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No.4598, 15.10.2012

R.A.D. 401/2012

The Open-Ended Undertakings for Collective Investment (UCI) Law of 2012

Directive DI78-2012-33

of the Securities and Exchange Commission regarding the marketing in the Republic of Cyprus of foreign undertakings for collective investment that do not fall within scope of application of the Directive 2009/65/EC

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The Securities and Exchange Commission, exercising the powers vested in it by virtue of section 108 of the Open Ended Undertakings for Collective Investment (UCI) Law of 2012, hereby issues the following Directive:

Short title	1 This Directive shall be cited as the Directive of 2012 on the marketing in the Republic of Cyprus of the units of foreign undertakings for collective investment, open type, that do not fall within scope of application of the Directive 2009/65/EC.
Interpretation	2 For the purposes of this Directive, unless the context shall prescribe otherwise: . «Application File» shall mean the application and the accompanying supporting and other documents listed in the First Annex of the Directive. «Fund Rules» shall mean the Rules of the undertakings for collective investment which has been incorporated in the form of common fund or unit trust. «Instruments of Incorporation» shall mean the memorandum of association and the articles of association of the undertaking for collective investment that have been incorporated in the form of Variable Capital Investment Company or Management Company, depending on the case.

«Law» shall mean the Open-Ended Undertakings for Collective Investment (UCI) Law of 2012.

«Management Company» shall mean the company that manages undertakings for collective investment which do not fall within scope of application of the Directive 2009/65/EC.

«Undertakings for collective investment» shall mean the open-ending undertakings for collective investment which do not fall within scope of application of the Directive 2009/65/EC, with state of domicile derive a member state or a third country and have been incorporated in the form of a common fund or of a unit trust or of a Variable Capital Investment.

«Units of undertakings for collective investment»: the term includes the units of common funds and of unit trusts and the shares of a Variable Capital Investment Company.

«Unit-holder» shall mean the holder of unit or share of the undertaking for collective investment.

Terms used in this Directive that are not interpreted differently have the meaning given to them by Law.

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| Scope of application | 3. The Directive is applied to undertakings for collective investment which do not fall within scope of application of the Directive 2009/65/EC, with state of domicile a third country or a member state that wish to market their units in the Republic of Cyprus. |
| Granting authorisation for the marketing of units in the Republic of Cyprus | 4. (1) The commencement of marketing in the Republic of Cyprus of units of undertakings for collective investment requires the prior authorisation of the Cyprus Securities and Exchange Commission.

(2) The marketing authorisation of sub-paragraph (1) is granted by the Cyprus Securities and Exchange Commission, following the examination of the application file submitted by the undertaking, which, in order to be considered complete, must include:

(a) Application for granting market authorisation, the content of which is defined in Annex I of the Directive, and
(b) The supporting documents and information listed in the Annex II of the Directive.

(3) The application of sub-paragraph 2 (a) is submitted in an official language of the Republic of Cyprus or in the English language while the documents and information of sub-paragraph 2 (b), apart from the original language in which they have been prepared and filed with the competent supervisory authority, in the official language of the Republic of Cyprus or in the official language of the Republic of Cyprus and in the English language or only in the English language as long as the file includes confirmation of the undertaking for collective investment that the marketing of units shall made only to investors who have good knowledge of the language, as provided for in the Annex II. |

(4) The Management company of the undertaking for collective investment or the undertaking itself, in the case it has not designated a Management company, is obliged:

- (a) To provide to the Cyprus Securities and Exchange Commission any additional information or clarification which is deemed necessary for the examination of the application file, and
- (b) To notify the Cyprus Securities and Exchange Commission on any modification of the information and documents according to which the undertaking for collective investment will be granted authorisation to market in the Republic of Cyprus, of its units.

(5)) The Management company of the undertaking for collective investment or the undertaking itself, in the case it has not designated a Management company, is informed with (2) months from submitting a complete file according to sub-paragraph (2), if it is granted or not authorisation to market in the Republic of Cyprus, of its units. Refusal of market authorisation shall be duly justified.

(6) The Cyprus Securities and Exchange Commission does not grant authorisation if the protection of investors in the Republic of Cyprus is not effectively safeguarded, and specifically:

- (a) The conditions for immediate and secure payments during the marketing, redemption or repurchase of the units of the undertaking for collective investment are not safeguarded, or
- (b) The effective, immediate and the continuous provision of information of investors in the Republic of Cyprus is not safeguarded, or
- (c) The exercise of powers by the Cyprus Securities and Exchange Commission to take measures and imposed administrative fines, are not safeguarded, or
- (d) The competent supervisory authority of the undertaking for collective investment has not signed a memorandum of Understanding for the communication and exchange of confidential information with the Cyprus Securities and Exchange Commission.

(7) The marketing in the Republic of Cyprus of the units of the undertaking for collective investment may commence following the notification to the undertaking or to its Management company of the market authorisation granted by the Cyprus Securities and Exchange Commission, according to sub-paragraph (5).

Marketing procedures of units in the Republic of Cyprus

5. (1) The Management company of the undertaking for collective investment or the undertaking itself, in the case it has not designated a Management Company, may market its units in the Republic of Cyprus through credit institutions, firms providing investment services or other investment firms, as well as management companies under the Directive 2009/65/EC, which have their registered office or seat in the Republic of Cyprus or they operate in the Republic of Cyprus through the establishment of a branch, in the case they have their registered office or seat in another member state.

For the marketing of units of a collective undertaking in the Republic of Cyprus, the above persons must enter into a written contact with the Management Company of the undertaking or with the undertaking itself, in the case the undertaking, the units of which are intended to be marketed in the Republic of Cyprus, has not designated a Management Company.

(2) The marketing of units of a collective undertaking through the persons of sub-paragraph (1) above or through other persons acting as agents of those persons,

must be made in accordance with the provisions of the Investment Services and Activities and Regulated Markets Law that regulate the investment service of the reception and transmission of orders.

(3) In the case the marketing of units of a collective undertaking in the Republic of Cyprus is made through firms providing investment services or other investment firms or Management Company under the Directive 2009/65/EC, as provided for in sub-paragraph (1) above, the Management Company of the undertaking or the collective undertaking itself, in the case the undertaking has not designated a Management Company, is obliged to enter into an agreement with a credit institution ('paying agent') which will undertake the making of payments to unit-holders, redeeming or repurchasing units of the undertaking in the Republic of Cyprus. In the case the marketing of units is made through a credit institution, this institution can also act as a paying agent.

Organising the marketing network for the marketing of units in the Republic of Cyprus

6. (1) The provisions of the Directive 'on the terms and the procedure for the marketing network of UCITS' units in the Republic of Cyprus, the organisation of the marketing network and the obligations of the persons participating in the network' is applied, proportionately, for the organization of the marketing network of units in the Republic of Cyprus of collective undertakings that do not fall within scope of application of the Directive 2009/65/EC.

(2) With the reservation of the responsibility of the collective undertaking itself or its Management Company, in the case there is such, the person participating in the marketing of its units in the Republic of Cyprus, in accordance with paragraph 5, is responsible for:

- (a) the manner of marketing the units of the undertaking in the Republic of Cyprus,
- (b) the choice of persons with who they cooperate for the marketing of units,
- (c) the actions and/or omissions of their cooperators that participate in the marketing network of units in the Republic of Cyprus, and
- (d) the checking of the suitability and honesty of the persons with who they cooperate for the marketing of units in the Republic of Cyprus as well as for the adequate and continuous education of those persons.

Obligations of informing investors and advertisement of units in the Republic of Cyprus

7. (1) The undertakings for collective investment that do not fall within scope of application of the Directive 2009/65/EC collective and which, following authorisation, which markets its units in the Republic of Cyprus is obliged to provide to investors within the territory of the Republic of Cyprus, all the information and documents it is required to provide to investors in its home state, pursuant to its legal framework at force.

(2) The undertaking for collective investment delivers, through the persons of sub-paragraph 5(1) of the Directive for the marketing of units in the Republic of Cyprus, free of charge, the Prospectus, the Key Investor Information document to investors or any other equivalent document, and following application of the investor, the Fund's Rules or its Instruments of Incorporation, as well as its latest annual and semi-annual report.

(3) The launch of an advertisement of an undertaking for collective investment in the Republic of Cyprus may commence after it has been informed or the Management Company of the undertaking has been informed, for the granting of an authorisation by the Cyprus and Securities and Exchange Commission, in accordance with sub-paragraph 4(5) of the Directive.

(4) The marketing and advertising material, as well as any document, information, announcement addressed to potential investors and/or unit-holder of the undertaking must be submitted to the Cyprus and Securities and Exchange Commission, at least two working days before its publication. The Cyprus Securities and Exchange Commission may demand the Management Company of the undertaking or the undertaking itself, if it has not designated a Management Company to make with its own expenses, explanatory or corrective publications, if the Commission deems that a publication may be misleading or providing false information to the public.

(5) The content and the manner of announcements of the undertakings for collective investment must be made in accordance with the provisions of the Directive 'on the rules to be followed by UCITS for the launch of advertisements' that shall apply proportionately.

Ongoing obligations of undertakings for collective investment

8. (1) During the marketing in the Republic of Cyprus of units of an undertaking for collective investment that does not fall within scope of application of the Directive 2009/65/EC, this undertaking is obliged to inform the Cyprus and Securities and Exchange Commission on any changes to its information, documents or particulars according to which authorisation has been granted to it, as the cases indicated below:

- (a) amendments to its Fund Rules or of its Instruments of Incorporation,
- (b) amendments to its Prospectus,
- (c) amendments to the Key Investor Information to investors or to any equivalent document,
- (d) its latest annual or semi-yearly report,
- (e) amendments to the person who participates in the marketing of its units in the Republic of Cyprus, in accordance with sub-paragraph 5(1) of the Directive, of the paying agent that has undertaken the payments from and to unit-holders in the Republic of Cyprus, in accordance with sub-paragraph 5(3) of the Directive, of the Management Company of the undertaking, if there is such, or of the Custodian.

(2) In the case of any change relating to the person who participates in the marketing of its units in the Republic of Cyprus, in accordance with sub-paragraph 5(1) of the Directive, the Management Company of the undertaking or the undertaking itself, if no Management Company has been designated, must inform in writing the Cyprus and Securities and Exchange Commission on the measures and actions taken for safeguarding:

- (a) the smooth and continuous marketing and redemption or repurchase of units in the Republic of Cyprus, and
- (b) the complete and adequate information regarding the said change to the existing unit-holders in the Republic of Cyprus.

- Termination of the marketing of units in the Republic of Cyprus
9. In the case the undertaking of collective investment that does not fall within scope of application of the Directive 2009/65/EC and which has been granted authorisation to market its units in the Republic of Cyprus, wishes to terminate marketing, must submit to the Cyprus and Securities and Exchange Commission, at least two (2) months before the termination is set into effect, written notification regarding its said intention, accompanied also by the following:
- (a) the exact time of terminating the marketing of its units in the Republic of Cyprus,
 - (b) the reasons founding the terminating the marketing of its units in the Republic of Cyprus,
 - (c) the exact number of existing unit-holders in the Republic of Cyprus during the submission of its notification for termination, and
 - (d) the measures and actions taken for safeguarding the interests of unit-holders, the redemption or repurchase of their units and that they shall be provided with all the necessary information.
- Revocation of the authorisation for the marketing of units in the Republic of Cyprus
10. The Cyprus Securities and Exchange Commission may revoke the marketing authorisation of an undertaking in the Republic of Cyprus for the reasons and according to procedure, defined in section 107(2) of the Law.
- Entry into force
11. The Directive shall enter into force on the date of its publication in the Official Gazette of the Republic of Cyprus.

ANNEX I

MINIMUM CONTENT OF THE APPLICATION

FORM F78-2012-09

The application to be submitted to the Cyprus Securities and Exchange Commission by the undertaking for collective investment of a member state or a third country that does not fall within scope of application of the Directive 2009/65/EC in order to may be granted authorisation, must include the following minimum information:

A. Information regarding the undertaking for collective investment

1. The full name and trade name of the undertaking for collective investment.
2. In the case the undertaking for collective investment is comprised by several investment compartments, (umbrella scheme) reference must be made to those compartments to be marketed in the Republic of Cyprus (number and names).
3. The date of incorporation, the legal form and the duration of the undertaking for collective investment. In the case its duration is limited, then reference must be made to the time of ending its duration.
4. The supervisory competent authority that has granted authorisation to the undertaking and its responsible authority for supervising its operation (in the case of different authorities, to refer to both).
5. In the case the undertaking for collective investment is a Variable Investment Company, its registered office or seat.
6. The correspondence address and the person appointed for communication with the Cyprus Securities and Exchange Commission.
7. The entity responsible for keeping the registry of unit-holders in the Republic of Cyprus.
8. The investment policy of the undertaking, including any investment limitations. In the case the undertaking is comprised by several investment compartments (umbrella scheme), reference must be made to the investment policy and any investment restriction of each of the investment compartments to be marketed in the Republic of Cyprus.
9. Declaration of the undertaking for collective investment attesting that it shall inform unit-holders in the Republic of Cyprus in the case of changing of its investment policy (or of the investment policy of its investment compartments) and that it shall safeguard their rights of redemption or repurchasing of unit-holders before the said change.
10. The borrowing policy e.g. information on the type of the existing loans (short-term, long term, back to back) on the percentage which the loans represent in relation to the value of the undertaking assets (leverage/gearing).
11. Information regarding share classes of units (if exist) and on the he particulars of each share class.
12. The rules for the valuation of the assets of the undertaking.
13. The frequency and the method of calculating the net asset value of the undertaking.
14. The frequency and the manner of publication in the Republic of Cyprus of its net asset value, as well as its sale price, redemption or repurchasing price of the units of the undertaking.

15. Information on:

- the manner the units shall be marketed in the Republic of Cyprus,
- the manner with which investors will acquire units of the undertaking and the way this acquisition shall be evidenced,
- the manner for making redemptions, repurchase of units of the undertaking from the investors in the Republic of Cyprus,
- the procedure for making payments from and to investors of the amounts needed for the acquisition or redemption or repurchase of units of the undertaking, respectively, with specific reference on the manner the money shall be transferred from and to the person that will act as paying agent.
- any minimum amount for the acquisition of units,
- any expenses, commissions and fees charged by the undertaking.

16. Information on the manner with the way the Fund Rules or the Instruments of Incorporation, the Prospectus, the Key Investor Information to investors or any equivalent document, the annual report, the semi-yearly report, any other reports (e.g. the quarterly reports) shall be available to the investors in the Republic of Cyprus and in general, the way with which investors in the Republic of Cyprus shall have access to the documents, data and information of the undertaking that are obliged to be published or available to investors in the state of domicile of the undertaking.

17. Information on the manner with which investors in the Republic of Cyprus shall be informed for:

- any amendments of its Fund Rules or Instruments of Incorporation, of its Prospectus and of its Key Investor Information to investors or to any equivalent document,
- any suspension on the marketing or redemption or repurchasing of units,
- any duration passing, dissolution, liquidation, merger or dissolution of the undertaking.

18. The way the unit-holders' complained shall be submitted and processed by the Management Company or the undertaking itself, if such has been designated.

19. In the case, the undertaking is a Variable Investment Company, a brief presentation of the members of the Directors.

20. The manner with which there will be a continuous communication between the undertaking and the person who participates in the marketing of units in the Republic of Cyprus in order to safeguard the effective information of the said person for any matter that may arise.

B. Information regarding the Management Company of the undertaking for collective investment (in the case a management company has been designated), the custodian, the person participating in the marketing in the Republic of Cyprus of units, in accordance with sub-paragraph 5(1) of the Directive, the credit institution to be acting as paying agent, in accordance with sub-paragraph 5(3) of the Directive

For each of the above-mentioned persons:

1. Full name, legal form, registered office or seat and the group of companies (if applicable).
2. The supervisory competent authority that has granted authorisation and its responsible authority for supervising its operation (in the case of different authorities, to refer to both).
3. Description of the main services (this is applicable only for the person participating in the marketing in the Republic of Cyprus of units, in accordance with paragraph 5(1) of the Directive).

ANNEX II

ACCOMPANYING DOCUMENTS AND INFORMATION TO THE APPLICATION

The application of the undertaking for collective investment which do not fall within scope of application of the Directive 2009/65/EC, with state of domicile derive a member state or a third country, for the granting authorisation to market in the Republic of Cyprus of its units must be accompanied by the following documents/information:

1. Recent attestation by the competent supervisory authority in the state of domicile of the undertaking for collective investment, confirming that the said undertaking:
 - a. has lawfully incorporated and operates in accordance with the provisions of the relevant legislation in its state of domicile (reference to the Legal framework),
 - b. is supervised by the said competent supervisory authority, and
 - c. is subject to continuous and prudential Supervision in the home state, in accordance with the legislation in force, for the purposes of protecting the investors;

In the case the undertaking for collective investment is comprised by several investment compartments (umbrella scheme), the said attestation must relate to each of the investment compartment, the units of which are to be marketed in the Republic of Cyprus.

2. The Fund Rules or the Instruments of incorporation of the undertaking for collective investment, depending on the type of the undertaking. The said document must be the latest version and must be approved by the competent supervisory authority, with relevant certification.
3. The prospectus of the undertaking for collective investment which must be the latest version and as this may be approved by competent supervisory authority
4. The Key Investor Document or other equivalent document which must be the latest versions and as these may be approved by competent supervisory authority.
5. The last published annual report, audited by statutory auditors, the last semi-yearly report of the undertaking for collective investment, as well as the latest quarterly report, in the case its issue is provided for.
6. The agreement to be signed between the undertaking for collective investment or its Management Company and of the person who participates in the marketing of its units in the Republic of Cyprus, in accordance with paragraph 5(1) of the Directive, and if another person has been appointed as a paying agent, the agreement signed between the undertaking or its Management Company and of the bank, in accordance with paragraph 5(3) of the Directive
7. Possible promotional material which is addressed to the investing public in the Republic of Cyprus, in case such material has been prepared for publication.
8. Letter of collective investment undertaking or its Management Company, if such has been designated, attesting that the application file submitted for marketing authorisation contains all the required information, data, documents and that they are accurate, true and that have no omission which could affect negatively or positively the examination of the application, as well as an attestation that the applicant shall inform immediately the Cyprus Securities and Exchange Commission in the case there is an alteration of any of the information, data and documents included in the application file.
9. Letter of the collective investment undertaking or its Management Company, if such has been designated, attesting that the translation of the reported data, documents and supporting documents is true, accurate and complete.
10. Letter of the collective investment undertaking or its Management Company, if such has been designated, attesting that it is in full knowledge of the existing legislative and regulatory framework in the Republic of Cyprus and of its obligations arising from this, and, in particular, the obligations for providing information on the Cyprus Securities and Exchange Commission and information of the unit-holders, which is bound to keep.

11. Letter of the collective investment undertaking or its Management Company, if such has been designated, attesting that intends to market its units in the Republic of Cyprus only to persons who shall in writing declare that they have good knowledge of the English language and they are in the position to fully comprehend the documents and the information relating to the undertaking (this is applicable only in the case the documents and the information of the undertaking is submitted to the Cyprus Securities and Exchange Commission in the English language, and not in the official language of the Republic of Cyprus).

12. Letter of the person of paragraph 5(1) of the Directive attesting that it intends to participate in the marketing in the Republic of Cyprus of units of collective investment undertaking.

In the case the undertaking is comprised by several investment compartments, the said letter must explicitly refer to all the investment compartments to be marketed in the Republic of Cyprus through that person.

13. Letter of the credit institution that will be acting as a paying agent, attesting that it accepts to undertake the making of payments to unit-holders, redeeming or repurchasing units of the undertaking in the Republic of Cyprus.

14. Model of the application forms for the subscription and redemption of units.

15. Evidence of payments of the fees provided for the granting authorisation, in accordance with Cyprus Securities and Exchange Commission Directive DI78-2012-34 regarding fees and annual contributions of UCITS, UCI and Management Companies.

ANNEX III

ADDITIONAL INFORMATION TO BE INCLUDED IN THE PROSPECTUS

1. The prospectus of the undertaking for collective investment must include in a visible place in the front page, in a distinctively manner, the following statements:

(a) The undertaking for collective investmentwhich has been incorporated in..... (state of domicile) and is supervised by the (supervisory competent authority):

- is not an Open-Ended Undertaking for Collective Investment in Transferable Securities (UCITS) under the meaning attributed by Directive 2009/65/EC, and

- the granting of authorisation for marketing its units in the Republic of Cyprus does not have the meaning of preventive control by over such Undertaking by the Cyprus Securities and Exchange Commission nor of a guarantee as to its future return.

(b) *Investing in undertaking for collective investment does not have a guaranteed return and past performance does not safeguard future returns.*

(c) *The value of the investment in units of undertaking for collective investment may go up or down as well as up and the recovery of the initial amount invested is not guaranteed.*

2. On the down right side of the front cover of the Prospectus, the month and the year of publication of the Prospectus, must be indicated.