Checklist F78-2012-04

**CHECKLIST FOR THE INSTRUMENTS OF INCORPORATION**

## «……………………………………………………»

**FOR THE GRANTING AUTHORISATION OF AN INVESTMENT VARIABLE CAPITAL COMPANY**

Notes:

1. For the preparation of the Instruments of Incorporation of an Investment Variable Capital Company, the Law 78(I)/2012 shall be taken into consideration.
2. The said checklist concerns an Investment Variable Capital Company which has not designated a Management Company or an Investment Variable Capital Company which has designated a Management Company. In the case where an Investment Variable Capital Company has not designated a Management Company reference to ‘Management Company’ are regarded to be reference to ‘Investment Variable Capital Company’.
3. ***The said checklist to be completed by the interested parties. In the case a section* does not apply state ‘N/A’.**

|  |  |  |  |
| --- | --- | --- | --- |
| **Ι. Minimum content of the instruments of incorporation of an Investment Variable Capital Company (VCIC) in accordance with sections 33, 35(1)(d), 35(4) και 35(2)(a)** | **Page** | **Paragraph** | **For official use** |
| 1. The status of the Company as Variable Capital Investment Company, as well as the name of the Management Company and of the Custodian, if such Management Company or Custodian, have been designated. |  |  |  |
| 2. The object of the Variable Capital Investment Company, from which its investment goals, its investment policy and the criteria of its investments must arise. |  |  |  |
| 3. The duration of the Variable Capital Investment Company or the reference that its duration is indefinite. |  |  |  |
| 4. The principles and the rules of evaluation of the Variable Capital Investment Company’s assets, as well as the rules of calculation of the sale, redemption or re-purchase price of its shares. |  |  |  |
| 5.The terms of issue, sale, cancellation, redemption or re-purchase of shares, as well as the conditions under which the redemption or re-purchase of shares may be suspended in accordance with section 19 of the Law, and the reference of the fact that the suspension of the redemption may be decided by the Securities and Exchange Commission at its initiative. |  |  |  |
| 6. The duration of the financial year and the date of its closure |  |  |  |
| 7.The remuneration and the fees payable to the Management Company and the Custodian, if such Management Company or Custodian have been designated, as well as the method of calculation of the above remunerations or fees. |  |  |  |
| 8. The relationship between the Variable Capital Investment Company, the Management Company and the Custodian and especially, if they belong in the same group of companies, as well as the criteria and prerequisites provided for in section 13. |  |  |  |
| 9. The expenses that shall be borne by the Variable Capital Investment Company. |  |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| 10. Rules for the distribution of the profits of the Investment Variable Capital Company to shareholders, in particular the time and the distribution process. |  |  |  |
| 11. Conditions for the disclosure of information relating to the investment y Variable Capital Company. |  |  |  |
| 12. The procedure for the amendment of the Instruments of Incorporation of the Investment Variable Capital company. |  |  |  |
| 13. The reasons dissolution of the Investment Variable Capital Company. |  |  |  |
| 14. Regardless of the provisions of paragraph (a) of sub-section (4) of section 4 of the company Law and, in addition to the information of sub-section (1), the founding document of the Investment Variable Capital Company, must state:  (a) That the issued capital of the Investment Variable Capital Company is variable, and is equal to that of its net asset value, at each time.  (b) That the issued capital of the Investment Variable Capital Company is divided into shares without giving them nominal value, and that their value is variable, and  (c) That company's shares are redeemed, at the request of shareholders by this, either directly or indirectly, by its assets. |  |  |  |
| 15. Investment Variable Capital Company that assigns Management Company and/or Custodian, the Instruments of Incorporation set out the procedure for the appointment of the Management Company and/or the Custodian. |  |  |  |
| 16.The Instruments of Incorporation of the Investment Variable Capital Company may include in addition to the above, other additional or related provisions. |  |  |  |
| 17. The stock market of section 35 (1) or 35 (4) of the Law is mentioned in the Instruments of Incorporation of the Investment Variable Capital Company. |  |  |  |
| 18. The Investment Variable Capital Company of section 35 (1) or 35 (4) shall indicate in its Instruments of Incorporation, the methods of calculation of the net value of its shares. |  |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **ΙΙ. Additional information to be included in the Instruments of Incorporation of an Investment Variable Capital Company** | **Page** | **Paragraph** | **For official use** |
| Directive 78-2012-08 regarding the specification of the obligatory content of Instruments of Incorporation of common funds and of Instruments of Incorporation of Investment Variable Capital Company  Pursuant to paragraphs (4) and (5) of the Directive, the Instruments of Incorporation must include the following: |  |  |  |
| Paragraph 6. Indication of allowable exemptions from the Law or the Directives of the Securities and Exchange Commission. |  |  |  |
| Paragraph 7. Specification of the name or the name of the UCITS. |  |  |  |
| Paragraph 8. Specification of the purpose and the investment policy of the UCITS. |  |  |  |
| Paragraph 9. Reference Currency of the UCITS. |  |  |  |
| Paragraph 10. Specification of the rules for valuing the assets of the UCITS. |  |  |  |
| Paragraph 11. Specification of the rules for the conditions of issue, redemption and suspension of units UCITS. |  |  |  |
| Paragraph 12. Specification of the rules for the fees or commissions of the Management Company and of the Custodian. |  |  |  |
| Paragraph 13. Specification of the rules for costs and expenses of the UCITS. |  |  |  |
| Paragraph 14. Specification of the rules for the distribution of profits and other proceeds of the UCITS. |  |  |  |
| Paragraph 15. Specification of the rules for reasons of dissolution of UCITS. |  |  |  |
| Paragraph 16. Specification of rules on the Instruments of Incorporation of Investment Variable Capital Company. |  |  |  |
| Directive DI78-2012-11 regarding 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  Paragraph 12. The key investor information document for investors, the Instruments of Incorporation or the instruments of incorporation of UCITS, the prospectus and the latest annual and half-yearly report of the UCITS to be given to persons applying for participation in UCITS, any updated documents and any other documents or message to be addressed to investors and to be posted on the internet or to be disclosed to investors, must clearly state, in a readily visible way, that the investment of UCITS has no guaranteed return and that past performance does not guarantee future results. In the case of UCITS of guaranteed return, the above statement can be limited to the fact that past performance does not guarantee future results. |  |  |  |
| Directive DI78-2012-17 regarding the specific obligations of an Investment Variable Capital Company listed in a stock market  The Instruments of Incorporation provide for the possibility of listing the shares in a stock market and a decision on its listing in a stock market, in accordance with the Law and as provided for in its Instruments of Incorporation. |  |  |  |
| Paragraph 5. The Instruments of Incorporation of an Investment Variable Capital Company, in addition to the information referred to in section 33 of the Law, as the case may be, shall include: |  |  |  |
| (a) The stock market in which the shares will be traded, and |  |  |  |
| (b) The maximum allowable percentage deviation of the price of the shares which is formed on the stock market in relation to the net value of the share (NAV), without this rate to be permitted to exceed 5 %. |  |  |  |
| Directive DI78-2012-18 regarding capital guaranteed or performance guaranteed UCITS or UCITS with protection of invested capital  Paragraph 9(1). The Instruments of Incorporation of the UCITS guaranteed capital or performance, in addition to the information referred to in sections 26 and 33 of the Law, must include also: |  |  |  |
| (a) The credit institution that provides the guarantee, |  |  |  |
| (b) The scope and duration of the warranty, with a specific indication if the warranty is provided to the UCITS or directly to the unit holder, |  |  |  |
| (c) The reference benchmark on the basis of which the owed amount of the guarantee of performance will be calculated and which shall be sufficiently diversified and suitable for the relative market and which will be published accordingly, |  |  |  |
| (d) The obligations undertaken by the UCITS due to the guarantee, including the cost of the guarantee, |  |  |  |
| (e) The conditions under which triggered the guarantee, particularly if it requires action by the unit-holder, if it will be valid throughout the duration of participation in the UCITS, upon the request of the unit-holder at any time or whether the activation of the guarantee shall take place with a specific period of time, or at predetermined time points, possibly with "locking rate of return", or with conditions that will redefine the end of each period, or if the guarantee requires a specific period of time during which they will not be request of redemption of units. |  |  |  |
| (f) Any limited period in which the units of UCITS will be available. |  |  |  |
| Directive DI78-2012-19 regarding the regulation of any specific issue relating to the constitution, functioning and dissolution of a UCITS operating with multiple compartments  Paragraph 7(1). The Instruments of Incorporation of UCITS with mutable investment compartments shall indicate, at least:  (a) The content of sections 7(2), (3) and (4) of the Law, as well as the possible use of the option provided for in sub-section (5) of this section.    (b) Reference that the units provide a right to vote, at meetings of the shareholders, regardless of their value, which can vary per investment section.  (c) The reference currency of the UCITS.  (d) Issues relating to the unit-holders of all investment compartments to be discussed at the level of a General Meeting of all unit-holders of the UCITS, regardless of the investment compartment to which they belong, as well as issues relating to the unit-holders of specific investment compartment or compartments to be discussed at the level of a General Meeting of those unit-holders of the UCITS.  (e) The manner and terms of distribution of assets in the event of dissolution of the compartments of the UCITS.  (f) Any other information that makes clear to investors how to operate the UCITS with more investment compartments. |  |  |  |
| Paragraph 7(2). Besides the obligatory information as required in the previous paragraph , the Instruments of Incorporation of UCITS with multiple investment compartments, shall include:  (a) Any special rules that apply to one or more investment compartments.  (b) Cases in which it can be decided to suspend the redemption or re-purchase of the units of the UCITS, for one or more or for all of the investment compartments. |  |  |  |
| Directive DI78-2012-23 regarding the information submitted for the authorisation of traded UCITS, the specific obligations because of the listing and trading of the shares traded UCITS, as well as any other issue or other necessary detail, relating to the operation of such a UCITS |  |  |  |
| Paragraph 4(3)(b). The Instruments of Incorporation of traded UCITS provides for the obligation of listing and traded its units in a stock market. |  |  |  |
| Paragraph 6. The Instruments of Incorporation of traded UCITS, in addition to the information referred to in sections 26 or 33 of the Law, as the case may be, shall include: |  |  |  |
| (a) The minimum quantity of units required in order to request the acquisitions or redemption of shares, as well as the maximum number of units which may be issued, |  |  |  |
| (b) The stock market in which the units will be traded, and |  |  |  |
| (c) The maximum allowable percentage deviation of the price of the units which is formed on the stock market in relation to the net value of the share (NAV), without this rate to be permitted to exceed 5 %. |  |  |  |