



CYPRUS SECURITIES AND EXCHANGE COMMISSION

TO : UCITS of another Member State of the European Union wishing to market their units/shares in the Republic of Cyprus and to Undertakings involved in the operation and control of these UCITS.

FROM : Cyprus Securities and Exchange Commission

DATE : 28 June 2011

CIRCULAR No : CI200-2004-02

FILE No : E.K. 6.1.14

SUBJECT : Provisions applicable to the marketing arrangements of units/shares of UCITS of another Member State of the European Union in the Republic of Cyprus

The purpose of this Circular is to set out the national provisions specifically applicable to the marketing arrangements of the units/shares of UCITS of another member state of E.U. in the Republic of Cyprus and other specific national regulations related to the notification procedure inserted by Directive 2009/65/EC of the European Parliament and the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS Directive).

Details regarding the compliance of UCITS of another member state marketing their units/shares in Cyprus with the national provisions attached to this Circular as Annex I shall be included in the notification letter forwarded to Cyprus Securities and Exchange Commission (the “Commission”) by the home member state authority (Part B of the notification letter attached to the E.U. Regulation 584/2010 as Annex I).

The provisions attached to this Circular as Annex I are also available on the website of the Commission under section http://cysec.gov.cy/mutual_funds_7_gr.aspx.

Yours faithfully,

Georgios Charalambous
Chairman, Cyprus Securities and Exchange Commission

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CYPRUS SECURITIES AND EXCHANGE COMMISSION

National rules for marketing of European UCITS units/shares in Cyprus and other specific national regulations related to the notification procedure

1. Arrangements made for marketing of units/shares of UCITS:

Units/shares of the UCITS/UCITS compartments may be marketed in the Republic of Cyprus by:

- The Management Company that manages the UCITS.
- Any other Management Company authorised under the E.U Directive 2009/65/EC.
- Credit institutions (including co-operative credit institutions).
- Authorised investment firms.

under their capacity as UCITS distributors, pursuant to the provisions of the Commission's Directive DI200-2004-02 regarding UCITS distributors.

Note: Reference above to Management companies (MC) includes also any Grandfathered (MC) during transitional periods provided in the national law of MC for compliance with the E.U Directive 2009/65/EC.

2. Arrangements for the provisions of facilities in accordance with article 92 of Directive 2009/65/EC:

The UCITS wishing to market its units/shares in the Republic of Cyprus shall appoint a credit institution established in Cyprus as paying agent, in order to ensure that facilities are available in Cyprus for making payments to unitholders/shareholders and redeeming/repurchasing units/shares.

Additionally, the UCITS shall take any measures necessary to ensure that the information/documents which it is obliged to provide, is made available to unitholders/shareholders in Cyprus, indicating the person and place where such information/documents may be obtained.

Finally, the said UCITS shall also make public the issue, sale, redemption or repurchase price of its units/shares being marketed in Cyprus, following the procedure and frequency of the relevant publication in the UCITS home member state.

Details of the paying agent (name, legal form, registered office and address for correspondence (if different), the name and address of the person from whom investors may obtain information and documents and the manner in which unit/share prices are published shall be included in the relevant notification letter (Part B) which is forwarded to the Commission by the home member state authority.

Note: With the existing UCITS Law in the Republic of Cyprus, the appointment of a paying agent is not obligatory, however with the transposition of the Directive 2009/65/EC into the legal framework in the Republic of Cyprus, appointing a paying agent shall become obligatory. Only credit institutions may act as paying agents.

3. Other information, supporting to the notification letter, required by the Commission :
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3.1 Other information/documents required by the Commission:

(a) A written confirmation from the distributor certifying that the latter is lawfully licensed and may act as distributor for the marketing of UCITS' units/shares, with special reference to the exact services the Distributor is authorised to provide, according to paragraph 4(2)(a) of the Commission's Directive DI200-2004-02 regarding UCITS distributors.

(b) A written confirmation from the distributor, by which the latter accepts to undertake the distribution of the UCITS' (or specific UCITS' compartments) units/shares in the Republic of Cyprus, as provided for in paragraph 4(2)(b) of the Commission's Directive DI200-2004-02 regarding UCITS distributors.

(c) A certification by the UCITS that the translation of the documents (forwarded to the Commission either in the Greek or in the English language) is a true, correct and faithful representation of the original documents as approved by/filed with the UCITS' home member state authority.

(d) In the case where the documents of the UCITS shall be available to investors in the Republic of Cyprus in English language only, a letter by the UCITS is required, certifying to the Commission that the units/shares of the UCITS shall be marketed in the Republic of Cyprus, only to persons who will have declared 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.

'Certification' is to be made by the UCITS' authorised directors or a third person authorised by written mandate to act on behalf of the UCITS. The written mandate must be submitted to the Commission.

3.2 Any additional information to be disclosed to unit-holders or their agents:

Not applicable.

3.3 Exemptions from the rules regarding marketing arrangements for the UCITS:

(a) If the distributor in the Republic of Cyprus is authorised by the Commission, the written confirmation mentioned above, under point 3(1)(a) is not required.

(b) If a UCITS (umbrella scheme), having already notified the marketing of its units/shares in the Republic of Cyprus, wishes to market units/shares of new/additional sub-funds, the written confirmation mentioned above, under point 3(1)(b) is not required provided that the confirmation letter already submitted to the Commission by the distributor of the UCITS during the initial notification procedure, contains the new sub funds to be marketed.

4. Language of submission of information & documents:

- The Key Investor Information shall be submitted to the Commission in English or Greek language.

Note: In the absence of Key Investor Information during the transitional period ending 30 June 2012, the said obligation applies to the simplified prospectus being submitted instead.

- Information and documents other than the Key Investor Information shall be translated, at the choice of the UCITS, in English or Greek language.

Note: Translations of information or documents shall be produced under the responsibility of the UCITS, and shall faithfully reflect the content of the original information/document.

'Certification' of the translation is to be made by the UCITS' authorised directors or a third person authorised by written mandate to act on behalf of the UCITS. The written mandate must be submitted to the Commission.

- The attestation and the notification letter shall be produced and filed with the Commission in English language as provided for in Annexes I and II of the Commission Regulation 584/2010, respectively.

Note: The competent authorities of the UCITS' home Member State may agree with the Commission, the said attestation and notification letter to be produced and submitted to the Commission in an official language of the Republic of Cyprus.

5. Evidence of payment due to the Commission:

UCITS wishing to market their units/shares in the Republic of Cyprus have to pay notification and annual fees to the Commission.

Notification and annual fees, denominated in Euro (€), must be paid in full (i.e. no bank charges or other costs may be deducted from the total amount owed) either by a cheque issued in favour of the "Cyprus Securities and Exchange Commission" or through a bank transfer. In case of a bank transfer, notification and annual fees must be remitted to the Commission's account stated in the Bank Transfer detail form. A copy of the said form is available at the Commission's website (www.cysec.gov.cy) at the following link: http://www.cysec.gov.cy/fees_en.aspx

- **Notification fees:**

- For single schemes: €854
- For umbrella schemes: €854 for the first sub-fund and €427 for any other sub-fund that may follow under an umbrella scheme.

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Notification fees to be paid for notifications of UCITS marketing their units in the Republic of Cyprus cannot be switched with new notifications of UCITS intending to market their units in the Republic of Cyprus.

- Annual Fees:

- For single schemes: €854
- For umbrella schemes: €1700 (*irrespective of the number of sub-funds under an Umbrella Scheme which are registered with the Commission*).

Annual Fees to be paid to the Commission each year are computed on a pro rata basis from the date the UCITS commence the marketing of its units in the Republic of Cyprus. Annual fees shall be paid at the end of the calendar year in which they refer to.

6. Amendments:

In the event of a change in the information forwarded to the Commission regarding the arrangements made for marketing in the Republic of Cyprus communicated in the notification letter, or a change regarding share/unit classes and sub funds to be marketed (including cessation of marketing), the UCITS shall give written notice thereof to the Commission within a reasonable time period before implementing the change.

7. Applicable framework:

UCITS of another member state of E.U. marketing their units/shares in the Republic of Cyprus must comply with the legal, regulatory and administrative provisions which do not fall within the field governed by Directive 2009/65/E.C., namely the provisions regulating the UCITS advertisements (Directive DI200-2004-04), the appointment and operation of UCITS' distributors (Directive DI200-2004-02 and Circulars CI200-2004-01 and CI-UCITS-2008-02), the notification of significant events relating to foreign harmonised UCITS (DI200-2004-06), as well as the notification of units/shares' prices of foreign UCITS (DI200-2004-07), as each time applicable. The legal and regulatory framework, as each time applicable, is available on the Commission's website under section "Legal framework".

UCITS notifications should be submitted to the Commission via the competent authorities of the UCITS' home Member State at the following e-mail address: ucits.notifications@cysec.gov.cy