



AMENDMENTS No. 2

**AIFC COLLECTIVE INVESTMENT SCHEME RULES
(CIS)**

Approval Date: 2 July 2019

Commencement Date: 5 August 2019



COLLECTIVE INVESTMENT SCHEME RULES

1. INTRODUCTION

1.1 Application of these Rules

These Rules apply to:

- (a) ~~A a Domestic~~ Fund Manager ~~located in the AIFC~~ which manages:
 - (i) a Domestic Fund; or
 - (ii) a Foreign Fund; or
- (b) a Foreign Fund Manager which manages a Domestic Fund; and
- (~~b~~c) a Centre Participant which markets a Collective Investment Scheme in or from the AIFC.

1.2 Self-managed Funds

A Fund which has not appointed an external Fund Manager is its own Fund Manager for the purposes of these Rules.

Guidance:

For the purposes of these Rules, a Self-Managed Fund shall be treated as a Domestic Fund that is managed by a Domestic Fund Manager in accordance with Rule 2.3.

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1.5 Foreign Fund Managers

A Foreign Fund Manager is permitted to manage a Domestic Fund in accordance with these Rules, and if the Units of such Fund are Offered in the AIFC, then it must be an Exempt Fund as defined in Rule 2.2(a).

Guidance

A Foreign Fund Manager is not permitted to manage a Non-Exempt Fund where it offers the Units of a Fund in the AIFC. If a Foreign Fund Manager markets the Units of a Domestic Fund in jurisdictions other than the AIFC, the marketing of that Domestic Fund will be subject to the rules of the relevant non-AIFC jurisdiction.

2. CLASSIFICATION OF FUNDS AND APPLICATION OF THE RULES

2.1 Prohibition on establishment, promotion and marketing of Collective Investment Schemes

- (a) Any Collective Investment Scheme established, promoted or marketed in the AIFC must comply with these Rules.
- (b) A Collective Investment Scheme may only be established, promoted or marketed in the AIFC by a Person which is ~~a Fund Manager located in the AIFC or another Centre Participant~~:
 - (i) a Domestic Fund Manager;



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- (ii) a Foreign Fund Manager; or
 - (iii) another Centre Participant,
- except that any Person may establish a Self-managed Fund that will be subject to these Rules.

2.2 Exempt Funds and Non-Exempt Funds

- (a) An Exempt Fund is a Collective Investment Scheme the Units of which are Offered in the AIFC only by way of a private placement:
 - (i) to Persons who are Professional Clients; and
 - (ii) in minimum subscription amounts of US\$ 250,000.
- (b) A Non-Exempt Fund is any Collective Investment Scheme ~~that:~~
 - (i) the Units of which are Offered in the AIFC; and
 - (ii) which is not an Exempt Fund.

2.3 ~~Requirement to register Non-Exempt~~ Self-managed Funds

~~All Collective Investment Schemes that are Non-Exempt Funds must be registered with the AFSA under these Rules.~~

- (a) A Self-managed Fund must be:
 - (i) an Exempt Fund; and
 - (ii) established as an Investment Company in accordance with Part 6 of the Companies Rules.
- (b) The board of directors of the Self-managed Fund:
 - (i) must consist of at least two directors;
 - (ii) may include Directors who are individuals or Bodies Corporate; and
 - (iii) will be responsible for carrying on fund management activities in relation to that Fund.
- (c) The AFSA must be notified if any Person ceases to be a director of a Self-managed Fund.
- (d) A Self-managed Fund is prohibited from managing other Funds.

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2.5 Secondary transactions and excluded Offers

A Person does not market a Collective Investment Scheme in the AIFC for the purposes of these Rules by Offering to sell or transfer a Unit that is owned by that Person if the Offer to sell or transfer is capable of acceptance only by the Person to whom that Offer is made.



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Guidance

Rule 2.5 is intended to exclude personal sales or transfers of Units from being subject to the requirements in CIS relating to the marketing of Collective Investment Schemes. As a result, an offer to sell Units that is made by a Unitholder to a sole other Person will not be caught by the rules on requirements (for example, the seller is not required to be a Domestic Fund Manager, Foreign Fund Manager or Centre Participant in accordance with Rule 2.1 merely in order to sell the Units that it owns). However, depending on the nature of the transaction, the seller may be subject to the rules in financial promotion and may need to be licensed for another Regulated Activity, such as Dealing in Investments as Principal.

2.6—Application of these Rules

~~The table below sets out which chapters of the Rules apply to which types of Funds and Fund Managers and Centre Participants.~~

Chapter	Exempt Fund	Non-Exempt Fund	Fund Manager	Centre Participants
Chapter 4—Registration requirements for all Funds	✓ Not 4.3	✓	✓	*
Chapter 5—Marketing requirements	✓	✓	✓	✓
Chapter 6—Rules regarding the constitution and investment powers of Funds	✓ Not 6.3 or 6.10 (except that 6.10 shall apply to Exempt Funds that are REITs)	✓	✓	*
Chapter 7—Rules regarding the management and operation of Funds	✓ Not 7.4	✓	✓	*
Chapter 8—Additional service providers	* (except that Chapter 8 shall apply to Exempt Funds that are REITs)	✓	✓	*
Chapter 9—Rules regarding dealings in open-ended funds and liquidity	✓	✓	✓	*
Chapter 10—Audit, Financial and Valuation Requirements	✓ Not 10.4 or 10.5	✓	✓	*



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	(except that 10.4 shall apply to Exempt Funds that are REITs)			
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3. ARRANGEMENTS NOT AMOUNTING TO A COLLECTIVE INVESTMENT SCHEME

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3.3 Schemes not operated by way of business

An arrangement is not a Collective Investment Scheme if it is not operated by way of business.

Guidance

For the purposes of Rule 3.3, a person shall be treated as operating an arrangement by way of business if that person:

- (a) operates the arrangement in a manner which in itself constitutes the carrying on of a business;
- (b) holds himself out as willing and able to engage in the business of operating a Collective Investment Scheme; or
- (c) regularly solicits other persons to engage with him in transactions related to that activity.

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3.5 Common accounts

An arrangement is not a Collective Investment Scheme if:

- (a) the rights or interests of each participant in the arrangement are rights or interests in money held in a common account; and
- (b) the money is held in the account on the understanding that an amount representing the contribution of each participant is to be applied in making payments to him or in satisfaction of sums owed by him or in the acquisition of property for him or the provision of services to him.

Guidance

The exclusion in Rule 3.5 is intended to apply to an arrangement where each participant has a right or interest to an amount of money in a common account. For example, this will apply where a firm has a general client account that receives money from the firm's clients that are used to pay for services or is set off against amounts owed by those clients.



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3.7 Group arrangements

- (a) Subject to (b), an ~~An~~ arrangement is not a Collective Investment Scheme if each of the participants is a Body Corporate in the same Group as the Person undertaking the Collective Investment Scheme management function in relation to the arrangement.
- (b) Prior to setting up the arrangement, the participants may elect to treat the arrangement as a Collective Investment Scheme by notifying the AFSA of their intention to do so.

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3.17 Close Relative accounts

- (a) Subject to (b), an ~~An~~ arrangement is not a Collective Investment Scheme if every participant in the arrangement is a Close Relative. For the purposes of this Rule, the defined term "Close Relative" includes grandchildren.
- (b) Prior to setting up the arrangement, the participants may elect to treat the arrangement as a Collective Investment Scheme by notifying the AFSA of their intention to do so.

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4. REGISTRATION AND NOTIFICATION REQUIREMENTS ~~FOR NON-EXEMPT FUNDS~~

4.1 Application and requirement for registration and notification

This chapter applies to ~~Non-Exempt Funds~~:

- (a) any Domestic Fund that is managed by a Domestic Fund Manager;
- (b) any Domestic Fund that is managed by a Foreign Fund Manager;
- (c) any Foreign Fund managed by a Domestic Fund Manager; and
- (d) any Centre Participant that wishes to market a Fund in the AIFC.

4.2 Application for registration

- (a) The following entities must apply ~~An application~~ to the AFSA ~~for to register~~ the ~~registration~~ following types of ~~a Non-Exempt Fund~~ ~~must be made by the~~:
 - (i) a Domestic Fund Manager ~~located in the AIFC who~~ ~~that~~ intends to manage ~~that~~ a Non-Exempt Fund ~~or~~;
 - (ii) a ~~the~~ Centre Participant ~~who~~ ~~that~~ wishes to market ~~that~~ a Non-Exempt Fund in the AIFC; and
 - (iii) a Foreign Fund Manager that intends to manage an Exempt Fund.



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- (b) The Fund Manager or Centre Participant must complete and submit the appropriate registration form or forms to the AFSA (which registration form(s) must be in such form as the AFSA may from time to time prescribe).
- (c) The Fund Manager or Centre Participant must specify in the registration form if the Fund is to be registered as a Specialist Fund.
- (d) The registration form ~~for a Non-Exempt Fund~~ must be accompanied by:
 - (i) copies of the Fund's Constitution and Offering Materials; and
 - (ii) certification by the Fund Manager ~~of the Non-Exempt Fund~~ that the Constitution and Offering Materials comply with any relevant requirements prescribed under these Rules and any other applicable regulations of the AFSA; and
 - (iii) such other information as the AFSA may from time to time request.
- (e) If, at any time between the filing of an application for registration and the grant of a registration, the Fund Manager or Centre Participant becomes aware of any material change, error, or omission reasonably likely to be relevant to the application under consideration, it must inform the AFSA in writing of such change without delay.
- (f) In assessing an application for registration ~~of the Non-Exempt Fund~~, the AFSA may:
 - (i) make any enquiries which it considers appropriate, including enquiries independent of the relevant Fund Manager or Centre Participant; and
 - (ii) require the relevant Fund Manager or Centre Participant to provide further information in support of the application for registration.

4.3 Requirements for registration

The AFSA will register a Fund ~~as a Non-Exempt Fund~~ only if:

- (a) the incorporation or other legal formalities relating to the formation of the Fund are completed; and
- (b) the fund manager is either:
 - ~~(i) _____ authorised as a Fund Manager by the AFSA; or, if the fund manager is not located in the AFC, is~~
 - (ii) _____ a Foreign Fund Manager that is authorised by a Financial Services Regulator;
 - (1) _____ in a Recognised Jurisdiction; or
 - (2) _____ in a jurisdiction that is otherwise acceptable to the AFSA pursuant to Schedule 3; and
- (c) the Fund has arrangements satisfactory to the AFSA in relation to the administration of the Fund and custody and valuation of the Fund's property; and



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- (d) the Fund has appointed an auditor satisfactory to the AFSA; and
- (e) the name and purpose of the Fund is not, in the opinion of the AFSA, undesirable or misleading and the purpose of the Fund is reasonably capable of being successfully carried into effect; and
- (f) if the Fund Manager is a Foreign Fund Manager, the Foreign Fund Manager has:
 - (i) appointed a Fund Administrator and Eligible Custodian in accordance with the requirements of CIS 8;
 - (ii) included in its application for registration a declaration stating that it is subject to regulation by a Financial Services Regulator:
 - (A) in a Recognised Jurisdiction; or
 - (B) in a jurisdiction that is not recognised by the AFSA; and
 - (iii) submitted to the AFSA a copy of its licence to manage funds granted by its home state Financial Services Regulator.

4.4 Rejection of an application

- (a) The AFSA may refuse to grant an application for the registration of a Fund ~~as a Non-Exempt Fund~~ if it is not satisfied that the requirements referred to in these Rules have been met or if it otherwise considers that registration of the Fund is undesirable.
- (b) The AFSA will provide notice of any refusal to register a Collective Investment Scheme ~~as a Non-Exempt Fund~~ to the relevant Fund Manager or Centre Participant.
- (c) A Fund Manager or Centre Participant may refer the refusal to register any Collective Investment Scheme ~~as a Non-Exempt Fund~~ to the ~~Regulatory Committee~~ AFSA for review.

4.5 Granting registration

- (a) The AFSA will provide notice of the grant and effective date of registration of a Fund ~~as a Non-Exempt~~ to the relevant Fund Manager or Centre Participant.
- (b) The AFSA will maintain ~~a~~ publicly available lists of all Funds which have been registered with the AFSA as:
 - (i) Non-Exempt Funds; or
 - (ii) Exempt Funds managed by a Foreign Fund Manager.

4.6 Withdrawal of registration

- (a) The AFSA may withdraw the registration of a Fund ~~as a Non-Exempt~~ in the circumstances specified in section 94 of the Framework Regulations.
- (b) The Fund Manager of a registered ~~Non-Exempt~~ Fund or relevant Centre Participant may request that the AFSA withdraws the registration of that Fund. The AFSA may withdraw the registration



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of a ~~Non-Exempt~~ Fund if the AFSA is satisfied that to do so would not prejudice the interests of participants in that Fund.

4.7 Requirements for notification

- (a) A Fund Manager must notify the AFSA of its intention to manage a Fund as soon as reasonably practicable before launch if that Fund is not required to be registered in accordance with Rule 4.2.
- (b) The AFSA may prescribe the form of the notification, which must include the following information:
 - (i) the Constitution of the Fund;
 - (ii) the Offering Materials relating to the Fund; and
 - (iii) such other information as the AFSA may prescribe.

Guidance

For the purposes of Rule 4.7(a), "as soon as reasonably practicable before launch" will require a minimum of at least seven days' notice before the launch of the Fund.

5. MARKETING REQUIREMENTS

5.1 Application

- (a) Rules 5.2(c) and 5.3 (excluding 5.3(b)(i) and (j)) apply to ~~This chapter applies to~~ all Funds (whether Exempt or Non-Exempt Funds) that are Offered to investors in the AIFC.
- (b) Rules 5.2(b) and 5.3(b)(i) and (j) apply to Exempt Funds only.
- (c) Rule 5.2(a) applies to Non-Exempt Funds only.

5.2 General requirements

The following requirements apply:

- (a) In respect of Non-Exempt Funds:
 - (~~a~~) The Units or other securities of a Non-Exempt Fund may not be Offered prior to the effective date of registration of that Non-Exempt Fund under these Rules.
 - (~~b~~) Copies of any Offering Materials relating to a Non-Exempt Fund must be filed with the AFSA prior to their use (including any amendments to those Offering Materials) and must comply with the content requirements for Offering Materials specified by these Rules.
- (~~b~~) In ~~addition to these Rules, any person Offering~~ respect of Exempt Funds:



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(i) ~~The~~ Units or other securities of an Exempt Fund ~~must comply with~~ managed by a Foreign Fund Manager may not be Offered prior to the Rules regarding Financial Promotions date of registration of that Exempt Fund to the AFSA under these Rules.

(ii) ~~d~~ A Fund Manager or other Centre Participant which Offers Units or other securities of an Exempt Fund is responsible for ensuring that the requirements of this chapter are complied with in respect of that Fund before commencing the Offering of that Fund and must maintain appropriate written records verifying that compliance which must be made available to the AFSA on request.

(c) In respect of all Funds (Exempt and Non-Exempt Funds):

(i) Any person Offering Units or other securities of a Fund must comply with the Rules regarding Financial Promotions.

5.3 Content requirements for Offering Materials

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(b) Prior to investing in a Fund, a potential investor must be supplied with Offering Materials and other documentation that contain all the information which a person and his professional advisers would reasonably require and expect to be able to make an informed decision to become a Unitholder of the Fund, including the following:

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(xii) where available, the latest net asset value of the Fund and its units or shares or the latest market price per unit or share of the Fund; and

...

(j) All Offering Materials relating to an Exempt Fund managed by a ~~fund manager which is not located in the AIFC~~ Foreign Fund Manager must prominently disclose the following statement to prospective Unitholders:

"The fund manager of this Fund is not subject to regulation by the Astana Financial Services Authority."

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6. RULES REGARDING THE CONSTITUTION AND INVESTMENT POWERS OF FUNDS

6.1 Application

This chapter applies to all Domestic Fund Managers ~~located in the AIFC~~ in respect of all Funds managed by those Fund Managers.

6.2 General requirements

(a) Every Fund must have:



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- (i) a written Constitution which complies with these Rules [and, if the Fund is a Non-Exempt Fund, contains the contents specified in Schedule 1](#); and
 - (ii) a purpose that is reasonably capable of being successfully carried into effect; and
 - (iii) in the case of an open-ended Non-Exempt Fund, single pricing for the purposes of redemption and re-issue or sale of Units in the Fund where the price of a Unit is calculated by reference to the net asset value of the property of the Fund to which the Units relate and in accordance with these Rules.
- (b) Any provision in the Constitution of a Fund is void in so far as it would have the effect of exempting the Fund or the Fund Manager from liability for any failure to discharge their obligations under these Rules, the FSFR or any other rules made under the FSFR.

Guidance

[For the avoidance of doubt, single pricing for these purposes means that the buying and selling prices for Units in a Fund are the same \(that is, there is no spread between the buy and sell prices\). This is in contrast with dual-priced Funds that offer different buy and sell prices.](#)

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6.11 Rules relating to Real Estate Investment Trusts

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- (h) Where a Real Estate Investment Trust holds any Real Property via one or more special purpose vehicles, the Fund Manager must ensure that each special purpose vehicle distributes to the Fund all of [the Fund's proportionate share of the special purpose vehicle's](#) ~~its~~ income to the maximum extent permitted by the laws and regulations of the jurisdiction where the special purpose vehicle is established.

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7. RULES REGARDING THE MANAGEMENT AND OPERATION OF FUNDS

7.1 Application

This chapter applies to all [Domestic](#) Fund Managers ~~located in the AIFC~~ in respect of all Funds managed by those Fund Managers.

7.2 General management duties

- (a) A Fund Manager must:



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- (i) manage the Fund including the Fund's property in accordance with the Fund's Constitution and its most recent Offering Materials;
- (ii) perform the functions conferred on it by the Fund's Constitution and by or under these Rules;
- (iii) comply with any conditions or restrictions imposed by the AFSA including those on its ~~Financial Services Permission~~ [Licence](#) or in respect of the Fund; and
- (iv) comply with any requirements or limitations imposed under these Rules including any limits relating to financial interests it or any of its associates may hold in a Fund, for which it acts as the appointed Fund Manager.

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7.3 Duties in relation to Fund property

- (a) A Fund Manager must make decisions as to the constituents of the Fund's property that are in accordance with the Fund's Constitution and investment objectives and policy stated in the Fund's Offering Materials.
- (b) A Fund Manager must take all steps and execute, or procure the execution of, all documents to ensure that transactions relating to the Fund's property are properly entered into for the account of the relevant Fund or sub-fund.
- (c) The Fund Manager is responsible to the Unitholders for ensuring the safekeeping of the Fund's property in accordance with these Rules.
- (d) ~~Without~~ [Subject to Rule \(e\), and without](#) removing the generality of the obligation under (c), the Fund Manager must delegate the Regulated Activity of Providing Custody in relation to the Fund's property to a service provider who is an Eligible Custodian in accordance with ~~rule~~ [Rule 8.2](#).
- (e) A Self-managed Fund is not required to delegate the Regulated Activity of Providing Custody to an Eligible Custodian and may hold the Fund's property itself, provided that the Self-managed Fund:
 - (i) holds a Licence for the Regulated Activity of Providing Custody;
 - (ii) to the extent practicable, ensures that the function Providing Custody operates independently from its fund management function;
 - (iii) take effective steps to identify, manage and monitor any conflicts of interest arising as a result; and
 - (iv) must disclose to Unitholders:
 - (A) the arrangements for Providing Custody;
 - (B) the nature of any conflict that arises; and



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(C) how the conflict will be managed, including the measures and safeguards in place to ensure proper segregation and protection of the Fund's property.

7.4 Use of prime brokers

- (a) A Fund Manager may only grant to a prime broker authority to combine the assets of a ~~Non-Exempt~~ Fund with any other assets held by or available to the prime broker as collateral for any financing activities to be undertaken by the prime broker where, and so long as the Fund's Offering Materials include:
- (i) the identity and profile of the prime broker, including where it is located and how it is regulated;
 - (ii) the services provided by the prime broker to the Fund and the nature and extent to which the prime broker has the power and authority to commingle the assets of the Fund with any other assets held by or available to the prime broker as collateral for any financing activities undertaken by the prime broker; and
 - (iii) a prominent warning to alert prospective Unitholders to the fact that the prime broker has the power and authority to use as collateral the assets of the Fund in conjunction with any other assets held by or available to the prime broker and where the prime broker uses the Fund's assets as collateral pursuant to the above power, the Unitholders may lose all the assets of the Fund in the event of the insolvency of the prime broker.
- (b) Any Person appointed as a prime broker to a ~~Non-Exempt~~ Fund must qualify as an Eligible Custodian.

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8. ADDITIONAL SERVICE PROVIDERS

8.1 Application

This chapter applies to:

- (a) all Domestic Fund Managers ~~located in the AFIC~~ in respect of all Non-Exempt Funds and Real Estate Investment Trusts managed by those Fund Managers; and
- (b) all Foreign Fund Managers that manage an Exempt Fund.

8.2 Requirement for Eligible Custodian and Fund Administrator

- (a) A Fund to which this chapter applies must have an Eligible Custodian and a Fund Administrator, in both cases acceptable to the AFSA. This is subject to the exception to appoint an Eligible Custodian contained in ~~rule~~ Rule 8.2(b) and ~~rule~~ Rule 8.2(e).

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8.7 Requirements for notification

The AFSA must be notified when a Person ceases to be an Administrator or Eligible Custodian, and any Offering Materials must be updated accordingly.



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9. RULES REGARDING DEALINGS IN OPEN-ENDED FUNDS AND LIQUIDITY

9.1 Application

This chapter applies to:

- (a) all Funds managed by Domestic Fund Managers ~~located in the AIFC~~; and
- (b) all Exempt Funds managed by Foreign Fund Managers.

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10. AUDIT, FINANCIAL AND VALUATION REQUIREMENTS

10.1. Application

This chapter applies to:

- (a) all Funds managed by Domestic Fund Managers ~~located in the AIFC~~; and
- (b) all Exempt Funds managed by Foreign Fund Managers.

except that:

- (i) Rule 10.4 applies to Non-Exempt Funds and Real Estate Investment Trusts only; and
- (ii) Rule 10.5 applies to Non-Exempt Funds only.

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10.6 Valuation of Fund property

- (a) A Fund must have comprehensive and well documented valuation policies and procedures in place to ensure the production of timely and accurate valuation of the Fund and Units of the Fund.
- (b) A Fund Manager must ensure that the investment portfolio of each Fund managed by that Fund Manager is valued at regular intervals as appropriate to the nature of the Fund, market practice and investor expectations, and in accordance with the valuation procedures set out in the Fund's Constitution or Offering Materials, except where such valuation is suspended in any circumstances that are set out in the Fund's Constitution or Offering Materials.
- (c) A Fund Manager must ensure that as soon as practicable after each valuation point for each Fund it manages, the Fund notifies Unitholders of the value per Unit of the Fund.
- (d) Where required by these Rules, a Fund Manager must appoint an independent third party valuer which is expert in valuing the type of investments held by the Fund to value the Fund's investments.



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Schedule 1: CONTENT REQUIREMENTS FOR CONSTITUTION

The Constitution of a Non-Exempt Fund must contain all of the information specified below:

- (a) the name of the Fund;
- (b) the Fund Manager's name and its principal place of business;
- (c) a statement that the Fund is a Domestic Fund, the Constitution of which is governed by the laws of the AIFC;
- (d) the legal form of the Fund and whether it is open- or closed-ended;
- (e) a statement to the effect that:
 - (i) the Fund Manager is responsible for all operations concerning the Fund and may from time to time delegate activities or outsource functions, but not the responsibility for conducting those activities and functions, to another Person in accordance with these Rules; and
 - (ii) the Fund Property is entrusted to the Fund Manager and the Fund Manager remains responsible for the property even when an Eligible Custodian holds the legal title to the Fund Property;
- (f) if the duration of the Fund is limited, the length of such duration;
- (g) a statement that fees, charges and other expenses of the Fund may be taken out of Fund Property and the basis for determination of the amount of such fees, charges and other expenses;
- (h) the maximum and minimum sizes of the Fund's capital, if any;
- (i) a statement that a Unitholder is not liable:
 - (i) for the debts of the Fund, unless the applicable legislation prescribes otherwise and, if so, those circumstances;
 - (ii) to make any further payment after he has paid the price of his Units and that no further liability can be imposed on him in respect of the Units he holds;
- (j) information on the investment objectives of the Fund, including:
 - (i) whether the aim of the Fund is to spread investment risks and, if a Property Fund, whether the Fund invests in a single property;
 - (ii) the types of Investments or assets in which it and (where applicable) each Sub-Fund may invest; and
 - (iii) if the Fund is a specialist class of Fund, the class of Fund;
- (k) details of any investment, borrowing or stock lending restrictions or, in the event that there are no such restrictions, a statement to that effect;



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- (l) a statement specifying:
- (i) the classes of Units which the Fund may issue; and
 - (ii) the rights attaching to Units of each class (including any provisions for the expression in two or more denominations of such rights);
- (m) details as to:
 - (i) the provisions relating to any restrictions on the right to redeem Units in any class; and
 - (ii) the circumstances in which the issue of the Units of any particular class may be limited;
- (n) details of who is carrying out the calculation, transfer, allocation and distribution of income for any class of Unit issued and outstanding during the accounting period;
- (o) information regarding the provision for the payment of income, if any, and the date on which such distribution shall be made;
- (p) a statement specifying the base currency of the Fund;
- (q) details of the procedures for the convening of meetings and the procedures relating to resolutions, voting and the voting rights of Unitholders;
- (r) details of oversight arrangements;
- (s) details as to:
 - (i) the grounds under which the Fund Manager may initiate a suspension of the Fund and any associated procedures; and
 - (ii) the methodology for determining the rights of Unitholders to participate in the Fund Property on winding up;
- (t) details of the manner in which amendments to the Constitution may be made;
- (u) a statement that nothing in the Constitution has the effect of exempting the Fund Manager from any liability to Unitholders imposed under AIFC law and the Rules; and
- (v) details of those matters which enable the Fund, Fund Manager or any Person providing the oversight function of the Fund to obtain any privilege or power conferred by the Rules which is not otherwise provided for in the Constitution.

Schedule 2: RECOGNISED JURISDICTIONS

- (a) The AFSA will consider eligibility criteria when determining the assessment of a Recognised Jurisdiction, namely whether:
- (i) the jurisdiction is listed as a Non-Compliant Country or Territory by the Financial Action Task Force;



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- (ii) the jurisdiction complies with OECD standards for the exchange of tax information, including adherence to multilateral agreements in respect of the exchange of information;
 - (iii) the jurisdiction's financial services regulatory regime achieves broadly similar outcomes to that of the AFSA; and
 - (iv) the jurisdiction has appropriate co-operation arrangements in place with the AFSA to ensure co-operation including the exchange of information between regulatory authorities.
- (b) The AFSA will publish on its website a list of Recognised Jurisdictions that it considers as having met the eligibility criteria in (a).
- (c) The AFSA may determine that a jurisdiction no longer satisfies one or more of the eligibility criteria in (a), and that jurisdiction will cease to be a Recognised Jurisdiction and may be removed accordingly from the list of Recognised Jurisdictions on the AFSA's website.

Schedule 3: ACCEPTABILITY ASSESSMENT

The AFSA will consider whether a non-AIFC jurisdiction is acceptable by assessing the following factors, after the Foreign Fund Manager has submitted documentation:

- (a) containing a comparative analysis of its jurisdiction's regulatory regime in relation to Funds and Fund Managers compared with that of the AFSA;
- (b) that identifies any gaps between the home state and the AFSA's fund management and regulatory regimes; and
- (c) demonstrates the controls intended to remedy any gaps identified in order to satisfy the AFSA's regulatory requirements.