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TO : UCITS

FROM : **Cyprus Securities and Exchange Commission**

DATE : **January 4, 2007**

CIRCULAR NO : **UCITS (2007-01)**

FILE NO : **CySEC 6.1.14**

SUBJECT : **Harmonised UCITS domiciled in a member state of the EEA
intending to market their units in the Republic of Cyprus**

The Cyprus Securities and Exchange Commission (“Commission”) wishes, with this Circular and in line with the provisions of the CESR guidelines to simplify the notification procedure of harmonised UCITS¹ (Ref:CESR/06-120b), to inform you the following with respect to UCITS intending to market their units in the Republic of Cyprus:

1. Content of the notification file

Pursuant to the Open Ended Undertakings for Collective Investment in Transferable Securities (UCITS) and Related Issues Law of 2004 (“the Law”), a UCITS domiciled in a member state of the EEA, which intends to market its units in the Republic of Cyprus must submit the following documents and information to the Commission accompanied by the payment of the relevant registration fees as these are postulated in the Law:

- (a) A standardised notification letter prepared in accordance with the model letter set out in Annex I
- (b) A valid attestation by the home member state competent authority of the UCITS confirming that the UCITS fulfils the conditions imposed by the Directive 85/611/EEC, in accordance with paragraph 3
- (c) The latest Fund Rules (in the case of a Common Fund or a Unit Trust) or the latest Instruments of Incorporation (in the case of an Investment Company). If these are included in the Prospectus, they need not be submitted separately.

¹ Undertakings for Collective Investment in Transferable Securities domiciled in a member state of the EEA (European Economic Area) which adopt the European Directive 85/611/EEC.

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- (d) The latest full prospectus
- (e) The latest simplified prospectus
- (f) The latest annual and any subsequent half-yearly report
- (g) Details on the arrangements made for the marketing of UCITS in the Republic of Cyprus.

2. Marketing of only part of the sub-funds under an umbrella scheme

In the case of an umbrella UCITS, all sub-funds to be marketed in the Republic of Cyprus can be included in a single notification letter. If an umbrella UCITS intends to market only some sub-funds in the Republic of Cyprus, only those sub-funds must be included in the notification letter.

3. A valid attestation

A valid attestation by the home member state competent authority of the UCITS means the original attestation by the home member state competent authority or a certified² copy of the said attestation.

It is understood that an English version³ of the original attestation issued by the home member state competent authority of the UCITS must be provided by the UCITS to the Commission.

It is further understood that the translation of the above-mentioned attestation must be certified as a true, correct, understandable and faithful representation of the original attestation issued by the home member state competent authority of the UCITS.

4. Language of submission and translation of documents

The notification letter of sub-paragraph 1(a) and the documents of sub-paragraphs 1(c) – 1(f) must be submitted to the Commission by the UCITS in the Greek or in the English language.

In the case the documents of sub-paragraphs 1(c) – 1(f) are submitted to the Commission in a translation in the Greek or in the English language, then the said documents as these are approved by or filed with the home member state competent authority of the UCITS, must also be submitted to the Commission in their original language.

It is understood that the translation of the above-mentioned documents must be certified as a true, correct, understandable and faithful representation of the original documents as approved by or filed with the home member state competent authority of the UCITS.

² “Certification” is by the UCITS’ authorised directors or a third person empowered by written mandate to act on behalf of the UCITS. The written mandate must be submitted to the Commission.

³ The English version will not be required in the case where the home member state competent authority has Greek as its official language.

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5. Copies of documents

Copies of the documents of sub-paragraphs 1(c) –1(f) may be submitted to the Commission provided that the said documents are certified as true copies and as latest versions of the documents as approved by or filed with the home member state competent authority of the UCITS.

6. Marketing Arrangements

The UCITS must take adequate measures to ensure that facilities are available in the Republic of Cyprus for making payments to unit-holders, repurchasing and redeeming units and for making available to them all information which UCITS are obliged to provide.

In line with the above, the Commission must be also provided with:

(a) A written confirmation from the entity providing the above-mentioned facilities that it has agreed to act as the Distributor of the UCITS for the marketing of its units in the Republic of Cyprus, providing also information with respect to the contact person to whom the Commission shall forward all correspondence addressed to the Distributor.

It is understood that in the case of an umbrella scheme, the legal entity that will be acting as the Distributor of the UCITS, must explicitly state that it accepts to act as the Distributor for the marketing in the Republic of Cyprus of only those sub-funds under the umbrella scheme for which the Commission shall be notified.

(b) Details on the arrangements made for the marketing of UCITS in the Republic of Cyprus as these are required in the model notification letter set out in Annex I.

It is understood that in the case where the documents and information of the UCITS are available in English the UCITS must certify to the Commission that the UCITS shall be marketed, in the Republic of Cyprus, only to persons who shall declare in writing that they have good knowledge of the English language and that they are in the position to fully comprehend the contents of the documents and information relating to the UCITS.

7. The two-month period

The UCITS may commence marketing in the Republic of Cyprus two (2) months after the date the Commission receives a complete notification, in accordance with the provisions of paragraphs 1- 6 above, unless the Commission establishes in a reasoned decision taken and communicated to the UCITS before the expiry of the two-month period, that the marketing arrangements of the UCITS do not comply with the provisions referred in sub-sections (1) and (2) (b) of section 129 of the Law.

It is understood that the Commission has the ability to ask the UCITS for additional information/clarifications within the two-month period.

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8. Shortening the two-month period

The UCITS may commence marketing in the Republic of Cyprus before the expiry of the two-month period upon notice from the Commission that its marketing arrangements comply with the provisions referred in sub-sections (1) and (2) (b) of section 129 of the Law, if this is the case.

9. Managing the two-month period

In the case the Commission has not been satisfied that the information on the marketing arrangements submitted to the Commission complies with the provisions referred in sub-sections (1) and (2) (b) of section 129 of the Law regarding the arrangements made for the marketing of units in the Republic of Cyprus but nevertheless the Commission assumes that through the submission of further clarifications or information from the UCITS, there is a realistic prospect that compliance with the Law from the applicant's side can be achieved without the need for a reasoned decision, the Commission shall inform the UCITS as soon as possible in a written and duly motivated communication that it considers that there are convincing arguments to believe that the requirements to make a reasoned decision are fulfilled, unless the Commission receives as soon as possible the required information and clarifications.

It is understood that the two-month period shall be suspended by this communication and the time it shall take the UCITS to submit the requested information and clarifications, shall be added to the regular expiring of the two-month period.

It is further understood that if the requested information and clarifications and the marketing arrangements do not still fulfil the provisions referred in sub-sections (1) and (2) (b) of section 129 of the Law, the Commission will formalise its reasoned decision in the remaining time of the two-month period, to prevent UCITS from starting the marketing.

10. Status of the notification file

The Commission shall inform the UCITS whether the notification is considered to be complete or incomplete, within one (1) month the latest, from the date of the receipt of the notification. If the notification is:

(a) Complete, the Commission shall inform the UCITS that the two - month period that is postulated in paragraph 7, has started to count from the date of the receipt of the notification.

(b) Incomplete, the Commission shall inform the UCITS about the missing information, documents or/and registration fees as well as to the fact that the two - month period that is postulated in paragraph 7, has not started to count.

11. Modifications & ongoing obligations

The Commission expects foreign UCITS to keep their documents and information up-to-date. With respect to the above, the up-to-date documents and information of the UCITS e.g. any amendments to the Fund Rules or Instruments of Incorporation or the

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addition of new share classes, the Full and/or Simplified prospectuses, or new prospectuses, if applicable, as well as the latest published Annual Report and any subsequent Half-Yearly Report, have to be submitted to the Commission.

It is understood that submission to the Commission of the said documents and information, is required without delay after the documents and information have been made the first time available in the home Member State.

Specifically, in the case of:

(a) A revised Prospectus, the UCITS must notify in writing the Commission as to the changes that may have been made to the prospectus with respect to the UCITS being marketed in the Republic of Cyprus.

(b) New share classes added to the UCITS, this must be notified in writing to the Commission disclosing also the objective criteria (e.g. the amount of subscription, fees/expenses) on which the new share classes added are based. The UCITS may begin marketing the share classes immediately provided that other reasons which prohibit marketing do not apply.

Yours sincerely,

Georgios Charalambous
Chairman of the Cyprus Securities and Exchange Commission

MODEL NOTIFICATION LETTER
TO MARKET UNITS OF HARMONISED UCITS
IN THE REPUBLIC OF CYPRUS

- 1 Name of the UCITS:
.....
- 2 Home Member State of the UCITS:
.....
- 3 Legal form of the UCITS: *Common Fund/ Unit Trust/ Investment Company (please circle the correct choice)*
- 4 Does the UCITS have sub-funds or compartments: *yes/ no*
- 5
- | Name of the fund(s) and/or the numbers of the sub-funds to be marketed in the Republic of Cyprus ⁴ | Duration (if applicable) | Code if available (e.g ISIN code:) |
|---|--------------------------|------------------------------------|
| | | |
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⁴ If the UCITS intends to market only some share classes it may list only these share classes.

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6 1. Name of Management company or Self-managed investment company:
.....

2. Address and registered office/seat/domicile if address and registered office/seat/domicile are not identical:
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3. Details of contact person in Management company or Self-managed investment company
Name:
Telephone number:
Fax number:
E-mail address:

4. Duration of the company, if applicable:
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5. Scope of activities of the management company in the Republic of Cyprus:
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7 Possible additional comments of the UCITS:
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8 Registration fees:

- Amount of registration fees (in £CY) paid to the Cyprus Securities and Exchange Commission: £CY.....
- If payment is made by:
 - Bank transfer, state the date of the bank transfer:
 - Cheque, attach the cheque

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9 Attached documents:

1. A valid original attestation granted by the competent home Member State authority or a copy of the original attestation as per paragraph 3 of the Circular UCITS (2007-01);
2. The latest fund rules or instruments of incorporation as per paragraphs 4 and 5 of the Circular UCITS (2007-01) *[the said documents need not be submitted separately if they are included in the prospectus; the latter must be indicated by the notifying UCITS or a third person empowered by written mandate to act on behalf of the notifying UCITS]*.
3. The latest full prospectus as per paragraphs 4 and 5 of the Circular UCITS (2007-01);
4. The latest simplified prospectus as per paragraphs 4 and 5 of the Circular UCITS (2007-01);
5. The latest published annual report and any subsequent half-yearly report as per paragraphs 4 and 5 of the Circular UCITS (2007-01).

Note: This letter may refer to documents that have already been sent to the Commission, if still valid. The attestation from the home Member State competent authority must be sent in any case.

10 Details on marketing arrangements:

1. Identification of the legal entity/entities that will be acting as Distributor/Distributors:

Name:
Trade name:
Registered Office:
Head Office Address:
Postal Address:
Registration number:
License Number:
Telephone number:
Fax number:
E-mail Address:
Website:

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2. Information concerning the arrangements for making payments to investors in the Republic of Cyprus, re-purchasing or redeeming units:

- Purchase of units:

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- Sale of units:

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- Distribution of dividends on units (if applicable):

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3. Information concerning the way information on UCITS shall be made available to investors in the Republic of Cyprus:

- Indication of a contact point (person/department, timing, etc.) where additional explanations may be obtained if needed:

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.....
.....

- The way the full prospectus, the simplified prospectus, the Instruments of Incorporations or the Fund Rules, the annual and half-yearly reports as well as other information and documents shall be made available to the investors in the Republic of Cyprus:

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- The way investors in the Republic of Cyprus will be informed on any amendments in the Funds Rules, the Instruments of Incorporation and the Prospectuses of the UCITS:

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.....

- The frequency and where/how prices (net asset value, issue and redemption price) shall be published or made available in the Republic of Cyprus:

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Notes:

- *The details on the marketing arrangements need not be submitted separately for each fund/sub-fund if they are the same for all the funds/sub-funds; the latter must be indicated by the notifying UCITS or a third person empowered by written mandate to act on behalf of the notifying UCITS.*

- *The information required in sub-paragraphs 2-3 of paragraph 10 of the model notification letter, may not be completed in case the same marketing arrangements as those already stated in the initial letter of notification of a Management Company or of an Investment Company already marketing its funds/sub-funds in the Republic of Cyprus, apply also for the marketing, in the Republic of Cyprus, of the new funds/sub-funds for which the Cyprus Securities and Exchange Commission is being notified by virtue of the notification letter; the latter must be indicated by the notifying UCITS or a third person empowered by written mandate to act on behalf of the notifying UCITS.*

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Confirmation by the UCITS:

I hereby confirm that the documents attached to this notification letter contain all relevant information as provided for in the Circular UCITS (2007-01) and the CESR's guidelines regarding the notification procedure, including its annexes. The text of the documents does not have any deletions in comparison with the documents which have been provided to the home Member State authority but without prejudice to Art. 44(1) and Art. 45 of the Directive.

Date and place

.....

(Signature of the authorised signatory of the UCITS or of a third person empowered by written mandate to act on behalf of the notifying UCITS)

.....

(Name in full and position of the undersigned authorised signatory of the UCITS or of the third person empowered by written mandate to act on behalf of the notifying UCITS)