Checklist F78-2012-02

**CHECKLIST FOR THE FUND RULES OF**

## «……………………………………………………»

**FOR THE GRANTING AUTHORISATION OF A COMMON FUND**

Notes:

1. For the preparation of the Fund Rules of a common fund, the Law 78(I)/2012 shall be taken into consideration.
2. ***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 Fund Rules of the Common Fund (section 26(2) of the UCI Law)** | **Page** | **Paragraph** | **For official use** |
| 1. The name of the Common Fund and the name of the Management Company and of the Custodian. |  |  |  |
| 2. The objective of the Common Fund, from which its specific investment goals, its investment policy, as well as the criteria of choice of the Common Fund’s investments must arise. |  |  |  |
| 3. The duration of the Common Fund or the reference that its duration is indefinite. |  |  |  |
| 4. The valuation rules and methods of the Common Fund’s assets, as well as the rules of calculation of the units’ sale and redemption or re-purchase price. |  |  |  |
| 5. The terms for issuing, marketing, cancellation and redemption or re-purchase of units, as well as the terms according to which the redemption or the re-purchase of the units may be suspended, in accordance with section 19, and reference to 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 its closing date. |  |  |  |
| 7. The remuneration and the commissions of the Management Company and the Custodian, as well as the calculation method of the above remuneration and commissions. |  |  |  |
| 8. The expenses charged on the Common Fund. |  |  |  |
| 9. The rules for distributing the Common Fund’s proceeds and profits to the unit-holders, and in particular the time and the procedure of the distribution. |  |  |  |
| 10. The terms for the publication of information concerning the Common Fund and its advertising. |  |  |  |
| 11. The procedure of amendment of the regulation. |  |  |  |
| 12. The reasons of dissolution of the Common Fund. |  |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **II. Additional information to be included in the Fund Rules of the Common Fund** | **Page** | **Paragraph** | **For official use** |
| Directive 78-2012-08 regarding the specification of the obligatory content of Fund Rules of common funds and of Instruments of Incorporation of Investment Variable Capital Company  Pursuant to paragraphs (4) and (5) of the Directive, the Fund Rules 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. |  |  |  |
| 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 fund rules 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 DI78-2012-18 regarding capital guaranteed or performance guaranteed UCITS or UCITS with protection of invested capital  Paragraph 9(1). The Fund Rules 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 Fund Rules 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 Fund Rules 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)(β). The Fund Rules of traded UCITS provides for the obligation of listing and traded its units in a stock market. |  |  |  |
| Paragraph 6. The Fund Rules 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 units, 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 %. |  |  |  |