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R.A.D. 402/2012

The Open-Ended Undertakings for Collective Investment (UCI) Law of 2012

Directive DI78-2012-34

of the Securities and Exchange Commission regarding fees and annual contributions of UCITS, UCI and Management Companies

Classification of paragraphs

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The Securities and Exchange Commission exercising the powers vested in it by virtue of section 156 of the Open-Ended Undertakings for Collective Investment (UCI) Law of 2012, hereby issues the following Directive:

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| Short Title | 1. | This Directive shall be cited as the Directive on payable fees and annual contributions of UCITS, UCI and Management Companies’. |
| Interpretation | 2. | For the application of this Directive, the following terms are in force: 78(I)/2012 ‘Law’ means the Open-Ended Undertakings for Collective Investment (UCI) Law of 2012. ‘Directive’ means this Directive. Terms used in this Directive and not otherwise interpreted shall have the meaning attributed to them. |
| Scope of | 3. | This Directive defines the fees and the annual contributions |

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| application | | contributed to the Securities and Exchange Commission by the UCITS, UCI and Management Companies subject to the Law. |
| Fees payable | 4. | The fees are payable to the Securities and Exchange Commission according to the cases provided for in section 156(1) of the Law, within the deadlines of sub-section (1), and the specifics provided for in Annex I of the Directive. The fees defined in Annex I of the Directive are payable upon submission of application for the granting of operation. |
| Annual contribution | 5. | The annual contributions are payable to the Securities and Exchange Commission at the end of each calendar year according to the cases provided for in section 156(2) of the Law and the specifics provided for in Annex II of the Directive. |
| Entry into force | 6. | The Directive shall enter into force on the date of its publication in the Official Gazette of the Republic of Cyprus. |

Annex I

Fees payable to the Securities and Exchange Commission

| | <u>Relevant Section of the Law</u> | <u>Fees payable</u> |
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| | UCITS DOMICILED IN THE REPUBLIC OF CYPRUS | |
| 1.a. | Section 8(2) – Application for granting operation license of a Common Fund with no investment compartments. | 1.800 euros |
| 1.b. | Section 7(1) - Application for granting operation license of a Common Fund with several investment compartments. | 1.800 euros plus 400 euros for each 15 investment compartments to be followed, apart from the first one, and 250 euros from the 16 th investment compartment and afterwards |
| 2.a. | Section 30(1) - Application for granting operation license of a Variable Capital Investment Company with no investment compartments. | 1.800 euros |
| 2.b. | Section 7(1) - Application for granting operation license of a Variable Capital Investment Company with several investment compartments. | 1.800 euros plus 400 euros for each 15 investment compartments to be followed, apart from the first one, and 250 euros from the 16 th investment compartment and afterwards |
| 3.a. | Section 34(1) – Application for granting operation license of a Variable Capital Investment Company which has not designated a Management Company and with no investment compartments. | 2.500 euros |

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| 3.b. | Section 7(1) - Application for granting operation license of a Variable Capital Investment Company which has not designated a Management Company and with several investment compartments. | 2.500 euros plus 400 euros for each 15 investment compartments to be followed, apart from the first one, and 250 euros from the 16 th investment compartment and afterwards |
| 4. | Section 26(3) –Application for granting license for the amendment of the Common Fund Regulation. | 250 euros |
| 5. | Section 37(1) – Application for granting license for the amendment of the instruments of incorporation of a Variable Capital Investment Company. | 250 euros |
| 6. | Section 154(1) – Application for granting license for the transfer of the registered seat of a Cypriot Variable Capital Investment Company in another member state (irrespectively if the Variable Capital Investment Company is comprised on not by several investment compartments). | 250 euros |
| 7. | Section 155(1) – Application for granting license for the transfer of a Common Fund established under the Law to another member state (irrespectively if the Common Fund is comprised or not by several investment compartments). | 250 euros |
| MANAGEMENT COMPANIES DOMICILED IN THE REPUBLIC OF CYPRUS | | |
| 8. | Section 111(1) –Application for granting an operation license to a Management Company: | |
| | (a) For the provision of collective management of UCITS. | 2.000 euros |
| | or | |
| | (b) For the provision of collective management of UCITS and UCI. | 2.000 euros |
| | (c) In addition to (a) or (b) above: | |
| | i) For the provision of services of section 109 (4)(a) of the Law. | 450 euros |

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| | ii) For the provision of services of section 109 (4) (a) and (b) of the Law. | 450 euros |
| 9. | Section 116(1) – Application for granting license for the amendment of the Management Company’s scope or for the decrease of its share capital. | 250 euros |
| 10. | Section 125(1) – Application of a Management Company for the establishment of a branch within the territory of another member. | 1.000 euros |
| 11. | Section 126(1) – Application of a Management Company for the provision for the first time, activities for which it has been licensed, within the territory of another member state, under the freedom to provide services. | 250 euros |
| 12. | Section 136(1.b) – Application for granting license to a Management Company to pursue activities within the territory of a third country through the establishment of a branch. | 500 euros |
| 13. | Section 154(1) – Application for granting license for the transfer of the registered seat of a Management Company to another member state. | 250 euros |
| | UCITS DOMICILED IN ANOTHER MEMBER STATES AND WHICH ARE SUBJECT TO THE DIRECTIVE 2009/65/EU | |
| 14. | Section 69(1) – Notification for commencing marketing in the Republic of Cyprus by UCITS domiciled in another member with no investment compartments. | 800 euros |
| 15. | Section 69(1) – Notification for commencing marketing in the Republic of Cyprus by UCITS domiciled in another member with several investment compartments. | 800 euros for the first investment compartment plus 400 euros for each 15 investment compartments to be followed, apart from the first one, and 250 euros from the 16 th investment compartment and afterwards |
| 16. | Section 154(1) - Application for granting license for the transfer in the Republic of Cyprus of the registered seat of a Variable Capital Investment Company domiciled in | 500 euros |

another member state (irrespective if the Variable Capital Investment Company is comprised on not by several investment compartments).

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| 17. | Section 155(2) – Application for granting license for the transfer in the Republic of Cyprus of a Common Fund domiciled in another member state (irrespective if the Common Fund is comprised on not by several investment compartments). | 500 euros |
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UNDERTAKINGS FOR COLLECTIVE INVESTMENT DOMICILED IN OTHER MEMBER STATE AND WHICH ARE NOT SUBJECT TO THE DIRECTIVE 2009/65/EC OR DOMICILED IN A THIRD COUNTRY

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| 18.a. | Section 105(1) – Application for granting license for the marketing in the Republic of Cyprus units of open-ended undertakings for collective investment, which do not fall within the application field of section 69 of the Law and which derive from another member state or from a third country, with no investment compartments. | 1.800 euros |
| 18.b. | Section 105(1) – Application for granting license for the marketing in the Republic of Cyprus units of open-ended undertakings for collective investment, which do not fall within the application field of section 69 of the Law and which derive from another member state or from a third country, with several investment compartments. | 1.800 euros plus 400 euros for each 15 investment compartments to be followed, apart from the first one, and 250 euros from the 16 th investment compartment and afterwards |

COMPANIES TO WHICH THE MANAGEMENT COMPANY DELEGATES FUNCTIONS REGARDING THE MANAGEMENT OF UCITS OR OTHER UCI IN ACCORDANCE WITH SECTION 115 (2) (a) (ii) OF THE LAW

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| 19. | Section 115 (2)(a) (ii) - Application for granting license for the delegation of functions regarding the management of UCITS or UCI: | |
| | (i) From a company which is licensed for the management of funds and is subject to prudential supervision under the Law which provides the provision of Investment Services, the exercise of Investment | 800 euros |

Activities and the operation of Regulated Markets.

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| (ii) | From a company which is licensed for the management of funds and is subject to prudential supervision under the Directive 2004/39/EC. | 500 euros |
| (iii) | From a company which is licensed for the management of funds and is subject to prudential supervision under the laws of a third country which provide for protection rules being equivalent to those laid down by the Directive 2004/39/EC. | 1.000 euros |

MANAGEMENT COMPANIES DOMICILED IN ANOTHER MEMBER STATE OR THIRD COUNTRY AND INTEND TO PURSUE CROSS BORDER ACTIVITIES IN THE REPUBLIC OF CYPRUS

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| 20. | Section 128(1) – Notification by a Management Company licensed in another member state according to Directive 2009/65/EC to provide services in the Republic of Cyprus: | |
| | (a) by the establishment of a branch | 250 euros |
| | (b) under the freedom to provide services | 100 euros |
| 21. | Section 154(1) – Application for granting license for the transfer in the Republic of Cyprus of the registered seat of a Management Company domiciled in another member state. | 500 euros |
| 22. | Section 136 (1.a) – Application for granting license to a Management Company authorized in a third country or in a member state which does not fulfill the requirements and conditions set out by Directive 2009/65/EC, for the provision of collective portfolio management services in the Republic of Cyprus through the establishment of a branch. | 2000 euros |
| 23. | Submission to the Securities and Exchange Commission of other, apart from those provided for in Annex I of the Directive, documents/certification and applications. | 250 euros for the examination of the whole documents/certifications per file/application |

Annex II

Annual contributions of UCITS, UCI and Management Companies

(A) Annual contributions payable by UCITS operating under the Law.

The annual contributions payable by UCITS operating under the Law, amount to:

- (i) **1.800** euros in the case of a UCITS with no investment compartments and
- (ii) **1.800** euros plus **400** euros for each 15 investment compartments to be followed, apart from the first one, and **250** euros from the 16th investment compartment and afterwards, in the case of a UCITS with several investment compartments.

UCITS which have not started operating within the calendar year they are granted license, shall pay annual fees to the Securities and Exchange Commission for the specific calendar year. In this case and in the case of a newly established UCITS, the annual contributions shall be calculated in proportion, based on the date of communicating to the Management Company of the UCITS or to the Variable Capital Investment Company, the grant of license by the Securities and Exchange Commission, in accordance with section 9 of the Law.

(B) Annual contributions payable by Management Companies operating under the Law.

The annual contributions payable by Management Companies operating under the Law, amount to:

- (i) **4.500** euros in the case where the sole activity of the Management Company is the management of UCITS and UCI, and
- (ii) **9.000** euros in the case the activities of the Management Company include also the services of section 109(4)(b) of the Law.

Management Companies which have not started operating within the calendar year they are granted their license, shall pay annual fees to the Securities and Exchange Commission for the specific calendar year. In this case and in the case of a newly established Management Company, the annual contributions shall be calculated in proportion, based on the date of communicating to the Management Company the grant of license by the Securities and Exchange Commission, in accordance with section 111 of the Law.

(C) Annual contributions payable by UCITS from another member state which are subject to the Directive 2009/65/EC.

The annual contributions payable by UCITS from another member state which are subject to the Directive 2009/65/EC and market their units in the Republic of Cyprus, in accordance with Part II (Chapter 4, Sub-Chapter 2) of the Law, amount to:

- (i) **1.000** euros in the case UCITS with no investment compartments and
- (ii) **2.000** euros in the case UCITS with several investment compartments.

UCITS which have not started operating in the Republic of Cyprus within the calendar year their notification letter was communicated to the Securities and Exchange Commission by the competent authorities of the UCITS, shall pay annual fees to the Securities and Exchange Commission for the specific calendar year.

The above annual contributions shall be calculated in proportion, based on the date the Securities and Exchange Commission communicated to the competent authorities of the UCITS, within the deadlines provided for in the Commission's Regulation 584/2010 for the implementation of the 2009/65/EC, that all documents and information included in the UCITS notification are in accordance with the said Regulation.

(D) Annual contributions payable by undertakings for collective investment from another member state and which are not subject to the Directive 2009/65/EC or undertakings from a third country and which market their units in the Republic of Cyprus.

The annual contributions payable by undertakings for collective investment from another member state and which are not subject to the Directive 2009/65/EC or undertakings from a third country and which they market their units in the Republic of Cyprus, in accordance with Part III of the Law, amount to:

- (i) **1.550** euros in the case of an undertaking with no investment compartments.
- (ii) **2.500** euros in the case of an undertaking with several investment compartments.

Undertakings for collective investment which have not started operating within the calendar year they are granted their license to market their units in the Republic of Cyprus, shall pay annual fees to the Securities and Exchange Commission for the specific calendar year. In this case, the annual contributions shall be calculated in proportion, based on the date the Securities and Exchange Commission communicated to the undertaking the grant of the marketing license, in accordance with section 105 of the Law.

(E) Annual contributions payable by Management Companies licensed by another member state in accordance with the Directive 2009/65/EC and which provide in the Republic of Cyprus the activity for which they have been licensed.

- (i) Annual contributions payable by Management Companies licensed by another member state in accordance with the Directive 2009/65/EC and which, in accordance with Part IV (Chapter 2) of the Law, they provide in the Republic of

Cyprus, under the freedom to provide services, the activity for which they have been licensed, amount to **200** euros.

- (ii) Annual contributions payable by Management Companies licensed by another member state in accordance with the Directive 2009/65/EC and which, in accordance with Part IV (Chapter 2) of the Law, they provide in the Republic of Cyprus, under the establishment of a branch, the activity for which they have been licensed, amount to **1.000** euros.

Management Companies which have not started operating within the calendar year they could have commenced their activity, in accordance with section 128(2) of the Law, shall pay annual fees to the Securities and Exchange Commission for the specific calendar year.

The above annual contributions shall be calculated in proportion, based on the date the Management Company could have commenced their operations.

(F) Annual contributions payable by Management Companies from a third country or from another member state not subject to the Directive 2009/65/EC, which have been granted license to perform the activity of collective asset management in the Republic of Cyprus

Annual contributions payable by Management Companies from a third country or from another member state not subject to the Directive 2009/65/EC, which have been granted license to perform the activity of collective asset management in the Republic of Cyprus, under the establishment of a branch, in accordance with section 136 of the Law, amount to:

- (i) **4.500** euros in the case the sole activity of the Management Company is the collective management of UCITS and UCI
- (ii) **9.000** euros the activities of the Management Company include also the activities of section 109(4)(b) of the Law.

Management Companies which have not started operating within the calendar year they are granted license by the Securities and Exchange Commission to perform the activity of collective asset management in the Republic of Cyprus, shall pay annual fees to the Securities and Exchange Commission for the specific calendar year.

The above annual contributions shall be calculated in proportion, based on the date the Securities and Exchange Commission communicated to the company the grant of license, in accordance with section 136 of the Law.