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CAVEAT: English is not an official language in Liechtenstein. The translation of the Act dated 28 June 2011 on Certain Undertakings for Collective Investment in Transferable Securities (UCITSG) published in the Liechtenstein Law Gazette Volume 2011 No. 295, in force since 1. August 2011 serves the information purposes of Art. 5 par. 7 of the Directive 2009/65/EC of the European Parliament and of the Council of 13. July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), respectively the purposes of Art. 148 UCITSG. It will be kept up to date and be accessible on the web-site of the Office for International Financial Affairs, http://www.llv.li/amtsstellen/llv-sifa-home.htm.

The translation is without any legal effect. In case of discrepancies between the Act published in the Liechtenstein Law Gazette and this translation the official German text will prevail.

Act

dated 28 June 2011

on Certain Undertakings for Collective Investment in Transferable Securities (UCITSG)

I give My consent to the following resolution passed by Parliament:[1]

[1] Governement Bill as well as Comment by the Government no. 26/2011 and 58/2011

I. General provisions

A. Purpose, subject, scope of application, and definitions

Art. 1

Subject and purpose

1) This Act regulates the authorisation, supervision and activities of undertakings for collective investment in transferable securities (UCITS) and their management companies.

2) It aims at protecting investors, ensuring trust and confidence in Liechtenstein as a location for common funds, and of stabilising the financial system.

3) It also serves to implement:

a) Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS);
b) Commission Directive 2010/43/EU of 1 July 2010 implementing Directive 2009/65/EC of the European Parliament and of the Council as regards organisational requirements, conflicts of interest, conduct of business, risk management and content of the agreement between a depositary and a management company; and
c) Commission Directive 2010/44/EU of 1 July 2010 implementing Directive 2009/65/EC of the European Parliament and of the Council as regards certain provisions concerning fund mergers, master-feeder structures and notification procedure.

Art. 2

Scope of application

1) This Act shall apply to UCITS established within Liechtenstein and their management companies with a registered office in Liechtenstein or which offer or market to the public, in or from Liechtenstein any shares of a UCITS.

2) In addition, this Act shall apply to composites of UCITS from various investment compartments separated under property law and liability law. The Government shall by ordinance regulate further details.

3) This Act shall not apply to:

a) undertakings for collective investment of the closed-ended type;

b) undertakings for collective investment that do not market their units to the public within the European Economic Area (EEA);

c) collective investment undertakings the units of which, under the fund rules or the instruments of incorporation of the investment company, may be sold only to the public in third countries;

d) investment companies the assets of which are invested through the intermediary of subsidiary companies, mainly other than in transferable securities

e) categories of collective investment undertakings defined by the Government by ordinance, for which the rules laid down in Art. 50 through 59 and in Art. 89 are inappropriate in view of their investment and borrowing policies..

Art. 3

Definitions

1) For the purpose of this Act the following definitions apply:

1. "UCITS": collective investment undertakings:
   a) which have the exclusive objective of investing monies obtained from the public for collective account under the principle of risk distribution in transferable securities and/or other liquid financial assets listed in Art. 51; and
   b) whose units are repurchased or redeemed at the request of unit-holders directly or indirectly on account of the assets of such undertakings. Action taken by a UCITS to ensure that the stock exchange value of its units does not significantly vary from their net asset value shall be regarded as equivalent to such repurchase or redemption;
2. "depositary": an institution entrusted with the duties set out in Art. 33 and subject to the other provisions laid down in Chapter IV;
3. "depositary's managers": the persons representing the depositary on the basis of the provisions of the law or the instrument of incorporation or effectively determining the focus of the depositary's activities;
4. "management company": a company the regular business of which is the management of UCITS;
5. "management company's managers": the persons effectively conducting the business of the management company;
6. "management" and "collective portfolio management": the investment decision, risk management, and the other activities of investment management, administration, and distribution according to Annex II of Directive 2009/65/EC;
7. "management company’s home Member State": the EEA Member State in which the management company has its registered office;

8. "management company's host Member State": the EEA Member State other than the home Member State within the territory of which a management company has a branch or provides services;
9. "UCITS home Member State": the EEA Member State in which the UCITS is authorised pursuant to Art. 8. A UCITS shall be deemed to be established in its home Member State; if a UCITS has not been authorised or registered, it is established where it has its registered office and/or its head office.
10. "UCITS host Member State": the Member State other than the UCITS home Member State in which the units of the UCITS are marketed;
11. "branch": a place of business which is a part of the management company, which has no legal personality and which provides the services for which the management company has been authorised. If a management company with head office in another EEA Member State has formed several branches in one and the same EEA Member State, these shall be considered to be one single branch;
12. "close links": a situation in which two or more natural or legal persons are linked by either:
    a) "participation", i.e. the ownership, direct or by way of control, of 20 % or more of the voting rights or capital of an undertaking; or
    b) "control", i.e. the relationship between a parent undertaking and a subsidiary or a similar relationship between any natural or legal person and an undertaking. A subsidiary of a subsidiary shall also be deemed to be a subsidiary of the parent undertaking which is at the head of these undertakings. A situation in which two or more natural or legal persons are permanently linked with one and the same person through a control relationship shall also be deemed to constitute a close link between these persons;
13. "qualifying holding": a direct or indirect holding in a management company which represents 10 % or more of the capital or of the voting rights or which makes it possible to exercise a significant influence over the management of the management company in which that holding subsists: Art. 25, 26, 27, and 31 of the OffG (*Offenlegungsgesetz, Gesetz über die Offenlegung von Informationen betreffend Emittenten von Wertpapieren,* Disclosure Act, LR 954.1) shall be used for determining these voting rights;

14. "initial capital": the initial capital according to Art. 7 (1)(a) and the own funds according to Art. 10 (1) 2nd sub-paragraph of Directive 2009/65/EC;
15. "durable medium": an instrument which enables an investor to store information addressed personally to that investor. The information is stored in a way that is accessible for future reference for a period of time adequate for the purposes of the information and which allows the unchanged reproduction of the information stored;
16. "transferable securities": with the exception of the techniques and instruments listed in Art. 53:
    a) shares in companies and other securities equivalent to shares in companies ("shares");
    b) bonds and other forms of securitised debt ("debt securities");
    c) any other negotiable securities which carry the right to acquire any such transferable securities under the terms of this Act by subscription or exchange;
17. "collective investment undertakings comparable with UCITS": collective investment undertakings of the open-ended type:
    a) which have the exclusive purpose of investing funds raised from the public for collective account under the principle of risk distribution into the liquid financial assets listed in Art. 51;
    b) which have been authorised under legal rules submitting them to supervision that is equivalent - in the opinion of the competent authorities of the UCITS home Member State - to that of Directive 2009/65/EC, and provided that cooperation between supervisory authorities is sufficiently guaranteed;
    c) in which the level of investor protection is equivalent to the level of protection provided to unit-holders of a UCITS, and in which in particular the provisions for asset segregation, borrowing, lending and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC;
    d) whose business activities are the subject of semi-annual and annual reports that enable assessments on the assets and liabilities, the income, and the transactions over the period under review; and

   e) according to whose constitutive documents no more than 10 % of the managed assets may be invested in units of other UCITS or undertakings for collective investment;

18. "money market instruments": instruments normally dealt in on the money market, which are liquid and have a value which can be accurately determined at any time;

19. "merger": an operation whereby:

   a) one or more UCITS or investment compartments thereof - the "merging UCITS" - on being dissolved without going into liquidation, transfer all of their assets and liabilities to another existing UCITS or an investment compartment thereof - the "receiving UCITS" - in exchange for the issue to their unit-holders of units of the receiving UCITS and, if applicable, a cash payment not exceeding 10 % of the net asset value of those units;

   b) two or more UCITS or investment compartments thereof - the "merging UCITS" - on being dissolved without going into liquidation, transfer all of their assets and liabilities to a UCITS which they form or to an investment compartment thereof - the "receiving UCITS" - in exchange for the issue to their unit-holders of units of the receiving UCITS and, if applicable, a cash payment not exceeding 10 % of the net asset value of those units;

   c) one or more UCITS or investment compartments thereof - the "merging UCITS" - , which continue to exist until the liabilities have been discharged, transfer their net assets to another investment compartment of the same UCITS, to a UCITS which they form, or to another existing UCITS or an investment compartment thereof, the "receiving UCITS";

20. "cross-border merger": a merger of UCITS:

   a) at least two of which are established in different EEA Member States; or

   b) established in the same EEA Member State into a newly constituted UCITS established in another EEA Member State;

21. "domestic merger": a merger between UCITS established in the same EEA Member State where at least one of the involved UCITS has been the subject of a notification letter pursuant to Art. 98;

22. "feeder UCITS": a UCITS, or an investment compartment thereof, which by way of derogation from the provisions applicable to UCITS invests at least 85 % of its assets in units of another UCITS or an investment compartment thereof (the "master UCITS");
23. "master UCITS": a UCITS, or an investment compartment thereof, which:
    a) has at least one feeder UCITS among its unit-holders;
    b) is not itself a feeder UCITS; and
    c) does not hold units of a feeder UCITS;
24. "constitutive documents": the fund rules of a common fund, the instrument of incorporation of an investment company, the trust agreement of a unit trust, any possibly separate description of the investment policy, as well as ancillary agreements and regulations that fulfil the function of the above-mentioned documents, and other documents determined by the Government by the way of ordinance, in which the fundamentals of the UCITS are regulated;
25. "AIF": assets coming from a group of investors that pursuant to the laid-down investment strategy are invested for the benefit of the investors and do not form an UCITS;
26. "derivative instruments": financial derivative instruments, including equivalent cash-settled instruments, dealt in on a regulated market referred to in Art. 51 (1)(a), and/or financial derivative instruments not traded on the stock exchange ("OTC derivatives");
27. "ESMA": the European Securities and Markets Authority pursuant to Regulation (EU) No. 1095/2010;
28. "national issuer": an EEA Member State or any of its territorial authorities, a third state, or an international institution governed by public law whose members include one or more EEA Member States;
29. "competent authorities": the authorities which each EEA Member State designates under Art. 97 of Directive 2009/65/EC; in Liechtenstein, this is the Financial Market Authority (FMA).

2) The Government may by ordinance define the terms of Para. 1 in more detail and define further terms used in this Act.

3) In addition, the definitions set out in the applicable EEA law shall apply. In particular the definitions set out in Directives 2009/65/EC and 2007/16/EC shall supplement this Act.

4) The designations of persons and functions used in this Act shall include male as well as female individuals.

B. Legal forms

Art. 4

Principles

1) A UCITS may take the form of an agreement ("common fund" managed by a management company), of a trust ("unit trust"), or of an instrument of incorporation ("investment company").

2) Unless provided otherwise in this Act:

a) unit trusts shall be treated as common funds;

b) shares and - as far as founder and investor shares are issued - the investor shares of an investment company shall be counted as units of a common fund.

3) The Government may determine by ordinance that a UCITS may take another legal form than those listed in Art. 5 to 7 provided this is not contrary to the protection of the investors and the public interest; such regulation shall also determine if the provisions of this Act related to common funds, unit trusts, or investment companies shall apply mutatis mutandis.

Art. 5

Common fund

1) A common fund is a legal relationship based on agreements of identical content concluded between several investors and a management company and a depositary for the purpose of the investment, management, and safekeeping of assets on behalf of investors in the form of a legally independent totality of assets (the "fund") in which the investors participate.

2) Unless laid down otherwise in this Act, the legal relationships between the investors and the management company shall be determined by the fund rules and - if a matter is not regulated there - by the provisions of the ABGB (*Allgemeines Bürgerliches Gesetzbuch*, General Civil Code, LR 210.0). If a matter is not regulated there, the provisions of the PGR (*Personen- und Gesellschaftsrecht*, Persons and Companies Act, LR 216.0) on trusts shall apply mutatis mutandis.

3) The fund rules shall regulate:

a) the investments, investment policy, and limitations to investments;
b) the valuation, issuing, and repurchase of units and their securitisation, the value of the unit resulting from dividing the value of the common fund's assets or the investment compartment's assets by the number of units issued;
c) the conditions for repurchasing or suspending repurchase;
d) the costs and expenditures to be borne by the investors directly or indirectly, and how these are calculated;
e) the investor information;
f) termination and loss of the right to manage the common fund;
g) the requirements for amending the fund rules and for the handling, merger, and division of the common fund; and
h) the classes of units, and if the common fund is bound into an umbrella structure, the conditions for changing from one investment compartment separate under property and liability law to another.

4) The Government may by ordinance lay down further requirements to the fund rules as far as necessary for the protection of investors and the public interest.

5) Subject to this Act and the fund rules, the management company may dispose in its own name of the assets belonging to the common fund and exercise all rights resulting from it; the fact that a person is acting for the common fund must be visible. The common fund shall not be held liable for the debts of the management company or the investors. The common fund shall also include everything obtained by the management company on the basis of a right owned by the common fund or as a result of a legal transaction connected with the common fund or as a replacement for a right that is part of the common fund.

6) The management company shall not be entitled to enter into liabilities or obligations under suretyships or guarantees or to grant loans on behalf of the investors. The management company may only rely on the assets of the common fund in case it claims remuneration and reimbursement of expenditures. The investors shall only be liable up to the amount invested.

7) The fund rules and each amendment to it shall require the approval of the FMA to be effective. The fund rules shall be approved if the requirements of Para. 3 to 6 have been met and the protection of investors or the public interest do not prevent such approval. The FMA may approve or provide model fund rules, and if these are used, the fund rules shall be deemed approved.

8) The common fund shall be registered into the Public Register after authorisation; however, registration shall not be a condition for the common fund coming into being and for the approval of the fund rules by the FMA. Further details on registration proceedings shall be regulated by the Government by ordinance.

Art. 6

Unit trust

1) A unit trust is the entering into a trust identical in contents with an indefinite number of investors for the purpose of the investment and management of assets on behalf of the investors. Individual investors participate in the trust only pro rata to their shares and only being personally liable up to the amount equivalent to the amount invested. 2) Unless laid down otherwise in this Act, the legal relationships between the investors and the management company shall be determined by the fund rules and - if a matter is not regulated there - by the provisions of the ABGB (*Allgemeines Bürgerliches Gesetzbuch*, General Civil Code). If a matter is not regulated there, the provisions of the PGR (*Personen- und Gesellschaftsrecht*, Persons and Companies Act) on trusts shall apply mutatis mutandis.

3) The trust agreement shall regulate:

a) the investments, investment policy, and limitations to investments;
b) the valuation, issuing, and repurchase of units and their securitisation, the value of the unit resulting from dividing the value of the unit trust's assets or the investment compartment's assets by the number of units issued;

c) the conditions for repurchasing units or the suspension of repurchase;
d) the costs and expenses to be borne by the investors directly or indirectly, and how these are calculated;
e) the information for the investors;
f) termination and the loss of the right to manage the unit trust;
g) the requirements for amending the trust agreement and for the handling, merger, and fission of the unit trust; and
h) the classes of units, and if the unit trust is bound into an umbrella structure, the conditions for changing from one investment compartment separate under property and liability law to another.

4) The Government may by ordinance lay down further requirements to the trust agreement as far as necessary for the protection of investors and the public interest.

5) The trust agreement and each amendment to it shall require the approval of the FMA to be effective. The trust agreement shall be approved provided it meets the requirements of Para. 3 and 4 and the protection of investors or the public interest does not prevent such approval. The FMA may approve or provide model trust agreements, and if these are used, the trust agreement shall be deemed approved.

6) The unit trust shall be registered into the Public Register after authorisation; however, registration shall not be a condition for the unit trust` coming into being or the approval of the fund rules by the FMA. Further details on registration proceedings shall be regulated by the Government by ordinance.

Art. 7

Open-ended investment company

1) The open-ended investment company (hereinafter: investment company) is a UCITS in the form of a public limited company (*Aktiengesellschaft*), a European Company (SE), or an establishment (*Anstalt*), selling shares to investors and with the exclusive object of investing and managing assets on behalf of investors.

2) Unless laid down otherwise in this Act, the legal relationships between the investors, the investment company, and the management company shall be determined by the instrument of incorporation of the investment company, and if a matter is not regulated there, by the provisions of the PGR on public limited companies or establishments, or by those of the SEG (*SE-Gesetz*, Act concerning the European Company, LR 216.222.1) on the European Company.

3) The instrument of incorporation shall regulate:

a) the investments, investment policy, and limitations to investments;
b) the valuation, issuing, and repurchase of investor shares and their securitisation, the value of the investor share resulting from dividing the value of the investment company's assets held for the purpose of investment or the investment compartment's assets by the number of investor shares put into circulation;
c) the conditions for repurchasing units or suspending the repurchase;
d) the costs and expenditures to be borne by the investors directly or indirectly, and how these are calculated;
e) the information for the investors;
f) termination and the loss of the right to manage the investment company;
g) the requirements for amending the instrument of incorporation and for the handling, merger, and fission of the investment company;
h) the classes of units, and if the investment company is bound into an umbrella structure, the conditions for changing from one investment compartment separate under property and liability law to another; and
i) the duties and functions of the governing bodies of outside-managed investment companies.

4) The Government may lay down by ordinance further requirements to the instrument of incorporation as far as this is necessary for the protection of the investors and the public interest.

5) The investment company may be managed by its governing bodies (self-managed investment company) or by a management company (outside-managed investment company). The management of the investment company must act in the best interests of the investors.

6) The governing bodies of the investment company may use a one-tier or two-tier structure. If a one-tier structure is adopted the board of directors shall manage and supervise business. If a two-tier structure is adopted the executive board shall manage the business and the supervisory board shall supervise the executive board's management. Unless the statutes and the Government - by ordinance - provide otherwise, the appointment of and the cooperation between the company's governing bodies shall be subject to the provisions of this Act, the PGR, and the SEG; if there is a two-tier structure, mutatis mutandis only the provisions of the SEG shall apply.

7) The instrument of incorporation must state whether and to what extent the investment company issues founder and investor shares with or without voting rights and with or without the right to take part in the general meeting, and whether the own assets and the managed assets are separate. If the own assets and the managed assets are separate, the holders of investor shares of establishments shall be qualified as beneficiaries.

8) Unless the Government provides a higher minimum initial capital by ordinance, a capital stock of at least 50,000 Euros or the equivalent in Swiss francs must be held via the founder shares if own and managed assets are separate. The necessary initial capital pursuant to Art. 17 remains unaffected. The decision on the issuing of new shares shall be taken by the board of directors in one-tier structures and by the executive board in two-tier structures, unless this Act, the instrument of incorporation, or the ordinance provide otherwise.

9) An investment company in terms of this Article shall include the designation "*Investmentgesellschaft mit veränderlichem Kapital*" or an alternative designation of a legal form pursuant to Art. 12 (2)(c) in its company name.

10) An investment company may be managed by an external management company or be self-managed by its governing bodies. As far as this Act does not provide otherwise, self-managed investment companies shall be subject to the rules on UCITS and management companies mutatis mutandis, the duties of UCITS and management companies having to be fulfilled by the governing bodies of the investment company.

11) The instrument of incorporation and each amendment to it shall require the approval of the FMA to be effective. The instrument of incorporation shall be approved if the requirements of Para. 3 to 10 have been met and the protection of investors or the public interest does not oppose such approval. The FMA may approve or provide a model instrument of incorporation, and if this is used, the instrument of incorporation shall be deemed approved.

I. Authorisation of UCITS

Art. 8

Requirement and scope of authorisation

1) Notwithstanding Art. 97 (1), a UCITS with registered office in Liechtenstein shall require authorisation by the FMA to pursue its business activities.

2) The authorisation shall be valid in all EEA Member States and shall authorise to market the units of the UCITS on the basis of the free movement of services and the freedom of establishment within the EEA.

3) In the case of self-managed investment companies, the latter's governing bodies shall act for the UCITS, and in all other cases the respective management company.

Art. 9

Prerequisites for authorisation

1) The FMA shall grant authorisation to a UCITS following prior approval:

a) of the application of the authorised management company or (in the case of self-management) of the authorised investment company to manage the UCITS;

b) of the appointment of the depositary; and

c) of the constitutive documents.

2) The FMA shall refuse authorisation if:

a) the UCITS is not allowed to distribute its units in Liechtenstein for legal reasons, in particular because of any provision of its fund rules or instrument of incorporation;

b) the depositary's managers have insufficient reputation and do not have sufficient experience in relation to the type of UCITS to be managed;

c) the management company is not authorised as a management company for the type of UCITS to be managed.

3) In the case of cross-border activities within the EEA, it is not necessary for the UCITS to be managed by a management company with a registered office or business activities in Liechtenstein.

4) The Government may by ordinance prescribe a minimum amount of assets for a UCITS as well as a time-limit within which that minimum amount must be reached.

Art. 10

Application and authorisation proceedings

1) The application for the authorisation of a UCITS shall be submitted to the FMA by the management company or (in the case of self-management) by the investment company.

2) The application shall be accompanied by the information and documentation necessary to prove that the requirements of Art. 9 have been met. At the same time, the management company's managers shall confirm that no reason for refusal in terms of Art. 9 (2) applies.

3) The FMA shall provide the management company or (in the case of a self-managed investment company) the investment company with an acknowledgement of receipt within three working days of receiving the complete application.

4) The FMA shall decide on the application within ten working days, and in the case of the first authorisation of a self-managed investment company within one month following the receipt of full documentation.

5) The FMA may extend the term of Para. 4 to a maximum of two months, and in the case of the first authorisation of a self-managed investment company to a maximum of six months following the receipt of full documentation, if this is necessary for the protection of investors and the public interest.

6) If the FMA does not extend the terms of Para. 4, authorisation shall be deemed granted after the respective term has expired. The FMA may charge an additional fee for issuing an order that can be appealed.

8) The Government may regulate by ordinance further details regarding the form of the application, the completeness of the application, the acknowledgement of receipt, the proceedings, the applicability of the term pursuant to Para. 4, the extension of the term pursuant to Para. 5, the confirmation pursuant to Para. 6, and the grounds pursuant to Para. 7.

9) The Government may authorise the FMA by ordinance to suspend, in exceptional cases, the effect of approval pursuant to Para. 6.

Art. 11

Amendment of constitutive documents, change of management company, depositary, auditors, and depositary's manager

1) The proceedings to amend the constitutive documents pursuant to Art. 5 (7), Art. 6 (5), and Art. 7 (11) shall be subject mutatis mutandis to Art. 8 to 10.

2) A change of management company and a change of depositary shall require the FMA's approval even if this change is not connected with an amendment of the constitutive documents. Further details shall be subject to Art. 49.

3) The management company shall inform the FMA of any change of the auditor of the UCITS and of the manager of the depositary. The name of the new auditor or the new manager shall be communicated together with the information.

4) The Government shall regulate further details by ordinance.

Art. 12

Name

1) The name of a UCITS must not give rise to confusion or deceit. If the name indicates a certain investment strategy, such strategy must be employed predominantly.

2) If the protection of investors and the public interest do not prevent it, a UCITS may add a designation of legal form or one of the designations or abbreviations listed below:

a) with common funds: "common contractual fund", "CCF", "C.C.F.", "fonds commun de placement", FCP", or "F.C.P.";

b) with unit trusts: "*Anlagefonds*", "unit trust", "authorized unit trust", or "AUT";

c) with open-ended investment companies: "open-ended investment company", "OEIC", "société d`investissement à capital variable", or "SICAV";

d) any other designation or abbreviation prescribed by the Government by ordinance.

3) If the name of a UCITS (including its designation or abbreviation) is changed, the constitutive documents shall be amended, too. Such changes shall be subject to approval by the FMA.

4) Other entities apart from management companies or UCITS must not use any designations that indicate a management company or a UCITS.

5) The Government may regulate further details by ordinance.

III. Authorisation and duties of management companies

A. Authorisation of management companies

Art. 13

Requirement of authorisation and applicable law

1) A management company with its registered office in Liechtenstein shall require authorisation by the FMA to carry out its business activities. The provisions of Art. 96 to 120 remain reserved.

2) Unless prescribed otherwise, the provisions of this Chapter shall apply, mutatis mutandis, to self-managed investment companies.

Art. 14

Extent of authorisation

1) The authorisation of a management company shall be valid in all EEA Member States and shall authorise the management company to manage authorised UCITS on the basis of the free movement of services and the freedom of establishment within the EEA.

2) In addition to the management of authorised UCITS, the FMA may authorise the management company to render the following services:

a) individual management of portfolios of investments - including those owned by pension funds and foundations - in accordance with mandates given by investors on a discretionary, client-by-client basis, where such portfolios include one or more of the instruments listed in Annex I, Section C to Directive 2004/39/EC;

b) as far as the authorisation includes services referred to in a):

   1. investment advice concerning one or more of the instruments listed in Annex I, Section C of Directive 2004/39/EC;

   2. safekeeping and technical administration in relation to units of collective investment undertakings; and

   3. in cases where the management company manages other undertakings for collective investment, the acceptance and forwarding of instructions having one or more instruments pursuant to Annex I Section C of Directive 2004/39/EC as their subject;

c) the management of AIF under the conditions set out in the IUG (*Investmentunternehmensgesetz*, Act on Investment Firms, LR 951.30); and

d) other activities determined by ordinance, as far as this is not prevented by the protection of investors and the public interest.

3) A self-managed investment company may only manage its own assets.

4) The FMA may grant authorisation for all types of UCITS or only for individual types.

5) The Government may regulate further details by ordinance, in particular concerning the investment company's legal form and the types of UCITS in terms of Para. 4.

Art. 15

Prerequisites for authorisation

1) The FMA shall issue an authorisation to a management company if:

a) initial capital in terms of Art. 17 is sufficient;

b) the investment company's managers are of sufficiently good repute and are sufficiently experienced also in relation to the type of UCITS managed by the management company; the business policy of the management company must be decided by at least two persons meeting such conditions;

c) there is a programme of activity setting out, at least, the organisational structure of the management company;

d) the holders of qualifying holdings meet the requirements for the sound and prudent management of the management company;

e) the head office and the registered office of the management company are located in Liechtenstein.

2) The FMA shall refuse authorisation if:

a) it is prevented from supervision by close links between the management company and other persons;

b) it is prevented from supervision by the laws or administrative rules of a third country governing persons with which the management company has close links, or by difficulties involved in the application of such laws or administrative provisions.

3) In the case of authorisation for services in terms of Art. 14 (2)(a) and (b), the provisions of the VVG (*Vermögensverwaltungsgesetz*, Act on Asset Management, LR 950.4) and in the case of safekeeping and technical administration with regard to units of collective investment undertakings the provisions of the BankG (*Bankengesetz*, Banking Act, LR 952.0) on the rendering of services as an opposing party, initial capital, organisational requirements, and rules of conduct in the rendering of services to customers shall apply.

4) Asset managing companies whose scope of business in terms of Art. 3 VVG only comprises the management of portfolios and investment consulting may be authorised as management companies if they waive in writing their licence pursuant to Art. 30 (1)(c) of VVG.

5) The Government shall regulate further details by ordinance.

Art. 16

Application and authorisation proceedings

1) The application for the authorisation of a management company shall be submitted to the FMA in the form determined by the Government by ordinance.

2) The application shall be accompanied by the information and documentation necessary to prove that the requirements of Art. 15 have been met with regard to the management company as well as the information and documentation necessary to prove that the requirements of Art. 9 have been met with regard to the UCITS to be managed. At the same time, the management company's managers shall confirm that no reasons for refusal under terms of Art. 15 (2) or Art. 9 (2) apply.

3) The FMA shall provide the applicant with an acknowledgement of receipt within three working days of receiving the complete application.

4) The FMA shall decide on the application within a term of one month following receipt of full documentation.

5) The FMA may extend the term of Para. 4 to a maximum of six months from receipt of full documentation if this is necessary for the protection of investors or the public interest.

6) Written grounds shall be provided for any extension of term or refusal or limitation of authorisation. The FMA may charge an additional fee for issuing an order that can be appealed.

7) Before granting authorisation, the FMA shall hear the competent authorities of the other EEA Member State involved if the management company:

a) is a subsidiary or affiliate of another management company, an investment firm, a credit institution, or an insurance undertaking authorised in another EEA Member State;

b) is controlled by the same natural or legal persons as control another management company, an investment firm, a credit institution, or an insurance undertaking authorised in another EEA Member State.

8) The management company may start business in Liechtenstein as soon as authorisation has been granted.

9) The Government may by ordinance regulate details on the acknowledgement of receipt, the form of application, the proceedings, the completeness of the application pursuant to Para. 4, the extension of the term pursuant to Para. 5, and the grounds pursuant to Para. 7.

B. Duties of management companies

Art. 17

Initial capital

1) The initial capital must be at least:

a) with self-managed investment companies: 300,000 Euros or the equivalent in Swiss francs;

b) with management companies: 125,000 Euros or the equivalent in Swiss francs.

2) The initial capital must equal at least one quarter of the fixed overheads of the previous year; in the case of a newly constituted management company, the fixed overheads of the management company provided in the programme of activity shall apply. The FMA may adjust the requirements related to initial capital if the management company`s business activity is substantially different from that of the previous year.

3) If the value of the portfolios of the management company exceeds 250 million Euros or the equivalent in Swiss francs, the management company must provide an additional amount of own funds which is equal to 0.02 % of the amount by which the value of the portfolios of the management company exceeds 250 million Euros or the equivalent in Swiss francs; however, the required total of the initial capital and the additional amount must not exceed 10 million Euros or the equivalent in Swiss francs. Portfolios managed by the management company shall include all UCITS and undertakings for collective investment managed by it, including portfolios for which it has delegated the management function to third parties but excluding portfolios that it is itself managing under delegation from third parties.

4) The own funds of the management company must at no time be less than the amount prescribed in Art. 21 of Directive 2006/49/EC.

5) Up to 50 % of the additional amount of own funds pursuant to Para. 3 may be proven by a guarantee of the same amount issued by a credit institution or by an insurance company. The guarantor must have its registered office in an EEA Member State, in Switzerland, or in a third country with equivalent rules on supervision and must be suitably authorised in Liechtenstein for business activities.

6) The reference exchange rates laid down by the European Central Bank (ECB) shall be used to convert the amounts given in Para. 1.

7) The Government may regulate further details by ordinance. It may determine by ordinance that in certain cases, the own funds must be up to 1 million Euros or the equivalent in Swiss francs.

Art. 18

Changes subject to reporting and approval

1) All changes to the information and documentation submitted under Art. 16 (2) shall be subject to prior notification of the FMA.

2) Any intended change to the programme of activity pursuant to Art. 15 (1)(c) shall be subject to prior approval by the FMA. Such approval shall be applied for to the FMA two months before the intended change. If the FMA does not approve the changes within a shorter time period or if it does not object within the term of two months, the change shall be deemed approved.

3) The FMA shall be provided with all information that it requires to comprehensively assess the changes pursuant to Para. 1 and 2 and to ensure that all requirements for authorisation are still being met.

4) The Government may regulate further details by ordinance.

Art. 19

Qualifying holdings

1) The FMA shall be notified of any intended direct or indirect acquisition, any intended direct or indirect increase, or any intended sale of a qualifying holding in a management company.

2) Following a notice in terms of Para. 1, the FMA shall consult the authority that is competent for the authorisation of the acquiring party / the company whose parent company or controlling person intends the acquisition or increase, if the acquisition or the increase of a holding in terms of Para. 1 is intended by:

a) an asset management company, bank, investment firm, or management company registered in an EEA Member State;

b) a parent company of an undertaking pursuant to point (a); or

c) a natural or legal person controlling an undertaking pursuant to item a.

3) The FMA shall be notified of every unintended change to a qualified holding in a management company.

4) The Government shall regulate by ordinance further details on proceedings and on the criteria to assess the acquisition, the increase, or the sale of qualified holdings. The Government is authorised to issue rules to the derogation of Para. 1 and 3 for investment companies.

Art. 20

Rules of conduct

1) The management company shall:

(a) act honestly and fairly in conducting its business activities in the best interests of the UCITS it manages and the integrity of the market;

(b) act with due skill, care and diligence, in the best interests of the UCITS it manages and the integrity of the market;

(c) have and employ effectively the resources and procedures that are necessary for the proper performance of its business activities;

(d) try to avoid conflicts of interest and, when they cannot be avoided, ensure that the UCITS it manages are fairly treated;

(e) act in accordance with the laws and constitutive documents in a manner that is independent and only in the best interests of its investors.

2) An appointed management company whose authorisation also covers the discretionary portfolio management service in terms of Art. 14 (2)(a):

a) must not invest all or a part of the investor's assets in units of the UCITS it manages, unless it receives prior general approval from the client;

b) is subject with regard to the services referred to in Art. 14 (2)(a) and (b) to the relevant provisions on investor-compensation schemes

3) The Government shall regulate further details by ordinance.

Art. 21

Organisation, separate safekeeping

1) A management company must have sound administrative and accounting procedures, control and safeguard arrangements for electronic data processing and adequate internal control mechanisms. This includes in particular rules for personal transactions by its employees or for the holding or management of investments in financial instruments in order to invest on its own account.

2) The rules of Para. 1 must at least ensure:

a) that each transaction involving the UCITS may be reconstructed according to its origin, the parties to it, its nature, and the time and place at which it was effected; and

b) that the assets of the UCITS managed by the management company are invested according to the constitutive documents and the legal provisions in force

3) A management company must be structured and organised in such a way as to minimise the risk of conflicts of interest detrimental to the interests of the UCITS or those of the investors and clients, and if conflicts of interest appear nonetheless, that these are detected and adequately dealt with. In doing so, conflicts of interest between the management company, its clients, UCITS and investors - each in relation to the management company and to each other - shall be taken into account.

4) A management company shall keep the assets of a UCITS separate from the assets of another UCITS and from its own assets.

5) The Government shall regulate further details by ordinance.

Art. 22

Delegation of functions

1) A management company may delegate part of its own functions to third parties for the purpose of more efficient conduct of the company's business, provided that:

a) the delegation does not prevent the effectiveness of supervision over the management company; it must neither prevent the management company from acting, nor the UCITS from being managed, in the best interests of its investors;

b) when the delegation concerns investment management, the mandate must be given only to undertakings which are authorised and subject to supervision for the purpose of asset management; the delegation must be in accordance with investment-allocation criteria periodically laid down by the management company;

c) where the mandate concerns investment management and is given to a third-country undertaking, cooperation between the FMA and the supervisory authority of the undertaking's home Member State must be ensured;

d) a mandate with regard to investment management is not given to the depositary or to any other undertaking whose interests may conflict with those of the management company or the unit-holders;

e) the management company's managers are able to monitor effectively and at any time the activity of the undertaking to which the mandate is given;

f) the management company is authorised to give further instructions at any time to the undertaking to which functions are delegated or to withdraw the mandate with immediate effect if this is in the interests of the investors;

g) the UCITS' prospectus must list the functions which the management company has been allowed to delegate in accordance with this Article;

h) the management company does not become a letterbox entity as a result of the scope of such delegation.

2) The management company shall notify the FMA prior to any delegation of functions. In the case of cross-border portfolio management, the FMA shall inform the competent authorities of the UCITS home Member State.

3) The liability of the management company or the depositary shall not be affected by the delegation of any functions.

4) The Government may regulate by ordinance further details, in particular the admissible amount of the delegation of functions.

Art. 23

Risk management

1) A management company shall employ adequate risk management processes which enable it to monitor and measure the risk of the positions and their contribution to the overall risk profile of the portfolio.

2) It shall employ processes for the accurate and independent assessment of the value of OTC derivatives.

3) It shall review and adjust the risk management processes at adequate intervals, but at least annually.

4) The Government shall regulate further details by ordinance.

Art. 24

Liability

1) A management company, a liquidator, or a custodian shall be liable to the investors for any damage caused by the violation of Art. 20 to 23, unless it can be proven that negligence on the part of the investors cannot be excluded. The delegation of functions to third parties shall have no effect on liability. This liability cannot be limited.

2) If essential information in a prospectus, an annual or semi-annual report to be prepared under this Act is incorrect or incomplete, or a prospectus meeting these rules has not been prepared, the responsible persons under Para. 1 shall be liable to each investor for the damage caused to the latter, unless the responsible persons can prove that there has been no negligence at all on their part. Statements in the essential information for investors, the prospectus summary, or advertising including their translation shall only give rise to liability if they are misleading, incorrect, or inconsistent with the respective parts of the prospectus.

3) Several persons involved shall be mutually liable to each other in accordance with the part of the damage attributable to them. Recourse among the persons involved shall depend on an assessment of all circumstances which led to the damage. Claims for damages shall be subject to limitation within five years after the damage has occurred, but no later than one year after the unit has been redeemed or after knowledge of the damage.

4) The *Landgericht* [Court of Justice] shall have jurisdiction for legal action emerging from the legal relationship with a domestic UCITS or a domestic management company or for legal action of a domestic investor in connection with a foreign UCITS whose units are distributed in Liechtenstein.

Art. 25

Protection of secrecy

1) The members of governing bodies of management companies,their employees and other persons working for such management companies shall keep confidential the facts,t they have been entrusted with or have gained access to as a result of the business relationship with clients. The obligation of secrecy shall apply without any limitation in time.

2) The legal provisions on the obligation to testify or provide information to the criminal courts and to the supervisory authorities and bodies as well as the provisions on cooperation with the competent authorities and bodies of supervision shall remain reserved.

B. Cancellation, expiry, and withdrawal of authorisation

Art. 26

Cancellation of authorisation

1) Authorisation shall be amended or cancelled if:

a) the management company has obtained by fraud the authorisation by making false statements or by any other irregular means;

b) the FMA was not aware of essential circumstances at the time authorisation was granted.

2) The management company shall be informed of the cancellation of authorisation by way of decree with written grounds.After the withdrawal has become final, it shall be published in the official organs of publication at the expense of the management company.

3) In urgent cases, the FMA shall take the necessary measures without prior notification nor setting of a time-limit.

Art. 27

Expiry of authorisation

1) Authorisation shall expire if:

a) business activities are not started within one year;

b) business activities are discontinued over a period of at least six months;

c) authorisation is waived in writing;

d) bankruptcy proceedings are opened in a final way; or

e) the investment company is deleted from the Public Register.

2) Otherwise, mutatis mutandis, Art. 26 (2) and (3) shall apply.

Art. 28

Withdrawal of authorisation

1) Authorisation shall be withdrawn if:

a) the requirements under which authorisation was granted are no longer met, and a restoration of the lawful condition cannot be expected within a reasonable term;

b) the management company or self-managed investment company has seriously or systematically violated its duties under the law;

c) the management company or self-managed investment company does not comply with requests by the FMA to restore the lawful condition;

d) the own funds of the management company or of the self-managed investment company no longer meet the requirements of Art. 17 - and in the case of individual portfolio management under Art. 14 (2)(a), also the provisions of Directive 2006/49/EC - and a restoration of the lawful condition cannot be expected within a reasonable term;

e) the continuation of the management company's business activities is expected to endanger the confidence in Liechtenstein as a fund centre, the stability of the financial system, or the protection of creditors.

2) Otherwise, mutatis mutandis, Art. 26 (2) and (3) shall apply.

D. Liquidation, custodianship, bankruptcy

Art. 29

Dissolution and liquidation after loss of authorisation

1) The cancellation, expiry, and withdrawal shall lead to the dissolution and liquidation of the management company or self-managed investment company.

2) The FMA shall inform the *Grundbuch- und Öffentlichkeits-registeramt* [Office of Land and Public Registration] and the depositary about the final loss of authorisation. The Office of Land and Public Registration shall register the liquidation into the Public Register and on proposal of the FMA shall appoint a liquidator subject to Art. 133 et sqq. PGR.

3) The costs of dissolution and liquidation shall be borne by the management company, and in the case of investment companies with separation of assets by their own assets pursuant to Art. 7 (7).

4) The dissolution and liquidation of the management company or the own assets of the investment company shall follow Art. 133 et sqq. PGR or another liquidation procedure determined with the approval of the Office of Land an Public Registration and the FMA, on the condition that the FMA supervises liquidation.

5) Art. 31 shall apply to the assets managed by UCITS.

Art. 30

Appointment of a custodian

The FMA shall appoint a custodian for a management company or a self-managed investment company that is legally incapacitated. The investors shall be informed by the custodian that such a custodian has been appointed. Within one year following the appointment, the custodian shall apply to the FMA either for approval to continue business activities, to form a new management company or self-managed investment company, or for the approval of the company`s dissolution. The FMA shall decide on the custodian's remuneration. The Government may regulate further details by ordinance.

Art. 31

Managed assets in the event of dissolution and bankruptcy of the management company and the depositary

1) In the event of dissolution and bankruptcy of the management company or - if there has been a separation of assets pursuant to Art. 7 (7) - of the investment company, the assets managed on account of the investors for the purpose of collective investment shall not become part of such company's bankruptcy estate and shall not be dissolved together with the own assets. Each UCITS or investment compartment shall form a separate fund for the benefit of its investors. Each separate fund shall (subject to approval by the FMA) be transferred to another management company or investment company or be liquidated by way of separate satisfaction for the benefit of the investors of the respective UCITS or investment compartment.

2) In the event of bankruptcy, the managed assets of each UCITS or investment compartment shall be transferred to another depositary with consent of the FMA or be liquidated by way of separate satisfaction for the benefit of the investors of the respective UCITS or investment compartment.

3) The Government may regulate further details by ordinance.

IV. Depositary

Art. 32

Appointment of the depositary

1) Subject to Art. 34, the safekeeping of the assets of a domestic UCITS shall be entrusted to a depositary in Liechtenstein.

2) Only the following institutions may be appointed as depositary:

a) a bank or investment firm authorised under the Banking Act for the function of depositary;

b) a domestic branch of a bank or investment firm with registered office within the EEA that has been formed and authorised under the Banking Act for the function of depositary; or

c) another person with residence or registered office in Liechtenstein and supervised by the FMA, provided that such person meets the requirements laid down by the Government by ordinance.

3) The appointment and change of depositary shall be subject to approval by the FMA.

4) The depositary shall possess sufficient financial and organisational ressources to be able to pursue its business as a depositary effectively and to meet the commitments arising from that function. The Government shall regulate further details by ordinance.

5) The depositary shall provide the FMA on request with all information that the FMA needs to supervise UCITS and management companies.

6) The function of depositary and management company or self-managed investment company must not be carried out by the same company. The Government may regulate by ordinance to what extent companies that are in a relationship of participation with the management company or the self-managed investment company may carry out the function of depositary.

Art. 33

Duties of the depositary

1) The depositary shall ensure that:

a) the issue and redemption as well as the payment transactions of the UCITS are carried out in accordance with the provisions of this Act and the constitutive documents;

b) the net value of units and the issue and redemption prices are calculated in accordance with the provisions of this Act and the constitutive documents;

c) ensure that in transactions involving a UCITS' assets any consideration is remitted to it within the usual time limits;

d) ensure that a UCITS' income is applied in accordance with the provisions of this Act and the constitutive documents.

2) It shall follow the instructions of the management company or the self-managed investment company as far as these do not violate provisions of the law or the constitutive documents.

3) In carrying out its duties, it shall act professionally, honestly, fairly, independently, and solely in the interest of the investors.

4) It may delegate one or more of its functions to third parties. The Government shall regulate further details by ordinance, in particular the requirements for and the admissible amount of the delegation of functions.

Art. 34

Exceptions from the duty to appoint a depositary

1) The FMA may on request exempt the following investment companies from the duty to appoint a depositary pursuant to Art. 32 (1):

a) investment companies whose units are officially recorded and are marketed exclusively through one or more stock exchanges; Art. 78, 85, and 86 shall not apply to such investment companies;

b) investment companies which market at least 80% of their units through one or more stock exchanges designated in their instruments of incorporation provided that:

1. their units are admitted to official listing on the stock exchanges of those states within the territories of which the units are marketed;
2. any transactions which such an investment company may effect outside of a stock exchange are effected at stock exchange prices only; the instrument of incorporation shall state the stock exchange in the country of marketing the prices at which are relevant for the prices of the transactions outside of the stock exchange;
3. the investors enjoy the same protection as the investors of a UCITS with a depositary.

2) The investment companies referred to in Para. 1 shall be obligated:

a) to state the rules for the valuation and in particular the methods to calculate the net asset value of the units in their instruments of incorporation;
b) to intervene on the market to prevent the stock exchange values of their units from deviating by more than 5 % from their net asset values;
c) establish the net asset values of their units, communicate them to the FMA at least twice a week and publish them twice a month.

3) At least twice a month, an independent auditor shall ensure that the calculation of the value of the investment company's units is effected in accordance with this Act and with the instruments of incorporation of the investment company.

4) The FMA shall inform the EFTA Surveillance Authority which investment companies have been exempt from their obligation to appoint a depositary.

5) The Government may regulate further details by ordinance, in particular the valuation of the assets pursuant to Para. 2 (a) and the notice and publication pursuant to Para. 2 (c).

Art. 35

Depositary's liability

1) The depositary shall be liable to the investment company and the investors for any loss suffered by them as a result of any negligent breach of duty. This liability shall remain unaffected by any delegation of functions to third parties.

2) Self-managed investment companies or management companies may also assert the investors' claims for restitution.

3) The claim for damages shall be subject to limitation within five years after the damage has occurred, but no later than one year after a unit has been repurchased or the person entitled to the claim has learned of the damage.

4) An action against a depository of a UCITS with registered office in Liechtenstein may in any event be brought in Liechtenstein regardless of any jurisdiction under the rules private international law. The *Landgericht* [Court of Justice] shall be the court of competent jurisdiction.

5) Unless regulated otherwise in this Act, the Government may regulate by ordinance the circumstances:

a) under which a negligent breach of duty by the depositary shall not be assumed;

b) in which cases liability may be excluded by agreement between depositary, UCITS, management company, and investors;

c) under which circumstances the claims shall be asserted by the UCITS or by the management company;

d) under which circumstances the FMA may provide information for this purpose;

e) under which circumstances exceptions from the provisions of this Chapter shall be possible.

V. Structural measures

A. General

Art. 36

Principles

1) As far as nothing to the opposite has been laid down in this Chapter:

a) a UCITS shall for the purposes of this Chapter include the corresponding investment compartments; and

b) The provisions of this Chapter shall apply to self-managed investment companies mutatis mutandis.

2) Structural measures under this Chapter shall be registered into the Public Register. As far as any provisions of the PGR are inconsistent with those of this Chapter, those of this Chapter shall prevail.

3) The Government shall regulate by ordinance the registration procedure for structural measure involving common funds and unit trusts.

Art. 37

Limit to restructuring

It shall be inadmissible to convert a UCITS into an AIF or into another legal form, form of company, or form of investment, that is not subject to this Act or to the corresponding rules of other EEA Member States.

B. Merger

Art. 38

Principles

A UCITS may merge with one or more other UCITS within the framework of a domestic or cross-border merger, regardless of the UCITS' legal form or whether the receiving or merging UCITS has its registered office in Liechtenstein.

Art. 39

Approval and requirements

1) Any merger shall be subject to the prior approval of the FMA as far as the merging UCITS has its registered office in Liechtenstein.

2) The merging UCITS shall provide the following documentation to the FMA:

a) the common draft terms of the proposed merger duly approved by the UCITS involved in the merger;

(b) an up-to-date version of the prospectus and the key investor information of the receiving UCITS, if established in another EEA Member State;

(c) a statement by each of the depositaries of the merging and the receiving UCITS confirming that, in accordance with Art. 41, they have verified compliance of the particulars set out in points (a), (b), (g), and (h) of Art. 40 (2) with the requirements of this Act and the constitutive documents of their respective UCITS; and

(d) the information on the proposed merger that the merging and the receiving UCITS intend to provide to their respective unit-holders pursuant to Art. 43.

3) That documentation shall be provided in German or in a language approved by the FMA for these purposes, and in the case of cross-border mergers, also in the official language of the EEA Member State in which the receiving UCITS is established. The competent authorities of the EEA Member State in which the receiving UCITS is established may also permit documentation in another language.

4) If the documentation in terms of Para. 2 is incomplete, the FMA shall demand completion within ten working days from receiving it. Upon submission of the complete application, the FMA shall forthwith provide the competent authorities of the receiving UCITS home Member State with the information pursuant to Para. 2.

5) The FMA and the competent authorities of the receiving UCITS' home Member State shall, respectively, consider the potential impact of the proposed merger on the investors of the UCITS involved in the merger to assess whether appropriate information is being provided to investors.

6) The FMA may demand in writing from the merging UCITS that the information to investors in terms of Para. 2 (d) be clarified, as far as the FMA deems this necessary.

7) The competent authorities of the receiving UCITS home Member State shall notify the FMA no later than 15 working days from receipt of the documentation if there is a requirement on their part for any modification to the information to investors in terms of Para. 2 (d). After the information to investors has been modified as a result of such notification, the competent authorities of the receiving UCITS home Member State shall inform the FMA within 20 days on whether the information to investors is now satisfactory.

8) The FMA shall authorise the proposed merger within 20 days from receipt of the complete documentation in terms of Para. 2 if:

a) the requirements of Art. 39 to 42 and/or the rules issued by the merging UCITS home Member State to implement Art. 39 to 42 of Directive 2009/65/EC have been met;

b) the receiving UCITS has been notified, in accordance with Art. 98 and/or in accordance with the rules issued by other EEA Member States to implement Art. 93 of Directive 2009/65/EC, to market its units in all EEA Member States where the merging UCITS is either authorised or has been notified to market its units in accordance with the same rules;

c) the competent authorities of the home Member States of the UCITS involved in the merger are satisfied with the proposed information to be provided to investors under Para. 2(d), or no indication of dissatisfaction from the competent authorities of the receiving UCITS home Member State has been received under Para. 6.

9) The FMA shall inform the merging UCITS and the competent authorities of the receiving UCITS home Member State of its decision.

10) The Government may lay down by ordinance which documentation in terms of Para. 2 the FMA must accept in which languages.

Art. 40

Common draft terms of merger

1) The merging and the receiving UCITS shall draw up common draft terms of merger.

2) Unless the UCITS involved in the merger decide to include further points in the draft terms of merger, they shall set out the following particulars:

a) the UCITS involved;

b) the information whether the merger is a merger by acceptance, a merger by new formation, or a merger with part liquidation;

c) the background to and the rationale for the proposed merger;

d) the expected impact of the proposed merger on the investors of both the merging and the receiving UCITS;

e) the criteria adopted for valuation of the assets and, where applicable, the liabilities on the date for calculating the exchange ratio as referred to in Art. 47(1);

f) the calculation method of the exchange ratio;

g) the planned effective date of the merger;

h) the rules applicable to the transfer of assets and the exchange of units;

h) in the case of a merger by new formation and a merger with part liquidation, the constitutive documents of the newly constituted receiving UCITS.

Art. 41

Assessment of the common draft terms of merger by the depositary

The depositaries of the UCITS involved in the merger shall assess the compliance of the information pursuant to Art. 40(2)(a), (b), (g), and (h) with the requirements of the law and of Directive 2009/65/EC and the constitutive documents of the UCITS for which they work.

Art. 42

Report by the depositary and the independent auditor

1) A depositary in terms of Art. 32 to 35 or an independent auditor in terms of Art. 93 to 95 shall upon assessment confirm the following:

a) the criteria adopted for valuation of the assets and, where applicable, the liabilities on the date for calculating the exchange ratio, as referred to in Art. 47(1);

b) where applicable, the cash payment per unit;

c) the calculation method of the exchange ratio as well as the actual exchange ratio determined at the date for calculating that ratio, as referred to in Art. 47(1).

2) The statutory auditor of the merging UCITS or the statutory auditor of the receiving UCITS shall be considered independent auditors for the purposes of Para. 1.

3) If a merging UCITS is established in another EEA Member State, the law of that state shall determine whether the confirmation shall be issued by a depositary or by an independent auditor.

4) A copy of the reports with the confirmation pursuant to Para. 1 shall be made available on request and free of charge to the investors and the supervisory authorities of the UCITS involved in the merger.

Art. 43

Information to investors

1) The UCITS involved in the merger shall provide appropriate and accurate information on the proposed merger to their respective investors. That information to investors must enable them to make an informed judgement of the impact of the proposal on their investment and on the exercising of their rights pursuant to Art. 44 and 45.

2) The information to investors in terms of Para. 1 shall include all material information for the investors of the receiving UCITS, and shall in addition include information on:

a) the background to and the rationale for the proposed merger;

b) the possible impact of the proposed merger on investors, including any material differences in respect of investment policy and strategy, costs, expected outcome, periodic reporting, possible dilution in performance, and, where relevant, a prominent warning to investors that their tax treatment may be changed following the merger;

c) any specific rights investors have in relation to the proposed merger, in particular the right to obtain additional information, the right to obtain a copy of the report pursuant to Art. 42, the right to request the repurchase or, where applicable, the conversion of their units as specified in Art. 45(1), and the last date for exercising that right;

d) the relevant procedural aspects and the planned effective date of the merger.

3) If a UCITS involved has been notified in accordance with Art. 98 or for the rules issued by the UCITS home Member State to implement Art. 93 of Directive 2009/65/EC, the information to investors shall also be submitted in an official language of the relevant UCITS host Member State, or in a language approved by its competent authorities. The UCITS required to provide the

information shall be responsible for producing a translation that faithfully reflects the content of the original

4) The information to investors pursuant to Para. 1 shall be provided to the investors of the UCITS involved:

a) immediately after the approval of the merger by the FMA pursuant to Art. 39 or pursuant to the rules issued by the home Member Stated to implement Art. 39 of Directive 2009/65/EC;

b) at least 30 days before the last possible date to submit a request for redemption, repurchase, or (if applicable) conversion without additional costs pursuant to Art. 45(1).

5) The Government shall regulate further details by ordinance.

Art. 44

Investors' consent

1) As far as the constitutive documents of a UCITS do not provide otherwise, the merger of UCITS shall not be subject to the investors' consent.

2) Where the constitutive documents of a UCITS with registered office in Liechtenstein stipulate that the investors' consent is required for mergers between UCITS, each unit shall basically confer one vote. The majority of the votes actually cast by the investors present or represented at the general meeting shall be required for consent.

3) The binding acceptance of the offer to convert units shall count as consent to the merger in the general meeting pursuant to Para. 2. If the quorum pursuant to Para. 2 has already been reached before the general meeting, it shall not be necessary to hold the general meeting.

Art. 45

Right to convert, power of FMA to suspend

1) The investors of the UCITS involved in the merger may request the following, without additional costs than those retained by the UCITS to cover the cost of dissolution:

a) the repurchase of their units;

b) the redemption of their units; or

c) the conversion of their units into units in another UCITS with similar investment policies; that right of conversion shall only exist insofar as the UCITS with similar investment policy is managed by the same management company or by another company with which the management company has close links.

2) The right pursuant to Para. 1 shall become effective from the moment that the information to investors has been provided pursuant to Art. 43 and shall cease to exist five working days before the date for calculating the exchange ratio referred to in Art. 47(1).

3) The FMA as the competent authority of a UCITS involved in the merger may require or allow the temporary suspension of the subscription, repurchase or redemption of units provided that such suspension is justified for the protection of the investors or the public interest.

Art. 46

Prohibition of charging costs to the investors

If a UCITS is managed by a management company, any legal, advisory or administrative costs associated with the preparation and the completion of the merger shall not be charged to any of the UCITS involved in the merger or to any of their investors.

Art. 47

Entry into effect

1) If the receiving UCITS is established in Liechtenstein, the following time-limits for entering into effect shall apply (in the case of investment companies, by way of derogation of Art. 351h and 352 PGR):

a) if no consent by investors is required for the merger, the merger shall become effective at the beginning of the 45th day after the information to investors pursuant to Art. 43 has been provided;

b) if the investors' consent to the merger is required pursuant to Art. 44, the merger shall become effective when the consenting resolutions of the general meeting have become final, but no earlier than at the beginning of the 45th day after the information to investors pursuant to Art. 43 has been provided. The resolutions of the general meeting shall become final unless within two working days after the day of the meeting the Court of Justice issues a provisional injunction at the request of

investors whose units form at least 5 % of the UCITS managed assets and the applicants bring an action of justification within five working days after the day of the meeting. The quorum of 5 % shall be proven when the application is submitted. The action shall be dismissed if the number of applying investors falls below that quorum during the subsequent legal action.

2) The terms pursuant to Para. 1 may be extended by the common draft terms of merger or by order of the FMA for the protection of the investors or for the safeguarding of the public interest.

3) The entry into effect of the merger shall be made public in the organ of publication and shall be notified to the competent authorities of the home Member States of the UCITS involved in the merger. Furthermore, the merger of UCITS shall be registered into the Public Register and published pursuant to Art. 958 (2) PGR at the times laid down in Para. 1 and 2.

4) If the receiving UCITS is established in another EEA Member State, the laws of that state shall determine the entry into effect of the merger and the publication of the merger.

Art. 48

Legal consequences of the merger

1) A merger by reception shall have the following consequences:

a) all the assets and liabilities of the merging UCITS are transferred to the receiving UCITS or, where applicable, to the depositary of the receiving UCITS;

b) the investors holders of the merging UCITS become investors of the receiving UCITS; where applicable, they are entitled to a cash payment not exceeding 10 % of the net asset value of their units in the merging UCITS;

c) the merging UCITS ceases to exist on the entry into effect of the merger.

2) A merger by new formation shall have the following consequences:

a) all the assets and liabilities of the merging UCITS are transferred to the newly constituted receiving UCITS or, where applicable, to the depositary of the receiving UCITS;

b) the investors of the merging UCITS become investors of the newly constituted receiving UCITS; where applicable, they are entitled to a cash payment not exceeding 10 % of the net asset value of their units in the merging UCITS; and

c) the merging UCITS ceases to exist on the entry into effect of the merger.

3. A merger by part liquidation shall have the following consequences:

a) the net assets of the merging UCITS are transferred to the receiving UCITS or, where applicable, the depositary of the receiving UCITS;

b) the investors of the merging UCITS become investors of the receiving UCITS;

c) the merging UCITS continues to exist until the liabilities have been discharged.

4) The management company of the receiving UCITS shall confirm to the depositary of the receiving UCITS immediately after completion that the transfer of assets and, where applicable, liabilities is complete.

C. Application mutatis mutandis of the rules on merger to other structural measures

Art. 49

Principles

Unless provided otherwise by the Government by ordinance, the rules of this Chapter shall apply mutatis mutandis to:

a) mergers of undertakings for collective investment, investment compartments, and classes of units with registered office in a third state with UCITS or their investment compartments and classes of units with registered office in Liechtenstein;

b) domestic mergers of UCITS, investment compartments, and classes of units and of domestic AIF with UCITS or their investment compartments and classes of units;

c) cross-border mergers of AIF, their investment compartments, and classes of units with UCITS or their investment compartments or classes of units;

d) domestic or cross-border division, change of legal form and movement of registered office of UCITS, investment compartments, or share classes, or of undertakings for collective investment that shall become UCITS as a result of the structural measure;

e) changing the management company;

f) changing the depositary;

g) changing from self-managed to outside-managed investment company and vice versa the conversion of an outside-managed investment company into a self-managed one;

h) the conversion of an investment compartment from an umbrella structure into an independent UCITS or the conversion of an independent UCITS into an investment compartment of an umbrella structure;

i) other structural measures concerning the UCITS.

VI. Investment policies

Art. 50

Applicability to investment compartments and self-managed UCITS

1) For the purposes of Art. 50 to 59, each investment compartment of an UCITS that comprises more than one investment compartment shall be regarded as a separate UCITS.

2) The provisions of this Chapter shall apply mutatis mutandis to self-managed investment companies unless provided otherwise in this Chapter.

Art. 51

Admissible subjects of investment

1) A UCITS may invest the assets on account of its investors only in one or more of the following assets:

a) transferable securities and money market instruments:

   1. admitted to or dealt in on a regulated market as defined in Art. 4(1)(14) of Directive 2004/39/EC;

2. that are dealt in on another regulated market in an EEA Member State, which market operates regularly and is recognised and open to the public;
3. that are admitted to official listing on a stock exchange in a third country or dealt in on another regulated market in a third country which operates regularly and is recognised and open to the public provided that the choice of stock exchange or market has been approved by the the FMA or is provided for in law or the fund rules or the instruments of incorporation of the investment company;

b) recently issued transferable securities, provided that:

1. the terms of issue include an undertaking that an application will be made for admission to official listing on a stock exchange or to another regulated market which operates regularly and is recognised and open to the public, provided that the choice of stock exchange or market has been approved by the FMA or is provided for in the constitutive documents of the UCITS;
2. the admission referred to in point 1. is secured no later than within a year from issue;

c) units of UCITS and other undertakings for collective investment comparable to UCITS, provided that UCITS and the undertakings for collective investment may under their constitutive documents invest no more than 10 % of their assets in units of another UCITS or comparable undertaking for collective investment;

d) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in an EEA Member State or in a third country whose law of supervision is equivalent to EEA law;

e) financial derivative instruments whose underlying assets consist of instruments covered by this paragraph, financial indices, interest rates, foreign exchange rates, or currencies, in which the UCITS may invest according to its investment objectives as stated in its constitutive documents. In the event of transactions with OTC derivatives, the counterparties must be institutions subject to supervision and belonging to a category approved by the FMA, and the OTC derivatives are subject to reliable and verifiable valuation on a daily basis, and it must be possible to sell, liquidate or close the OTC derivatives by an offsetting transaction at any time at their fair value at the UCITS' initiative;

f) money market instruments that are not dealt in on a regulated market, if the issue or issuer of such instruments is itself subject to provisions on investors and savings protection, provided that they are:

1. issued or guaranteed by a central, regional, or local authority or central bank of an EEA Member State, the European Central Bank, the Community or the European Investment Bank, a third country or, in the case of a federal state, by one of the members making up the federation, or by a public international body to which at least one EEA Member State belongs;
2. issued by an undertaking any securities of which are dealt in on regulated markets referred to in point (a);
3. issued or guaranteed by an establishment subject to prudential supervision in accordance with criteria defined by EEA law, or by an establishment which is subject to and complies with supervision rules equivalent to EEA law; or
4. issued by an issuing body belonging to a category approved by the FMA, provided that investments in such instruments are subject to investor protection equivalent to that laid down in points 1 to 3, and provided that the issuing body is a company whose equity capital amounts to at least 10 million Euros or the equivalent in Swiss francs and which presents and publishes its annual accounts in accordance with the rules of Directive 78/660/EEC, or which is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

2) A UCITS must not:

a) invest more than 10 % of its assets in transferable securities or money market instruments other than those referred to in Para. 1

b) acquire either precious metals or certificates representing them.

It may hold ancillary liquid assets.

3) An investment company may acquire movable and immovable property that is indispensable for the direct conduct of its business.

4) The Government may regulate by ordinance:

a) the choice which stock exchanges or markets in terms of Para. 1 (a) and (b)(1) shall require approval by the FMA;

b) which categories the FMA must approve pursuant to Para. 1 (e) sentence 2 and (f)(4);

c) the supervisory rules of which third countries pursuant to Para. 1 (d) and (f)(3) and (4) are equivalent to EEA law.

Art. 52

Transferable securities issued by special purpose entities

As far as this is advisable for the protection of investors and the public interest, the Government may lay down by ordinance the requirements to be met by originators so that a UCITS may invest in financial instruments issued by themselves or by special purpose entities acting for them for the securitisation of assets.

Art. 53

Use of derivative instruments

1) The management company shall regularly inform the FMA about the types of derivative instruments, the underlying risks, the quantitative limits, and the methods which are chosen in order to estimate the risks associated with transactions in derivative instruments regarding each managed UCITS. Derivative instruments in terms of this Article shall also mean to include derivative instruments embedded in a transferable security or a money market instrument.

2) A UCITS shall ensure that its global exposure relating to derivative instruments does not exceed the total net value of its portfolio. A UCITS may invest in derivative instruments as part of its investment strategy within the limits set in Art. 54 as long as the total risk of the underlying assets does not exceed the investment limits of Art. 54. The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements, and the time available to liquidate the positions.

3) Unless the protection of investors and the public interest prevent it, investments of the UCITS in index-based financial derivative instruments shall not be taken into account with regard to the upper limits set in Art. 54. The FMA shall be informed about utilization of this exception.

4) Subject to approval by the FMA and in compliance with the provisions of this Act, the constitutive documents, and the information addressed to investors, a UCITS may employ techniques and instruments relating to transferable securities and money market instruments, provided that such techniques and instruments are used for the purpose of efficient portfolio management. Approval shall be given unless the protection of investors and the public interest prevent it.

5) The Government shall regulate further details by ordinance, in particular under which conditions the FMA shall give its approval pursuant to Para. 3 to the use of techniques and instruments relating to transferable securities and money market instruments.

Art. 54

Limits concerning single issuers

1) A UCITS shall invest no more than 5 % of its assets in transferable securities or money market instruments issued by the same body, and no more than 20 % of its assets in deposits made with the same body.

2) The risk exposure to a counterparty of the UCITS in an OTC derivative transaction shall not exceed 10 % of its assets when the counterparty is a credit institution with registered office in an EEA Member State or a third country whose supervision law is equivalent to EEA law; with other counterparties, the maximum risk exposure shall be 5 %.

3) If the total value of the transferable securities and the money market instruments held by the UCITS in the issuing bodies in each of which it invests more than 5 % of its assets does not exceed 40 % of the value of its assets, the single issuer limitation of 5 % laid down in Para. 1 is increased to 10 %. The limitation to 40 % shall not apply to deposits or OTC derivative transactions made with financial institutions subject to prudential supervision. If the UCITS makes use of the increase, the transferable securities and money market instruments referred to in Para. 5 and the bonds referred to in Para. 6 shall not be taken into account.

4) Notwithstanding the individual limits laid down in Para. 1 and 2, a UCITS shall not combine any of the following, if this would lead to investment of more than 20 % of its assets in a single body:

a) investments in transferable securities or money market instruments issued by that body;

b) deposits made with that body;

c) OTC derivative instruments acquired from that body.

5) If the transferable securities or money market instruments are issued or guaranteed by an EEA Member State, by its local authorities, by a third country or by a public international body to which at least one EEA Member State belongs, the 5 % limit laid down in Para. 1 is raised to a maximum of 35 %.

6) The 5 % limit laid down in Para. 1 is raised to a maximum of 25 % where bonds are issued by a credit institution which has its registered office in an EEA Member State and is subject by law to special public supervision designed to protect bond-holders, and in particular must invest sums deriving from the issue of those bonds in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in the event of failure of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest. In this case, the total value of these investments shall not exceed 80 % of the value of the assets of the UCITS. For the purpose of forwarding and publication, the FMA shall send to the EFTA Surveillance Authority a list of the categories of bonds and of the issuers that meet these criteria in Liechtenstein. The FMA shall include with that list an explanation of the status of the guarantees offered.

7) The limits provided for in Para. 1 to 6 shall not be combined. The maximum limit concerning single issuers is 35 % of the assets of the UCITS.

8) Companies which are included in the same group shall be regarded as a single body for the purpose of calculating the limits contained in this Article. With regard to cumulative investment in transferable securities and money market instruments within the same group, the limit concerning single issuers is raised to 20 % of the assets of the UCITS.

9) The Government may by ordinance provide for all or individual categories of UCITS that the raised limits concerning single issuers pursuant to Para. 3, 5, 6, and 8 may only be used if approved by the FMA, and may lay down the requirements for approval. The FMA may grant approval subject to conditions.

Art. 55

Higher single issuer limits for indexed funds

1) The limits pursuant to Art. 54 are raised to a maximum of 20 % for investment in shares or debt securities issued by the same body when, according to the constitutive documents of the UCITS, it is the aim of the UCITS' investment policy to replicate the composition of a certain stock or debt securities index which is recognised by the FMA or the competent authorities of other EEA Member States. The FMA shall recognise the index if:

a) the index' composition is sufficiently diversified;

b) the index represents an adequate benchmark for the market which it refers to; and

c) the index is published in an appropriate manner.

2) The limit laid down in Para. 1 is raised to a maximum of 35 % where this proves to be justified by exceptional market conditions, in particular in regulated markets where certain transferable securities or money market instruments are highly dominant. The investment in an amount exceeding the limit of Para. 1 up to this maximum limit is permitted only for a single issuer.

Art. 56

Dispensation for investment in transferable securities of national issuers

1) By way of a dispensation from the FMA, which shall be given subject to conditions, a UCITS may invest in accordance with the principle of risk-spreading up to 100 % of its assets in different transferable securities and money market instruments issued or guaranteed by one and the same national issuer. Such a UCITS shall hold securities from at least six different issues, but securities from any single issue shall not account for more than 30 % of its total assets. The FMA shall grant dispensation if the investors of the UCITS are protected just as well as if the single issuer limits of Art. 54 were complied with.

2) A UCITS in terms of Para. 1 shall expressly state the national issuers whose securities make up more than 35 % of their assets in the constitutive documents. The inclusion of this regulation in the constitutive documents shall require dispensation by the FMA.

3) A UCITS in terms of Para. 1 shall include a prominent statement in its prospectus and advertising drawing attention to such dispensation and indicating the national issuers whose securities make up more than 35 % of their assets.

Art. 57

Investment in other UCITS and collective investment undertakings comparable to UCITS; fees; information on cascade structures

1) A UCITS may invest no more than 20 % of its assets in units of the same UCITS or in units of the same collective investment undertakings comparable to UCITS. These investments shall not be taken into account with regard to the limits of Art. 54.

2) Such investments made in units of collective investment undertakings comparable to UCITS shall not exceed, in aggregate, 30 % of the assets of the UCITS.

3) Where units in terms of Para. 1 are managed - directly or by delegation - by the management company of the UCITS or by any other company with which the UCITS' management company is linked by common management or control, or by a qualified holding, neither the UCITS' management company nor the other company may charge fees for the subscription to units by the UCITS or the redemption of units to the UCITS.

4) If the investments in terms of Para. 1 represent a substantial proportion of the assets of the UCITS, the prospectus shall inform about the maximum amount and the annual report shall inform about the maximum percentage of management fees that have to be borne by the UCITS itself and by the collective investment undertakings in terms of Para. 1 of which units have been acquired.

Art. 58

Prohibition of control, issuer-related investment limits

1) A management company shall not acquire for the UCITS managed by it any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body. Significant influence is assumed from 10 % or more of the voting rights of the issuing body. If a lower limit applies in another EEA Member State for the acquisition of voting shares of the same issuing body, that limit shall also apply to the management company if it acquires for a UCITS any shares of an issuing body with registered office in such EEA Member State. The provisions of this Paragraph shall apply to investment companies mutatis mutandis.

2) A UCITS may acquire financial instruments of the same issuing body in the amount of no more than:

a) 10 % of the capital stock of the issuing body as far as non-voting shares are concerned;

b) 10 % of the total nominal amount of the issuing body's bonds or money market instruments on the market, as far as bonds or money market instruments are concerned. The UCITS does not need to comply with this limit, if the total nominal amount cannot be ascertained at the time of acquisition;

c) 25 % of the units of the same undertaking, as far as units of other UCITS or collective investment undertakings comparable to UCITS are concerned. The UCITS does not need to comply with this specific limit, if the net amount cannot be ascertained at the time of acquisition.

3) Para. 1 and 2 shall not be applied:

a) to transferable securities and money market instruments issued or guaranteed by a national issuing body;

b) to shares held by a UCITS in the capital of a company incorporated in a third country investing its assets mainly in the securities of issuing bodies having their registered offices in that country, where under the legislation of that country such a holding represents the only way in which the UCITS can invest in the securities of issuing bodies of that country. In this, the company of the third country must not exceed the limits laid down in Art. 54 and 57 or those laid down in Para. 1 and 2. If any of these limits is exceeded nonetheless, Art. 59 shall be applied mutatis mutandis;

c) shares held by investment companies in the capital of its subsidiary companies which in the country of domicile organise exclusively on such investment companies' behalf the repurchase of units at the request of investors.

Art. 59

Exception for exercising of subscription right, obligation to remedy, exemption for new UCITS

1) A UCITS does not need to comply with the investment limits under this Chapter in exercising the subscription rights belonging to its assets on the basis of transferable securities or money market instruments.

2) If the limits laid down in Para. 1 are exceeded, the UCITS shall adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its investors.

3) Within the first six months from the date of its authorisation, a UCITS may derogate from the provisions of this Chapter. However, the rule of risk spreading shall be complied with nonetheless.

VII. Master-feeder structures

A. Scope of application and approval

Art. 60

Investment limits

1) A feeder UCITS may hold up to 15 % of its assets in one or more of the following:

a) liquid assets pursuant to Art. 51 (2) 2nd sentence;

b) financial derivative instruments pursuant to Art. 51 (1)(e) and Art. 53 (2) to (4) which may be used only for hedging purposes;

c) movable and immovable property which is essential for the direct pursuit of the business, if the feeder UCITS is an investment company.

2) For the purposes of compliance with Art. 53 (2) and (3), the feeder UCITS shall calculate its global exposure related to financial derivative instruments by combining its own direct exposure under Para. 1 (b) with either:

a) the master UCITS' actual exposure to financial derivative instruments in proportion to the feeder UCITS' investment into the master UCITS; or

b) the master UCITS' potential maximum global exposure to financial derivative instruments provided for in the master UCITS' constitutive documents in proportion to the feeder UCITS' investment into the master UCITS.

3) The following derogations for a master UCITS shall apply from the investment limits applicable to UCITS:

(a) If at least two feeder UCITS invest into a master UCITS, the limitations of Art. 3 (1)(1)(a) and Art. 2 (3)(b) shall not apply, and the master UCITS may raise capital from other investors.

(b) If a master UCITS does not raise capital from the public in an EEA Member State other than that in which it is established, but only has one or more feeder UCITS in that EEA Member State, Art. 97 to 102 and Art. 118 (3) shall not apply.

4) Unless regulated otherwise, the rules of Art. 60 to 69 shall apply to feeder UCITS established in Liechtenstein as well as to master UCITS established in Liechtenstein.

Art. 61

Approval procedure before competent authorities of the feeder UCITS' home Member State

1) Investments of a feeder UCITS in a specific master UCITS that exceed the limit of Art. 57 (1) for investments in other UCITS shall be subject to prior approval by the FMA as the competent authority of the feeder UCITS' home Member State.

2) The following documents shall be provided to the FMA with the application for approval in German or in another language approved by it:

a) the constitutive documents of the feeder UCITS and the master UCITS:

b) the prospectus and the key investor information of feeder UCITS and master UCITS;

c) the agreement mentioned in Art. 62 (1) between feeder UCITS and master UCITS or the internal conduct of business rules;

d) where applicable, the information to be provided to investors referred to in Art. 66 (1);

e) if the master UCITS and the feeder UCITS have different depositaries, the information-sharing agreement referred to in Art. 63 (1) between their respective depositaries;

f) if the master UCITS and the feeder UCITS have different auditors, the information-sharing agreement referred to in Art. 64 (1) between their respective auditors;

g) where the feeder UCITS and the master UCITS are established in different EEA Member States, an attestation by the competent authorities of the master UCITS' home Member State that the master UCITS is a UCITS (or an investment compartment thereof) that is neither a feeder UCITS itself nor holds units in a feeder UCITS itself.

3) The FMA shall grant approval pursuant to Para. 1 if the feeder UCITS, its depositary, and its auditor as well as the master UCITS meet all the requirements laid down in this Chapter. Approval shall be given within ten working days from receipt of the complete application.

B. Common provisions for feeder UCITS and master UCITS

Art. 62

Agreement and synchronisation of conduct between master and feeder UCITS; legal consequences of suspending the repurchasing of units by the master UCITS; liquidation and merger of the master UCITS

1) The master UCITS shall provide the feeder UCITS with all information necessary for the latter to meet the requirements laid down in this Act. For this purpose, the feeder UCITS and the master UCITS shall enter into an agreement. If both master and feeder UCITS are managed by the same management company, the agreement may be replaced by internal conduct of business rules ensuring compliance with the requirements set out in this paragraph.

2) The feeder UCITS shall not invest in excess of the limit applicable under Art. 57 (1) in units of that master UCITS until the agreement referred to in Para. 1 has become effective. That agreement shall be made available, on request and free of charge, to all investors.

3) The master UCITS and the feeder UCITS shall take appropriate measures to coordinate the timing of their net asset value calculation and publication in order to avoid market timing in their units, preventing arbitrage opportunities.

4) If a master UCITS in accordance with Art. 85 temporarily suspends the repurchase, redemption, or subscription of its units, whether at its own initiative or at the request of its competent authorities, each of its feeder UCITS is entitled to suspend the repurchase, redemption, or subscription of its units notwithstanding the conditions laid down in Art. 85 (2) within the same period of time as the master UCITS.

5) If a master UCITS is liquidated, the feeder UCITS shall also be liquidated, unless the FMA approves:

a) the investment of at least 85 % of the assets of the feeder UCITS in units of another master UCITS; or

b) the amendment of its constitutive documents in order to enable the feeder UCITS to convert into a UCITS which is not a feeder UCITS.

6) The liquidation of a master UCITS shall take place no sooner than three months after the master UCITS has informed all of its investors and the competent authorities of the feeder UCITS home Member State of the binding decision to liquidate. The Government may by ordinance in accordance with Para. 8 lay down a longer period of time.

7) If a master UCITS merges with another UCITS or is divided into two or more UCITS, the feeder UCITS shall be liquidated, unless the FMA as the competent authority of the feeder UCITS grants approval to the feeder UCITS to:

a) continue to be a feeder UCITS of the master UCITS or another UCITS resulting from the merger or division of the master UCITS;

b) invest at least 85 % of its assets in units of another master UCITS not resulting from the merger or the division; or

c) amend its constitutive documents in order to convert into a UCITS which is not a feeder UCITS.

8) No merger or division of a master UCITS shall become effective unless the master UCITS has provided all of its investors and the competent authorities of the home Member States of its feeder UCITS with the information referred to in Art. 43 - or comparable information by 60 days before the proposed effective date. Unless the competent authorities of the feeder UCITS home Member State have granted approval pursuant to Para 7 (a), the master UCITS shall enable the feeder UCITS to repurchase or redeem all units in the master UCITS before the merger or division of the master UCITS becomes effective.

9) The Government shall by ordinance regulate further details.

C. Depositaries and auditors

Art. 63

Agreement of depositaries and duty to inform

1) If the master UCITS and the feeder UCITS have different depositaries, these depositaries shall enter into an information-sharing agreement in order to ensure the fulfilment of the duties of both depositaries.

2) The feeder UCITS shall not invest in units of the master UCITS until the agreement referred to in Para. 1 has become effective.

3) The feeder UCITS and/or its management company shall provide the depositary of the feeder UCITS with all information concerning the master UCITS that is necessary for the depositary of the feeder UCITS to fulfil its duties.

4) The depositary of the master UCITS shall immediately inform the competent authorities of the master UCITS home Member State, the feeder UCITS or, where applicable, the management company and the depositary of the feeder UCITS about any irregularities it detects with regard to the master UCITS which may have a negative impact on the feeder UCITS.

5) In compliance with the requirements laid down in this section, neither the depositary of the master UCITS nor that of the feeder UCITS may violate any contractual or legal rules on secrecy or data protection. Compliance with the rules in question shall not give rise to any liability on the part of the depositary.

6) The Government shall by ordinance regulate further details.

Art. 64

Agreement, duty of auditors to inform and report

1) If the master and the feeder UCITS have different auditors, those auditors enter into an information-sharing agreement subject to the requirements of Para. 3 in order to ensure the fulfilment of the duties of both auditors.

2) The feeder UCITS shall not invest in units of the master UCITS until such agreement has become effective.

3) In its audit report, the auditor of the feeder UCITS shall take into account the audit report of the master UCITS. If the feeder and the master UCITS have different accounting years, the auditor of the master UCITS shall make an ad hoc report on the closing date of the feeder UCITS. The auditor of the feeder UCITS shall, in particular, report on any irregularities revealed in the audit report of the master UCITS and on their impact on the feeder UCITS.

4) In compliance with the requirements laid down in this Chapter, neither the auditor of the master UCITS nor that of the feeder UCITS may violate any contractual or legal rules on secrecy or data processing. Compliance with the rules in question shall not give rise to any liability on the part of such auditor.

5) The Government shall by ordinance regulate further details.

D. Compulsory information and advertising by the feeder UCITS

Art. 65

Extended obligations of the feeder UCITS concerning prospectus and reporting

1) In addition to the information provided for in Schedule A of the Annex to this Act, the prospectus of the feeder UCITS shall contain the following information:

a) a declaration stipulating that the feeder UCITS is a feeder of a particular master UCITS and as such permanently invests 85 % or more of its assets in units of that master UCITS;

b) the investment objective and policy, including the risk profile and whether the performance of the feeder and the master UCITS are identical, or to what extent and for which reasons they differ, including a description of any investment made in accordance with Art. 60 (1);

c) a brief description of the master UCITS, its organisation, its investment objective and policy, including the risk profile, and an indication of how the updated prospectus of the master UCITS may be obtained;

d) a summary of the agreement entered into between the feeder UCITS and the master UCITS or of the internal conduct of business rules pursuant to Art. 62 (1);

e) how the investors may obtain further information on the master UCITS and the agreement entered into between the feeder UCITS and the master UCITS or the internal conduct of business rules pursuant to Art. 62 (1);

f) a description of all remuneration or reimbursement of costs payable by the feeder UCITS by virtue of its investment in units of the master UCITS, as well as of the aggregate charges of the feeder UCITS and the master UCITS;

g) a description of the tax implications of the investment into the master UCITS for the feeder UCITS.

2) In addition to the information prescribed in Schedule B of the Annex to this Act, the annual report of the feeder UCITS shall include a statement on the aggregate charges of the feeder UCITS and the master UCITS. The annual and semi-annual reports of the feeder UCITS shall state where the annual and semi-annual reports of the master UCITS can be obtained.

3) In addition to the requirements laid down in Art. 76 and 84, the feeder UCITS shall send to the FMA the prospectus, the key investor information and any amendment thereto, as well as the annual and semi-annual reports of the master UCITS.

4) A feeder UCITS shall disclose in any relevant advertising that it permanently invests 85 % or more of its assets in units of such master UCITS.

5) A paper copy of the prospectus and of the annual and semi-annual reports of the master UCITS shall be delivered by the feeder UCITS to investors on request and free of charge.

E. Conversion of existing UCITS into feeder UCITS and change of master UCITS

Art. 66

Information to investors on conversion

1) A feeder UCITS which already pursues activities as a UCITS or as a feeder UCITS of a different master UCITS, shall provide the following information to its unit-holders no later than 30 days before the date laid down in point (c):

a) a statement that the competent authorities of the feeder UCITS home Member State approved the investment of the feeder UCITS in units of such master UCITS;

b) the key investor information concerning the feeder and the master UCITS;

c) the date when the feeder UCITS is to start to invest in the master UCITS or, if it has already invested therein, the date when its investment will exceed the limit applicable under Art. 57 (1);

d) a statement that the unit-holders have the right to request within 30 days the repurchase of their units without any charges. Investors may only be charged with the fees charged by the UCITS to cover the costs of sale.

2) If the feeder UCITS has been notified in accordance with Art. 96 to 102 for marketing in Liechtenstein, the information referred to in Para. 1 shall be provided in German or a language approved by the FMA. The feeder UCITS shall be responsible for producing a translation of any information that is in a foreign language.

3) The feeder UCITS shall not invest into the units of the given master UCITS in excess of the limit applicable under Art. 57 (1) before the period laid down in Para. 1 has elapsed.

4) The Government shall by ordinance regulate further details.

F. Obligations and competent authorities

Art. 67

Monitoring of the master UCITS by the feeder UCITS; assignment of monetary benefits to the feeder UCITS' assets

1) A feeder UCITS shall monitor the activity of the master UCITS. In doing so, the feeder UCITS may rely on information and documents received from the master UCITS or, where applicable, its management company, depositary, and auditor, unless there is reason to doubt their accuracy.

2) Where, in connection with an investment in the units of the master UCITS, a distribution fee, commission or other monetary benefit is received by the feeder UCITS, its management company, or any person acting on behalf of these, such fee, commission or other monetary benefit shall be paid into the assets of the feeder UCITS.

Art. 68

Duty of master UCITS and competent authority of home Member State to inform; prohibition of subscription and redemption fees

1) The master UCITS shall immediately inform the FMA of the identity of each feeder UCITS which invests in its units.

2) The master UCITS shall ensure the timely availability of all information that is required in accordance with this Act, Directive 2009/65/EC, and the constitutive documents of the fund to the feeder UCITS or, where applicable, its management company, and to the competent authorities, the depositary, and the auditor of the feeder UCITS.

3) If the master UCITS and the feeder UCITS are established in different EEA Member States, the FMA shall immediately inform the competent authorities of the feeder UCITS home Member State of the investment of the feeder UCITS in units of the master UCITS.

4) The master UCITS shall not charge subscription or redemption fees for the investment of the feeder UCITS into its units or the sale thereof.

Art. 69

Duty of the FMA to notify measures and information concerning the master UCITS

1) If the master UCITS and the feeder UCITS are established in different EEA Member States, the FMA shall immediately communicate to the competent authorities of the feeder UCITS' home Member State any decision, measure, observation of non-compliance with the provisions of this Chapter or information reported pursuant to Art. 95 (1) with regard to the master UCITS or, where applicable, its management company, its depositary, or its auditor.

2) If the feeder UCITS has its registered office in Liechtenstein, the FMA shall immediately inform the feeder UCITS of any decision, measure, observation of non-compliance with the conditions of this Chapter or of any information reported pursuant to Art. 95 (1) with regard to the master UCITS or, where applicable, its management company, depositary or auditor. This shall apply to any knowledge which the FMA has obtained as the competent supervisory authority for the master UCITS and through notice by the competent authorities of the master UCITS' home Member State in accordance with Para. 1

VIII. Information to investors

A. General

Art. 70

Duties to inform, terms for publication

A management company or self-managed investment company and shall publish the following documentation for each UCITS:

a) a prospectus pursuant to Section B;

b) four months after the end of the period under review, an annual report pursuant to Section B;

c) two months after the end of the period under review, a semi-annual report covering the first six months of the financial year pursuant to Section B;

d) the subscription, sales, repurchase, and redemption price pursuant to Art. 78; and

e) the key investor information document (KIID) pursuant to Section E.

B. Prospectus and financial report

Art. 71

Content of prospectus and reports

1) The prospectus of a UCITS shall contain the information necessary so that investors are able to make an informed judgement on investments and the risks connected with them. Regardless of the type of investments, the prospectus must contain an unequivocal and easily understandable explanation of the fund's risk profile. The prospectus shall contain at least the information provided for in Annex Schedule A, in so far as that information does not already appear in the constitutive documents of the UCITS, which must be annexed to the prospectus in accordance with Art. 73 first sentence. The Government may by ordinance put the duties laid down in Annex Schedule A in more concrete terms or add further compulsory information.

2) The annual report of a UCITS shall include a balance sheet or a statement of assets and liabilities, a detailed income and expenditure account for the financial year, a report on the activities of the financial year, and the other information provided for in Annex Schedule B as well as any significant information which will enable investors to make an informed judgement on the development of the activities of the UCITS and its results.

3) The semi-annual report of a UCITS shall include at least the information provided for in Sections 1 to 4 of Annex Schedule B. Where a UCITS has paid or proposes to pay an interim dividend, the figures must indicate the results after tax for the half-year concerned and the interim dividend paid or proposed.

Art. 72

Notice of asset categories and derivatives; notice of increased volatility; further information upon request

1) The prospectus shall indicate in which categories of assets a UCITS invests, and if transactions in financial derivative instruments are authorised. In the latter case, it shall include a prominent statement indicating whether those operations may be carried out for the purpose of hedging or as part of the investment strategy, and the possible effect of the use of financial derivative instruments on the risk profile.

2) Where a UCITS invests principally in other categories of assets and deposits defined in Art. 51 other than transferable securities or money market instruments, or where a UCITS replicates a stock or debt securities index in accordance with Art. 55, its prospectus and advertising shall include a prominent statement drawing attention to this.

3) Where the net asset value of a UCITS is likely to have a high volatility due to its portfolio composition or the portfolio management techniques used, its prospectus and advertising shall include a prominent statement drawing attention to that characteristic.

4) Upon request of an investor, the management company shall also provide supplementary information relating to the quantitative limits that apply in the risk management of the UCITS, to the methods of risk management, and to the recent development of the risks and yields of the main instrument categories.

Art. 73

Constitutive documents as prospectus content

The constitutive documents shall be added to the prospectus as an integral part of it. This shall not be necessary as far as access of investors to the constitutive documents is ensured.

Art. 74

Duty to update

The essential elements of the prospectus shall be kept up to date. The Government may by ordinance regulate which information is deemed to be essential and the intervals at which updates shall be made.

Art. 75

Duty to audit annual reports

The accounting information given in the annual report shall be audited by an auditor. The auditor’s report, including any qualifications, shall be fully reproduced in every annual report.

Art. 76

Information to supervisory authorities

The management company or the self-managing investment company shall for each UCITS send the prospectus, any amendments thereto, and the annual and semi-annual reports to the FMA (and on request also to the competent authority of the management company's home Member State). The Government shall by ordinance regulate the form and time-limit for the providing of information.

Art. 77

Publicity

1) The UCITS shall provide investors with the prospectus and the latest published annual and semi-annual reports on request and free of charge.

2) The prospectus may be provided in a durable medium or by means of a website. A paper copy shall be delivered to the investors on request and free of charge. The annual and semi-annual reports shall be available to investors in the manner specified in the prospectus and in the key investor information referred to in Art. 80. A paper copy of the annual and semi-annual reports shall be delivered to the investors on request and free of charge.

3) Art. 38 of Commission Regulation No 583/2010 shall apply. Otherwise, the Government may by ordinance regulate further details.

C. Issue, sale, repurchase and redemption price

Art. 78

Duty to publish

1) The UCITS shall make public the issue, sale, repurchase or redemption price of its units each time it issues, sells, repurchases or redeems them and at least twice a month in an appropriate manner.

2) The FMA may, however, permit a UCITS to reduce the frequency of publication pursuant to Para. 1 to once a month if such derogation does not prejudice the interests of the investors.

D. Advertising

Art. 79

Duty of honesty; duty to indicate

1) Advertising shall be clearly identifiable as such. It shall be honest, clear and not misleading. In particular, any advertising comprising an invitation to purchase units of UCITS that contains specific information about a UCITS shall not make a statement that contradicts or diminishes the significance of the information contained in the prospectus and the key investor information document (KIID).

2) Advertising shall indicate that a prospectus exists and that the key investor information document (KIID) is available. It shall specify where and in which language such information or documents may be obtained or what options there are for access to them. The FMA may prepare a model of the notes required.

E. Key Investor Information Document (KIID)

Art. 80

Principles; content

1) For every UCITS, a short document shall be drawn up containing key information for investors subject to Commission Regulation (EU) No. 538/2010, which shall be designated "*wesentliche Informationen für den Anleger*" (key investor information document) and shall be comprehensible to investors. The words "key investor information" shall be clearly stated in that document in one of the official languages of each country of distribution or in a language approved by the competent authorities of the country of distribution.

2) The key investor information document shall include appropriate information about the essential characteristics of the UCITS concerned and shall put investors in a position to reasonably understand the nature and the risks of the investment product that is being offered to them without making use of additional documents and, consequently, to take investment decisions on an informed basis.

3) The key investor information document shall provide information on the following essential elements in respect of the UCITS concerned:

a) identification of the UCITS;

b) a short description of its investment objectives and investment policy;

c) past-performance presentation or, where relevant, performance scenarios;

d) costs and associated charges;

e) risk/reward profile of the investment, using a synthetic indicator pursuant to Art. 8 and Annex I of Commission Regulation (EU) 583/2010, including appropriate guidance and warnings in relation to the risks associated with investments in the relevant UCITS.

4) The key investor information document shall clearly specify where and how to obtain additional information relating to the proposed investment, including where and how the prospectus and the annual and semi-annual report can be obtained on request and free of charge at any time, and the language in which such information is available.

5) Key investor information shall be written in a concise manner and in non-technical language. It shall be drawn up in a common format, allowing for comparison and shall be presented in a way that is likely to be understood by retail investors.

6) Key investor information shall be used without alterations or supplements, except translation, in all EEA Member States where the UCITS is notified to market its units in accordance with Art. 98.

7) Subject to Commission Regulation (EU) No. 583/2010, the Government may by ordinance regulate further details.

Art. 81

Accurate content; duty to update; liability; warning note

1) Key investor information shall be honest, clear, and not misleading. It shall be consistent with the relevant parts of the prospectus.

2) The essential elements of the key investor information document of the UCITS concerned pursuant to Art. 80 (3) shall always be kept up to date.

3) Key investor information shall constitute pre-contractual information. There shall be liability for statements in the key investor information only where such statements are misleading, inaccurate or inconsistent in connection with other parts of the prospectus.

4) The key investor information document shall contain a clear warning reflecting the content of Para. 3.

5) Subject to Commission Regulation (EU) No. 583/2010, the Government may by ordinance regulate further details.

Art. 82

Availability

1) The management company distributing the UCITS directly or through another natural or legal person who acts on its behalf and under its full and unconditional responsibility shall provide investors with key investor information on such UCITS in good time and without charge before their proposed subscription of units in such UCITS.

2) In other cases, the management company shall provide key investor information to product manufacturers and distribution intermediaries. In distribution or investment consulting, the distribution intermediaries shall provide the key investor information to their clients free of charge.

3) Para. 1 and 2 shall apply to self-managed investment companies mutatis mutandis.

4) Commission Regulation (EU) No. 583/2010 shall apply. Otherwise, the Government may by ordinance regulate further details.

Art. 83

Accessibility

1) The management company or self-managed investment companies shall provide key investor information free of charge to investors in a durable medium or by means of a website, or if so requested by investors, also in the form of a paper copy.

2) In addition, an up-to-date version of the key investor information shall be made available on the website of the management company or self-managed investment company or on a website that can be reached through it.

3) The Government shall by ordinance regulate further details.

Art. 84

Information to the FMA

1) The management company or self-managed investment company shall send its key investor information for every UCITS as well as any amendments thereto to the FMA.

2) The Government shall by ordinance regulate further details, in particular the form and the time-limits in which and within which the duty under Para. 1 shall be fulfilled.

IX. General obligations of UCITS

Art. 85

Repurchase and redemption of units;
suspension of repurchase and redemption

1) A UCITS shall repurchase or redeem its units at the request of any investor.

2) By way of derogation from Para. 1, a UCITS with registered office or distribution in Liechtenstein may subject to the constitutive documents or in the event of cross-border activities, in accordance with the legal provisions of the host Member State of the investment company, temporarily suspend the repurchase of its units if such suspension is indispensable and justified in the best interests of the investors.

3) The FMA shall be notified of temporary suspension. For a UCITS with registered office in Liechtenstein, this obligation to report shall apply also with regard to the competent authorities of all EEA Member States in which it markets its units.

4) The FMA may demand from a UCITS with registered office in Liechtenstein that it suspend the repurchase of its units for the sake of the protection of the investors or the public interest.

5) The Government may by ordinance regulate further details on the repurchasing of units pursuant to Para. 2 and 4.

Art. 86

Valuation

1) The rules for the valuation of assets and the rules for calculating the sale or issue price and the repurchase or redemption price of units shall depend on the constitutive documents of the UCITS.

2) The Government may by ordinance regulate the valuation of the assets and the calculation of the issue or sale price and the repurchase or redemption price of the units of a UCITS or a specific type of UCITS. To the derogation of Art. 5 (3)(b), Art. 6 (3)(b), and Art. 7 (3)(b), it shall be sufficient in this case that the constitutive documents state where the relevant provisions of the regulation can be found.

Art. 87

Distribution and reinvestment

1) The distribution and reinvestment of income shall depend on the constitutive documents of the UCITS.

2) The Government may by ordinance regulate the distribution and reinvestment of the income.

Art. 88

Allocation of the income from the issue of units to the UCITS assets

The equivalent of the net issue price shall be paid into the assets of the UCITS within the usual time limits. This shall not preclude the distribution of bonus units.

Art. 89

Limitation of loans

1) Borrowing by a UCITS shall be limited to temporary credits in which the loan represents no more than 10 % of the UCITS assets; that limit shall not apply to the acquisition of foreign currencies by means of a "back-to-back" loan.

2) A UCITS may take out loans for the acquisition of immovable property that is essential for the direct pursuit of its business and represents, in the case of an investment company, no more than 10 % of its assets.

3) Where a UCITS takes out loans pursuant to Para 1 and 2, these loans shall not exceed 15 % of its assets in total.

4) A UCITS must not take out loans other than as laid down in Para. 1 to 3. Any agreements violating this prohibition shall be binding neither for the UCITS nor for the investors.

Art. 90

Prohibition of granting credits and guarantees

1) A UCITS shall not grant loans or act as a guarantor on behalf of third parties. Any agreements violating this prohibition shall be binding neither for the UCITS nor for the investors.

2) Para. 1 shall not prevent the acquisition of financial instruments that are not fully paid.

Art. 91

Prohibition of uncovered sales

A UCITS shall not carry out uncovered sales of investment objects that at the time when the transaction is concluded are not part of the assets of the UCITS.

Art. 92

Administrative costs

1) The constitutive documents of the UCITS shall regulate the remuneration and the costs for its administration as well as the method of calculation these.

2) As far as this is advisable for the protection of investors and the public interest, the Government may by ordinance regulate how the type, amount, and calculation of remuneration and costs shall be displayed and published.

X. Auditor

Art. 93

Appointment of the auditor

1) UCITS, management companies, and depositaries shall appoint an auditor.

2) The auditor must be approved in accordance with Art. 3 of Directive 2006/43/EC, and in Liechtenstein in accordance with Art. 1b (2) of the WPRG (*Gesetz über Wirtschaftsprüfer und Revisionsgesellschaften,* Act on Auditors and Auditing Companies, LR 173.540). Otherwise, Art. 129 (4) and (5) shall apply.

3) The auditor shall concentrate exclusively on auditing and the matters directly connected with this activity. He shall not provide any asset management activity. The auditor must be independent from the UCITS, the management company and the depositary to be audited.

Art. 94

Auditor's duties

1) Notwithstanding rules to the contrary in this Act, the auditor shall in particular validate the following:

a) continuous fulfilment of the requirements for authorisation;

b) compliance with the provisions of the law and the constitutive documents when pursuing the business activities;

c) the annual reports of the UCITS, the management company and the depositary.

2) The auditor's obligation of secrecy shall be subject to Art. 25 mutatis mutandis. To the derogation of this, the auditors of the UCITS, the management company, and the depositary are authorised and obliged to cooperate.

3) The audit report shall be sent to the management company, the depositary, the depositary's auditor and the FMA at the same time.

Art. 95

Duty to report

1) Auditors shall notify promptly any fact or decision of which they have become aware while carrying out their duties and which is liable to bring about any of the following to the FMA:

a) a material breach of the laws or administrative provisions or the constitutive documents that apply to the authorisation or the pursuit of the activities of an UCITS, a management company, a depositary, or undertakings contributing towards their business activity;

b) the impairment of the continuous functioning of the UCITS or an undertaking contributing towards its business activity; or

c) a refusal to certify the accounts or the expression of reservations.

2) The duty to report in terms of Para. 1 shall also apply with regard to undertakings having close links resulting from a control relationship with the UCITS or an undertaking contributing towards its business activity.

3) If the auditor notifies in good faith any fact or decision referred to in Para. 1 to the FMA, this shall not constitute a breach of any contractual or legal obligation of secrecy. The auditor shall not be subject to any liability for such report.

XI. Cross-border business activities within the EEA

A. General

Art. 96

Paying agent, information to investors and right to complain

1) Management companies or self-managed investment companies:

a) shall - in compliance with the law of the respective host or marketing Member State - ensure that investors are able to receive payments in all countries of marketing, effect the

repurchase and redemption of units, and receive the information provided by the UCITS; complaints by investors shall be received and duly handled in at least one official language of the marketing Member State.

b) ensure that the investors' rights are not restricted by the fact that only the management company but not the UCITS is authorised in Liechtenstein; and

c) shall on request by the public or the competent authorities of the UCITS home Member State make information available in all countries of marketing.

2) The government may by ordinance regulate further details.

B. Cross-border marketing of units of a UCITS in the EEA

Art. 97

Principles

1) The marketing in another EEA Member State (without establishing a branch) of units of a self-managed investment company with registered office in Liechtenstein or of a UCITS managed by a management company with registered office in Liechtenstein, or the conduct of other permitted activities in accordance with Art. 14 (2) shall only be subject to those EEA Member State rules that are equivalent to Art. 96 to 102.

2) The marketing of units of a UCITS in Liechtenstein by a management company or self-managed investment company with registered office in another EEA Member State without forming a branch or the conduct of other permitted activities in accordance with Art. 14 (2) shall only be subject to Art. 96 to 102.

3) For the purposes of this section, a UCITS shall include the investment compartment belonging to it.

Art. 98

FMA as home Member State authority: letter of notification

1) A UCITS with registered office in Liechtenstein which proposes to market its units in a EEA Member State shall first submit a notification letter to the FMA. The notification letter shall state the modalities of the marketing of the UCITS units in the host Member State and the classes of shares concerned. A management company shall include an indication that the UCITS is marketed by it.

2) The UCITS shall enclose the following with the notification letter (if necessary, together with a translation in terms of Art. 100 (2)):

a) its constitutive documents, its prospectus and its latest annual and semi-annual report in terms of Art. 71 to 77;
b) its key investor information pursuant to Art. 80 to 84.

3) The FMA shall verify whether the documentation submitted by the UCITS in accordance with Para. 1 and 2 is complete. It shall:

a) add to the documents in accordance with Para. 1 and 2 an attestation according to which the UCITS meets the requirements laid down in this Act;
b) transmit the documentation to the competent authorities of the Member State in which the UCITS proposes to market its units, no later than three working days of the date of receipt of the notification letter and the complete documentation provided for in Para. 2; this time-limit may be extended to up to ten working days by a substantiated notice to the UCITS; and
c) inform the UCITS directly about the transmission of the notification letter to the competent authority of the host Member State.

4) The notification letter in terms of Para. 1 and the attestation in terms of Para. 3 shall be written in English, unless the FMA and the marketing Member State agree that it shall be provided in German or another language approved by the competent authorities of both EEA Member States.

5) The UCITS may market its units in the host Member State after it has been informed by the FMA as laid down in Para. 3 (c).

6) The UCITS shall keep the documentation and, if applicable, the translations up to date. The UCITS shall inform the competent authorities of the host Member State of each amendment and shall notify where that documentation can be accessed in electronic form.

The UCITS shall inform, in writing, the competent authorities of the host Member State of any change to the modalities of marketing or the share classes marketed in terms of Para. 1 before such changes are implemented.

Art. 99

FMA as host Member State authority: letter of notification

1) If the FMA is the competent authority of the host Member State, it shall:

a) accept the transmission in electronic form of the documentation in accordance with Art. 98 (3) from the competent authorities of the home Member State;

b) effect the electronic archiving and access electronic access free of charge.

2) Otherwise, it shall not request any additional documents, certificates or information other than those provided for in the notification procedure described in Art. 98.

3) After the letter of notification in accordance with Art. 98 (3)(c) has been received, the UCITS may market its units in Liechtenstein.

4) The UCITS shall notify the FMA as the competent authority of the host Member State of any changes:

a) to the documents in accordance with Art. 98 (3) and electronic access to them;

b) to the modalities of marketing or the share classes marketed as notified in the letter of notification in terms of Art. 98 (1) before such changes are implemented.

Art. 100

Information to investors in the host Member State

1) A UCITS shall in accordance with this Act provide investors in Liechtenstein with all information and documents which it is required to provide to investors in its home Member State.

2) To fulfil the duty of Para. 1, the following shall be done:

a) key investor information shall be translated into German or into a language approved by the FMA;

b) other information or documents shall be translated, at the choice of the UCITS, into a language approved by the FMA or into English.

3) Translations of information and/or documents under Para. 2 shall be produced under the responsibility of the UCITS and shall faithfully reflect the content of the original information.

4) Para. 1 to 3 shall apply to amendments mutatis mutandis.

5) The frequency of the publication of the issue, sale, repurchase or redemption price of units of UCITS shall be subject to the laws of the UCITS home Member State.

Art. 101

Designation of legal form

If units of UCITS are marketed in cross-border form in Liechtenstein, UCITS may use the same designation of their legal form as in their home Member State.

Art. 102

Implementing provisions

1) Details shall be subject to Art. 1 to 5 of Commission Regulation (EU) No. 584/2010.

2) Otherwise, the Government shall by ordinance regulate details on Art. 97 to 101, in particular:

a) electronic availability of the legal provisions relevant to cross-border marketing in accordance with Art. 30 of Commission Directive 2010/44/EU;
b) the form of the letter of notification from the UCITS in terms of Art. 98 (1) and (2);
c) the form of the notifications and instructions addressed to the UCITS by the FMA in terms of Art. 98 (3);
d) electronic access by the competent authorities of the host Member State to the documents of the FMA in terms of Art. 98 (3) and (4) in accordance with Art. 31 of Commission Directive 2010/44/EU;
e) the form of and electronic access to updates and amendments in terms of Art. 99 (4) in accordance with Art. 32 of Commission Directive 2010/44/EU; and

f) the integration of the FMA in EEA-wide electronic data processing and central storage systems to facilitate the exchange of the documents and information necessary under Art. 98 and 99 in accordance with Art. 33 of Commission Directive 2010/44/EU.

C. Other cross-border activities

Art. 103

Initial notification for branch

1) Management companies of a UCITS that intend to establish a branch on the territory of another EEA Member State shall meet the conditions of Sections A and B of Chapter III.

2) The FMA shall be notified of the intention in terms of Para. 1. The following information and documents shall be submitted together with the notification:

a) the Member State within the territory of which a branch shall be established;

b) a programme of operations setting out the planned activities, the organisational structure of the branch, the risk management process put in place and the measures in accordance with Art. 96 for the benefit of the investors resident in the host Member State.

c) the address from which documents may be requested in the host Member State;

d) the names of the managers of the branch.

3) If there is no reason to doubt the adequacy of the administrative structure or the financial situation in the opinion of the FMA, it shall, within ten working days from receiving all the information referred to in Para. 2, notify that information to the competent authorities of the host Member State and shall inform the management company accordingly, stating the date of notification. This time-limit may be extended by a substantiated notice to a maximum of two months if this is necessary for the protection of investors or the public interest. The notification shall include:

a) details of any compensation scheme intended to protect investors;

b) where a management company wishes to pursue the activity of collective portfolio management in another EEA Member State, an attestation that the management company has been authorised under this Act, as well as a description of the scope of the management company's authorisation and details of any restriction on the types of UCITS that the management company is authorised to manage.

4) If it has doubts concerning the adequacy of the administrative structure or the financial situation, the FMA shall refuse to make the notification. Reasons shall be given for such refusal immediately, but no later than within two months from receipt of the complete documentation. In the event of inactivity, Art. 141 (2) and (3) shall apply mutatis mutandis.

5) The management company may only establish its branch and start its business activities after it has received a notice from the competent authority of the host Member State on its reporting obligations and on the applicable rules or, if that authority sends no communication, after a period of two months has passed since the information has been sent by the FMA in accordance with Para. 3.

6) The Government shall by ordinance regulate further details.

Art. 104

Change of notification for the branch

1) In the event of a change to any particulars communicated in accordance with Art. 103 (2)(b), (c), or (d), the management company shall give written notice of that change to the FMA and to the host Member State at least one month before implementing the change.

2) If necessary, the FMA shall update its decisions and instructions and shall inform the competent authorities of the host Member State. Art. 103 (3) to (5) shall apply mutatis mutandis.,

3) If justified by actual or legal changes, the FMA shall update:

a) its decision pursuant to Art. 103 (3);

b) its information pursuant to Art. 103 (3) on the compensation systems intended to ensure the protection of the investors;

c) the information contained in the attestation pursuant to Art. 103 (3)(b);

and shall inform the competent authorities of the host Member State accordingly.

Art. 105

Initial notification for cross-border services

1) Any management company wishing to pursue in another EEA Member State the activities for which it has been authorised for the first time under the freedom to provide services shall communicate the following information and documents to the FMA:

a) the EEA Member State within the territory of which the activities are intended to be carried out by way of cross-border services;

b) a programme of operations stating the planned activities, the risk management process put in place, and the measures for the benefit of the investors resident in the host Member State.

2) The FMA shall, within ten working days from receiving the information referred to in Para. 1, transmit it to the competent authorities of the host Member State and shall notify the management company accordingly, stating the date of forwarding. This time-limit may be extended by a substantiated notification to up to one month, as far as this is necessary for the protection of the investors or the public interest. The transmission shall include:

a) if necessary, details of any compensation scheme intended to protect investors;

b) where the domestic management company wishes to pursue the activity of collective portfolio management in another EEA Member State, an attestation that the management company has been authorised under this Act, as well as a description of the scope of the management company's authorisation and details of any restriction on the types of UCITS that the management company is authorised to manage.

3) Notwithstanding Art. 112 concerning cross-border collective portfolio management by a UCITS and Art. 99 concerning cross-border marketing, the management company may start business immediately after the competent authority of the host Member State has been informed by the FMA.

4) A management company which pursues activities under the freedom to provide services shall comply with the rules of conduct pursuant to Art. 20. The FMA shall monitor compliance with the rules of conduct pursuant to Art. 20.

5) The Government shall by ordinance regulate further details.

Art. 106

Change of the notification for cross-border services

1) Where the content of the information communicated in accordance with Art. 105 (1)(b) is amended, the management company shall give notice of the amendment in writing to the FMA and the competent authorities of the host Member State before implementing the change.

2) The FMA shall update the information contained in the attestation referred to in Art. 105 (2)(b) and inform the competent authorities of the host Member State whenever there is a change in the scope of the management company's authorisation or in the details of any restriction on the types of UCITS that the management company is authorised to manage.

Art. 107

FMA as host Member State authority:
start of business

1) A management company authorised in another EEA Member State may carry out in Liechtenstein the activities authorised by the competent authority of its home Member State pursuant to Art. 14 without requiring approval by the FMA on domestic branches or under the freedom to provide cross-border services, if the competent authority of the home Member State has notified to the FMA the intention to form a branch pursuant to Art. 103 or to provide cross-border service in accordance with Art. 105.

2) The FMA shall inform the management company which forms a branch in Liechtenstein within two months from receipt of the notification in accordance with Para. 1 of the reporting requirements vis-à-vis the FMA and the provisions of this Act relevant for the management company's activities. Following receipt of that notice, but at the latest after the term stated in sentence 1 has expired, the branch may be formed and business may be started.

3) A management company intending to pursue its business in Liechtenstein under the freedom to provide services may start its business immediately after receiving the notification under Para. 1. The FMA shall inform it of the reporting requirements to the FMA and the provisions of this Act relevant for the management company's activities.

4) A domestic UCITS may be managed by a management company with registered office in another EEA Member State. Art. 110 to 113 shall apply in addition to Para. 1 to 3.

Art. 108

FMA as host Member State authority: subsequent obligations for domestic branches

1) A management company acting through a branch in Liechtenstein shall comply with the rules of conduct pursuant to Art. 20. The FMA shall monitor compliance with those rules.

2) Branches of management companies with registered office in an EEA Member State must not be subject to stricter rules than those of management companies with registered office in a third country.

3) The management company shall inform the FMA at least one month before changes to the programme of activity, the management company's address in Liechtenstein, or the names of the persons managing the business of the branch. If as a result of such notification or an update to the information from the competent authority of the home Member State pursuant to Art. 104 (2) and (3), other rules apply for cross-border activities, the FMA shall inform the management company about the additional reporting requirements to the FMA and the provisions of this Act relevant for the management company's activities.

Art. 109

FMA as host Member State authority: cross-border services

1) The management company shall notify the FMA in writing before any changes to the programme of activity.

2) If as a result of a notification in terms of Para. 1 or an update to the information from the competent authority of the home Member State pursuant to Art. 106 (2), other rules apply for cross-border activities, the FMA shall inform the management company about the additional reporting requirements to the FMA and the provisions of this Act relevant for the management company's activities.

D. Collective portfolio management

Art. 110

Applicable law

1) Cross-border collective portfolio management by a management company shall be subject to an initial notification pursuant to Art. 103 to 109. Furthermore, the provisions of this Section shall apply.

2) The organisation of the management company shall be subject to the law of the management company's home Member State, in particular to the provisions on:

a) delegation arrangements;

b) risk-management procedures;

c) prudential rules and supervision;

d) procedures for the detection, prevention, and adequate handling of conflicts of interest;

e) disclosure requirements.

3) The rules of the UCITS home Member State shall apply to the establishment and business activities of the UCITS, in particular the rules concerning:

a) authorisation;

b) the issuance and redemption of units;

c) investment policies and limits, including the calculation of total exposure and leverage;

d) restrictions on borrowing, lending and uncovered sales;

e) the valuation of assets and accounting;

f) the calculation of the issue and/or redemption price, and errors in the calculation of the net asset value and related investor compensation;

g) the distribution or reinvestment of the income;

h) the disclosure and reporting requirements of the UCITS, including the prospectus, key investor information, and periodic reports;

i) the modalities for marketing;

k) the relationship with investors;

l) the merging and restructuring of the UCITS;

m) the winding-up and liquidation of the UCITS;

n) where applicable, the content of the register of unit-holders;

o) licensing and supervision fees;

p) the exercise of investors' voting rights and other investors' rights in connection with points (a) to (m).

4) The management company shall comply with the obligations set out in the constitutive instruments and in the prospectus of the UCITS. These obligations shall be consistent with the applicable law as referred to in paragraphs 2 and 3.

5) The management company shall be responsible for all the arrangements and organisation work necessary to ensure compliance with the rules which relate to the constitution and functioning of the UCITS and with the obligations set out in the constitutive documents and in the prospectus. It shall structure modalities and organisation so that it is able to meet the obligations and rules in connection with the establishment and working procedures of all UCITS managed by it.

6) _If the FMA is the competent authority of the management company's home Member State, it shall monitor compliance with the rules in terms of Para. 2 and 5. If the FMA is the competent authority of the UCITS' home Member State, it shall monitor compliance with the rules in terms of Para 3 and 4.

7) The Government shall determine by ordinance which rules meet the requirements of Para. 2 to 5.

8) A management company that is authorised in an EEA Member State and operates the collective portfolio management of a domestic UCITS shall not be subject to any additional requirement in legal or factual terms, except in the cases provided by the law.

Art. 111

Agreement between management company and depositary on the exchange of information

1) The depositary and the management company shall enter into a written agreement on the exchange of information so that the depositary is able to fulfil its duties pursuant to Art. 32 to 35 and/or the legal and administrative rules relevant for depositaries in the UCITS' home Member State.

2) The Government shall by ordinance regulate further details.

Art. 112

Authorisation by FMA as the UCITS home Member State authority

1) A management company that intends cross-border collective portfolio management shall submit to the UCITS home Member State the following documentation:

a) the written agreement with the depositary referred to in Art. 111;

b) information on delegation arrangements regarding collective portfolio management in terms of Art. 22.

2) The following changes shall be notified in the same way. If the management company manages other UCITS of the same type, a reference to documentation already submitted shall suffice.

3) As far as this is required for compliance with the rules subject to its supervision, the FMA shall request from the competent authorities of the management company's home Member State additional information to the documentation in terms of Para. 1 and on the question to what extent the type of UCITS to be managed is part of the scope of application of the management company's authorisation.

4) The FMA shall consult the competent authorities of the management company's home Member State before refusing an application. It may only refuse the management company's application if

a) the management company does not fulfil the conditions to be monitored by the FMA pursuant to Art. 110 (6);

b) the management company has not received authorisation from the competent authority of its home Member State to manage the type of UCITS for which authorisation is requested from the FMA; or

c) the management company has not submitted the documentation referred to in Para. 1.

5) The management company shall notify the FMA of all objective changes to the documentation referred to in Para. 1.

6) The Government may by ordinance regulate further details.

Art. 113

FMA as management company's home Member State authority

If the FMA is the competent authority of the management company's home Member State, it shall reply to lawful requests for information from the competent authority of the UCITS' home Member State as referred to in Art. 112 (3) within ten working days.

E. Exchange of information and cooperation between the competent authorities of EEA Member States in connection with sanctions and investor protection

Art. 114

FMA as host Member State authority: transmitting of information

1) The Government may determine by ordinance or may authorise the FMA to determine that the management companies:

a) with branches in Liechtenstein shall regularly report to the FMA for statistical purposes on their activities in Liechtenstein: and/or

b) with branches in Liechtenstein or those working on the basis of the free movement of services shall provide the information that is necessary to monitor the legal provisions for which Liechtenstein is competent as the host Member State.

2) The requirements in terms of Para. 1 shall not be stricter than the requirements for management companies with registered office in Liechtenstein to monitor the same rules.

Art. 115

FMA as host Member State authority: cooperation between authorities in connection with sanctions and investor protection

1) If the FMA finds that a management company violates a provision subject to the FMA's supervision, it shall instruct the management company to cease such violation and shall inform the competent authorities of the home Member State.

2) If the management company refuses to provide the FMA with the information subject to its competence pursuant to Art. 114 or if it does not take the necessary steps to end the violation in terms of Para. 1, the FMA shall inform the competent authorities of the home Member State.

3) In the event of a continued violation despite the measures taken by the competent authorities of the management company’s home Member State or because such measures prove to be inadequate or are not available in the Member State in question, the FMA may, after informing the competent authorities of the management company’s home Member State, take appropriate measures to prevent or penalise further irregularities and for this purpose prohibit new transactions in Liechtenstein. Where the service provided in Liechtenstein is the management of a UCITS, the FMA may require the management company to cease managing that UCITS.

4) _If in the event of cross-border collective portfolio management the FMA is contacted by the competent authorities of the management company's home Member State in order to withdraw authorisation from the management company, the FMA shall take appropriate measures to protect the interests of the investors. The FMA may for this purpose prohibit the management company from starting new transactions in Liechtenstein.

5) In an emergency, the FMA as the competent authority of the host Member State may take any precautionary measures necessary to protect the interests of investors and others for whom services are provided. It shall inform the EFTA Surveillance Authority and the competent authorities of the other Member States concerned of such measures at the earliest opportunity. If the EFTA Surveillance Authority decides after consulting the competent authorities of the Member States concerned that the FMA must amend or abolish those measures, the FMA shall act as stated in the resolution.

Art. 116

FMA as home Member State authority: cooperation between authorities in connection with sanctions and investor protection

1) If the FMA is informed by the competent authorities of a host Member State in terms of Art. 115 (2), it shall immediately take all suitable measures to enforce the claims for information due to the host Member State and/or to end the violation. The FMA shall inform the competent authority of the host Member State about the nature of such measures.

2) If a management company with registered office in Liechtenstein is the addressee of measures of the competent authority of the host Member State, the FMA shall serve documents ex officio within Liechtenstein for the competent authority of the home Member State if other forms of service fail.

3) In the event of cross-border collective portfolio management, the FMA shall consult the competent authority of the UCITS' home Member State before withdrawing authorisation from the management company.

Art. 117

Report to the EFTA Surveillance Authority

The FMA shall report to the EFTA Surveillance Authority the number and the type of cases in which it:

a) as the competent authority of a management company's home Member State refused initial notification of the host Member State for the purpose of establishing a branch in terms of Art. 103, or as the competent authority of a UCITS' home Member State refused an application by a management company with registered office in another EEA state for cross-border collective portfolio management pursuant to Art. 112;

b) as the competent authority of the host Member State took measures against a management company in terms of Art. 115 (3).

F. Supervision

Art. 118

Jurisdiction, obligation to notify

1) As the competent authority of a management company's home Member State, the FMA may take measures against the management company if the law applying to the management company has been infringed.

2) As the competent authority of a UCITS' home Member State, the FMA may take measures against the UCITS if the law applying to the UCITS or the constitutive documents have been infringed. It shall immediately communicate every decision on the withdrawal of the

UCITS' authorisation, any other grave measure, and any suspension of issue or redemption of units imposed on it to the competent authorities of all host Member States of the UCITS, and in the case of cross-border collective portfolio management notify the competent authority of the management company's home Member State.

3) As the competent authority of a UCITS' host Member State, the FMA may take measures against that UCITS in the case of an infringement of Art. 96 and 100.

4) If the FMA is not competent in terms of Para. 3 as the competent authority of a UCITS' host Member State, the FMA shall notify the competent authority of the UCITS' home Member State of any facts known to it that indicate infringements by the UCITS against obligations under Directive 2009/65/EC. In the event of continuous violation of the interests of the host Member State's investors, the FMA as the competent authority of the host Member State may:

a) upon notification of the competent authorities of the UCITS' home Member State take all adequate measures to protect the investors in the host Member State, including the prohibition of the further marketing of units in the host Member State. The FMA shall immediately inform the EFTA Surveillance Authority about any such measures;
b) inform the ESMA about the matter.

5) The FMA shall support the service of documents from the competent authorities for measures in accordance with this Article in Liechtenstein and shall if necessary effect service in its own name within Liechtenstein.

Art. 119

Duty of FMA to cooperate in cross-border activities

1) Where a management company operates in several Member States, the competent authorities of all the EEA Member States concerned shall collaborate closely. The FMA shall on request supply all the information facilitating the supervision of the management company, in particular concerning the management and ownership of such management company. As the competent authority of the management company’s home Member State, the FMA shall facilitate the collection of the particulars necessary to monitor compliance with the rules of the host Member State relevant for the management company.

2) In so far as it is necessary for the purpose of exercising the powers of supervision of the home Member State, the competent authorities of the management company’s host Member State shall inform the competent authorities of the management company’s home Member State of any measures, sanctions, or restrictions of activities imposed pursuant to Art. 115.

3) As the competent authority of a management company's home Member State, the FMA shall, without delay, notify the competent authorities of the UCITS home Member State of any problems in connection with the management company which may materially affect the ability of the management company to perform its duties properly with respect to the UCITS. The FMA shall also report any violations of the management company's obligations under Art. 13 to 28, Art. 96, and Art. 103 to 117.

4) As the competent authority of a UCITS home Member State, the FMA shall, without delay, notify the competent authorities of the management company’s home Member State of any problem identified at the level of the UCITS which may materially affect the ability of the management company to perform its duties properly or to comply with the requirements of Directive 2009/65/EC which fall under the responsibility of the UCITS home Member State.

Art. 120

Foreign authorities' right of verification with branches in Liechtenstein

1) Where a management company with registered office in another EEA Member State pursues business in Liechtenstein through a branch, the competent authorities of the management company’s home Member State may, after informing the FMA, themselves or through the intermediary they instruct for the purpose, carry out on-the-spot verification of the information referred to in Art. 119.

2) This shall not affect the right of the FMA to carry out on-the-spot verifications itself of such branch.

XII. Cross-border business activities with connections to third countries

Art. 121

Foreign activities of domestic management companies

1) Where a management company intends to manage undertakings for collective investment, market units in such undertakings, or pursue other authorised activities in a third country, it shall before starting such activities demonstrate to the FMA that it is authorised for the intended activities in the third country or that it is under no obligation of authorisation.

2) If the management company must demonstrate a higher amount of own funds, take additional organisational measures, or otherwise meet stricter requirements under the law of the third country than those provided under this Act, the FMA and the management company may agree that the management company must meet the stricter requirements and the FMA must monitor compliance with these requirements. In that case:

a) the stricter requirements than those to be met under this Act shall apply;

b) the FMA is authorised to take all measures and carry out all acts that would be admissible for monitoring and ensuring the legal requirements; and

c) the FMA shall attest to the management company or, on request, to the competent authority of the third country that the management company has undertaken to meet the stricter requirements and the FMA to supervise them, and that to the knowledge of the FMA the stricter requirements have been met.

3) The exchange of information between the FMA and the supervisory authority in the third country shall be subject to Art. 138 mutatis mutandis. Otherwise, the activities shall be subject to the legal and administrative rules applicable in the third country.

Art. 122

Domestic activities of foreign management companies

1) If only units of undertakings for collective investment comparable to UCITS are marketed, Art. 94 of the *Act on Investment Firms* shall apply. Management companies with registered office in a third country shall require authorisation in terms of Art. 13 to 31 for all other activities admissible in Liechtenstein under this Act.

2) The formation of a domestic branch of a management company with registered office in a third country shall require authorisation. Such authorisation shall be subject to Art. 13 to 31, provided that:

a) the management company is subject to supervision equivalent to the FMA;
b) the supervisory authority of the home Member State does not raise any objections against the establishment of the branch and declares that it will immediately notify the FMA of any circumstances that might endanger the protection of the investors or the stability of the financial system;
c) the managers of the branches ensure compliance with the rules applicable to the management company;
d) the own funds of the branch are kept separately from those of the management company; the own funds must meet the requirements of Art. 17 and be available at all times;
e) the persons responsible for the branch meet the requirements as to reliability, experience on the subject, and the other requirements of Art. 180a PGR;
f) the branch has an adequate organisational and financial structure in Liechtenstein;
g) For the rest at least the requirements applicable to branches of management companies from EEA Member States are met; and
h) the protection of the investors and the public interest do not prevent it.

3) The obligation of the management company to report and provide information in accordance with Para. 1 and 2 shall be subject to Art. 121 mutatis mutandis; the exchange of information between the FMA and the supervisory authority in the third country shall be subject to Art. 138 mutatis mutandis. If a management company in terms of Para. 1 or 2 violates provisions of Liechtenstein law, Art. 143 shall apply mutatis mutandis.

4) The Government may by ordinance provide a release from the requirements of Para. 1 and from the requirements of Para. 2 (a), (b), (c), and (d), if the branch or its management company ensure the equivalent protection of creditors, the financial system, and Liechtenstein as a financial location by suitable measures, and if the public interest do not prevent this.

5) Any agreements of mutuality shall remain reserved.

Art. 123

Obstacles to activity in third countries

1) The FMA shall inform the EFTA Surveillance Authority of/on all general difficulties:

a) met by management companies with registered office in Liechtenstein during their establishment of a branch or in the rendering of services and/or investment activities in third countries:

b) met by UCITS with registered office in Liechtenstein in marketing their units in third countries.

2) As a reaction to a declaration in proceedings under Art. 15 of Directive 2004/39/EC, the FMA may suspend its decisions on applications for authorisation and the acquisition of participations by parent companies from the third country concerned for a period of no more than three months.

3) In addition, the FMA may on request notify the EFTA Surveillance Authority of the following in proceedings in accordance with Art. 15 or Directive 2004/39/EC:

a) any application for the authorisation of a management company that is directly or indirectly a subsidiary of a parent company that is subject to the third country in question;

b) every intention reported to the FMA of such parent company to acquire a participation in a management company with registered office in an EEA Member State, whereby the management company would become the parent company's subsidiary.

4) Para. 1 to 3 shall not apply if the measures of the EFTA Surveillance Authority or the FMA are inconsistent with the obligations of the EEA Member States under bilateral or multilateral agreements.

XIII. Supervision

A. General

Art. 124

Principles

The following authorities are instructed to implement this Act:

a) the *Finanzmarktaufsicht* (FMA, Financial Market Authority)

b) the *Landgericht* (Court of Justice)

c) the *Schlichtungsstelle* (Arbitration Office)

Art. 125

Processing and disclosure of data

1) The competent domestic authorities and bodies may process all necessary personal data, including personal profiles and personal data warranting special protection that is required for fulfilling its duties of supervision within the framework of this Act.

2) The competent domestic authorities and bodies may disclose to each other and to the competent foreign authorities in other EEA Member States or - provided that the requirements of Art. 8 of the *Datenschutzgesetz* [Data Protection Act] are met - to third countries all necessary personal data, including personal profiles and personal data warranting special protection, as far as this is necessary to fulfil their duties of supervision.

Art. 126

Official secrecy

1) All persons who work or have worked for the FMA and the authorities called in by it as well as the auditors and experts working on the FMA's instruction shall be subject to official secrecy.

2) Confidential information which those persons receive in the course of their duties shall not be divulged to any person or authority whatsoever, save in summary or aggregate form such that UCITS, management companies, and depositaries cannot be individually identified, without prejudice to cases covered by criminal law and by special provisions of the law.

3) When a UCITS or an undertaking contributing towards its business activity has been declared bankrupt or is being compulsorily wound up, confidential information which does not concern third parties involved in rescue attempts may be divulged in the course of civil or commercial proceedings.

4) Official secrecy shall not prevent the exchange of information between the FMA and the competent authorities of other EEA Member States in accordance with this Act. The information exchanged shall be subject to official secrecy. When transferring information to the competent authorities of other EEA Member States, the FMA shall point out that the information transmitted may only be published with the express consent of the FMA. Such consent shall only be given where the exchange of information is consistent with the public interest and with the protection of investors.

5) The Government - or by the latter's authority, the FMA - may enter into cooperation agreements on the exchange of information with the competent authorities of third countries, or with authorities or bodies of third countries in terms of Para. 4 and Art. 138 (1), but only for the performance of the duties of supervision of these authorities or bodies, and only if the secrecy of the information disclosed is guaranteed with the same certainty as under this Article. Where the information originates in another EEA Member State, it may only be disclosed with the express consent of the authorities which have disclosed it and, where appropriate, solely for the purposes for which those authorities gave their consent.

6) If the FMA receives confidential information pursuant to Para. 1 to 4, it may use the information only for the following purposes:

a) to check that the conditions of authorisation for the UCITS or for undertakings contributing towards their business activity are met and to facilitate the monitoring of the conditions for the conduct of that business, administrative and accounting organisation, and internal-control mechanisms;

b) to impose penalties;

c) in the course of administrative proceedings concerning an appeal against a decision of the competent authorities;

d) in the course of proceedings under Art. 140.

7) The Government may provide exceptions for the information received under Para. 5.

8) Para. 1 to 3 and 4 shall not preclude the disclosure of confidential information to the bodies entrusted in the EEA with managing the compensation systems.

Art. 127

Fees and charges for supervision

The fees and charges for supervision shall be subject to the legal rules applicable to financial market supervision.

B. FMA

Art. 128

Duties

1) The FMA shall supervise the enforcement of this Act and the regulations issued in connection with it. It shall take the necessary measures directly, in cooperation with other supervisory bodies, or by report to the Prosecution Service.

2) The FMA shall in particular be in charge of the following:

a) the granting, amendment, cancellation, and withdrawal of authorisations;

b) the approval of the constitutive documents and model documents;

c) the verification of the auditors' reports;

d) the appointment of custodians and the decision on their remuneration;

e) collaboration with the competent authorities of the other EEA Member States to facilitate supervision;

f) the imposing of penalties pursuant to Art. 143.

Art. 129

Powers

1) If the FMA learns of violations of this Act or of other grievances, it shall take the necessary measures to restore the lawful state and to remove the grievances.

2) In particular, the FMA shall have the following powers:

a) to require from all persons subject to this Act and to the FMA's supervision all information and documentations necessary for the enforcement of this Act;

b) to issue decisions and decrees; it may publish them after threatening to do so if the management company defies them;

c) to impose a temporary prohibition to pursue a profession;

d) to request the Prosecution Service to apply measures to secure the absorption of the enrichment or the forfeiture of assets subject to the Code of Criminal Procedure;

e) to carry out verifications or investigations or to have them carried out by qualified auditors or experts;

f) in the interest of the creditors or the public, to require the suspension, repurchase, or redemption of units;

g) to request already existing recordings of telephone conversations or transmissions of data;

h) to prohibit practices that violate this Act or the ordinances issued based on this Act.

3) The FMA shall have authority to require quarterly reports from management companies and investment companies with regard to themselves and with regard to each UCITS or investment component managed by them. The Government may by ordinance regulate further details.

4) The Government may determine by ordinance that only auditors qualified in the fields of asset management and UCITS shall be authorised to carry out the verifications and reports required under this Act, and may determine the procedure to ascertain the qualification of the auditors. The verification of figures given in the annual reports under Art. 70 (b) shall be exempt from this.

5) The FMA may require an attestation by an auditor qualified as laid down in Para. 4 for all or individual statements, representations, or information on facts attached to an application for authorisation or approval or obtained for the purpose of supervision. The Government may limit by ordinance the power of the FMA to specific facts.

6) If the FMA publishes forms for applications, reports, notifications, and statements required under this Act, these shall be used by the applicants and the persons obliged to make such reports, notifications, and statements. Otherwise, the FMA may consider the application as not submitted and the obligation to report, notify, or state as not fulfilled.

7) When supervising auditors, the FMA may carry out special quality verifications and accompany the auditors during their verification activities at UCITS and their management companies.

8) If there is reason to assume that an activity subject to this Act is carried out without authorisation, the FMA may require information and documentation from the persons concerned as if they were persons subject to this Act.

Art. 130

Authorisation on conditions, authoritative information, model documents

1) Unless the public interest prevent this, the FMA may in suitable cases grant one or more authorisations subject to conditions. Conditions may be formal, time-related, or objective. The effect of authorisation shall occur when the condition is fulfilled. The FMA shall on request confirm the fact that authorisation has become effective.

2) If the essential facts have been presented completely and correctly when submitting an application, the FMA may on request answer questions on legal and factual matters by authoritative information. Unless the public interest oppose this, an authoritative information shall bind the FMA in any subsequent interpretation of legal elements and any exercising of discretion in the amount of its written statements. Oral statements shall not provide such protection of reliance.

3) The FMA may approve and publish model documents for the approval of constitutive documents, and if these are used, authorisation shall be deemed granted as far as the public interest does not oppose this.

4) The FMA may charge separate fees for the measures and statements under this Article.

5) The Government may by ordinance regulate further details.

Art. 131

Verification of prospectus

1) The verification of the submitted prospectus by the FMA shall be limited to whether:

a) the constitutive documents or an address for obtaining them have been attached;

b) the content of the prospectus meets in formal terms the minimum requirements as laid down in the Annex;

c) a statement by the management company's managers is attached according to which the essential information in the prospectus is accurate and up-to-date;

d) the annual reports - as far as they are attached - bear the auditor's note;

e) the prospectus is provided to the investors in accordance with the requirements of this Act.

2) As far as the sequence of elements in the prospectus deviates from the sequence laid down in the Annex or is broken down by different points, the management company shall submit an overview showing that the prospectus agrees with the requirements laid down in the Annex.

3) The FMA shall not be obliged to verify the objective accuracy of the information included in the prospectus.

Art. 132

Liability

The FMA exercises and fulfils its powers and duties under this Act only in the public interest. Any civil-law liability of the FMA, the State of Liechtenstein, or their employees for damages due to defective supervisory measures or inactivity shall be limited to 5 million Swiss francs on the basis of this Act. Disciplinary and criminal accountability shall remain unaffected.

C. Official assistance

1. Cooperation with domestic authorities and authorities of other EEA Member States

Art. 133

Principles

1) Within the framework of its supervisory activities, the FMA shall cooperate with other domestic authorities and the competent authorities of other EEA Member States.

2) Within the framework of cooperation with the competent authorities of other EEA Member States, the FMA is authorised and obliged:

a) to make use of its powers even if the conduct that forms the subject of the investigation does not constitute a violation of Liechtenstein legal rules;

b) to immediately provide the competent authorities of other EEA Member States with the information necessary to exercise their duties and powers.

Art. 134

Joint misuse control

1) If the FMA has reasonable cause to assume that persons not subject to its supervision are violating or have violated rules of EEA law in another EEA Member State, the FMA shall inform the competent authority accordingly as detailed as possible. This shall not affect the powers of the FMA.

2) If the FMA receives a notification in terms of Art. 1 from the competent authorities of another EEA Member State, it shall take suitable measures and shall inform the notifying authority on the result of these measures and - as far as possible - on any developments that have occurred in the meantime.

3) The FMA shall inform the ESMA if a notification as referred to in Para. 1 has been rejected or not been replied to within a reasonable period of time.

Art. 135

On-site investigation of the FMA in other EEA Member States

1) The FMA may ask the competent authorities of another EEA Member State for cooperation in monitoring activities, in an on-site verification, or in an investigation on the territory of such EEA Member State.

2) The FMA may inform the ESMA if a request:

a) for verification or investigation on site or for an exchange of information has been rejected or has not led to a reaction within a reasonable period of time; or

b) for permission to accompany the competent authority has been rejected or has not led to a reaction within a reasonable period of time.

3) Otherwise, Art. 6 to 11 of Commission Regulation (EU) No. 584/2010 shall apply.

Art. 136

On-site investigations of the competent authorities of another EEA Member State in Liechtenstein

1) If the FMA receives a request for cooperation in monitoring activities, an on-site verification, or an investigation in Liechtenstein from the competent authority of another EEA Member State:

a) it shall carry out the verification or investigation itself. The requesting authority may accompany the FMA;
b) may permit the requesting authority to carry out the verification or investigation. The FMA shall accompany the requesting authority; or
c) it shall instruct auditors or experts to carry out the verification or investigation.

2) The FMA may refuse a request for an exchange of information or for cooperation in an investigation or on-site verification if:

a) the investigation, the on-site verification, or the exchange of information may affect the sovereignty, security, or public policy of Liechtenstein;
b) judicial proceedings are pending or have already been concluded by final decision against the person concerned as a result of the same actions.

3) The requesting authority shall be informed of the refusal with grounds.

4) Otherwise, Art. 6 to 11 of Commission Regulation (EU) 584/2010 shall apply.

5) The Government may by ordinance regulate further details.

Art. 137

Settling of disputes between the FMA and the competent authorities of other EEA Member States

The FMA shall use the mechanisms established by the ESMA for settling disputes if it dissents from a competent authority of another EEA Member State with regard to the measures, powers, and duties of public authorities under this Act.

Art. 138

Exchange of information

1) The FMA shall exchange information with other domestic authorities or the competent authorities of other EEA Member States if such authorities:

a) are responsible for the supervision of banks, credit institutions, investment undertakings, insurance undertakings or for the supervision of financial markets;
b) are involved in the liquidation, bankruptcy, or in comparable proceedings of UCITS and undertakings contributing towards their business activity;
c) are responsible for overseeing the activities of persons carrying out statutory audits of the accounts of insurance undertakings, banks, credit institutions, investment undertakings, or other financial institutions.

2) For the protection of the stability and integrity of the financial system, the FMA may exchange information also with other authorities competent in Liechtenstein, in EEA Member States, and in Switzerland, than those listed in Para. 1.

3) The forwarding of information transmitted in the course of an exchange of information pursuant to Para. 1 and 2 shall be admissible where:

a) the information is only used for the purpose of performing the task of specific overseeing;
b) official secrecy in terms of Art. 126 is preserved;
c) the information has been transmitted by the competent authority of another EEA Member State and the latter has consented to the forwarding of such information. On instruction of the competent domestic authority in accordance with Para. 1 and 2, the FMA shall inform the transmitting authority on the names and the exact addresses of the person to whom the information concerned shall be forwarded.

Art. 139

Forwarding of information to central banks and similar institutions

1) The FMA shall exchange useful information with the central banks of other EEA Member States and other bodies with a similar function to perform their duties in their capacity as monetary authorities.

2) The FMA shall exchange information that is subject to official secrecy in terms of Art. 126 with a clearing house or other similar body recognised under national law for the provision of clearing or settlement services in Liechtenstein, if the FMA considers this information to be necessary in order to ensure the proper functioning of those bodies in relation to defaults or potential defaults by market participants. Information received from the competent authorities of other EEA Member States through the exchange of information may be forwarded by the FMA only with the express consent of the sending authority.

3) The information received under Para. 1 and 2 shall be subject to official secrecy (Art. 126).

4) The Government may by ordinance regulate further details.

2. Cooperation with the competent authorities of third countries

Art. 140

Exchange of information with the competent authorities of third countries

The FMA may exchange information with the competent authorities of third countries if the forwarding of information is necessary for the protection of the investors and of the public interest. Art. 138 and 139 shall apply mutatis mutandis.

XIV. Appeal, proceedings, out-of-court settlement

Art. 141

Appeal and rules of procedure

1) Decisions and decrees of the FMA may be appealed within 14 days from service by complaint to the *FMA-Beschwerdekommission* [FMA Complaints Commission].

2) If a complete application for the authorisation of a management company or a self-managed investment company is not decided upon within three months after it has been received, a complaint may be lodged with the FMA Complaints Commission.

3) Decisions and decrees by the FMA Complaints Commission may be appealed within 14 days from service by complaint to the *Verwaltungsgerichtshof* [Administrative High Court].

4) In the best interests of investors or at their initiative, the *Amt für Handel und Transport* [Ministry of Commerce and Transportation] has all appeals and remedies available to ensure that the provisions of this Act will be applied.

5) Unless determined otherwise by this Act, proceedings shall be subject to the LVG (*Gesetz über die allgemeine Landesverwaltungspflege*, Act on General Administrative Proceedings, LR 172.020].

Art. 142

Extra-judicial Arbitration Office

1) The Government shall by ordinance appoint an Arbitration Office (*Schlichtungsstelle*) to settle disputes between investors, management companies, self-managed UCITS, and depositaries.

2) It shall be the duty of the Arbitration Office to mediate between opposing parties and thereby come to a settlement between the parties.

3) If no agreement can be obtained between the parties, they shall be referred to the courts of law.

4) The Government shall by ordinance regulate further details, in particular the organisational structure, composition, and rules of procedure. In this ordinance, it may issue different regulations for corporate customers and private customers.

XV. Penal provisions

Art. 143

Misdemeanours and contraventions

1) The Court of Justice shall punish for misdemeanour by up to one year of imprisonment or by a monetary penalty up to 360 daily rates anyone who:

a) knowingly infringes an obligation of secrecy as a member of a governing body of or employee of or person otherwise working for a UCITS or a management company, or as an auditor, or who entices or tries to entice another to do so;

b) manages a UCITS without authorisation or markets its units in Liechtenstein and for that purpose accepts or holds assets of third parties;

c) knowingly makes misrepresentations or conceals material facts in the prospectus, periodical reports, or key investor information, and in the notices and reports to the FMA or to other competent supervision authorities of EEA Member States or thirds countries;

2) The Court of Justice shall punish for misdemeanour by up to six months of imprisonment or by a monetary penalty up to 180 daily rates anyone who:

a) violates the conditions connected with an authorisation by the FMA;

b) uses designations in violation of Art. 12 (4);

c) provides no information at all or false or incomplete information to the FMA or to the auditor;

d) commits a gross breach of duty as an auditor, in particular by knowingly making misrepresentations or concealing material facts in his report, or fails to make a prescribed request to the management company, or does not submit prescribed reports or notifications;

e) as a member of a governing body of a management company or a self-managed investment company violates the duty to separate assets pursuant to Art. 21 (4) and to transfer the assets to a depositary pursuant to Art. 32 (1);

f) does not keep proper books of account or fails to store books of account, documentation, and receipts;

g) violates the obligation to have sufficient own funds pursuant to Art. 17;

3) The FMA shall punish for contravention by a fine of up to 200,000 Swiss francs anyone who:

a) fails to draw up, fails to submit, or only belatedly submits the periodical reports to the FMA and to the investors in accordance with the rules;

b) fails to have the ordinary audit or an audit ordered by the FMA carried out;

c) fails to fulfil his duties vis-à-vis the auditor;

d) fails to submit, or only inaccurately or belatedly submits the prescribed reports, notifications, and information to the FMA or to the competent authorities of another EEA Member State;

e) fails to meet a request to restore the lawful status, or fails to comply with another decree of the FMA;

f) fails to comply with a request to cooperate in an investigation by the FMA;

g) provides inadmissible, false, or misleading information in advertising for a UCITS or a management company;

h) fails to comply with the rules of conduct (Art. 20);

i) in violation of Art. 21 fails to take or maintain effective organisational or administrative measures to prevent the negative influencing of clients' interests by conflicts of interest;

k) presents the key investor information or other brief information on the UCITS specifically addressed to private customers in a form that is probably incomprehensible to private customers;

l) fails to provide, or only provides inaccurately, incompletely, incomprehensibly or belatedly the information on the material elements of the UCITS in the key investor information pursuant to Art. 80 (3);

m) as an auditor, violates his obligations under this Act, in particular pursuant to Art. 93 (3), Art. 94 (1) and (3), Art. 95 (1) and (3);

n) in violation of Art. 11 (1) fails to apply for approval to amend the constitutive documents, or in violation of Art. 11 (2) fails to apply for approval for a change of management company or depositary, or in violation of Art. 11 (3) fails to report or only inaccurately or belatedly reports a change of auditor and managers of the depositary.

4) If a misdemeanour or contravention is committed only negligently, the upper limits of punishments shall be reduced to one half of it. In the event of repetition, of a damage of more than 75,000 Swiss francs, and in the event of damaging intent, the upper limits of punishments shall be doubled.

5) If the UCITS carries another name than that admissible under Art. 12 (1) or another designation or abbreviation of legal form than that admissible under Art. 12 (2), or if an open-ended investment company in violation of Art. 7 (9) fails to bear an admissible designation or abbreviation of legal form under Art. 12 (2), the management company or self-managed investment company shall be punished by the FMA by an administrative fine of up to 10,000 Swiss francs. This administrative fine may be imposed continuously until the lawful state has been achieved.

Art. 144

Accountability

If offences are committed in the business operations of a legal person, a collective or limited partnership or a single-member company in connection with a UCITS, the penal provisions shall apply to the persons who acted or should have acted for it, the legal person or partnership or single-member company being jointly and severally liable for fines.

Art. 145

Publication of sanctions; binding effect of verdicts

1) The FMA may publish the imposing of final punishments and fines at the expense of the person concerned if such publication does not seriously endanger the stability of the financial markets, does not negatively affect the interests of investors, and is in proportion.

2) A verdict under this Act shall not be binding upon the judges of civil courts with regard to the assessment of fault and unlawfulness and with regard to the amount of damage.

Art. 146

Obligation of other authorities to notify

The courts shall send to the FMA full copies of all judgements and orders of discontinuation that concern members of the management or administration of management companies and auditors.

XVI. Transitory and final provisions

Art. 147

Implementing regulations

The Government shall issue the ordinances necessary for implementing this Act.

Art. 148

Providing of legal rules in electronic form

The FMA shall provide this Act and the implementing ordinances issued in connection with it in German and English as amended on the FMA's website or a website that can be reached from the FMA's website. The Government shall by ordinance regulate who shall effect the translation of the legal rules.

Art. 149

Transitory provisions

1) UCITS and their management companies already authorised in Liechtenstein before this Act entered into force and which fall under this Act shall be deemed authorised in terms of this Act and may continue their activities subject to the provisions of this Act.

2) The simplified prospectus shall be replaced by the key investor information document in accordance with Art. 80 to 84 (KIID) until 1 July 2012 at the latest.

3) Until the Act on Investment Firms expires, management companies that manage UCITS as well as other collective investment undertakings shall observe the rules applying to the undertakings for collective investment undertakings in question.

4) Management companies that received an authorisation for the management of UCITS or investment companies in the form of an investment fund or an investment company already before 13 February 2004 in their home Member State in accordance with Directive 85/611/EEC, shall be deemed authorised in terms of this Act if the legal rules of these EEA Member States provide that to start these activities, the companies must meet requirements equivalent to the requirements for authorisation under this Act and/or Art. 7 and 8 of Directive 2009/65/EC.

5) To the derogation of Art. 10 (4) to (6), and until 30 April 2010, the time-limit for the handling of applications by the FMA shall be six weeks from receipt of the complete application for the authorisation of UCITS and the adding of investment compartments. The authorisation effect of the expiry of the time-limit pursuant to Art. 10 (6) shall originally start being effective for applications received by the FMA after 30 September 2012.

6) To the derogation of Art. 16 (4) and (5) and Art. 98 (3)(b), and until 30 June 2014, the time-limit for the handling of applications by the FMA shall be:

a) for the authorisation of management companies and the first authorisation of self-managed investment companies pursuant to Art. 16, three months from receipt of the complete application; and

b) for the sending of documentation to the competent authorities of the marketing Member State pursuant to Art. 98, ten working days from receipt of the letter of notification and the complete documentation.

7) Proceedings already pending when this Act enters into force shall be subject to the former law.

Art. 150

Entering into force

This Act shall enter into force on 1 August 2011 if the term for applying for a referendum expires without being used, and otherwise on the day on which it is published.

Representing the Prince of Liechtenstein

by: *Alois*

Hereditary Prince

by: *Dr. Klaus Tschütscher*
Princely Prime Minister

Annex

(Art. 65, 71, 131)

Structure of prospectus and compulsory information in periodical reports

I. Structure of prospectus (Schedule A)

1.	Information concerning the common fund	1.	Information concerning the management company including an indication whether the management company is established in an EEA Member State other than the UCITS home Member State	1.	Information concerning the investment company
1.1.	Name	1.1.	Name or firm name, legal form, registered office, and head office if different from the registered office.	1.1.	Name or firm name, legal form, registered office, and head office if different from the registered office
1.2.	Date of establishment of the common fund. Indication of duration, if limited	1.2.	Date of incorporation of the company. Indication of duration, if limited	1.2.	Date of incorporation of the company. Indication of duration, if limited

	1.3. If the company manages other common funds, indication of those other funds	1.3. In the case of investment companies having different investment compartments, the indication of the compartments
1.4. Statement of the place where the fund rules (if they are not annexed) and periodic reports may be obtained		1.4. Statement of the place where the instruments of incorporation (if they are not annexed) and periodical reports may be obtained
1.5. Brief indications relevant to investor of the tax system applicable to the common fund. Details of whether deductions are made at source from the income and capital gains paid by the common fund to investors		1.5. Brief indications relevant to investors of the tax system applicable to the company. Details of whether deductions are made at source from the income and capital gains paid by the company to investors
1.6. Record date for annual accounts, and frequency of distributions		1.6. Record date for annual accounts, and frequency of distributions
1.7. Names of the persons responsible for auditing the accounting information referred to in Art. 70		1.7. Names of the persons responsible for auditing the accounting information referred to in Art. 70

	1.8. Names and positions in the company of the members of the administrative, management, and supervisory bodies. Details of their main activities outside the company where these are of significance with respect to that company.	1.8. Names and positions in the company of the members of the administrative, management, and supervisory bodies. Details of their main activities outside the company where these are of significance with respect to that company.
	1.9. Amount of the subscribed capital with an indication of the capital paid-up	1.9. Capital
1.10. Details of the types and main characteristics of the units and in particular: • the nature of the right (real, personal or other) represented by the unit • original securities or certificates providing evidence of title; entry in a register or in an account • characteristics of the units: registered or bearer. Indication of any denominations which may be provided for		1.10. Details of the types and main characteristics of the units and in particular: • original securities or certificates providing evidence of title; entry in a register or in an account • characteristics of the units: registered or bearer. Indication of any denominations which may be provided for • indication of investors' voting rights

• indication of investors' voting rights if these exist • circumstances in which winding-up of the common fund can be decided on and winding-up procedure, in particular as regards the rights of investors		• circumstances in which winding-up of the investment company can be decided on and winding-up procedure, in particular as regards the rights of investors
1.11. Where applicable, indication of stock exchanges or markets where the units are listed or dealt in		1.11. Where applicable, indication of stock exchanges or markets where the units are listed or dealt in
1.12. Modalities and conditions of issue and/or sale of units		1.12. Modalities and conditions of issue and/or sale of units
1.13. Modalities and conditions for repurchase or redemption of units, and circumstances in which repurchase or redemption may be suspended		1.13. Modalities and conditions for repurchase or redemption of units, and circumstances in which repurchase or redemption may be suspended. In the case of investment companies having different investment compartments, information on how an investor may pass from one compartment into another and the charges applicable in such cases

1.14. Description of rules for determining and applying income		1.14. Description of rules for determining and applying income
1.15. Description of the common fund's investment objectives, including its financial objectives (e.g. capital growth or income), investment policy (e.g. specialisation in geographical or industrial sectors), any limitations on that investment policy, and an indication of any techniques and instruments or borrowing powers which may be used in the management of the common fund		1.15. Description of the company's investment objectives, including its financial objectives (e.g. capital growth or income), investment policy (e.g. specialisation in geographical or industrial sectors), any limitations on that investment policy and an indication of any techniques and instruments or borrowing powers which may be used in the management of the company.
1.16. Rules for the valuation of assets		1.16. Rules for the valuation of assets

1.17. Determination of the sale or issue price and the repurchase or redemption price of units, in particular: • the method and frequency of the calculation of those prices • information concerning the charges relating to the sale or issue and the repurchase or redemption of units • the means, places and frequency of the publication of those prices		1.17. Determination of the sale or issue price and the repurchase or redemption price of units, in particular: • the method and frequency of the calculation of those prices • information concerning the charges relating to the sale or issue and the repurchase or redemption of units • the means, places and frequency of the publication of those prices ([1])
1.18. Information concerning the manner, amount and calculation of remuneration payable by the common fund to the management company, the depositary, or third parties, and reimbursement of costs by the common fund to the management company, to the depositary, or to third parties		1.18. Information concerning the manner, amount and calculation of remuneration payable by the company to its directors, and members of the administrative, management, and supervisory bodies, to the depositary, or to third parties, and reimbursement of costs by the company to its directors, to the depositary, or to third parties

([1])	The investment companies listed in Art. 32 (5) of Directive 2009/65/EC shall also indicate: - the method and frequency of the calculation of the net asset value of units; - the type, place, and frequency of the publication of that value; - the stock exchange in the country of marketing the prince on which determines the price in over-the-counter transactions carried out in this country.

2. Information concerning the depositary:

   2.1. Name or firm name, legal form, registered office, and head office if different from the registered office;

   2.2. Main activity.

3. Information concerning the external advisory firms or investment advisers who give advice under contract which is paid for out of the assets of the UCITS:

   3.1. Firm name or name of the adviser;

   3.2. Details of the contract with the management company or the investment company which may be relevant to the investors, excluding details relating to remuneration;

   3.3 Other significant activities.

4. Information concerning the arrangements for making payments to investors, repurchasing or redeeming units, and making available information concerning the UCITS. Such information must in any case be given with regard to the EEA Member State in which the UCITS is established. In addition, where units are marketed in another EEA Member State, such information shall be given in respect of that EEA Member State and be included in the prospectus published there.

5. Other investment information:

   5.1. Historical performance of the UCITS (where applicable); such information may be either included in or attached to the prospectus;

   5.2. Profile of the typical investor for whom the UCITS is designed.

6. Economic information:

   6.1. Possible expenses or fees other than the charges mentioned in point 1.17, distinguishing between those to be paid by the investor and those to be paid out of the assets of the UCITS.

II. Information to be included in the periodic reports (Schedule B)

1. Statement of assets and liabilities:

   1.1 transferable securities;

   1.2 bank balances;

   1.3 other assets;

   1.4 total assets;

   1.5 liabilities;

   1.6 net asset value.

2. Number of units in circulation;

3. Net asset value per unit

4. Portfolio, distinguishing between:

   4.1 transferable securities admitted to official stock exchange listing;

   4.2 transferable securities dealt in on another regulated market;

   4.3 recently issued transferable securities as referred to in Art. 51 (1)(b);

   4.4 other transferable securities as referred to in Art. 51 (2)(b).

   An analysis shall be carried out in accordance with the most appropriate criteria in the light of the investment policy of the UCITS (e.g. in accordance with economic, geographical or currency criteria) as a percentage of net assets; for each of the above investments the proportion it represents of the total assets of the UCITS shall be stated. Furthermore, changes in the composition of the portfolio during the period under review shall be stated;

5. Statement of the development of the UCITS assets during the reference period including the following:

    5.1 income from investments;

    5.2 other income;

    5.3 management charges;

    5.4 depositary's charges;

    5.5 other charges and taxes;

    5.6 net income;

    5.7 distributions and income reinvested;

    5.8 increases and reductions in capital account;

    5.9 appreciation or depreciation of investments;

    5.10 any other changes affecting the assets and liabilities of the UCITS;

    5.11 transaction costs (i.e. are costs incurred by a UCITS in connection with transactions on its portfolio);

6. A comparative table covering the last three financial years and including, for each financial year, at the end of the financial year:

    6.1 the total net asset value;

    6.2 the net asset value per unit;

7. Statement of the amount of existing liabilities from transactions in terms of Art. 53 carried out by the UCITS during the period under review, broken down into categories.