

Furthermore, in conformity with the above change, the law introduced changes in two other laws, that is:

1. Legislative decree 1297/72, which includes beneficial provisions regulating the setting up of AE's and EPE's resulting from a conversion or merger. It is now provided that the minimum amount of capital of companies which derive from the application of the provisions of the said decree should rise to Grd100m for an AE and Grd50m for an EPE from the previous Grd60m and Grd30m respectively.
2. Law 2166/93, which regulates the conversion of companies as well as the contribution of a sector or a part of an AE or EPE to an AE. According to the new provisions, in the case of an AE resulting from a conversion, the minimum amount of capital required is Grd100m and in case of an EPE resulting from such a conversion Grd50m. The case is the same with respect of an AE as it expands following the addition of a sector from another enterprise. The capital of the contributing enterprise, should, following the contribution, still satisfy the requirements regarding the minimum capital set by the law, as per above for AE's and EPE's.

~~Angeliki Delicostopoulou~~  
~~A & A Delicostopoulou~~  
~~Athens~~

## Malta

### Amendments to Companies Act 1995 and Investment Services Act 1994

#### Corporate Officers and Promoters – the Secretary

There is more to company legislation in Malta than the Companies Act of 1995 (CA). Several other laws have a direct bearing on the regulation of companies. One of the more significant laws is the Investment Services Act of 1994. This has created a comprehensive licensing and supervisory framework governing the provision of investment services in respect of company securities and other financial instruments. It also governs the establishment, administration and promotion of collective investment schemes (CIS); such schemes may take the form of a company. A corporate CIS may be either a close-ended or an open-ended investment company. The Malta Financial Services Centre (MFSC), as the competent regulatory body, administers both the ISA and the CA. During March 1999, important amendments were made to certain rules which effect both company law and the investment services legislation.

Section 138 of the Companies Act requires every company to have a company secretary. As a general

rule, the company secretary has to be an individual (physical) person. Regulations issued in 1996 (Companies Act (Investment Companies with Variable Share Capital) Regulations 1996 – Legal Notice 102 of 96) introduced an exception to this rule so that SICAVs (open-ended corporate collective investment schemes with variable share capital) could start having a corporate company secretary. New regulations have now extended this rule also to closed-ended corporate investment schemes (known as INVCOs), bringing the two corporate forms of CIS in line. It was felt that this reflected international practice in the way collective schemes are organised.

The ISA contains two Schedules. The First Schedule lists the various services which, when provided in respect of designated securities and other financial instruments, require a licence from the MFSC. The Second Schedule lists the types and categories of the securities and financial instruments that are caught by the Act and the First Schedule.

An amendment was recently made to the First Schedule of the ISA. The effect of the amendment was to remove the licence requirement for acting as company secretary to a collective investment scheme. Prior to the amendment, serving as secretary to any such scheme required a licence from the MFSC, just like any other investment services provider. Notwithstanding this exemption, any proposed appointment of a secretary to a CIS still needs the prior approval of the MFSC, which has to be satisfied that the applicant is fit and proper to occupy that post.

These three different sets of regulations have been issued by the Minister of Finance acting on the advice of the MFSC in terms of s 12 of the ISA and of s 84 (10) of the CA. All the regulations came into force on 1 March 1999.

Investment Services Act (Amendment of First Schedule) Regulations 1999 – Legal Notice 46 of 1999; Companies Act (Investment Companies with Variable Share Capital) (Amendment) Regulations, 1999 – Legal Notice 47 of 1999; Companies Act (Investment Companies with Fixed Share Capital) Regulations 1999; Legal Notice 48 of 1999.

Dr David Fabri  
Malta Financial Services Centre

## UK – England & Wales

### Insolvency Rules Amendment

#### Company Insolvency and Liquidation

SI 1999/359 further amends the Insolvency Rules 1986 (SI 1986/1925), which set out detailed procedures for the conduct of all company and