



CYPRUS SECURITIES AND EXCHANGE COMMISSION

TO : UCITS and Non-UCITS

FROM :Cyprus Securities and Exchange Commission

DATE :March 27, 2006

CIRCULAR NO :UCITS(2006-01)

FILE NO :CySEC 6.1.14

SUBJECT :Replacement of Circular AK4/2004-Undertakings for Collective Investment in Transferable Securities (UCITS), with state of domicile a member-state other than the Republic subject to the European Directives or with state of domicile other than the Republic not subject to the European Directives or with state of domicile a third country, and that wish to sell their units in the Republic without registering or being approved by the Securities and Exchange Commission

The Securities and Exchange Commission with this circular, wishes to clarify that the Undertakings for Collective Investment in Transferable Securities (UCITS), with state of domicile a member-state other than the Republic subject to the European Directives or with state of domicile other than the Republic not subject to the European Directives or with state of domicile a third country, that wish to sell their units in the Republic without previously registering or being approved by the Securities and Exchange Commission, can do it under the following conditions:

1. The sale of units of such collective investment undertakings in the Republic should be realised only by legal entities, that, based on subsection 2 of Section 30 of the Open-ended Undertakings for Collective Investment in Transferable Securities (UCITS) and Related Issues Law of 2004 (L.200(I)/2004), could act as distributors for the marketing of units.

The present English text is for information purposes only and is not legally binding.
The legally binding document is in the Greek language

2. No physical or legal entity shall proceed on behalf of any such collective investment undertaking to any “advertisement”, as this is defined in Section 2 of the Open-ended Undertakings for Collective Investment in Transferable Securities (UCITS) and Related Issues Law of 2004 (L.200(I)/2004).
3. No physical or legal entity shall proceed on behalf of any such collective investment undertaking to making a “public offer of securities”, as this is defined in Section 2 of the Law providing for the Conditions for making an offer to the Public of Securities, on the Prospectus to be published when Securities are Offered to the Public or Admitted to Trading on a Regulated Market and Other Incidental Matters of 2005 (L.114(I)/2005), for participation in collective investment undertakings. It is provided that, any reference in the above interpretation included in Section 2 of Law 114(I)/2005 to securities, shall be considered as reference to units in collective investment undertakings.
4. The sale in the Republic of the units of these collective investment undertakings must be made only to clients (professional and/or non-professional) of the entities defined in point 1 provided that these entities abide to the provisions of the Common Directive of the Securities and Exchange Commission and the Central Bank with regards to the Code Of Professional Conduct of the IF and the Physical Entities Employed there (R.A.A. 287/2003) with regards to the treatment and provision of information to investors who fall under either the category of non-professional or professional investors.
5. The approach of the client by the entities defined in point 1 of this letter will be effected through interpersonal contact (interpersonal dialogue, telephone, letter, fax and e-mail) and after the client’s initiative or request.

Sincerely,

Marios Clerides

Chairman of the Cyprus Securities and Exchange Commission