losses; and (b) the rights attaching to the securities to be admitted to Prospects MTF; and*

*(b) have had explained to them by the Corporate Advisor or other appropriate professional advisers, the nature of their responsibilities and obligations as Directors of a Prospects MTF Company;*

*3.01.08.02 obtain written confirmation from the Applicant's Directors that the Applicant has established procedures providing a reasonable basis enabling them to make complete and accurate due disclosures in the Admission Document as required under these Rules; and*

*3.01.08.03 complete all admission documents and the associated checklist set out in Table 3.)”*

now reads:

*“In addition to the general responsibilities laid out in Rules 3.01.06 and 3.01.07 above, before co-signing and submitting an application for admission to Prospects MTF the Admissions or Corporate Advisor, as the case may be shall:*

*3.01.08.01 ensure that prior to their endorsement of an Admission Document, the Directors of Applicant Prospects MTF Company:*

*(a) can be relied upon to prepare and publish all information within their knowledge (or which it would be reasonable for them to obtain) that investors and their professional advisers reasonably require and expect to find in making an informed assessment of (a) the*

*Applicant's current and future assets, liabilities, financial position and sustainability, profits and losses; and (b) the rights attaching to the securities to be admitted to Prospects MTF; and*

*(b) have had explained to them by the Admissions or Corporate Advisor, as the case may be, or other appropriate professional advisors, the nature of their responsibilities and obligations as Directors of a Prospects MTF Company;*

*3.01.08.02 obtain written confirmation from the Applicant's Directors that the Applicant has established procedures providing a reasonable basis enabling them to make complete and accurate due disclosures in the Admission Document as required under these Rules; and*

*3.01.08.03 complete all admission documents and the associated checklist set out in Table 3.”*

10. Rule 3.01.09.01, which read:

*“be either an individual or in the event it is established as a legal person operating in Malta or any internationally Recognised Jurisdiction, provide the Exchange with their Memorandum and Articles of Association or other equivalent constitutional documents and evidence of their valid incorporation or registration;”*

now reads:

*“to update the Prospects Admissions Committee with any changes to personal or constitutional documents originally submitted with the original Application for Admission to the register of MSE Approved Prospects MTF Advisors”*

11. Rule 3.01.09.02, which read:

*“employ, directly contract or in-source, at least two designated qualified persons who shall serve as liaison persons as described hereunder. Such qualified persons, before being appointed to their role as well as on a continuing basis, shall be able to demonstrate the following:*

*(a) proven experience in providing corporate finance, corporate governance, legal and accounting consultancy services covering capital structuring, strategy, acquisitions and sale of companies, management consultancy, corporation taxation, preparing for admissions to a public market, investor relations management or generally operating as a public company. Such experience will be documented and capable of being independently referenced in the Corporate Advisors' application and shall include data on past performance of the entities referenced in the experience statement*

*(b) capacity to represent client companies to the Prospects MTF marketplace;*

*(c) maintain the same level of independence, impartiality and objectivity from client Companies at all times as required from the Corporate Advisor;*

*(d) not being subject to criminal prosecutions except for proceedings in respect of minor contraventions, disciplinary actions or sanctions by any competent authority, law enforcement agency or other professional association;*

*(e) in the case of individual persons, a Certificate of Good Conduct issued by the Malta Police or an equivalent reference for another authority in the jurisdiction from which the individual operates;*

*(f) successful accreditation and aptitude levels through formal education and training and if deemed necessary a formal interview by the Exchange. On the initial appointment of a designated qualified person accreditation and aptitude levels are to be demonstrated through the qualified person's Curriculum Vitae together with supporting documents as required in Appendix 3.1. On an ongoing basis, qualified persons shall demonstrate and submit by not later than 31st January of the following year to the Exchange the training undertaken in the past year. The Exchange considers that a qualified person has fulfilled its training requirements under this Rule if a minimum of 10 hours of training has been undertaken in any of the following areas:*

- (i) Corporate finance and Corporate governance;*
- (ii) Capital structuring and Capital strategy;*
- (iii) Acquisitions and sale of companies;*
- (iv) Management consultancy;*
- (v) Financial projections;*
- (vi) Corporation tax;*
- (vii) Floating companies;*
- (viii) Investor relations;*
- (ix) Corporate risk management;*
- (x) GDPR and Data Protection;*
- (xi) Anti-Money Laundering and Combating the Financing of Terrorism;*
- (xii) Due diligence;*
- (xiii) Corporate compliance; and*
- (xiv) Other areas that may be considered applicable.*

*Further to the above, the Exchange may from time to time require designated qualified persons to attend specific training on the Prospects MTF Rules and other Prospects MTF requirements.*

*Applicable training and courses in the areas outlined above shall be provided by an institution certified by either (a) the National Commission for Further and Higher Education (NCFHE) - which is the local competent authority that recognises qualifications and accredited courses; or (b) an equivalent body within the European Union; or (c) an equivalent internationally recognised body; and*

*(g) an undertaking to keep in continuing contact with the Exchange and client Prospects MTF Companies for which it acts as advisors with a view to affording efficient liaison and readily replying to any questions arising at all times."*

now reads:

***“employ, directly contract or in-source, at least two designated qualified persons who shall serve as liaison persons as described hereunder. Such qualified persons, before being appointed to their role as well as on a continuing basis, shall be able to demonstrate the following:***

***(a) proven experience in providing corporate finance, corporate governance, legal and accounting consultancy services covering capital structuring, strategy, acquisitions and sale of companies, management consultancy, corporation taxation, preparing for admissions to a public market, investor relations management or generally operating as a public company. Such experience will be documented and capable of being independently referenced in the Corporate Advisors' application and shall include data on past performance of the entities referenced in the experience statement;***

***(b) capacity to represent client companies to the Prospects MTF marketplace;***



- (c) *they maintain the same level of independence, impartiality and objectivity from client Companies at all times as required by these rules;*
- (d) *they have not been subject to criminal prosecutions except for proceedings in respect of minor contraventions, disciplinary actions or sanctions by any competent authority, law enforcement agency or other professional association;*
- (e) *for each individual person mentioned, a valid Certificate of Good Conduct issued by the Malta Police or an equivalent reference for another authority in the jurisdiction from which the individual operates;*
- (f) *successful accreditation and aptitude levels through formal education and training and if deemed necessary a formal interview by the Exchange. On the initial appointment of a designated qualified person accreditation and aptitude levels are to be demonstrated through the qualified person's Curriculum Vitae together with supporting documents as required in Appendix 3.1. On an ongoing basis, qualified persons shall demonstrate and submit by not later than 31st January of the following year to the Exchange the training undertaken in the past year. The Exchange considers that a qualified person has fulfilled its training requirements under this Rule if a minimum of 10 hours of training has been undertaken in any of the following areas:*
- (i) *Corporate finance and Corporate governance;*
  - (ii) *Capital structuring and Capital strategy;*
  - (iii) *Acquisitions and sale of companies;*
  - (iv) *Management consultancy;*
  - (v) *Financial projections;*
  - (vi) *Corporation tax;*
  - (vii) *Floating companies;*
  - (viii) *Investor relations;*
  - (ix) *Corporate risk management;*
  - (x) *GDPR and Data Protection;*
  - (xi) *Anti-Money Laundering and Combating the Financing of Terrorism;*
  - (xii) *Due diligence;*
  - (xiii) *Corporate compliance; and*
  - (xiv) *Other areas that may be considered applicable.*

*Further to the above, the Exchange may from time to time require designated qualified persons to attend specific training on the Prospects MTF Rules and other Prospects MTF requirements.*

*Applicable training and courses in the areas outlined above shall be provided by an institution certified by either (a) the National Commission for Further and Higher Education (NCFHE) - which is the local competent authority that recognises qualifications and accredited courses; or (b) an equivalent body within the European Union; or (c) an equivalent internationally recognised body; and*

*(g) in the case of a Compliance or Corporate Advisor, an undertaking to keep in regular contact with the Exchange and its client/s for which it acts as an Advisor, with a view to affording efficient liaison and to be able to reply to any questions being raised either by the client/s or the Exchange at all times."*

12. Rule 3.01.09.03, which read:

*“securely records and updates:*

- (a) *all information, documents and minutes of meetings held with its Prospects MTF client company, together with the advice it provides and an audit trail or log of versions thereof, with sufficient detail as would enable the Corporate Advisor to demonstrate fulfilment of its obligations under these Rules. Such information, documents and minutes shall be immediately made available for inspection by the Exchange upon request. It shall also afford the Exchange physical access to all such information, documents and minutes and its premises upon reasonable notice; and*
- (b) *sufficient information in support of all market disclosures made by its Prospects MTF client companies.”*

now reads:

***“to securely record and update:***

- (a) ***all information, documents and minutes of meetings held with its Prospects MTF client company, together with the advice it provides and an audit trail or log of versions thereof, with sufficient detail as would enable the Advisor to demonstrate as applicable, the fulfilment of its obligations under these Rules. Such information, documents and minutes shall be immediately made available for inspection by the Exchange upon request. It shall also afford the Exchange physical access to all such information, documents and minutes and its premises upon reasonable notice; and***
- (b) ***sufficient information in support of all market disclosures made by its Prospects MTF client companies.”***

13. Rule 3.01.09.04, which read:

*“ensures each client Prospects MTF Company undertakes to comply with these Rules putting into place inter alia appropriate measures:*

- (a) *preventing the disclosure of confidential or other Inside Information unless required by law or these Rules*
- (b) *requiring their client Prospects MTF Companies to proactively and regularly update, on a timely basis, the Corporate Advisor on all relevant matters under these Rules. The frequency and content of updates shall depend upon:*
- *the relative size and complexity of the client Prospects MTF Company;*
  - *the matter at hand;*
  - *the experience of the staff at the client Prospects MTF Company; and*
  - *the level of consistency between current or impending business activities of the client Prospects MTF Company compared with currently relevant public Admission Document and/or subsequent updates thereto.”*

now reads:

***“ensures each client Prospects MTF Company undertakes to comply with these Rules putting into place inter alia appropriate measures:***

- (a) ***preventing the disclosure of confidential or other Inside Information unless required by law or these Rules;***
- (b) ***requiring their client Prospects MTF Companies to proactively and regularly update, on a timely basis, the relevant Advisor on all pertinent matters under these Rules. The frequency and content of updates shall depend upon:***
- ***the relative size and complexity of the client Prospects MTF Company;***
  - ***the matter at hand;***
  - ***the experience of the staff at the client Prospects MTF Company; and***
  - ***the level of consistency between current or impending business activities of the client Prospects MTF Company compared with currently relevant public Admission Document and/or subsequent updates thereto.”***

14. Rule 3.01.09.05, which read:

*“co-operates with the Exchange or its advisors, towards demonstrating upon Application and on a continuing basis its compliance and that of its client Prospects MTF Companies with these Rules, as supplemented by orders or instructions issued by the Exchange from time to time;”*

now reads:

***“co-operation with the Exchange or its advisors, towards demonstrating, both during the application stage, upon admission and thereafter on a continuing basis, its compliance and that of its client Prospects MTF Company/ies with these Rules, as supplemented by orders or instructions issued by the Exchange from time to time;”***

15. Rule 4.00.04.02, which read:

*“selecting and retaining a Corporate Advisor from whom the Directors of an Applicant or Prospects MTF Company should seek advice and guidance regarding its compliance obligations;”*

now reads:

***“selecting an Admissions Advisor and retaining a Compliance Advisor or selecting a Corporate Advisor from whom the Directors of an Applicant or Prospects MTF Company should seek advice and guidance regarding Application for Admission and continuing compliance obligations respectively;”***

16. Rule 4.00.04.03, which read:

*“employing the Corporate Advisor as the primary channel of communication with the Exchange during a Prospects MTF Company's application. Subject to the continuing obligation of the Prospects MTF Company to retain a Corporate Advisor as aforesaid, following Admission a Prospects MTF Company may continue to employ the Corporate Advisor to communicate directly with the Exchange or it may alternatively communicate directly, provided a single point of contact is known to the Exchange at all times and the Exchange's procedures and Rules are complied with;”*

now reads:

***“maintaining the services of an Admissions/Corporate Advisor as the primary channel of communication with the Exchange during the Prospects MTF Company's application process. Following admission to Prospects MTF, the primary channel of communication with the Exchange shall be the Compliance/ Corporate Advisor;”***

17. Appendix 3.1 which read *“Formal Application for Admission of a Corporate Advisor”* now reads ***“Formal Application for Admission of an Admissions/ Compliance / Corporate Advisor”***. This Appendix has been revised in line with above-mentioned proposed changes. With regards to the competency of individuals engaged within advisory roles (Section 5), a new appendix (Appendix 3.1.1) has been introduced which considers the competency of the required individuals as mentioned in Sections 2.02 and 2.03 of Appendix 3.1. Kindly access the revised and new appendix via the link to the updated Rules provided above.
18. Various updates throughout the Rules including Appendices - Apart from specific changes referred to above, various other changes carried out in these Rules reflect the proposed updates being made with regards to the advisory roles as well as some other minor changes for better clarity. These mainly refer to previous text mentioning the *“Corporate Advisor”* which has now been updated to refer to the Admissions and/or Compliance and /or Corporate Advisor as may be applicable.

Other non-related changes:

19. Appendix 2.1 - Prospects MTF Fees has been **deleted**. Any Prospects MTF Fees are duly covered within Exchange Notice 1 – Fees and Charges.
20. Appendix 4.22 – Direct Debit Mandate, has been **deleted**. This appendix referred to an agreement between the Exchange and an Applicant/Prospects MTF Company whereby a direct debit mandate is established allowing the Exchange to directly withdraw or credit cleared amounts of funds payable or owed, from time to time. Given the agreement has never been utilised nor it is intended to be used in the future this requirement is being removed from the Rules.

The following Rules are being amended further to the deletion of Appendix 2.1 and Appendix 4.22:

21. Rule 2.04.01, which read:

*“An Applicant, Prospects MTF Company or a Corporate Advisor shall pay the fees as indicated in Appendix 2.1. Such fees are non-refundable and are payable through a direct debit mandate in the form prescribed in Appendix 4.22. An Applicant, Prospects MTF Company or Corporate Advisor that fails to settle its fees in accordance with these Rules may be subject to disciplinary sanctions including suspension or cancellation of admission without prejudice to the Exchange's rights at law.”*

now reads:

***“An Applicant, Prospects MTF Company or an Advisor shall pay the fees as indicated in [Exchange Notice 1 – Fees and Charges](#)). Unless otherwise indicated, such fees are non-refundable. An Applicant, Prospects MTF Company or Advisor that fails to settle its fees in accordance with these Rules may be subject to disciplinary sanctions including suspension or cancellation of admission without prejudice to the Exchange's rights at law.”***

22. Rule 3.01.01.02, which read:

*“the Direct Debit Mandate for payment of initial Application, Admission and Annual all relevant fees - in the form set out in Appendix 4.22 and”*

now reads:

***“the payment of all relevant fees; and”***

Other updates to the Rules resulting from the revised Capital Markets Rules:

23. Definition of Competent Authority under Rule 1.01.02, which read:

*“Competent Authority - The Competent Authority as defined under the Financial Markets Act.”*

now reads:

***“Malta Financial Services Authority / MFSA / Competent Authority - The Competent Authority as defined under the Financial Markets Act.”***

24. Definition of Continuing Obligations under Rule 1.01.02, which read:

*“Continuing Obligations - In the case of Issuers listed on the Regulated Market, the obligations ensuing from the Listing Rules and these Rules; or in the case of companies admitted on Prospects MTF, the obligations ensuing from these Rules.”*

now reads:

***“Continuing Obligations - In the case of Issuers listed on the Regulated Market, the obligations ensuing from the Capital Markets Rules and these Rules; or in the case of companies admitted on Prospects MTF, the obligations ensuing from these Rules.”***

25. Definition of Financial Market Rules under Rule 1.01.02, which read:

*“Financial Market Rules - The Rules applicable to Regulated Markets issued in terms of the Act.”*

has been **deleted**.

26. Definition of Listing Authority under Rule 1.01.02, which read:

*“Listing Authority - The Competent Authority appointed to perform the functions as set out in Article 11 of the Act.”*

has been **deleted**.

27. Definition of Listing Rules under Rule 1.01.02, which read:

*“Listing Rules - The rules issued by the Listing Authority in accordance with the provisions of the Act as may be amended from time to time.”*



now reads:

***“Capital Markets Rules - The rules issued by the Competent Authority under Part III of the Act as may be amended from time to time.”***

28. Definition of Recognised Jurisdiction under Rule 1.01.02, which read:

*“Recognised Jurisdiction - Any state that is a member state of the EEA or any other state, country or territory that may be formally declared by directive of the Listing Authority and any other jurisdiction acceptable to the Exchange.”*

now reads:

***“Recognised Jurisdiction - Any state that is a member state of the EEA or any other state, country or territory that may be formally declared by directive of the MFSA and any other jurisdiction acceptable to the Exchange.”***

29. Definition of Substantial Shareholder (first paragraph) under Rule 1.01.02, which read:

*“Substantial Shareholder - In the case of an Issuer admitted to listing on the Regulated Market, Substantial Shareholder as defined under the Listing Rules.”*

now reads:

***“Substantial Shareholder - In the case of an Issuer admitted to listing on the Regulated Market, Substantial Shareholder as defined under the Capital Markets Rules.”***

30. Definition of Prospectus Regulation under Rule 1.01.02, which read:

*“Prospectus Regulation - Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as may be amended from time to time.”*

now reads:

***“Prospectus Regulation – Regulation (EU) 2017/1129 of the European Parliament and of the Council of the 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as may be amended from time to time, and includes any implementing measures, implementing technical standards, regulatory technical standards and similar measures that have been, or may be issued thereunder.”***

31. Appendix 4.4 Prospectus (first paragraph), which read:

*“The contents of a prospectus shall be governed by the disclosure requirements defined:*

*1. For a Company set up in Malta, in accordance with the Listing Rules and where appropriate, the requirements laid out by the Prospectus Directive as transposed into the Companies Act;”*

now reads:

***“The contents of a prospectus shall be governed by the disclosure requirements defined:***

- 1. For a Company set up in Malta, in accordance with the Capital Markets Rules and where appropriate, the requirements laid out by the Prospectus Directive as transposed into the Companies Act;”***

32. Appendix 4.4 Prospectus (last paragraph), which read:

*“The exemptions from publishing a prospectus applying under Listing Rule 4.7 shall mutatis mutandis also extend to a Prospects MTF Company.”*

now reads:

***“The exemptions from publishing a prospectus applying under Capital Markets Rule 4.7 shall mutatis mutandis also extend to a Prospects MTF Company.”***

33. Appendix 4.5 Company Admission Document Requirements, No. 12, which read:

*“12. Executives, Non-Executives and Management: Description of the Prospects MTF Company's Board of Directors, independent Corporate Governance structures, the management of the Company. Specific information on*

*(ii.) compliance or explanation of any deviations therefrom with the Competent Authority's corporate governance requirements under the Listing Rules;”*

now reads:

***“12. Executives, Non-Executives and Management: Description of the Prospects MTF Company's Board of Directors, independent Corporate Governance structures, the management of the Company. Specific information on:***

***(ii.) compliance or explanation of any deviations therefrom with the Competent Authority's corporate governance requirements under the Capital Markets Rules;”***

34. Appendix 4.5 Company Admission Document Requirements (last paragraph), which read:

*“The exemptions from publishing a prospectus applying under Listing Rule 4.7 shall mutatis mutandis also extend to a Prospects MTF Company that has issued a Company Admission Document.”*

now reads:

***“The exemptions from publishing a prospectus applying under Capital Markets Rule 4.7 shall mutatis mutandis also extend to a Prospects MTF Company that has issued a Company Admission Document.”***

35. Appendix 4.5.1 PROSPECTS MTF COMPANY ADMISSION DOCUMENT TEMPLATE FOR SECURITIES TO BE ADMITTED TO PROSPECTS MTF, section named Additional Information about a Property Company, which read:

*“Additional Information about a Property Company*

*Does the Company qualify as a Property Company?*

*Yes*

*No*

*[If Yes, the following statement should appear: if No then this section on Property Company should disappear],*

*The Company is a Property Company which complies with Chapter 7 of the Listing Rules.*

*[Include link to chapter 7 of Listing Rules of MFSA]”*

now reads:

***“Additional Information about a Property Company***

***Does the Company qualify as a Property Company?***

***Yes***

***No***

***[If Yes, the following statement should appear: if No then this section on Property Company should disappear],***

***The Company is a Property Company which complies with Chapter 7 of the Capital Markets Rules.***

***[Include link to Chapter 7 of the Capital Markets Rules]”***

Any clarifications required in relation to these Rules are to be forwarded to the Prospects Office by email on [prospects@borzamalta.com.mt](mailto:prospects@borzamalta.com.mt).

Please be guided accordingly.

**PROSPECTS MTF OFFICE**

**11 October 2021**