

MFSA

MALTA FINANCIAL SERVICES AUTHORITY

Public Notice – Maltese Cross Financial Services Limited

This notice provides an update on the ongoing investigations being carried out by the Malta Financial Services Authority and on other matters of interest, further to the Public Notices that were issued by the Authority on 7th August 2014, 12th August 2014 and 22nd August 2014.

The Authority's investigations into the affairs of the company are still on-going. In the course of these investigations, the Authority has appointed an audit firm as a technical expert in order to assist it with certain aspects of the investigation. From the Authority's investigations to date it results that the misuse and manipulation of clients' assets was predominantly in respect of investments held by the company on a nominee basis.

On the basis of investigation conducted to date, the Authority has been able to establish that as at the 11 August 2014 the total value of investments held by the company on a nominee basis on behalf of its 222 clients should have amounted to just above €6,950,000. However, the total value of investments still intact and which therefore remained held under nominee as at 11 August 2014 amounted to just below €475,000. There is therefore a shortfall of just above €6,475,000.

In March 2015, an application for the winding up (liquidation) of the company was submitted to the Court by the directors of the company. The Authority, as regulator of this company, requested the Court's permission to intervene in the case which request was acceded to by the Court. As an interim measure and pending the Court's decision on whether the company should be dissolved and wound-up, on the 28th May 2015 the Court appointed the Official Receiver as provisional administrator of the company in order to take control of the company and all its assets and to administer the company's affairs instead of the directors.

The provisional administrator is not empowered to sell or dispose of any assets of the company in order to pay any debts or liabilities of the company. If the Court decides that the company should be dissolved and wound-up, a liquidator will then be appointed.

Communications Unit
Malta Financial Services Authority
MFSA Ref: 43-2015
24th June, 2015