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TO : Foreign Harmonised UCITS
FROM : Cyprus Securities and Exchange Commission
DATE : 21 January 2008
CIRCULAR NO : CI/UCITS-2008-01
FILE NO : CySEC 6.1.14
SUBJECT : Ongoing obligations of foreign harmonised UCITS marketing their units in the Republic

The Cyprus Securities and Exchange Commission (“the Commission”) wishes, with this Circular to inform foreign harmonised UCITS¹ which, pursuant to Part X of the Open-Ended Undertakings of Collective Investments in Transferable Securities (UCITS) and other Related Issues Law of 2004 (“the UCITS Law”) market their units in the Republic, on their ongoing obligations with respect to the following:

1. Revised documents of the UCITS:

1.1 A UCITS shall keep its documents, filed with the Commission, up-to-date at all times. Thus, the UCITS is required to submit to the Commission, any modifications with respect to its instruments of incorporation, its fund rules and its full and simplified prospectuses. The same rule applies to its latest published annual reports and any subsequent half-yearly reports.

It is understood that the above-mentioned documents must be submitted to the Commission without delay, after the documents have been made available the first time in the home member state of the UCITS.

1.2 In the case the revised documents of the UCITS reflect changes of the information included in the initial attestation of the home member state supervisory authority of

¹ Undertakings for Collective Investment in Transferable Securities domiciled in a member state of the European Economic Area (E.E.A) which adopt the European Directive 85/611/EEC as this is amended. The term “UCITS” refers to foreign harmonised UCITS that are single schemes and to sub-funds of UCITS (in the case of foreign harmonised UCITS that are umbrella schemes).

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the UCITS, as these are defined in paragraph 1.3 below, the revised documents of the UCITS must be accompanied by the following information:

(a) A new attestation by the home member state supervisory authority of the UCITS drafted in accordance with Annex I of the CESR Guidelines².

(b) A letter by the UCITS by which the UCITS shall indicate/describe the changes, as these are defined in paragraph 1.3 below, that may have occurred in the revised documents of the UCITS.

1.3 The changes in the revised documents of the UCITS that may reflect changes of the information included in the initial attestation of the home member state supervisory authority of the UCITS, may refer to changes of the:

(a) Name of the UCITS

(b) Number or / and the name of the sub-funds of the UCITS registered with the Commission for marketing their units in the Republic

(c) Investment policy of the UCITS and its sub-funds

(d) Management Company of the UCITS.

1.4 In the case the revised documents of the UCITS do not reflect/incorporate any of the above-mentioned changes, then the UCITS must submit to the Commission a letter confirming to the Commission that the revised documents of the UCITS do not reflect / incorporate any of the changes of paragraph 1.3 above.

2. Merger / absorption of a UCITS

2.1 In the case a UCITS marketing its units in the Republic is merged with / or absorbed by /or is absorbing by another UCITS, the following information must be submitted to the Commission:

(a) An attestation issued by the UCITS' home member state supervisory authority attesting that the UCITS resulting from the merger / absorption fulfils the conditions imposed in the Directive 85/611/EEC, as this is amended.

It is understood that the attestation will not be required in the case of paragraph 2.3 below.

² CESR guidelines released by the CESR on the 29th of June 2006 (Ref: CESR/06-120b). The said CESR guidelines are available on CESR's website at <http://www.cesr.eu>

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(b) A letter by the UCITS informing the Commission as to the following:

- (i) The way investors in the Republic have been informed regarding the said merger / absorption (i.e. by an announcement, notice, circular, publication or by any other way) and the measures taken in order to provide investors with adequate information with respect to the redemption of their units.
- (ii) The effective date of the said merger/absorption

(c) A copy of the relevant announcement, notice, circular, publication etc, as this has been communicated to the investors in the Republic, regarding the said merger/absorption

2.2 In the case where from the merger / absorption, a new UCITS results which is not registered with the Commission for marketing its units in the Republic, then the said UCITS cannot commence marketing its units in the Republic unless it is registered with the Commission in accordance with the notification procedure provided for in the UCITS Law and in the Circulars UCITS (2007-01) and UCITS (2007-03).

2.3 In the case there is no intention to register the UCITS provided for in paragraph 2.2 above with the Commission for marketing its units in the Republic, this must be communicated immediately in writing to the Commission and there is no need to submit the attestation provided for in sub-paragraph 2.1 (a) above.

3. New shares classes to be marketed in the Republic

If a UCITS wishes to market new share classes in the Republic, it must notify in writing the Commission, as soon as possible, disclosing the new shares classes added and the objective criteria on which they are based (e.g. the subscription & redemption fees etc.).

It is understood that the UCITS may commence marketing the new share classes in the Republic immediately, provided that other reasons, which prohibit marketing do not apply.

4. Appointing additional Distributors of UCITS

4.1 Pursuant to the provisions of sub-section (5) of section 130 of the UCITS Law, in the case a UCITS wishes to appoint additional Distributors for marketing its units in the Republic, a letter must be submitted to the Commission informing the Commission as to its intention to appoint an additional Distributor.

4.2 The above-mentioned letter must be accompanied by a written confirmation from the entity that the UCITS intends to appoint as its Distributor, according to which it will confirm to the Commission that the said entity has agreed to act as the

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Distributor of the UCITS for the marketing of its units in the Republic.

It is understood that in the case of a UCITS 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 only those sub-funds under the said umbrella scheme that are registered with the Commission for marketing their units in the Republic.

It is further understood that in the above-mentioned letter, information must also be provided with respect to the contact person with whom the Commission shall communicate for matters relating to the Distributor.

5. Closing of the offering period of a UCITS launch

In the case where an offering period for a launch of UCITS exists, once the said offering period is closed, the UCITS must immediately inform in writing the Commission, whether or not all conditions of the launch have been met for each of the sub-funds of the launch for which the offering period has been closed.

6. Termination of the UCITS' operation

If the UCITS' operation is terminated for any reason such as liquidation of the UCITS, termination of the UCITS' life (in the case of a UCITS with a limited life), revocation of the UCITS' license etc., the following information must be submitted to the Commission:

- (a) A letter by the home member state supervisory authority of the UCITS confirming the termination of the UCITS' operation.
- (b) A letter by the UCITS informing the Commission as to the following:
 - (i) The reasons founding the termination of its operation.
 - (ii) Whether the UCITS has informed its Distributor regarding the termination of its operation.
 - (iii) The effective date of the above-mentioned event.
 - (iv) The way investors in the Republic have been informed regarding the termination of its operation (i.e. by an announcement, notice, circular, publication or by any other way) and the measures taken in order to provide investors with adequate information with respect to the redemption of their units.

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(c) A copy of the above-mentioned announcement, notice, circular, publication etc., as this has been communicated to the investors in the Republic regarding the termination of the UCITS' operation.

It is understood that upon receipt of the above-mentioned information, the Commission shall take all the necessary steps to de-register the UCITS from its records and from its official website.

7. Termination of the marketing of the UCITS in the Republic

If a UCITS wishes to terminate the marketing of its units in the Republic, the following information must be submitted to the Commission:

- (a) A letter by the UCITS informing the Commission as to the following:
- (i) The reasons founding the termination of the marketing of its units in the Republic.
 - (ii) Whether the UCITS has informed its Distributor regarding the termination of the marketing of its units in the Republic.
 - (iii) The effective date of the above-mentioned event.
 - (iv) The way investors in the Republic have been informed regarding the intention of the UCITS to terminate the marketing of its units in the Republic (i.e. by an announcement, notice, circular, publication or by any other way) and in effect the measures taken in order to provide investors with adequate information with respect to the redemption of their units.

(b) A copy of the above-mentioned announcement, notice, circular, publication etc., as this has been communicated to the investors in the Republic regarding the UCITS' intention to terminate the marketing of its units in the Republic.

It is understood that upon receipt of the above-mentioned information, the Commission shall take all the necessary steps to de-register the UCITS from its records and from its official website.

Yours Sincerely

Georgios Charalambous
Chairman of the Cyprus Securities and Exchange Commission

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