

THE OPEN ENDED UNDERTAKINGS FOR COLLECTIVE INVESTMENT (UCI) LAW OF 2012

Directive DI78-2012-26
of the Cyprus Securities and Exchange Commission on the common draft merger plan
prepared by the merging and receiving UCITS

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The Cyprus Securities and Exchange Commission exercising the power vested in it by section 89(3) of the Open Ended Undertakings in Collective Investment Law of 2012, issues the following Directive:

Short title 1. This Directive shall be referred to as the common draft merger plan and related issues Directive of 2012.

Definition 2. For the application of this Directive, the following definitions apply:

78(I) of 2012 "Law" means the Open Ended Undertakings in Collective Investment Law of 2012.

"Directive" means this Directive.

Terms used in this Directive and are not defined otherwise have the same meaning as the Law.

Scope of Application	3. This Directive applies to the common draft merger plan prepared by the merging and receiving UCITS (henceforth “merger plan”).
Particulars of the content of the merger plan	<p>4. (1) The merger plan, gives details of the framework and justifies the merger, as provided in section 89(1)(b) of the Law, presents, inter alia, the existing or anticipated conditions and parameters taken into consideration, in order for the merger of the UCITS to be decided, and the justification for the merger covers the choice of the form of the act, according to section 83(a) to (c) of the Law.</p> <p>(2) The possible impact of the upcoming merger to the unit holders of the UCITS, as presented in the merger plan, according to the provisions of section 89(1)(c) of the Law, is valued taking into consideration, in particular, any important differences regarding the investment policy and strategy, the cost, the expected result, the submission of periodic reports, as well as the possible reduction of performance per unit and, where applicable, taking into consideration the possible change in the tax treatment of unit holders, following the merger.</p>
Compatibility of the contents of the merger plan with the information provided to unit holders according to section 92 of the Law	<p>5. (1) The information included in the merger plan, is compatible with the content of the information provided to unit holders of the UCITS, according to section 92 of the Law.</p> <p>(2) In case the information provided according to section 92 of the Law, to unit holders of UCITS who participate in the act, changes, provided this change refers to mandatory information included in the merger plan, the merger plan must be amended, while at the same time observing the same procedure provided for its preparation and circulation.</p>
Receipt of a copy of the merger plan by the unit holders	<p>6. (1) The unit holders have the right to request and receive a copy of the merger plan, only when the act is approved by the Securities and Exchange Commission.</p> <p>(2) The merger plan is provided to unit holders who have requested its copy, according to the prior sub paragraph, in hard copy or other durable medium according to sub paragraphs (3) and (4).</p> <p>(3) In order for the merger plan to be provided in a durable medium other than a hard copy, the following conditions must apply:</p> <p>(a) The provision of information must be necessary in the framework in which the relationship between the unit holder</p>

and the merging or receiving UCITS is continued or is going to continue, or where applicable, the respective Management Company.

(b) The unit holder to whom the information is provided, has been asked to choose between information in hard copy or in another durable medium and has chosen another durable medium, other than a hard copy.

(4) For the purpose of applying sub paragraphs (2) and (3), the provision of information by electronic means is considered advisable, in the framework where the relationship between the merging and the receiving UCITS or the respective Management Companies and the unit holders of the UCITS continue or is about to continue, if proven that the unit holder has regular access to the internet. The provision of an electronic mail address by the unit holder, for the purpose of continuing this particular relationship, is considered proof for the above mentioned access.

Language of the plan when the UCITS is subject to notification

7. If the merging or receiving UCITS is subject to a notification, pursuant to section 93 of Directive 2009/65/EC, the merger plan is also prepared in an official language of the host member state of the respective UCITS, or in a language approved by the competent authorities of that state, and is made public in that state according to the local national legislation and pursuant to Directive 2009/65/EC. The UCITS Management Company who must provide the information, is responsible for preparing the translation, which reproduces accurately the content of the information included in the original.

Entry into force

8. The Directive enters into force from its publication in the Official Gazette of the Republic.