

**07 February 2017**

**CySEC Board Decision**

<b>Announcement date:</b>	07.02.2017	<b>Board decision date:</b>	19.12.2016
<b>Regarding:</b>	Fortified Capital Ltd		
<b>Legislation:</b>	Alternative Investment Funds Law		
<b>Subject:</b>	Fine €5.000		
<b>Judicial Review:</b>	<a href="#">Click here</a>	<b>Judicial Review Ruling:</b>	<a href="#">Click here</a>

The Board of the Cyprus Securities and Exchange Commission (the “CySEC”) wishes to inform investors that, at its meeting held on December 19, 2016, decided to impose a total administrative fine of **€5.000** on the AIFM ‘**Fortified Capital Ltd**’ (the “Company”) for the non-compliance with article 29(2) of the Alternative Investment Funds Law (the “Law”), as the Company, acting as the external manager of the AIF ‘Turquoise Variable Capital Investment Fund PLC’ (the “AIF”), did not communicate immediately to the CySEC the AIF’s Depository intention to resign from its duties.

In reaching its decision, the CySEC has taken into consideration the following:

- i. The seriousness attributed by the legislator to infringements of this kind, which is reflected by the maximum administrative sanction provided for infringements of article 29(2) of the Law, in article 110 of the Law, id est. €350.000,
- ii. The importance attributed to the need to ensure that the persons subject to the supervision of the CySEC comply fully with the provisions of the Law and the relevant Directives,
- iii. The seriousness attributed to the fact that the external manager shall communicate immediately to the CySEC the AIF’s Depository intention to resign from its duties, in order to ensure compliance with its obligations pursuant to the law,
- iv. As mitigating factors, the following:
  - The fact that the Company, following directions by the CySEC, acted immediately as to the replacement of the Depository, and
  - The fact that the said non-communication by the Company did not harm the interests of the investors of the AIF.