



CYPRUS SECURITIES AND EXCHANGE COMMISSION

TO : UCITS authorised in other Member State intending to market units in Cyprus and Undertakings involved in the operation and control of those UCITS.

FROM : Cyprus Securities and Exchange Commission

DATE : 4 July 2012

CIRCULAR No : CI78-2012-01

FILE No : E.K. 6.1.14

SUBJECT : Information on the relevant laws, regulations and administrative provisions which are specifically relevant to the arrangements made for the marketing of units of UCITS authorised in other Member State in Cyprus

Ladies and Gentlemen

Article 91 of the 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 (the ‘UCITS Directive’) requires Member States to ensure that complete information on laws, regulations and administrative provisions which do not fall within the field governed by UCITS Directive and which are specifically relevant to the arrangements made for the marketing of units of UCITS from other Member States within their territories is easily available and kept up-to-date.

The purpose of this Circular is to set out the national provisions specifically applicable to the marketing arrangements of the units of UCITS authorised in other Member States in Cyprus and other specific national regulations related to the notification procedure.

The information regarding the marketing arrangements of UCITS authorised in other Member States wishing to market their units in Cyprus, shall be included in the notification letter forwarded to Cyprus Securities and Exchange Commission (the “Commission”) by the home Member State Authority of the UCITS (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

Demetra Kalogerou
Chairman, Cyprus Securities and Exchange Commission

**CYPRUS SECURITIES
AND EXCHANGE COMMISSION**



**NATIONAL RULES FOR
MARKETING OF UCITS AUTHORISED
IN OTHER MEMBER STATE
AND OTHER SPECIFIC NATIONAL REGULATIONS
RELATED TO THE NOTIFICATION PROCEDURE**

1. Arrangements made for marketing of units of UCITS:

Units of the UCITS/UCITS compartments may be marketed in 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

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

The UCITS wishing to market their units in Cyprus shall:

1. Appoint a credit institution as paying agent, in order to ensure that facilities are available in Cyprus for making payments to unit-holders and redeeming/repurchasing units.
2. Take any measures necessary to ensure that the information/documents which they are obliged to provide are made available to unit-holders in Cyprus, indicating the person and place where such information/documents may be obtained.
3. Make public the issue, sale, redemption or repurchase price of their units 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 mail address, the name and address of the person from whom investors may obtain information and documents and the manner in which unit prices are published shall be included in the notification letter (Part B), which is forwarded to the Commission by the home Member State Authority.

3. Other information required by the Commission:

1. Other information/documents required by the Commission:

- a) A written confirmation by the persons who will market the units of the UCITS in Cyprus, that they accept to undertake the marketing of the units of the UCITS in Cyprus, with explicit reference to the UCITS or to any

other UCITS compartments which they intend to market (paragraph 4(2)(a) of the Directive DI78-2012-11).

- b) A written confirmation by the persons who will market the units of the UCITS in the Cyprus, that they are lawfully licensed for the provision of the investment service of Reception and Transmission of Orders, in accordance with the provisions of the Directive 2004/39/EC or, in case of companies established in other Member States, that they followed the notification procedure for the cross-border provision of services in another Member State (paragraph 4(2)(b) of the Directive DI78-2012-11).

2. Any additional information to be disclosed to unit-holders or their agents:
Not applicable.

3. Exemptions from the rules regarding marketing arrangements for the UCITS:

- a) In case a UCITS is already marketed in Cyprus through the notification procedure and wishes to market units of new investment compartments, the written confirmation mentioned in point 3(1)(a), is not required provided that the confirmation letter already submitted to the Commission during the initial notification procedure, contains the new investment compartments to be marketed.
- b) In case the person who will market the units of the UCITS in Cyprus is licensed by the Commission, the written confirmation of point 3(1)(b), is not required.

4. Language of submission of information & documents:
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The Key Investor Information and other information and documents shall be submitted to the Commission in English or Greek language.

Any translations of information or documents shall be produced under the responsibility of the UCITS, and shall faithfully reflect the content of the original 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 notification letter shall be produced and filed with the Commission in English language as provided for in Annex I of the Commission Regulation 584/2010.

The competent authorities of the UCITS’ home Member State may agree with the Commission, the notification letter to be produced and submitted to the Commission in an official language of Cyprus.

5. Evidence of payment due to the Commission:

UCITS wishing to market their units in 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: €800
- For umbrella schemes: €800 for the first investment compartment plus €400 for each 15 investment compartments to be followed, apart from the first one, and €250 euros from the 16th compartment and afterwards

Fees to be paid for notifications of UCITS marketing their units in Cyprus cannot be switched with new notifications of UCITS intending to market their units in Cyprus.

- Annual Fees:

- For single schemes: €1.000
- For umbrella schemes: € 2.000 (irrespective of the number of investment compartments under an Umbrella Scheme which are registered with the Commission for marketing their units in the Cyprus).

Annual contributions 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 Cyprus. Annual contributions 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 Cyprus communicated in the notification letter, or a change regarding unit classes and investment compartments 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 in the Cyprus must also comply with the following legal, regulatory and administrative provisions which do not fall within the field governed by Directive 2009/65/E.C:

- Directive DI78-2012-10 regarding the rules to be followed by UCITS for the launch of advertisements.
- Directive DI78-2012-11 regarding the terms and the procedure for the marketing of units of UCITS in Cyprus, the organization of the marketing network and the obligations of the persons participating in the network.
- Directive DI78-2012-24 regarding the notification procedure of UCITS (accessible information).
- Directive DI78-2012-30 regarding the notification of events to the Commission for the UCITS authorised in another Member State and which are subject to the Directive 2009/65/EU.
- Directive DI78-2012-34 regarding the fees and annual contributions of UCITS, UCI and Management Companies.

The legal and regulatory framework is available on the Commission's website under the 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*