



**THE INSTITUTE OF FINANCIAL
SERVICES PRACTITIONERS**

CHARTER

As amended during the Annual General Meeting held on the 4th of July 2023

STATUTE

DEFINITIONS

1. In this Charter, unless the context otherwise requires:

Authority means the Malta Financial Services Authority as well as any other person, Government department or other official authority concerned with, administering or having any direct or indirect function or status in connection, or connected with, the relative legislation;

Council means the Council of the Institute constituted in terms of Clause 5 hereof;

Financial services, in this Charter, means the businesses of banking, payment services, financial institutions, insurance, insurance intermediaries, capital markets, investments (including investment funds), pensions, virtual financial assets, trusteeship, fiduciaries, foundation administrators, corporate services, and related areas of compliance;

Financial services practitioner means any professional providing services to financial services operators and/or providing financial services to local and/or international clients (including to entities or arrangements of the said clients) and/or providing services of a legal, audit, accounting or taxation nature to any such clients;

Institute means the Institute of Financial Services Practitioners;

member shall include Associate Members, Student Members and Honorary Members, unless otherwise indicated in this Statute;

relative legislation means any and all legislation regulating financial services.

NAME AND MEMBERSHIP

2. (1) The name of the Institute is “The Institute of Financial Services Practitioners” and membership thereof shall, saving the provisions of Clause 8, be open to all financial services practitioners who satisfy the conditions for membership set out in sub-clause (2) below.

(2) There shall be four types of membership, namely that of “Member”, “Associate Member”, ‘Student Member’ and ‘Honorary Member’. The conditions to be satisfied with respect to each level of membership are indicated in Schedule 1 to this Charter.

(3) A ‘Member’ may use the designation “MIFSP” whilst an Associate Member may use the designation “AIFSP”.

ADDRESS AND OFFICE

3. (1) The address of the Institute shall be determined from time to time by the Council.

(2) Should the Council deem it to be appropriate, it may procure offices for the workings of the Council and its members and staff.

AIMS OF THE INSTITUTE

4. (1) The aims of the Institute are:
 - (a) to promote the continued development of the financial services industry in Malta;

- (b) to foster, advance and protect the professional and business interests of members;
- (c) to foster co-operation amongst members and to serve as a focus for a common approach to issues relating to the industry;
- (d) to promote the development of financial services in Malta;
- (e) to acquire, generate and diffuse knowledge on the conduct of financial services, including to organize educational initiatives for the industry;
- (f) to establish and develop professional standards for the industry as a whole;
- (g) to establish and maintain a code of professional conduct and practice for members: as amongst themselves, in their relations with the authorities and in their business with clients;
- (h) to obtain official recognition as the body representing financial services practitioners in Malta.

(2) The Institute shall have all powers required by it to fulfil the aims of the Institute, including the following powers:

- (a) to purchase or lease, rent, hold or dispose of any building or other property, movable or immovable;
- (b) to borrow or raise any money with or without security that may be required by the Institute;
- (c) to pay the remuneration and reasonable expenses of officers and employees of the Institute;
- (d) to award a diploma or other qualifications in financial services, as well as generally to educate and train its members and other individuals active in the financial services industry and, to this end, to conduct events, including courses and training sessions (with or without compensation);
- (e) to do all such other lawful things as are incidental or conducive to the attainment of the above objects or any of them.

Provided that all the property and income of the Institute shall be used solely for the furtherance of the objects of the Institute, and no member or person who has ceased to be a member shall have any personal interest in or claim against such property and income.

COUNCIL AND EXECUTIVE COMMITTEE (“EXCO”)

5. (1) The Council of the Institute shall be composed of four officers, namely the President, the Vice-President, the Honorary Secretary and the Treasurer, and up to twelve other members.

(2) The officers of the Institute shall be appointed by the members of the Council from amongst their body. A member of Council may not, however, be appointed to the office of President for more than three successive terms at a time: provided that the said Council member may be appointed once again to the office of President, if re-elected to Council, after the lapse of one term.

(3) The quorum for meetings of the Council shall be four members. Meetings of the Council may be held in person, where possible, or by telephonic or other means provided all members in attendance may hear each other speak.

(4) Save for the provisions of Clause 7 of the Charter, every member of the Council shall have one vote, whilst the President shall have a second or casting vote.

(5) The Council shall meet as often as necessary, with Council meetings to be convened by the President or by the Secretary acting in consultation with the President: provided that any two Council members acting together may also request that a meeting of the Council be convened by notice in writing to the Secretary.

(6) Except in case of urgent business, at least five days’ notice of meetings of the Council shall be given.

(7) The Council is responsible for the management of the affairs of the Institute. To this end, the Council shall exercise all those powers that are not reserved to the members in General meeting.

(8) The Council may, from time to time, appoint an Executive Committee, the ExCo, to be composed of the officers and, if appropriate, additional members of Council, including the Chief

Executive Officer, if any. Should ExCo be appointed, it shall also be responsible for the day-to-day management of the Institute and its Secretariat, reporting to Council.

(9) The Council may also, from time to time, delegate such powers as it may deem appropriate with respect to the day-to-day running of the Institute and its Secretariat to a Chief Executive Officer, to be employed or otherwise engaged by the Institute. Should there be an ExCo, the Chief Executive Officer shall report to ExCo; if not, the Chief Executive Officer shall report to Council. The Chief Executive Officer shall be guided by the aims of the Statute.

ELECTION OF COUNCIL

6. (1) Members shall be elected to Council for a two year-term, with members being elected to Council to replace outgoing Council members during the Annual General Meeting of the Institute, with reasonable notice of the said Annual General Meeting and elections being given to all paid up members of Council as provided herein.
- (2) The outgoing Council shall be responsible to source nominations for election to Council and to organize the election process, with the support of the Secretariat, with voting to be by secret ballot.
- (3) Without prejudice to the provisions of Clause 5(2), outgoing members of the Council may be nominated for re-election, and this for an unlimited number of terms, successive or otherwise.
- (4) No more than two persons from the same firm or organization shall sit on the Council at the same time.

CO-OPTION AND SUB-COMMITTEES

7. (1) The Council shall have the power to co-opt any person who may help it in its deliberations and workings to Council. Co-opted members shall not have a vote and shall serve at the discretion of the Council.
- (2) The Council may set up one or more sub-committees, in addition to the two sub-committees referred to in Clauses 8 and 9 respectively of this Charter, as it may deem appropriate from time to time, to assist it with its workings. Unless Council decides otherwise, sub-committees shall be chaired by a Council member who shall report to Council. Each sub-committee shall be given terms of reference by the Council, and may also be given the power to co-opt additional but non-voting members. In addition, the Council or any such Sub-Committees may also appoint one or more working groups, typically to address particular issues or projects of interest to the financial services industry on an ad hoc basis.

STANDARDS SUB-COMMITTEE

- 8 (1) There shall be a Standards Sub-Committee, which shall be chaired by the Vice-President of the Institute.
- (2) The Standards Sub-Committee shall have full powers to ensure that members do not infringe any rules promulgated by the Institute or in any way harm or bring into disrepute Malta's reputation, that of the Institute or its members, or that of the local financial services industry generally.
- (3) The Standards Sub-Committee shall decide upon any complaint made to it, after having heard representations as required, and shall have the power to impose fines upon defaulting members, as well as to order their suspension, the withdrawal of their membership of the Institute, or such other disciplinary action as may be deemed appropriate.

(4) An appeal shall lie from any decision of the Standards Sub-Committee to the Council whose decision shall be final.

EDUCATION SUB-COMMITTEE

9. (1) There shall be an Education Sub-Committee, which shall be chaired by a member of the Council.

(2) The Education Sub-Committee shall be responsible for devising and running the Institute's Education programme on an ongoing basis, which programme may include seminars, conferences, courses and any other educational initiative, all intended to educate and train the Institute's members and other professionals active in the financial services industry.

SECRETARIAT

10. (1) The Institute shall set up and maintain a Secretariat, which shall be located at premises to be procured for the Institute, on an ongoing basis. The Secretariat shall be headed by a Secretary General, who shall be responsible for the day-to-day running of the Secretariat and for such other staff as may be employed or otherwise engaged by the Institute from time to time.

(2) The Secretary General shall perform his/her duties subject to the direction of, and shall report to, the President and the Honorary Secretary: Provided that should a Chief Executive Officer be employed or engaged by the Institute, the Secretary General and any other Secretariat staff shall then work primarily under the direction of, and shall report to, the Chief Executive Officer on a day-to-day basis.

GENERAL MEETINGS

(1) The Annual General Meeting of the Institute shall be held not later than the end of July of each year.

(2) The Annual General Meeting shall *inter alia*:

- (a) consider the Council's report for the current term;
- (b) consider the audited accounts for the previous financial year;
- (c) elect the Council for the subsequent term;
- (d) nominate auditors for the following term.

(3) Extraordinary General Meetings may be held at the discretion of the Council or at the request of twenty per cent of the members of the Institute.

(4) Except in case of urgent business, not less than twenty clear days' notice of General Meetings shall be given to members, who may submit resolutions for discussion.

(5) The Agenda, together with a list of resolutions for discussion, if any, shall be circulated at least three clear days before the meeting is due to be held.

(6) Each member, being a fully paid up member, shall have one vote at a General Meeting: Provided that any member holding a valid proxy shall have an additional vote. 'Member' for the purposes of this provision shall also include Associate Members.

(7) Any member may appoint in writing another member as his/her proxy to represent said member, whether with specific instructions as to voting or otherwise authorizing the said proxy to vote as s/he may deem appropriate.

Provided that any member present in person at the General Meeting may not hold more than two proxies.

Provided further that the instrument of proxy shall be delivered to the Secretary General prior to the General Meeting.

(8) Amendments to this Charter shall only be considered at an Annual or Extraordinary General meeting.

(9) The quorum for a General Meeting shall be twenty members, present in person or by proxy: Provided that should there not be a quorum of members present at the designated start time, those members present, in person or by proxy half an hour after the designated start time for the meeting shall constitute a quorum.

(10) All General Meetings shall be held in person, unless the Council feels that it is appropriate, in exceptional circumstances, to hold same using a video conferencing platform or similar. For the avoidance of doubt, any member attending a General Meeting held remotely shall be deemed to be attending in person.

FUNDS

11. (1) The annual membership fee of the Institute shall cover membership for a full calendar year. The membership fee is payable by no later than the 31st March of the year in question.

(2) Members who do not pay their membership fee, despite repeated requests for same by the Secretariat, shall have their membership withdrawn.

(3) The annual membership fees of the Institute shall be as follows:

- (i) 2023: €220 – for Members and Associate Members; €50 – for Student Members;
- (ii) 2024: €235 – for Members and Associate Members; €50 – for Student Members;

Provided that the Council may, from time to time decide, if this is deemed to be in the best interests of the Institute, to levy lower membership or group fees to grow the Institute's membership and reach;

Provided further that the Council may increase the annual membership fees of the Institute by no more than 10% per annum over the fee as in force at the time without seeking the approval of the members; any proposed increase that exceeds 10% per annum shall therefore be subject to the prior approval of the members.

(4) The funds of the Institute shall be used solely in the furtherance of its aims and shall be utilized or otherwise allocated as directed by the Council.

(5) All Institute funds shall be deposited in a bank account in the name of the Institute. Any two Council officers, or any Council officer together with the Chief Executive Officer (if any) or the Secretary General, shall, acting jointly, operate all bank accounts of the Institute, which shall include the making of transfers, signing of cheques, and so forth.

REPRESENTATION

12. Subject to the provisions of Clause 12(5), the legal and judicial representation of the Institute shall vest in the President and any other officer, acting jointly.

AUDITORS

13. An audit firm or an individual holding a practicing certificate to practice in the field of auditing shall be nominated as auditor of the Institute at the Annual General Meeting during which the accounts of the previous year are reviewed.

AMENDMENTS

14. Subject to the provisions of Clause 11 hereof, any amendment to this Charter shall require the approval of a two thirds majority of the members present at a General Meeting, save that any amendment to Schedule 1 hereof may be affected by the approval of a simple majority of members present at the Council meeting at which said amendment is considered.

INTERPRETATION

15. The interpretation of this Charter shall vest solely in the Council who shall regulate its own proceedings and whose decision shall be final.

DISSOLUTION

16. (1) The Institute may be dissolved by a resolution approved at an Extraordinary General Meeting by seventy-five per cent of the Institute's members present, in person or by proxy, at the said Meeting.

(2) In the event of dissolution of the Institute, any assets remaining after the settlement of liabilities (including taxation) shall be donated to one or more charities, institutions, foundations or other association of persons with broadly similar aims and objects nominated for this purpose in the resolution approving dissolution: Provided should no such entity be willing to accept such donation, the assets shall be donated to any registered voluntary organization or organizations of the Council's choice.

SCHEDULE 1

MEMBER

A person shall be entitled to apply for membership as a “Member” of the Institute if he/she (a) holds a University degree or an equivalent qualification which is obtained after a course of at least three years duration, or occupies a senior management post within the financial services industry and (b) is sponsored by two fully paid up members of the Institute and (c) has at least two years’ worth of full time practice in the financial services industry, all to the satisfaction of the Council.

ASSOCIATE MEMBER

A person shall be entitled to apply for membership as an “Associate Member” of the Institute if he/she, not yet being in a position to satisfy the requirements to become a Member, is (a) sponsored by two fully paid up members of the Institute, and (b) has at least five years’ worth of practice in the financial services industry, all to the satisfaction of the Council.

STUDENT MEMBER

- (1) A person shall be entitled to apply for membership as a “Student Member” of the Institute if he/she is enrolled in a full-time course of at least three years duration which course will lead to a University degree or equivalent qualification.
- (2) A Student Member of the Institute shall not be eligible for election to the Council of the Institute, nor shall he/she be entitled to vote at General Meetings of the Institute.

HONORARY MEMBER

- (1) The Council may, by resolution passed by a two-thirds majority of those present at a meeting of the Council at which said resolution is considered, confer Honorary Membership of the Institute to any person.
- (2) An Honorary Member shall have the same rights, privileges, obligations as does a Member, and is likewise subject to the conditions of membership as set out in the Charter of the Institute, subject to the following exceptions:
 - (a) An Honorary Member shall not be liable to pay any membership fees to the Institute;
 - (b) An Honorary Member of the Institute shall not be eligible for election to the Council of the Institute, nor shall he/she be entitled to vote at General Meetings of the Institute.

MEMBERSHIP – ADMINISTRATION, RENEWAL, SUSPENSION AND EXPULSION

- (1) Membership of the Institute is a privilege that is granted, maintained and renewed at Council's discretion, based on the applicant's good standing throughout the membership period.
- (2) When considering each annual membership renewal application, the Council shall take into account said member's continued good standing within the financial services industry in Malta, particularly, but not limited to, the following principal considerations:
 - (a) Strict adherence to such ethical guidelines as may be adopted by the Institute from time to time;
 - (b) His/her standing with any professional body/ies with which that member may be registered, whether in Malta or otherwise; and
 - (c) The member's continued involvement in the financial services industry in Malta.
- (3) The Council has the power to suspend or expel any member of the Institute at its sole and absolute discretion if it deems that such member has not acted in good faith, or has directly or indirectly contributed to harming Malta's reputation as a financial centre. In exercising this discretion, the Council shall consider, but shall not be bound by, any final decision/s taken by any relevant authority/ies and which affect or involve a member of the Institute.

The term 'relevant authority' shall, in this instance, include but not be limited to any court or tribunal, the Malta Financial Services Authority, the Malta Business Registry, the Financial Intelligence Analysis Unit, their respective foreign counterparts and any professional body/ies with which that member may be or may have formerly been registered.

- (4) Any membership fee paid for the year in which such suspension or expulsion shall take effect will be forfeited by the member in its entirety and there shall be no right to reimbursement of such fee, wholly or in part.
- (5) Suspension of membership may be revoked by the Council if it is satisfied, on the basis of evidence provided to it, that the suspended member has acted in good faith and/or that his/her actions have not harmed Malta's reputation or the financial services industry generally. Where, on the other hand, evidence is provided to the Council indicating that the suspended member has not acted in good faith and/or that his/her actions have indeed harmed Malta's reputation or that of the financial services industry, the Council may proceed to expel the member from the Institute.
- (6) Prior to taking a decision as to whether to expel a member, the Council shall invite, by not later than the lapse of six months from when a member is suspended, said member to submit any written and/or oral representations to it within such reasonable time as the Council may establish, taking into account all circumstances. The Council shall communicate its eventual decision to the member in writing, and its decision shall be final and not subject to appeal.
- (7) In cases of expulsion, the expelled member shall not be permitted to re-apply for membership with the Institute prior to the lapse of three clear calendar years after the effective date of expulsion.