UNOFFICIAL TRANSLATION (V20111219)
Liechtenstein Law Gazette
Volume 2011 no. 312 issued on 1 August 2011

CAVEAT: English is not an official language in Liechtenstein. The translation of the Ordinance dated 5. July 2011 on Certain Undertakings for Collective Investment in Transferable Securities (UCITSG) published in the Liechtenstein Law Gazette Volume 2011 No. 312, 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 Ordinance published in the Liechtenstein Law Gazette and this translation the official German text will prevail.

Ordinance
of 5 July 2011

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

On the basis of Art 2 (2), Art. 5 (4) and (8), Art. 6 (4) and 6, Art. 7 (4), Art. 9 (4), Art. 10 Abs. 8 and 9, Art. 11 (4), Art. 14 (5), Art. 15 (5), Art. 16 Abs. 9, Art. 17 (7), Art. 18 (4), Art. 19 (4), Art. 20 (3), Art. 21 (5), Art. 22 (4), Art. 23 (4), Art. 31 (3), Art. 33 (4), Art. 34 (5), Art. 35 (5), Art. 36 (3), Art. 39 Abs. 10, Art. 43 (5), Art. 49, Art. 51 (4), Art. 53 (5), Art. 62 Abs. 9, Art. 63 (6), Art. 64 (5), Art. 66 (4), Art. 71 (1), Art. 77 (3), Art. 80 (7), Art. 81 (5), Art. 82 (4), Art. 83 (3), Art. 84 (2), Art. 85 (5), Art. 86 (2), Art. 92 (2), Art. 96 (2), Art. 102 (2), Art. 103 (6), Art. 105 (5), Art. 110 (7), Art. 111 (2), Art. 114

(1), Art. 126 (7), Art. 129 (3) and (4), Art. 136 (5), Art. 139 (4), Art. 142 (4), and Art. 147 of the Act dated 28 June 2011 on Certain Undertakings for Collective Investment in Transferable Securities (UCITSG), Liechtenstein Legal Gazette 2011 no. 295, the Government hereby decrees:

I. General Provisions

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

Art. 1

Subject and purpose

1) Implementing the Act, this Ordinance is to regulate details on the starting, carrying out, and supervision of the activities of undertakings for collective investments in transferable securities (UCITS) as well as their management companies, in particular:

a) the legal forms and the structuring of the constitutive documents;

b) the authorisation of UCITS;

c) the authorisation and duties of management companies;

d) the depositary;

e) the merger of UCITS;

f) master-feeder structures;

g) the duties of a UCITS; and

h) supervision.

2) It 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 2007/16/EC of 19 March 2007 implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards the clarification of certain definitions

c) 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

d) 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.

3) As far as not stated otherwise in this Ordinance, self-managed investment companies shall be subject to the provisions for management companies mutatis mutandis.

Art. 2

Investment components

1) Asset components of an investment company shall be equivalent to investment components in terms of Art. 2 (2) UCITS.

2) A depositary shall be appointed for each investment component. The assets of several investment components under a common umbrella may be kept at different depositaries.

3) Umbrella funds with only one single investment component shall be admissible. The fact that the umbrella has only one investment component shall be pointed out in the key investor information document (KIID) in accordance with Art. 80 UCITSG and in the prospectus in accordance with Art. 71 UCITSG. Until the authorisation of a second investment component under one umbrella, the name of the single investment component must not give rise to the notion that there is the option of moving to another investment component.

Art. 3

Definitions

1) The definitions of applicable EEA law shall apply to the terms and expressions used in this Ordinance, in particular Commission Directives 2007/16/EC, 2010/43/EC, and 2010/44/EC.

2) The designations of persons and offices used in this Ordinance shall include male as well as female individuals.

B. Legal forms

1. Content of constitutive documents

Art. 4

Guidelines of investment policy

1) The investment policy stated in the constitutive documents of the UCITS shall define the investment objective and the investment

strategy in accordance with Art. 50 to 59 UCITS and shall define the admissible investments as follows:

a) by type;

b) by industry, country, or group of countries; or

c) by their share in the assets.

2) If the UCITS replicates an index, that index shall be stated and the degree of replication shall be stated.

Art. 5

Rules for unit valuation

1) The rules in the constitutive documents on the valuation of the assets as well as the calculation of the issue price or sale price as well as the repurchase or redemption price for the units of a UCITS or a certain type of UCITS shall be in accordance with market customs and international standards.

2) The FMA may declare standards that are in accordance with Para. 1 to be binding.

Art. 6

Obligation of transparency

1) Any encumbrances to the assets of a UCITS or of an investor by costs and charges shall be listed in the constitutive documents in detail.

2) Rules on costs and charges in the constitutive documents must be transparent. There is transparency if the information pursuant to Art. 10 to 14 and Annex II of Commission Regulation (EU) No. 583/2010 is comprehensible to and can be understood by investors on the basis of the rules laid down in the constitutive documents.

Art. 7

General requirements to content

1) The type, amount, and calculation of the management fee, charges, and costs in the constitutive documents must be in accordance not only with the provisions of the Act and this Ordinance, but also with market practice and with international standards.

2) The FMA may declare standards that are in accordance with Para. 1 to be binding.

Art. 8

List of current charges; type and amount of charges

1) The encumbrance of the assets of the UCITS with current charges shall be broken down in the constitutive documents by:

a) depending on assets (variable);

b) not depending on assets (fixed);

c) depending on the performance of investments.

2) It shall be admissible to levy minimum charges with expenses depending on the assets.

3) The encumbrance of the assets of the UCITS with current charges can be broken down by type as follows:

a) individual charges in terms of Art. 9;

b) flat charges, i.e. individual expenses in terms of Art. 9 are summarised into one or more flat charges.

4) A rule according to which a fixed flat charge is due in addition to individual charges for the same service shall be inadmissible.

5) The investors shall be notified in the constitutive documents of the maximum limit of current charges expressed in percent before a possible expense depending on performance (expense ratio before performance fee). Amounts exceeding the maximum limit must not be charged to the UCITS' assets or to the investors. Extraordinary disposal costs pursuant to Art. 9 (4) shall be exempt from this rule.

Art. 9

Minimum regulation on current charges

1) The rules on charges in the constitutive documents shall at least include rules on charges for:

a) the management company, if applicable broken down by administration, investment decision and risk management, and distribution;

b) the custodian bank;

c) auditing;

d) supervision;

e) transaction costs;

f) publications;

g) costs of marketing abroad; and

h) extraordinary disposal costs;

2) Any charge depending on performance (performance fee) shall be listed as a separate item in addition to expenses for the management company.

3) Transaction-related remunerations in the field of the management company shall be listed under expenses for the management company, broken down by originator into either administration or risk management. Transaction-related remunerations for investment decisions or marketing shall not be admissible.

4) Extraordinary disposal costs shall consist of the expenses which were caused exclusively by safeguarding the interests of investors, which were caused in the course of regular business and which were not foreseeable when the fund was established. Extraordinary disposal costs shall in particular be cost for legal consulting and proceedings in the interests of the UCITS or the investors.

Art. 10

Rules on issuing and repurchasing units

1) The rules in the constitutive documents on the issuing and repurchasing of units must:

a) be in accordance with market customs and international standards declared to be binding by the FMA;

b) specifically state the closing time per trading day;

c) stipulate criteria for suspension pursuant to Art. 85 (2) UCITS.

2) The management company shall be responsible for compliance with the closing time as per Para. 1 (b) by the marketing intermediaries.

3) Notwithstanding the obligation to repurchase units on each valuation date in accordance with Art. 86 UCITS, the repurchasing of units may be regulated as follows in the constitutive documents:

a) on each trading day;

b) weekly;

c) every two weeks; or

d) as an exception, every month, as far as this has not negative effects on the investors' interests.

Art. 11

Rules on dissolution

1) The rules on dissolution in the constitutive documents shall at least provide that the management company must notify the resolution to dissolve a UCITS or an investment compartment:

a) to the investors immediately, but at least 30 days before dissolution becomes effective; and

b) to the FMA immediately after informing the investors; a copy of the notice to the investors shall be enclosed with the notice to the FMA.

2) When dissolution is complete, authorisation shall expire.

2. Entry into the Public Register

Art. 12

Principles

1) The FMA shall inform the Office of Land and Public Registration (*Grundbuch- und Öffentlichkeitsregisteramt*) of the authorisation of the common fund and the unit trust.

2) The management company shall within seven days from service of the decision of authorisation or the written attestation of the FMA under Art. 10 (6) UCITSG submit an application for registration for the common fund and the unit trust to the Office of Land and Public Registration.

II. Authorisation of a UCITS

Art. 13

Minimum assets

1) The FMA shall be informed immediately when an authorised UCITS starts business. The initial issue of units shall be regarded as the starting of business.

2) The minimum assets in terms of Art. 9 (4) UCITS must be 1.25 million Euros or the equivalent in Swiss francs and shall be reached within one year after the notification in terms of Para. 1 has been received.

3) The FMA may upon a substiantiated request from the management company issue an exemption from the obligation to notify in terms of Para. 2 or may twice extend the time-limit to a reasonable period of time.

4) In the event of exemption or extension of time-limit, no minimum fees may be charged to the UCITS.

5) Para. 1 and 4 shall apply mutatis mutandis in the event that the amount of the assets drops below the minimum level at any time.

6) If the minimum amount of assets is not reached within the term provided in Para. 2 and 3, the authorisation of the UCITS shall expire.

Art. 14

First applicability of short handling period and approval effect

The time-limit pursuant to Art. 10 (4) UCITSG with the effect of approval pursuant to Art. 10 (6) UCITS shall only be applicable to new applicants if several UCITS of a management company have been authorised in Liechtenstein. Until then, the time-limits pursuant to Art. 10 (5) shall apply.

Art. 15

Grounds for extension of time-limit

1) The FMA may extend the time-limits pursuant to Art. 10 (4) UCITSG if:

a) the applicant does not use the form provided by the FMA or fails to fill in that form completely;

b) the applicant does not use model documents or deviates from the model documents;

c) as a result of notifications from other supervisory authorities within the EEA or from third countries concerning the management company or its managers, an extension of the time-limit is adequate or necessary;

d) the fee model in the constitutive documents is not in accordance with the requirements of Art. 6 to 9 or is not explained in a transparent way;

e) the rules for the valuation of units do not meet the requirements of Art. 5 or are not explained in a transparent way;

f) there are indications for a violation of the law, for the clarification of which further information is required; or

g) it is not clearly evident from the statements on investment policy whether the investment policy is in accordance with the provisions of the law, in particular with Art. 50 to 59 UCITS.

2) If the time-limit has been extended, the reason for extension in accordance with Para. 1 shall be stated together with the relevant provision of this Ordinance.

Art. 16

Suspension of approval effect as an exception

1) The FMA may in exceptional circumstances suspend the approval effect of Art. 10 (6) in connection with (4) UCITS if the purpose of the law appears to be in danger. This is the case in particular where:

a) the protection of investors or the public interest prevent the application of the approval effect;

b) it must be assumed that the approval effect is being misused;

c) other extraordinary circumstances apply.

2) Extraordinary circumstances are in particular the result of the number of applications received by the FMA, the human or technical resources of the FMA, or extraordinary events at the financial centre.

3) In the event of suspension, the time-limits of Art. 10 (5) UCITS shall apply.

4) The suspension shall be published.

Art. 17

Confirmation of the authorisation effect

The FMA shall immediately confirm in writing the authorisation effect of the expiry of the time-limit.

Art. 18

Completeness of application

1) The application pursuant to Art. 10 UCITSG shall be complete if:

a) the documentation necessary for the application have been submitted;

b) the application form of the FMA has been filled out properly and not in hand-written form;

c) there is confirmation by at least one managing director of the management company that the facts stated in the documentation are accurate;

d) if applicable, there is a statement that the documentation submitted contains no deviation from the approved model documents or, if there are deviations, that it is shown in a transparent and visually supported way in what form the documents submitted deviate from the approved model documents.

2) The FMA shall state the legally necessary accompanying documents on the application form.

3) The FMA may require further documents and information as far as this is necessary in the public interest.

Art. 19

Notification on a change of manager at the depositary

The notification on a new management pursuant to the Banking Act shall replace the notification for depositaries in Liechtenstein required under Art. 11 (3) UCITS.

III. Authorisation and duties of management companies

A. Authorisation of management companies

Art. 13

Minimum assets

1) The management company must be a legal person or a limited partnership (*Kommanditgesellschaft*).

2) The management company must have a board of directors or supervisory board whose duties according to the articles of incorporation or association must be equivalent to those of a board of directors pursuant to Art. 344 to 349 PGR or of a supervisory board pursuant to Art. 27 to 34 SEG.

3) The programme of activity pursuant to Art. 15 (1)(c) UCITS must in particular contain:

a) information on:

1. organisation;

2. staff;

3. office and facility equipment;

b) a forecast balance sheet and forecast profit and loss statement checked by the auditor for correct calculation and plausibility at least for the first three business years.

4) The information pursuant to Para. 2 shall be divided into:

a) investment management, consisting of investment decisions and risk management;

b) administration;

c) marketing.

5) The programme of activity shall state the points in time at which the forecast objectives are to be reached.

Art. 21

Ensuring proper business activities

1) The management company's managers must be jointly qualified for their provided duties as a result of their education or their professional career so far.

2) In laying down the requirements as to quality, the FMA shall among other things take into account the guidelines of investment policy.

3) The managers must also be able to carry out their duties properly in consideration of their further obligations, their place of residence, and the infrastructure and organisation of the undertaking.

4) In order to ensure proper business activities, the FMA may order collective signature of the managers in twos.

5) Otherwise, Art. 7 (1)(c) of the VVG (*Vermögensverwaltungsgesetz*, Act on Asset Management, LR 950.4) shall apply mutatis mutandis.

B. Duties of management companies

Art. 22

Minimum assets

1) Only material changes to the programme of activity shall require approval pursuant to Art. 18 (2) UCITSG.

2) A material change is defined as a management company exceeding or dropping below its size class or risk class. There is a change of size class or risk class if as a result of the change in the programme of activity, additional legal or organisational requirements have to be met or if such requirements no longer have to be met.

3) The FMA may put size or risk classes pursuant to Para. 2 into more concrete terms.

4) If an application form is provided by the FMA, changes that are subject to approval in terms of Art. 18 (2) are defined as those changes to the programme of activity that lead to a modification of the information in the management company's application form. The FMA may release the management company from the obligation to submit individual pieces of information.

Art. 23

Qualifying holding

The acquisition, the increase, or the sale of qualifying holdings in a management company shall be subject to Annex 8 of the BankV (*Bankenverordnung,* Banking Ordinance, LR 952.01) mutatis mutandis.

Art. 24

Delegation of functions

1) A management company must notify the FMA of the delegation of functions in terms of Art. 22 UCITS using an official form and no later than ten working days before the delegation becomes effective under civil law and before the mandated third party starts its activities.

2) The notification pursuant to Para. 1 shall contain:

a) the mandated third party;

b) the delegated functions;

c) the organisational consequences.

C. Rules of conduct

Art. 25

Duty to act in the best interests of the UCITS and its investors

1) The management company shall ensure the fair treatment of the investors of the managed UCITS. It shall not put the interests of any group of investors above the interests of any other group of investors.

2) The management company shall use adequate principles and procedures to prevent inadmissible practices that would normally be expected to negatively affect the stability and integrity of the market.

3) The management company shall ensure that fair, accurate, and transparent calculation models and valuation system are used for the UCITS managed by it, so that the duty to act in the best interests of the investors is complied with. It must be able to prove that UCITS portfolios are valued precisely.

4) The management company shall prevent through its actions that excessive costs are charged to the UCITS and its investors.

Art. 26

Due diligence

1) The management company shall apply due diligence in the best interests of the UCITS and of market integrity in the selection and the continued monitoring of the investments.

2) The management company shall ensure that it has sufficient knowledge and insight with regard to the investments in which the UCITS are being invested.

3) The management company shall lay down written principles and procedures on the topic of due diligence and shall take effective measures to ensure that investment decisions taken for the UCITS are in accordance with their objectives, investment strategy, and risk limits.

4) In implementing its risk management principles and as far as this is adequate in consideration of the type of investment planned, the management company shall in preparation for an investment make predictions and carry out analyses concerning the contribution that such an investment makes to the composition of the UCITS portfolio, its liquidity, and its risk and yield profile. Such analyses may only be based on reliable and up-to-date data in terms of quantity as well as quality.

5) Where management companies enter into agreements with third parties on the excersise of activities in the field of risk management, manage such agreements, or terminate them, they shall act with the necessary knowledge, diligence, and care in doing so.

Before entering into such agreements, management companies shall initiate the necessary steps to make certain that the third party has the abilities and capacity required to carry out the activities in question reliably, professionally, and effectively. The management company shall lay down methods for the current assessment of the third party's performance.

Art. 27

Duty to notify in connection with subscription and redemption orders

1) After the management company has carried out an investor's order to subscribe or to repurchase, it shall (as fast as possible, but no later than on the first business day after carrying out the order or, if the management company receives the confirmation by a third party, no later than on the first business day after such receipt) confirm to the investor compliance with his order on a durable medium. However, this provision shall not apply where the notice of confirmation would contain the same information as a confirmation to be sent to the investor by another person forthwith.

2) The notice pursuant to Para. 1 shall contain the following information, if applicable:

a) name of the management company;

b) name or other designation of the investor;

c) date and time of receipt of order, and method of payment;

d) date of compliance;

e) name of UCITS;

f) type of order (subscription or repurchase);

g) number of units concerned;

h) unit price at which the units were subscribed / repurchased;

i) reference value date;

k) gross amount of order, including subscription fee or net amount after repurchasing fee;

l) total amount of commissions and expenses charged, and if so requested by investor, broken down by individual items;

3) If instructions are carried out regularly for an investor, the management company shall either act pursuant to Para. 1 or send to the investor at least every six months the information listed in Para. 2 on all transactions carried out.

4) The management company shall provide the investor at his request with information on the status of his order.

Art. 28

Execution of decisions to deal on behalf of the managed UCITS

1) The management company shall act in the best interests of the UCITS managed by it where it carries out trading decisions for these in the context of managing their portfolios.

2) For the purposes of Para. 1, the management company shall take all reasonable steps to obtain the best possible result for the UCITS, taking into account price, costs, speed, probability of execution and settlement, order size and nature, or any other consideration relevant to the execution of the order. The relative importance of these factors shall be determined by the following criteria:

a) the objectives, investment policy, and risks specific to the UCITS as indicated in the prospectus or, if applicable, in the fund rules or the instruments of incorporation of the UCITS;

b) the characteristics of the order;

c) the characteristics of the financial instruments that form the subject of the order in question;

d) the characteristics of the execution venues to which the order can be forwarded.

3) The management company shall establish and implement effective arrangements for meeting the obligation laid down in Para. 2. In particular, it shall establish and implement principles enabling it to achieve the best possible result in terms of Para. 2 for UCITS orders. It shall obtain the prior consent of the investment company on the execution policy. It shall provide the investors with adequate information on the policy established in accordance with this Article as well as on any material changes to it.

4) Management companies shall monitor on a regular basis the effectiveness of their arrangements and policy for the execution of orders in order to identify and, where appropriate, correct any deficiencies. In addition, management companies shall review the execution policy on an annual basis. A review shall also be carried out whenever a material change occurs that affects the management company's ability to continue to obtain the best possible result for the managed UCITS.

5) Management companies shall be able to demonstrate that they have executed orders on behalf of the UCITS in accordance with the management company's execution policy.

Art. 29

Placing orders to deal on behalf of UCITS with other entities for execution

1) Management companies shall act in the best interests of the UCITS they manage when placing orders to deal on behalf of the managed UCITS with other entities for execution, in the context of the management of their portfolios.

2) Management companies shall take all reasonable steps to obtain the best possible result for the UCITS taking into account price, costs, speed, probability of execution and settlement, size, nature or any other consideration relevant to the execution of the order. The relative importance of such factors shall be determined by reference to Art. 28 (2). For those purposes, management companies shall establish and implement a policy to enable it to meet this obligation. The policy shall identify, in respect of each class of instruments, the entities with which the orders may be placed. Management companies shall only enter into arrangements for execution where such arrangements are consistent with obligations laid down in this Article. Management companies shall make available to investors appropriate information on the policy established in accordance with this paragraph and on any material changes to this policy.

3) Management companies shall monitor on a regular basis the effectiveness of the policy established in accordance with Para. 2 and, in particular, the execution quality of the entities identified in that policy and, where appropriate, correct any deficiencies. In addition, management companies shall review the policy on an annual basis. Such a review shall also be carried out whenever a material change

occurs that affects the management company's ability to continue to obtain the best possible result for the managed UCITS.

4) Management companies shall be able to demonstrate that they have placed orders on behalf of the UCITS in accordance with the policy established in accordance with Para. 2.

Art. 30

Handling of orders

1) Management companies shall establish and implement procedures and arrangements which provide for the prompt, fair, and expeditious execution of portfolio transactions on behalf of the UCITS. The procedures and arrangements implemented by management companies shall satisfy the following conditions:

a) ensure that orders executed on behalf of UCITS are promptly and accurately recorded and allocated;

b) execute otherwise comparable UCITS orders sequentially and promptly unless the characteristics of the order or prevailing market conditions make this impracticable, or the interests of the UCITS require otherwise.

2) Financial instruments or sums of money received in settlement of the executed orders shall be promptly and correctly delivered to the account of the appropriate UCITS.

3) A management company shall not misuse information relating to pending UCITS orders, and shall take all reasonable steps to prevent the misuse of such information by any of its relevant persons.

Art. 31

Aggregation and allocation of trading orders

1) Management companies must not carry out a UCITS order in aggregate with an order of another UCITS or another client or with an order on their own account, unless the following conditions are met:

a) it must be unlikely that the aggregation of orders will work overall to the disadvantage of any UCITS or clients whose order is to be aggregated;

b) an order allocation policy must be established and implemented, providing in sufficiently precise terms for the fair allocation of aggregated orders, including how the volume and price of orders determines allocations and the treatment of partial executions.

2) Where a management company aggregates a UCITS order with one or more orders of other UCITS or clients and the aggregated order is partially executed, it shall allocate the related trades in accordance with its order allocation policy.

3) Management companies which have aggregated transactions for own account with one or more UCITS or other clients' orders shall not allocate the related trades in a way that is detrimental to the UCITS or another client.

4) Where a management company aggregates an order of a UCITS or another client with a transaction for own account and the aggregated order is partially executed, it shall allocate the related trades to the UCITS or other client in priority over those for own account. ´However, if the management company is able to demonstrate to the UCITS or its other client on reasonable grounds that it would not have been able to carry out the order on such advantageous terms without aggregation, or at all, it may allocate the transaction for own account proportionally, in accordance with the policy as referred to in Para. 1(b).

Art. 32

Safeguarding the best interests of UCITS

1) Management companies shall not be regarded as acting honestly, fairly and professionally in accordance with the best interests of the UCITS if, in relation to the activities of investment management and administration to the UCITS, they pay or are paid any fee or commission, or provide or are provided with any non-monetary benefit, other than the following:

a) a fee, commission, or non-monetary benefit paid or provided to or by the UCITS or a person on behalf of the UCITS;

b) fees which enable or are necessary for the provision of the relevant service - including custody costs, settlement and exchange fees, regulatory levies, or legal fees - and which, by their nature, cannot give rise to conflicts with the management company's duties to act honestly, fairly and professionally in accordance with the best interests of the UCITS.

c) a fee, commission or non-monetary benefit paid or provided to or by a third party or a person acting on behalf of a third party, where the following conditions are satisfied:

   1. the existence, nature and amount of the fee, commission, or benefit, or - where the amount cannot be ascertained - the method of calculating that amount, must be clearly disclosed to the UCITS in a manner that is comprehensive, accurate and understandable, prior to the provision of the relevant service;

   2. the payment of the fee or commission, or the provision of the non-monetary benefit must be designed to enhance the quality of the relevant service and must not impair compliance with the management company's duty to act in the best interests of the UCITS;

2) The management company may, for the purposes of Para. 1(c)(1), disclose the essential terms of the arrangements relating to the fee, commission, or non-monetary benefit in summary form, provided that the management company undertakes to disclose further details at the request of the investor and provided that it honours that undertaking.

Art. 33

Powers of the FMA in connection with duties of management companies

1) The FMA may put the rules of conduct laid down in this section into more concrete terms.

2) Beyond Para. 1, the FMA may put the following rules under the UCITS into more concrete terms, in particular in order to take due account of developments within the EEA:

a) requirements to procedure and organisation pursuant to Section D;

b) conflicts of interest pursuant to Section E;

c) risk management pursuant to Section F;

d) management and accounting procedures pursuant to Section G;

e) internal control mechanisms pursuant to Section H.

3) The FMA may take appropriate measures to enforce the duties of management companies.

D. Requirements on procedure and organisation

Art. 34

General requirements

1) Management companies shall comply with the following requirements:

a) to establish, implement, and maintain decision-making procedures and an organisational structure which clearly and in a documented manner specifies reporting lines and allocates functions and responsibilities;

b) to ensure that their relevant persons are aware of the procedures which must be followed for the proper discharge of their responsibilities;

c) to establish, implement, and maintain adequate internal control mechanisms designed to secure compliance with decisions and procedures at all levels of the management company;

d) to establish, implement, and maintain effective internal reporting and communication of information at all relevant levels of the management company as well as effective information flows with any third party involved;

e) to maintain adequate and orderly records of their business and internal organisation.

2) Management companies take into account the nature, scale, and complexity of their business, and the nature and range of services and activities undertaken in the course of that business.

3) Management companies shall establish, implement, and maintain systems and procedures that are adequate to safeguard the security, integrity and confidentiality of data, taking into account the nature of the data in question.

4) Management companies shall establish, implement, and maintain an adequate business continuity policy aimed at ensuring, in the case of an interruption to their systems and procedures, the preservation of essential data and functions, and the maintenance of services and activities, or, where that is not possible, the timely recovery of such data and functions and the timely resumption of their services and activities.

5) Management companies shall establish, implement, and maintain accounting policies and procedures that enable them to deliver on request and in a timely manner financial reports to the FMA which reflect a true and fair view of their financial position and which comply with all applicable accounting standards and rules.

6) Management companies shall monitor and, on a regular basis, evaluate the adequacy and effectiveness of their systems, internal control mechanisms, and arrangements established in accordance with Para. 1 to 4, and to take appropriate measures to address any deficiencies.

Art. 35

Resources

1) Management companies shall employ personnel with the skills, knowledge and expertise necessary for the discharge of the responsibilities allocated to them.

2) Management companies shall retain the necessary resources and expertise so as to effectively monitor the activities carried out by third parties on the basis of an arrangement with the management company, especially with regard to the management of the risk associated with those arrangements.

3) Management companies shall ensure that the performance of multiple functions by relevant persons does not and is not likely to prevent those relevant persons from discharging any particular function soundly, honestly, and professionally.

4) Management companies shall for the purposes laid down in Para. 1, 2, and 3 take into account the nature, scale, and complexity of their business, and the nature and range of services and activities undertaken in the course of that business.

E. Conflicts of interest

Art. 36

Criteria for the identification of conflicts of interest

1) For the purposes of identifying the types of conflict of interest that arise in the course of providing services and activities and whose existence may damage the interests of a UCITS, management companies shall at least take into account the question of whether the management company or a relevant person, or a person directly or indirectly linked by way of control to the management company, is in any of the following situations, whether as a result of providing collective portfolio management activities or otherwise:

a) The management company or that person is likely to make a financial gain, or avoid a financial loss, at the expense of the UCITS.

b) The management company or that person has an interest in the outcome of a service or an activity provided to the UCITS or to another client or of a transaction carried out on behalf of the UCITS or another client, which is distinct from the UCITS interest in that outcome.

c) The management company or that person has a financial or other incentive to favour the interest of another client or group of clients over the interests of the UCITS.

d) The management company or that person carries on the same activities for the UCITS and for another client or clients which are not UCITS.

e) The management company or that person receives or will receive from a person other than the UCITS an inducement in relation to collective portfolio management activities provided to the UCITS, in the form of monies, goods or services, other than the standard commission or fee for that service.

2) When identifying the types of conflict of interest, management companies shall take into account:

a) the interests of the management company itself, including those deriving from its affiliation to a group or from the provision of services and activities, the interests of the clients and the duty of the management company towards the UCITS;

b) the interests of two or more managed UCITS.

Art. 37

Conflicts of interest policy

1) Management companies shall establish, implement, and maintain an effective conflicts of interest policy. That policy shall be set out in writing and shall be appropriate to the size and organisation of the management company and the nature, scale, and complexity of its business. Where the management company is a member of a group, the policy shall also take into account any circumstances of which the company is or should be aware which may give rise to a conflict of interest resulting from the structure and business activities of other members of the group.

2) The conflicts of interest policy established in accordance with Para. 1 shall include the following:

a) the identification of - with reference to the collective portfolio management activities carried out by or on behalf of the management company - the circumstances which constitute or may give rise to a conflict of interest entailing a material risk of damage to the interests of the UCITS or of one or more other clients;

b) procedures to be followed and measures to be adopted in order to manage such conflicts.

Art. 38

Independence in conflicts management

1) The procedures and measures provided for in Art. 37 (2)(b) must be designed to ensure that relevant persons engaged in different business activities involving a conflict of interest carry on those activities at a level of independence appropriate to the size and activities of the management company and of the group to which it belongs and to the materiality of the risk of damage to the interests of clients.

2) The procedures to be followed and measures to be adopted in accordance with Art. 37 (2)(b) shall include the following where necessary and appropriate for the management company to ensure the requisite degree of independence:

a) effective procedures to prevent or control the exchange of information between relevant persons engaged in collective portfolio management activities involving a risk of a conflict of interest where the exchange of that information may harm the interests of one or more clients;

b) the separate supervision of relevant persons whose principal functions involve carrying out collective portfolio management activities on behalf of, or providing services to, clients or to investors whose interests may conflict, or who otherwise represent different interests that may conflict, including those of the management company;

c) the removal of any direct link between the remuneration of relevant persons principally engaged in one activity and the remuneration of, or revenues generated by, different relevant persons principally engaged in another activity, where a conflict of interest may arise in relation to those activities;

d) measures to prevent or limit any person from exercising inappropriate influence over the way in which a relevant person carries out collective portfolio management activities;

e) measures to prevent or control the simultaneous or sequential involvement of a relevant person in separate collective portfolio management activities where such involvement may impair the proper management of conflicts of interest.

3) Where the adoption or the practice of one or more of the measures and procedures in accordance with Para. 2 does not ensure the requisite degree of independence, management companies shall adopt such alternative or additional measures and procedures as are necessary and appropriate for those purposes.

Art. 39

Management of activities giving rise to detrimental conflict of interest

1) Management companies shall keep and regularly update a record of the types of collective portfolio management activities undertaken by or on behalf of the management company in which a conflict of interest entailing a material risk of damage to the interests of one or more UCITS or other clients has arisen or, in the case of an ongoing collective portfolio management activity, may arise.

2) Where the organisational or administrative arrangements made by the management company for the management of conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of UCITS or of its investors will be prevented, the senior management or other competent internal body of the management company shall be promptly informed in order for them to take any necessary decision to ensure that in any case the management company acts in the best interests of the UCITS and of its investors.

3) The management company shall report situations referred to in Para. 2 to investors by any appropriate durable medium and give reasons for its decision.

Art. 40

Strategies for the exercise of voting rights

1) Management companies shall develop adequate and effective strategies for determining when and how voting rights attached to instruments held in the managed portfolios are to be exercised, to the exclusive benefit of the UCITS concerned.

2) The strategy referred to in Para. 1 shall determine measures and procedures for:

a) monitoring relevant corporate events;

b) ensuring that the exercise of voting rights is in accordance with the investment objectives and policy of the relevant UCITS;

c) preventing or managing any conflicts of interest arising from the exercise of voting rights.

3) A summary description of the strategies referred to in Para. l shall be made available to investors.

4) Details of the actions taken on the basis of those strategies shall be made available to the investors free of charge and on their request.

IV. Risk management

A. Risk management policy and risk assessment

Art. 41

Risk management policy

1) Management companies shall establish, implement, and maintain an adequate and documented risk management policy which identifies the risks which the UCITS they manage are or might be exposed to.

2) The risk management policy shall comprise such procedures as are necessary to enable the management company to assess for each UCITS it manages the exposure of that UCITS to market, liquidity and counterparty risks, and the exposure of the UCITS to all other risks, including operational risks, which may be material for each UCITS it manages.

3) Management companies shall address at least the following elements in the risk management policy:

a) the techniques, tools and arrangements that enable them to comply with the obligations set out in Art. 43 and 41;

b) the allocation of responsibilities within the management company pertaining to risk management.

4) Management companies shall ensure that the risk management policy referred to in Para. 1 and 2 states the terms, contents and frequency of reporting of the risk management function referred to in Art. 55 to the board of directors and to senior management and, where appropriate, to the supervisory function.

5) For the purposes of Para. 1 to 4, management companies shall take into account the nature, scale, and complexity of their business and of the UCITS they manage.

Art. 42

Assessment, monitoring and review of risk management policy

1) Management companies shall assess, monitor and periodically review:

a) the adequacy and effectiveness of the risk management policy and of the arrangements, processes, and techniques referred to in Art. 43 and 44;

b) the level of compliance with the risk management policy and with arrangements, processes, and techniques referred to in Art. 43 and 44;

c) the adequacy and effectiveness of measures taken to address any deficiencies in the performance of the risk management process.

2) Management companies shall notify the FMA of any material changes to the risk management process.

3) The FMA shall review the requirements laid down in Para. 1 on an on-going basis and in particular also when granting authorisation.

2. Risk management processes, Counterparty risk exposure and issuer concentration

Art. 43

Measurement and management of risk

1) Management companies shall adopt adequate and effective arrangements, processes, and techniques in order to:

a) be able to measure and manage at any time the risks which the UCITS they manage are or might be exposed to;

b) ensure compliance with limits concerning global exposure and counterparty risk, in accordance with Art. 44 and 46.

2) The arrangements, processes, and techniques in terms of Para. 1 shall be proportionate to the nature, scale, and complexity of the business of the management companies and of the UCITS they manage, and be consistent with the UCITS risk profile.

3) For the purposes of Para. 1, management companies shall take the following actions for each UCITS they manage:

a) put in place such risk measurement arrangements, processes and techniques as are necessary to ensure that the risks of taken positions and their contribution to the overall risk profile are accurately measured on the basis of sound and reliable data and that the risk measurement arrangements, processes and techniques are adequately documented;

b) conduct, where appropriate, periodic back-tests in order to review the validity of risk measurement arrangements which include model-based forecasts and estimates;

c) conduct, where appropriate, periodic stress tests and scenario analyses to address risks arising from potential changes in market conditions that might adversely impact the UCITS;

d) establish, implement, and maintain a documented system of internal limits concerning the measures used to manage and control the relevant risks for each UCITS, taking into account all risks which may be material to the UCITS as referred to in Art. 41 and ensuring consistency with the UCITS risk profile;

e) ensure that the current level of risk complies with the risk limit system as set out in point (d) for each UCITS;

f) establish, implement, and maintain adequate procedures that, in the event of actual or anticipated breaches to the risk limit system of the UCITS, result in timely remedial actions in the best interests of investors.

4) Management companies shall employ an appropriate liquidity risk management process in order to ensure that each UCITS they manage is able to comply at any time with Art. 85 (1) UCITSG. Where appropriate, management companies shall conduct stress tests which enable assessment of the liquidity risk of the UCITS under exceptional circumstances.

5) Management companies shall ensure that for each UCITS they manage the liquidity profile of the investments of the UCITS is appropriate to the redemption policy laid down in the fund rules or the instruments of incorporation or the prospectus.

Art. 44

Calculation of total exposure

1) Management companies shall calculate the global exposure of a managed UCITS as referred to in Art. 53 (2) UCITSG as either of the following:

a) the incremental exposure and leverage generated by the managed UCITS through the use of financial derivative instruments including embedded derivatives pursuant to Art. 53 (1) UCITSG, which may not exceed the total of the UCITS net asset value;

b) the market risk of the UCITS portfolio.

2) Management companies shall calculate the UCITS global exposure on at least a daily basis.

3) Management companies may calculate global exposure by using the commitment approach, the value at risk approach or other advanced risk measurement methodologies as may be appropriate. For the purposes of this provision, "value at risk" shall mean a measure of the maximum expected loss at a given confidence level over a specific time period. Management companies shall ensure that the method selected to measure global exposure is appropriate, taking into account the investment strategy pursued by the UCITS and the types and complexities of the financial derivative instruments used, and the proportion of the UCITS portfolio which comprises financial derivative instruments.

4) Where a UCITS in accordance with Art. 53 (4) UCITSG employs techniques and instruments including repurchase agreements or securities lending transactions in order to generate additional leverage or exposure to market risk, management companies shall take these transactions into consideration when calculating global exposure.

Art. 45

Calculation of total exposure

1) Where the commitment approach is used for the calculation of global exposure, management companies shall apply this approach to all financial derivative instrument positions including embedded derivatives as referred to in Art. 53 (3) UCITSG, whether used as part of the UCITS general investment policy, for purposes of risk reduction, or for the purposes of efficient portfolio management as referred to in Art. 54 (4) UCITSG.

2) Where the commitment approach is used for the calculation of global exposure, management companies shall convert each financial derivative instrument position into the market value of an equivalent position in the underlying asset of that derivative (standard commitment approach). Management companies may apply other calculation methods which are equivalent to the standard commitment approach.

3) Management companies may take account of netting and hedging arrangements when calculating global exposure, where these arrangements do not disregard obvious and material risks and result in a clear reduction in risk exposure.

4) Where the use of financial derivative instruments does not generate incremental exposure for the UCITS, the underlying exposure need not be included in the commitment calculation.

5) Where the commitment approach is used, temporary borrowing arrangements entered into on behalf of the UCITS in accordance with Art. 89 UCITS need not be included in the global exposure calculation.

Art. 46

Counterparty risk and issuer concentration

1) Management companies shall ensure that counterparty risk arising from an over-the-counter (OTC) financial derivative instrument is subject to the limits set out in Art. 54 UCITSG.

2) When calculating the UCITS exposure to a counterparty in accordance with the limits as referred to in Art. 54 (2) UCITSG, management companies shall use the positive mark-to-market value of the OTC derivative contract with that counterparty. Management companies may net the derivative positions of a UCITS with the same counterparty, provided that they are able to legally enforce netting agreements with the counterparty on behalf of the UCITS. Netting shall only be permissible with respect to OTC derivative instruments with the same counterparty and not in relation to any other exposures the UCITS may have with that same counterparty.

3) Management companies may reduce the UCITS exposure to a counterparty of an OTC derivative transaction through the receipt of collateral. Collateral received shall be sufficiently liquid so that it can be sold quickly at a price that is close to its pre-sale valuation.

4) Management companies shall take collateral into account in calculating exposure to counterparty risk as referred to in Art. 54 (2) UCITS when the management company passes collateral to OTC counterparty on behalf of the UCITS. Collateral passed may be taken into account on a net basis only if the management company is able to legally enforce netting arrangements with this counterparty on behalf of the UCITS.

5) Management companies shall calculate issuer concentration limits as referred to in Art. 54 UCITSG on the basis of the underlying exposure created through the use of financial derivative instruments pursuant to the commitment approach.

6) With respect to the exposure arising from OTC derivatives transactions as referred to in Art. 54 (3) UCITSG, management companies shall include in the calculation any exposure to OTC derivative counterparty risk.

3. Procedures for the valuation of the OCT derivatives

Art. 47

Procedures for the assessment of the value of OTC derivatives

1) Management companies shall verify that UCITS exposures to OTC derivatives are assigned fair values that do not rely only on market quotations by the counterparties of the OTC transactions and which fulfil the criteria set out in Art. 8(4) of Commission Directive 2007/16/EC.

2) For the purposes of Para. 1, management companies shall establish, implement, and maintain arrangements and procedures which ensure appropriate, transparent and fair valuation of UCITS exposures to OTC derivatives. Management companies shall ensure that the fair value of OTC derivatives is subject to adequate, accurate and independent assessment. The valuation arrangements and procedures shall be adequate and proportionate to the nature and complexity of the OTC derivatives concerned. Where arrangements and procedures concerning the valuation of OTC derivatives involve the performance of certain activities by third parties, management companies shall comply with the requirements laid down in Art. 26 (5) and Art. 35 (2).

3) For the purposes of Para. 1 and 2, the risk management function shall be appointed with specific duties and responsibilities.

4) The valuation arrangements and procedures referred to in Para. 2 shall be adequately documented.

4. Transmission of information on derivative instruments

Art. 48

Reports on derivative instruments

1) Management companies shall provide the FMA, at least on an annual basis, with reports containing information which reflect a true and fair view of the types of derivative instruments used for each managed UCITS, the underlying risks, the quantitative limits and the methods which are chosen to estimate the risks associated with the derivative transactions.

2) The FMA shall review the regularity and completeness of information referred to in Para. 1 and intervene where appropriate.

G. Administrative and accounting procedures

Art. 49

Handling of complaints

1) Management companies shall establish, implement, and maintain effective and transparent procedures for the reasonable and prompt handling of complaints received from investors.

2) Management companies shall ensure that each complaint and the measures taken for its resolution are recorded.

3) Investors shall be able to file complaints free of charge. The information regarding procedures referred to in Para. 1 shall be made available to investors free of charge.

Art. 50

Electronic data processing

1) Management companies shall make appropriate arrangements for suitable electronic systems so as to permit a timely and proper recording of each portfolio transaction or subscription or redemption order in order to be able to comply with Art. 57 and 58.

2) Management companies shall ensure a high level of security during the electronic data processing as well as integrity and confidentiality of the recorded information, as appropriate.

Art. 51

Accounting procedures

1) Management companies shall ensure the employment of accounting policies and procedures as referred to in Art. 34 (5) so as to ensure the protection of investors.

2) UCITS accounting shall be kept in such a way that all assets and liabilities of the UCITS can be directly identified at all time.

3) If a UCITS has different investment compartments, separate accounts shall be maintained for those investment compartments.

4) Management companies shall have accounting policies and procedures established, implemented, and maintained, in accordance with the accounting rules of the UCITS' home Member States, so as to ensure that the calculation of the net asset value of each UCITS is accurately effected on the basis of the accounting, and that subscription and redemption orders can be properly executed at that net asset value.

5) Management companies shall establish appropriate procedures to ensure the proper and accurate valuation of the assets and liabilities of the UCITS in accordance with the applicable rules referred to in Art. 86 UCITSG.

H. Internal control mechanisms

Art. 52

Control by senior management and supervisory function

1) Management companies, when allocating functions internally, shall ensure that senior management and, where appropriate, the supervisory function, are responsible for the management company's compliance with its obligations under the Act and under this Ordinance.

2) The management company shall ensure that its senior management:

a) is responsible for the implementation of the general investment policy for each managed UCITS, as defined, where relevant, in the prospectus, the fund rules or the instruments of incorporation of the investment company;

b) oversees the approval of investment strategies for each managed UCITS;

c) is responsible for ensuring that the management company has a permanent and effective compliance function, as referred to in Art. 53, even if this function is performed by a third party;

d) ensures and verifies on a periodic basis that the general investment policy, the investment strategies, and the risk limits of each managed UCITS are properly and effectively implemented and complied with, even if the risk management function has been delegated to third parties;

e) approves and reviews on a periodic basis the adequacy of the internal procedures for undertaking investment decisions for each managed UCITS, so as to ensure that such decisions are consistent with the approved investment strategies;

f) approves and reviews on a periodic basis the risk management policy and the arrangements, processes, and techniques for implementing that policy, as referred to in Art. 41, including the risk limit system for each managed UCITS.

3) The management company shall also ensure that its senior management and, where appropriate, its supervisory function shall:

a) assess and periodically review the effectiveness of the policies, arrangements, and procedures put in place to comply with the obligations laid down in the Act and in this Ordinance;

b) take appropriate measures to address any deficiencies.

4) Management companies shall ensure that their senior management receives on a frequent basis, and at least annually, written reports on matters of compliance, internal audit and risk management indicating in particular whether appropriate remedial measures have been taken in the event of any deficiencies.

5) Management companies shall ensure that their senior management receives on a regular basis reports on the implementation of investment strategies and of the internal procedures for taking investment decisions referred to in Para. 2 (b) to (e).

6) Management companies shall ensure that the supervisory function, if any, receives on a regular basis written reports on the matters referred to in Para. 4.

Art. 53

Permanent compliance function

1) Management companies shall establish, implement, and maintain adequate policies and procedures designed to detect any risk of failure by the management company to comply with its obligations laid down in the Act and this Ordinance, as well as the associated risks. Furthermore, management companies shall put in place adequate measures and procedures designed to minimise such risk and to enable the FMA to exercise their powers effectively under that Directive.

2) Management companies shall take into account the nature, scale, and complexity of the business of the company, and the nature and range of services and activities undertaken in the course of that business.

3) Management companies shall establish and maintain a permanent and effective compliance function which operates independently and which has the following responsibilities:

a) to monitor and, on a regular basis, to assess the adequacy and effectiveness of the measures, policies and procedures put in place in accordance with Para. 1, and the actions taken to address any deficiencies in the management company's compliance with its obligations;

b) to advise and assist the relevant persons responsible for carrying out services and activities to comply with the management company's obligations laid down in the Act and in this Ordinance.

4) In order to enable the compliance function referred to in Para. 3 to discharge its responsibilities properly and independently, management companies shall ensure that the following conditions are satisfied:

a) the compliance function must have the necessary authority, resources, expertise and access to all relevant information;

b) a compliance officer must be appointed and must be responsible for the compliance function and for any reporting on a frequent basis, and at least annually, to the senior management on matters of compliance, indicating in particular whether the appropriate remedial measures have been taken in the event of any deficiencies;

c) the relevant persons involved in the compliance function must not be involved in the performance of services or activities they monitor;

d) the method of determining the remuneration of the relevant persons involved in the compliance function must not compromise their objectivity and must not be likely to do so.

5) However, a management company shall not be required to comply with Para. 4 (c) or point (d) where it is able to demonstrate that in view of the nature, scale, and complexity of its business, and the nature and range of its services and activities, that requirement is not proportionate and that its compliance function continues to be effective.

Art. 54

Permanent internal audit function

1) Management companies shall - where appropriate and proportionate in view of the nature, scale, and complexity of their business and the nature and range of collective portfolio management activities undertaken in the course of that business - establish and maintain an internal audit function which is separate and independent from the other functions and activities of the management company.

2) The internal audit function referred to in Para. 1 shall have the following responsibilities:

a) to establish, implement, and maintain an audit plan to examine and evaluate the adequacy and effectiveness of the management company's systems, internal control mechanisms and arrangements;

b) to issue recommendations based on the result of work carried out in accordance with point (a);

c) to verify compliance with the recommendations referred to in point (b);

d) to report in relation to internal audit matters in accordance with Art. 52 (4).

Art. 55

Permanent risk management function

1) Management companies shall establish and maintain a permanent risk management function.

2) The permanent risk management function referred to in Para. 1 shall be hierarchically and functionally independent from operating units.

3) Management companies may derogate from that obligation where the derogation is appropriate and proportionate in view of the nature, scale and complexity of the management company's business and of the UCITS it manages.

4) A management company shall be able to demonstrate that appropriate safeguards against conflicts of interest have been adopted so as to allow an independent performance of risk management activities and that its risk management process satisfies the requirements of Art. 23 and 53 UCITSG.

5) The permanent risk management function shall:

a) implement the risk management policy and procedures;

b) ensure compliance with the UCITS risk limit system, including statutory limits concerning global exposure and counterparty risk in accordance with Art. 44 to 46;

c) provide advice to the board of directors as regards the identification of the risk profile of each managed UCITS;

d) provide regular reports to the board of directors and, where it exists, the supervisory function, on:

   1. the consistency between the current levels of risk incurred by each managed UCITS and the risk profile agreed for that UCITS;

   2. the compliance of each managed UCITS with relevant risk limit systems;

3. the adequacy and effectiveness of the risk management process, indicating in particular whether appropriate remedial measures have been taken in the event of any deficiencies;

e) provide regular reports to the senior management outlining the current level of risk incurred by each managed UCITS and any actual or foreseeable breaches to their limits, so as to ensure that prompt and appropriate action can be taken;

f) review and support, where appropriate, the arrangements and procedures for the valuation of OTC derivatives as referred to in Art. 47.

6) The permanent risk management function shall have the necessary authority and access to all relevant information necessary to fulfil the tasks set out in Para. 5

Art. 56

Personal transactions

1) Management companies shall establish, implement and maintain adequate arrangements aimed at preventing the following activities in the case of any relevant person who is involved in activities that may give rise to a conflict of interest, or who has access to inside information within the meaning of Art. 1(1) of Directive 2003/6/EC or to other confidential information relating to UCITS or transactions with or for UCITS by virtue of an activity carried out by him on behalf of the management company:

a) entering into a personal transaction which fulfils at least one of the following criteria:

   1. that person is prohibited from entering into that personal transaction within the meaning of Directive 2003/6/EC;

   2. it involves the misuse or improper disclosure of confidential information;

   3. it conflicts or is likely to conflict with an obligation of the management company under the Act or this Ordinance or under Directive 2004/39/EC;

b) advising or procuring, other than in the proper course of his employment or contract for services, any other person to enter into a transaction in financial instruments which, if a personal transaction of the relevant person, would be covered by point (a) or by Art. 25 (2)(a) or (b) of Directive 2006/73/EC, or would otherwise constitute a misuse of information relating to pending orders;

c) disclosing, other than in the normal course of his employment or contract for services and without prejudice to Art. 3(a) of Directive 2003/6/EC, any information or opinion to any other person if the relevant person knows, or reasonably ought to know, that as a result of that disclosure that other person will or would be likely to take either of the following steps:

   1. to enter into a transaction in financial instruments which, where a personal transaction of the relevant person would be covered by point (a) or by Art. 25 (2)(a) or (b) of Directive 2006/73/EC, or would otherwise constitute a misuse of information relating to pending orders;

   2. to advise or procure another person to enter into such a transaction.

2) The arrangements required under Para. 1 shall in particular be designed to ensure that:

a) each relevant person covered by Para. 1 is aware of the restrictions on personal transactions, and of the measures established by the management company in connection with personal transactions and disclosure, in accordance with Para. 1;

b) the management company is informed promptly of any personal transaction entered into by a relevant person, either by notification of that transaction or by other procedures enabling the management company to identify such transactions;

c) a record is kept of the personal transaction notified to the management company or identified by it, including any authorisation or prohibition in connection with such a transaction.

3) Where certain activities are performed by third parties, the management company shall for the purposes of Para. 2 (b) ensure that the entity performing the activity stores a record of personal transactions entered into by any relevant person and provides that information to the management company promptly on request.

4) Para. 1 to 3 shall not apply to:

a) personal transactions effected under a discretionary portfolio management service where there is no prior communication in connection with the transaction between the portfolio manager and the relevant person or other person for whose account the transaction is executed;

b) personal transactions in UCITS or units in UCITS that are subject to supervision under the law of an EEA Member State which requires an equivalent level of risk spreading in their assets, where the relevant person and any other person for whose account the transactions are effected are not involved in the management of that undertaking.

5) For the purposes of Para. 1 to 4, "personal transaction" shall have the same meaning as in Art. 11 of Directive 2006/73/EC.

Art. 57

Recording of portfolio transactions

1) Management companies shall ensure, for each portfolio transaction relating to UCITS, that a record of information which is sufficient to reconstruct the details of the order and the executed transaction is produced without delay.

2) The record referred to in Para. 1 shall include:

a) the name or other designation of the UCITS and of the person acting on account of the UCITS;

b) the details necessary to identify the instrument in question;

c) the quantity;

d) the type of the order or transaction;

e) the price;

f) for orders, the date and exact time of the transmission of the order and the name or other designation of the person to whom the order was transmitted, or for transactions, the date and exact time of the decision to deal and of the execution of the transaction;

g) the name of the person transmitting the order or executing the transaction;

h) where applicable, the reasons for the revocation of an order;

i) for executed transactions, the counterparty and execution venue identification.

3) For the purposes of Para. 2 (i), an "execution venue" shall mean a regulated market as referred to under Art. 4 (14) of Directive 2004/39/EC, a multilateral trading facility as referred to in Art. 4 (15) of that Directive, a systematic internaliser as referred to in Art. 4 (7) of that Directive, or a market maker or other liquidity provider or an entity that performs a similar function in a third country.

Art. 58

Recording of subscription and redemption orders

1) Management companies shall take all reasonable steps to ensure that the received UCITS subscription and redemption orders are centralised and recorded immediately after receipt of any such order.

2) That record shall include information on the following:

a) the relevant UCITS;

b) the person giving or transmitting the order;

c) the person receiving the order;

d) the date and time of the order;

e) the terms and means of payment;

f) the type of the order;

g) the date of execution of the order;

h) the number of units subscribed or redeemed;

i) the subscription or redemption price for each unit;

j) the total subscription or redemption value of the units;

k) the gross value of the order including charges for subscription or net amount after charges for redemption.

Art. 59

Record-keeping requirements

1) Management companies shall ensure the retention of the records referred to in Art. 57 and 58 for a period of at least five years.

2) In exceptional circumstances, the FMA may require management companies to retain any or all of those records for a longer period, determined by the nature of the instrument or portfolio transaction, where it is necessary to enable the FMA to exercise its supervisory functions under the Act and this Ordinance.

3) Following the termination of the authorisation of a management company, the FMA may require the management company to retain the records referred to in Para. 1 for the outstanding term of the 5-year period.

4) Where the management company transfers its responsibilities in relation to the UCITS to another management company, the FMA may require in view of this that arrangements are made that such records for the past 5 years are accessible to that company.

5) The records shall be retained by a medium that allows the storage of information in a way accessible for future reference by the FMA, and in such a form and manner that the following conditions are met:

a) the FMA must be able to access the records readily and to reconstitute each key stage of the processing of each portfolio transaction;

b) it must be possible for any corrections or other amendments, and the contents of the records prior to such corrections or amendments, to be easily ascertained;

c) it must not be possible to manipulate or modify the records to be otherwise.

I. Liquidation

Art. 60

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

Unless laid down otherwise in the Act and unless the FMA provides another procedure for the protection of creditors, liquidation in terms of Art. 31 UCITSG shall follow the rules of the PGR.

IV. Depositary

Art. 61

Liability and delegation of functions

1) The management company may assert claims against the depositary in addition to the investors or in their stead, and assert them in court or out of court.

2) The FMA may at the expense of the management company publish a notice on pending court proceedings in the organ of publication in terms of Art. 94.

3) A settlement agreement between the management company and the depositary shall be published in the organ of publication in terms of Art. 94 within seven days and shall be notified to the FMA. The FMA and the investors may challenge a settlement agreement within six months before the Court of Justice.

4) The delegation of functions of the depositary shall be subject to the provisions of the Banking Act.

V. Structural measures

A. Merger

1. Content of the information on the merger

Art. 62

General rules concerning
the content of the information to investors

1) The information to be provided to investors pursuant to Art. 43 (1) UCITSG shall be written in a concise manner and in non-technical language that enables investors to make an informed judgement of the impact of the proposed merger on their investment.

2) In the case of a proposed cross-border merger, the merging UCITS and the receiving UCITS, respectively, shall explain in plain language any terms or procedures relating to the other UCITS which differ from the terms and procedures commonly used in the other EEA Member State.

3) The information to be provided to the investors of the merging UCITS shall meet the needs of investors who have no prior knowledge of the features of the receiving UCITS or of the manner of its operation. It shall draw their attention to the key investor information of the receiving UCITS and emphasise the desirability of reading it.

4) The information to be provided to the investors of the receiving UCITS shall focus on the operation of the merger and its potential impact on the receiving UCITS.

Art. 63

Specific rules concerning
the content of the information to investors

1) The information to be provided in accordance with Art. 43 (2)(b) _UCITSG to the investors of the merging UCITS shall include:

a) details of any differences in the rights of investors of the merging UCITS before and after the proposed merger takes effect;

b) if the key investor information of the merging UCITS and the receiving UCITS show synthetic risk and reward indicators in different categories, or identify different material risks in the accompanying narrative, a comparison of those differences;

c) a comparison of all charges, fees and expenses for both UCITS, based on the amounts disclosed in their respective key investor information;

d) if the merging UCITS applies a performance-related fee, an explanation of how it will be applied up to the point at which the merger becomes effective;

e) if the receiving UCITS applies a performance-related fee, the way it will be applied subsequently to ensure fair treatment of those investors who previously held units in the merging UCITS;

f) in cases where Art. 46 UCITSG permits costs associated with the preparation and the completion of the merger to be charged to either the merging or the receiving UCITS or any of their investors, details on the allocation of those costs;

g) an explanation of whether the management company of the merging UCITS intends to undertake any rebalancing of the portfolio before the merger takes effect.

2) The information to be provided pursuant to Art. 43 (2)(b) UCITSG to the investors of the receiving UCITS shall also include an explanation of whether the management or investment company of the receiving UCITS expects the merger to have any material impact on the portfolio of the receiving UCITS, and whether it intends to undertake any rebalancing of the portfolio either before or after the merger takes effect.

3) The information to be provided in accordance with Art. 43 (2)(c) UCITSG shall also include:

a) details on the treatment of any accrued income in the respective UCITS;

b) an indication on how the report of the independent auditor or the depositary referred to in Art. 42 (4) UCITSG may be obtained.

4) If the terms of the proposed merger include provisions for a cash payment in accordance with Art. 3 (1)(19(a) and (b) UCITSG, the information to be provided to the investors of the merging UCITS shall contain details of that proposed payment, including when and how investors of the merging UCITS will receive the cash payment.

5) The information to be provided in accordance with Art. 43 (2)(d) UCITSG shall include:

a) where relevant for the particular UCITS, the procedure by which investors will be asked to approve the merger proposal, and what arrangements will be made to inform them of the outcome;

b) the details of any intended suspension of dealing in units to enable the merger to be carried out efficiently;

c) when the merger will take effect in accordance with Art. 47 (1) and (2) UCITSG.

6) In cases where, under the national law applicable to the particular UCITS, the merger proposal must be approved by investors, the information may contain a recommendation by the respective management company or board of directors or senior management of the investment company as to the course of action.

7) The information to be provided to the investors of the merging UCITS shall include:

a) the period during which the investors shall be able to continue making subscriptions and requesting redemptions of units in the merging UCITS;

b) the time when those investors not making use of their rights granted pursuant to Art. 45 (1) and (2) UCITSG within the relevant time limit shall be able to exercise their rights as investors of the receiving UCITS;

c) an explanation that in cases where the merger proposal must be approved by the investors of the merging UCITS under national law and the proposal is approved by the necessary majority, those investors who vote against the proposal or who do not vote at all, and who do not make use of their rights granted pursuant to Art. 45 (1) and (2) UCITSG within the relevant time limit, shall become investors of the receiving UCITS.

8) If a summary of the key points of the merger proposal is provided at the beginning of the information document, it must cross-refer to the parts of the information document where further information is provided.

Art. 64

Key investor information

1) An up-to-date version of the key investor information document of the receiving UCITS shall be provided to existing investors of the merging UCITS.

2) The key investor information of the receiving UCITS shall be provided to existing investors of the receiving UCITS where it has been amended for the purpose of the proposed merger.

Art. 65

New investors

Between the date when the information document pursuant to Art. 43 (1) UCITSG is provided to investors and the date when the merger takes effect, the information document and the up-to-date key investor information of the receiving UCITS shall be provided to each person who purchases or subscribes units in either the merging or the receiving UCITS or asks to receive copies of the fund rules or instruments of incorporation, prospectus or key investor information of either UCITS.

2. Method of providing the information

Art. 64

Method of providing the information to investors

1) The merging and the receiving UCITS shall provide the information pursuant to Art. 43(1) UCITSG to investors on paper or in another durable medium.

2) Where the information is to be provided to all or certain unit-holders using a durable medium other than paper, the following conditions shall be fulfilled:

a) the provision of the information is appropriate to the context in which the business between the investor and the merging or receiving UCITS or, where relevant, the respective management company is, or is to be, carried on;

b) the investor to whom the information is to be provided, when offered the choice between information on paper or in another durable medium, specifically chooses the durable medium other than paper.

3) For the purposes of Para. 1 and 2, the provision of information by means of electronic communications shall be treated as appropriate to the context in which the business between the merging and receiving UCITS or their respective management companies and the investor is, or is to be, carried on if there is evidence that the investor has regular access to the Internet. The provision by the investor of an e-mail address for the purposes of the carrying on of that business shall be treated as such evidence.

B. Other structural measures

Art. 67

Prohibition of charging costs to the investors

1) Mergers in accordance with Art. 49 (a) to (d) UCITSG shall be subject to Art. 46 UCITSG mutatis mutandis.

2) Unless provided otherwise by the constitutive documents, other structural measures than those referred to in Art. 49 (e) to (i) UCITSG shall be subject to Art. 46 UCITSG mutatis mutandis.

3) If in the event of Para. 2 a different rule is issued, the key investor information in terms of Art. 43 UCITSG shall state the probable costs in the full amount as well as roughly per unit.

C. Registration procedure

Art. 68

Prohibition of charging costs to the investors

The entry of mergers and other structural measures into the Public Register shall be subject to Art. 113a to 113e of the ÖRegV (*Öffentlichkeitsregisterverordnung*, Ordinance on the Public Register, LR 216.012) mutatis mutandis.

VI. Investment policy

Art. 69

Use of derivative instruments

1) The use of derivative instruments shall be in accordance with market customs and international standards.

2) The FMA may declare corresponding standards to be binding.

Art. 70

Securities lending and repurchase agreements

1) Securities lending and repurchase agreements shall be admissible.

2) The depositary shall be liable for the proper handling of securities lending and repurchase agreements in line with market conditions.

3) Banks, investment firms, credit institutions, financial services institutions, insurance firms, and clearing organisations may be used as lenders in securities lending if they specialise in securities lending and provide security in line with the scope and risk of the intended transactions. Repurchase agreements may be conducted under the same conditions with the above-mentioned institutions.

4) Securities lending and repurchase agreements shall be regulated in a standardised framework agreement.

5) The FMA may issue guidelines on securities lending and repurchase agreements.

VII. Master-feeder structures

A. Common rules for feeder UCITS and master UCITS

1. Content of the agreement between master UCITS and feeder UCITS

Art. 71

Access to information

1) The agreement between the master UCITS and the feeder UCITS referred to in Art. 62 (1) UCITSG shall include the following with regard to access to information:

a) how and when the master UCITS provides the feeder UCITS with a copy of its fund rules or instruments of incorporation, prospectus, and key investor information document;

b) how and when the master UCITS informs the feeder UCITS of a delegation of investment management and risk management functions to third parties in accordance with Art. 22 UCITSG;

c) where applicable, how and when the master UCITS provides the feeder UCITS with internal operational documents, such as its risk management process and its compliance reports;

d) what details on breaches by the master UCITS of the law, the fund rules or of the instruments of incorporation and the agreement between the master UCITS and the feeder UCITS the master UCITS shall notify the feeder UCITS of, as well as the modalities and the timing of the notification;

e) where the feeder UCITS uses financial derivative instruments for hedging purposes, how and when the master UCITS will provide the feeder UCITS with information about its actual exposure to financial derivative instruments to enable the feeder UCITS to calculate its own global exposure as envisaged by Art. 60 (2)(a) UCITSG;

f) a statement that the master UCITS informs the feeder UCITS of any other information-sharing arrangements entered into with third parties and where applicable, how and when the master UCITS makes those other information-sharing arrangements available to the feeder UCITS.

Art. 72

Basis of investment and divestment by the feeder UCITS

The agreement between the master UCITS and the feeder UCITS referred to in Art. 62 (1) UCITSG shall include the following with regard to the basis of investment and divestment by the feeder UCITS:

a) a statement on which share classes of the master UCITS are available for investment by the feeder UCITS;

b) the charges and expenses to be borne by the feeder UCITS, and details of any rebate or retrocession of charges or expenses by the master UCITS;

c) if applicable, the terms on which any initial or subsequent transfer of assets in kind may be made from the feeder UCITS to the master UCITS.

Art. 73

Standard dealing arrangements

1) The agreement between the master UCITS and the feeder UCITS referred to in Art. 62 (1) UCITSG shall include the following with regard to standard dealing arrangements:

a) coordination of the frequency and timing of the net asset value calculation process and the publication of prices of units;

b) coordination of transmission of dealing orders by the feeder UCITS, including, where applicable, the role of transfer agents or any other third party;

c) where applicable, any arrangements necessary to take account of the fact that either or both UCITS are listed or traded on a secondary market;

d) where necessary, other appropriate measures to ensure compliance with the requirements of Art. 62 (3) UCITSG;

e) where the units of the feeder UCITS and the master UCITS are denominated in different currencies, the basis for conversion of dealing orders;

f) settlement cycles and payment details for purchases or subscriptions and repurchases or redemptions of units of the master UCITS including, where agreed between the parties, the terms on which the master UCITS may settle redemption requests by a transfer of assets in kind to the feeder UCITS, notably in the cases referred to in Art. 62 (5) and (7) UCITSG;

g) procedures to ensure that enquiries and complaints from investors are handled appropriately;

h) where the fund rules or instruments of incorporation and prospectus of the master UCITS give it certain rights or powers in relation to investors, and the master UCITS chooses to limit or forego the exercise of all or any such rights and powers in relation to the feeder UCITS, a statement of the terms on which it does so.

Art. 74

Events affecting dealing arrangements

The agreement between the master UCITS and the feeder UCITS referred to in Art. 62 (1) UCITSG shall include the following with regard to events affecting dealing arrangements:

a) the manner and timing of a notification by either UCITS of the temporary suspension and the resumption of repurchase, redemption, purchase or subscription of units of that UCITS;

b) arrangements for notifying and resolving pricing errors in the master UCITS.

Art. 75

Standard arrangements for the audit report

The agreement between the master UCITS and the feeder UCITS referred to in of Art. 62 (1) UCITSG shall include the following with regard to standard arrangements for the audit report:

a) where the feeder UCITS and the master UCITS have the same accounting years, the coordination of the production of their periodic reports;

b) where the feeder UCITS and the master UCITS have different accounting years, arrangements for the feeder UCITS to obtain any necessary information from the master UCITS enabling it to produce its periodic reports on time and ensuring that the auditor of the master UCITS is in a position to produce an ad hoc report on the closing date of the feeder UCITS in accordance with the first subparagraph of Art. 64 (3) UCITSG.

Art. 76

Changes to standing arrangements

The agreement between the master UCITS and the feeder UCITS referred to in Art. 62 (1) UCITSG shall include the following with regard to changes to standing arrangements:

a) the manner and timing of notice to be given by the master UCITS of proposed and effective amendments to its fund rules or instruments of incorporation, prospectus and key investor information, if these details differ from the standard arrangements for notification of investors laid down in the master UCITS fund rules, instruments of incorporation or prospectus;

b) the manner and timing of notice by the master UCITS of a planned or proposed liquidation, merger, or division;

c) the manner and timing of notice by either UCITS that it has ceased or will cease to meet the qualifying conditions to be a feeder UCITS or a master UCITS respectively;

d) the manner and timing of notice by either UCITS that it intends to replace its management company, its depositary, its auditor or any third party which is mandated to carry out investment management or risk management functions;

e) the manner and timing of notice of other changes to standing arrangements that the master UCITS undertakes to provide.

Art. 77

Choice of the applicable law

1) If both the feeder UCITS and the master UCITS are established in Liechtenstein, the agreement between the master UCITS and the feeder UCITS referred to in Art. 62 (1) UCITSG shall provide that Liechtenstein law shall apply to the agreement and that both parties agree to the exclusive jurisdiction of the Liechtenstein courts.

2) Where the feeder UCITS and the master UCITS are established in different EEA Member States, the agreement between the master UCITS and the feeder UCITS referred to in Art. 62 (1) UCITSG shall provide that the applicable law shall be either the law of the EEA Member State in which the feeder UCITS is established or that the law of the EEA Member State in which the master UCITS is established, and that both parties agree to the exclusive jurisdiction of the courts of the EEA Member State whose law they have stipulated to be applicable to the agreement.

2. Content of the internal conduct of business rules

Art. 78

Conflicts of interest

The management company's internal conduct of business rules referred to in Art. 62 (1) UCITSG shall include appropriate measures to mitigate conflicts of interest that may arise between the feeder UCITS and the master UCITS, or between the feeder UCITS and other investors of the master UCITS, to the extent that these are not sufficiently addressed by the measures applied by the management company in order to meet requirements of Art. 20 (1)(d) and Art. 21 (3) UCITSG as well as Chapter III Section E of this Ordinance.

Art. 79

Basis of investment and divestment by the feeder UCITS

The management company's internal conduct of business rules referred to in Art. 62 (1) UCITSG shall include at least the following with regard to the basis of investment and divestment by the feeder UCITS:

a) a statement on which share classes of the master UCITS are available for investment by the feeder UCITS;

b) the charges and expenses to be borne by the feeder UCITS, and details of any rebate or retrocession of charges or expenses by the master UCITS;

c) where applicable, the terms on which any initial or subsequent transfer of assets in kind may be made from the feeder UCITS to the master UCITS.

Art. 80

Standard dealing arrangements

The management company's internal conduct of business rules referred to in Art. 62 (1) UCITSG shall include at least the following with regard to standard dealing arrangements:

a) coordination of the frequency and timing of the net asset value calculation process and the publication of prices of units;

b) coordination of transmission of dealing orders by the feeder UCITS, including, if applicable, the role of transfer agents or any other third party;

c) where applicable, any arrangements necessary to take account of the fact that either or both UCITS are listed or traded on a secondary market;

d) appropriate measures to ensure compliance with the requirements of Art. 62 (3) UCITSG;

e) where the units of feeder UCITS and the master UCITS are denominated in different currencies, the basis for conversion of dealing orders;

f) settlement cycles and payment details for purchases and redemptions of units of the master UCITS including, where agreed between the parties, the terms on which the master UCITS may settle redemption requests by a transfer of assets in

kind to the feeder UCITS, notably in the cases referred to in Art. 62 (5) and (7);

g) where the fund rules or instruments of incorporation and prospectus of the master UCITS give it certain rights or powers in relation to unit-holders, and the master UCITS chooses to limit or forego the exercise of all or any such rights and powers in relation to the feeder UCITS, a statement of the terms on which it does so.

Art. 81

Events affecting dealing arrangements

The management company's internal conduct of business rules referred to in Art. 62 (1) UCITSG shall include at least the following with regard to events affecting dealing arrangements:

a) the modalities and timing of notification by either UCITS of the temporary suspension and the resumption of the repurchase, redemption or subscription of units of UCITS;

b) arrangements for notifying and resolving pricing errors in the master UCITS.

Art. 82

Standard arrangements for the audit report

The management company's internal conduct of business rules referred to in Art. 62 (1) UCITSG shall include at least the following with regard to standard arrangements for the audit report:

a) where the feeder UCITS and the master UCITS have the same accounting years, the coordination of the production of their periodic reports;

b) where the feeder UCITS and the master UCITS have different accounting years, arrangements for the feeder UCITS to obtain any necessary information from the master UCITS enabling it to produce its periodic reports on time and ensuring that the auditor of the master UCITS is in a position to make an ad hoc report on the closing date of the feeder UCITS in accordance with Art. 64 (3) UCITSG.

3. Procedures in the event of liquidation

Art. 83

Application for approval

1) No later than two months after the date on which the master UCITS informed it of the binding decision to liquidate, a feeder UCITS established in Liechtenstein shall provide the FMA with the following documentation:

a) where the feeder UCITS intends to invest at least 85 % of its assets in units of another master UCITS in accordance with Art. 62 (5)(a):
   1. its application for approval for that investment;
   2. its application for approval of the proposed amendments to its fund rules or instrument of incorporation;
   3. the amendments to its prospectus and its key investor information document in accordance with Art. 76 and 84 UCITSG;
   4. the other documents required pursuant to Art. 61 (2) UCITSG;

b) where the feeder UCITS intends to convert into a UCITS that is not a feeder UCITS in accordance with Art. 62 (5)(b) UCITSG:
   1. its application for approval of the proposed amendments to its fund rules or instrument of incorporation;
   2. the amendments to its prospectus and its key investor information document in accordance with Art. 76 and 84 UCITSG;

c) where the feeder UCITS intends to be liquidated, a notification of that intention.

2) By way of derogation from Para. 1, where the master UCITS informed the feeder UCITS of its binding decision to liquidate more than five months before the date at which the liquidation will start, the feeder UCITS shall submit to the FMA its application or notification in accordance with one of the points (a), (b), or (c) of Para. 1 at the latest three months before that date.

3) The feeder UCITS shall inform its investors of its intention to be liquidated without undue delay.

Art. 84

Approval

1) The feeder UCITS with registered office in Liechtenstein shall be informed within 15 working days following the complete submission of the documents referred to in Art. 83 (a) or (b) whether the FMA has granted the required approvals.

2) On receiving the FMA's approval pursuant to Para. 1, the feeder UCITS shall inform the master UCITS accordingly.

3) As soon as the competent authorities have granted the necessary approvals pursuant to Art. 83 (1)(a), the feeder UCITS shall take all necessary measures to comply with the requirements of Art. 66 UCITSG as fast as possible.

4) Where the payment of liquidation proceeds of the master UCITS is to be executed before the date on which the feeder UCITS is to start to invest in either a different master UCITS pursuant to Art. 83 (1)(a) or in accordance with its new investment objectives and policy pursuant to Art. 83 (1)(b), the FMA as the supervisory authority of the feeder UCITS shall grant approval subject to the following conditions:

a) the feeder UCITS shall receive:
   1. the proceeds of the liquidation in cash; or
   2. some or all of the proceeds as a transfer of assets in kind where this complies with the feeder UCITS`s request and where the agreement between the feeder UCITS and master UCITS or the internal conduct of business rules and the binding decision to liquidate provide for it;

b) any cash held or received in accordance with this paragraph may be re-invested only for the purpose of efficient cash management before the date on which the feeder UCITS is to start to invest either in a different master UCITS or in accordance with its new investment objectives and policy.

5) Where Para. 4 (a)(2) applies, the feeder UCITS may realise any part of the assets transferred in kind for cash at any time.

4. Procedures in the event of a merger or division

Art. 85

Application for approval

1) The feeder UCITS with registered office in Liechtenstein shall submit to the FMA the following documents no later than one month after the date on which the feeder UCITS received the information of the planned merger or division in accordance with Art. 62 (8) UCITSG:

a) where the feeder UCITS intends to continue to be a feeder UCITS of the same master UCITS:
   1. its application for approval thereof;
   2. where applicable, its application for approval of the proposed amendments to its fund rules or instrument of incorporation;
   3. where applicable, the amendments to its prospectus and its key investor information document in accordance with Art. 76 and 84 UCITSG;

b) where the feeder UCITS intends to become a feeder UCITS of another master UCITS resulting from the proposed merger or division of the master UCITS, or where the feeder UCITS intends to invest at least 85 % of its assets in units of another master UCITS not resulting from the merger or division:
   1. its application for approval of that investment;
   2. its application for approval of the proposed amendments to its fund rules or instruments of incorporation;
   3. the amendments to its prospectus and its key investor information in accordance with Art. 76 and 84 UCITSG;
   4. the other documents required pursuant to Art. 61 (2) UCITSG;

c) where the feeder UCITS intends to convert into a UCITS that is not a feeder UCITS in accordance with Art. 62 (5)(b):
   1. its application for approval of the proposed amendments to its fund rules or instrument of incorporation;
   2. the amendments to its prospectus and its key investor information in accordance with Art. 76 and 84 UCITSG;

d) where the feeder UCITS intends to be liquidated, a notification of that intention.

2) For the purpose of the application of Para. 1(a) and (b), the following shall be taken into account:

a) The expression "continues to be a feeder UCITS of the same master UCITS" refers to cases where:

   1. the master UCITS is the receiving UCITS in a proposed merger;

   2. the master UCITS is to continue materially unchanged as one of the resulting UCITS in a proposed division.

b) The expression "becomes a feeder UCITS of another master UCITS resulting from the merger or division of the master UCITS" refers to cases where:

   1. the master UCITS is the merging UCITS and, due to the merger, the feeder UCITS becomes a investor of the receiving UCITS;

   2. the feeder UCITS becomes an investor of a UCITS resulting from a division that is materially different from the master UCITS.

3) By way of derogation from Para. 1, in cases where the master UCITS provided the information referred to in or comparable with Art. 43 UCITSG to the feeder UCITS more than four months before the proposed effective date, the feeder UCITS shall submit to the FMA its application or notification in accordance with Para. 1(1)(a) to (d) no later than three months before the proposed effective date of the merger or division of the master UCITS.

4) The feeder UCITS shall inform its investors and the master UCITS of its intention to be liquidated without undue delay.

Art. 86

Approval

1) The feeder UCITS with registered office in Liechtenstein shall be informed within 15 working days following the complete submission of the documents referred to in Art. 85 (a)(a) to (c) on whether the FMA has granted the required approvals.

2) As soon as the feeder UCITS has received the notification in terms of Para. 1, it shall inform the master UCITS accordingly.

3) After the feeder UCITS has been informed that the FMA has granted the necessary approvals pursuant to Art. 85 (1)(b), the feeder UCITS shall take the necessary measures to comply with the requirements of Art. 66 UCITSG without undue delay.

4) In the cases described in Art. 85 (1)(b) and (c), the feeder UCITS shall have the right to request repurchase and redemption of its units in the master UCITS in accordance with Art. 62 (8) and Art. 45 (1) and (2) UCITSG, if the FMA has not granted the necessary approvals required pursuant to Art. 85 (1) UCITSG by the working day preceding the last day on which the feeder UCITS can request repurchase and redemption of its units in the master UCITS before the merger or division is effected.

5) The feeder UCITS shall also exercise the right stated in Para. 4 in order to ensure that the right of its own investors to request repurchase or redemption of their units in the feeder UCITS according to Art. 66 (1)(d) UCITSG is not affected.

6) Before exercising the right stated in Para. 4, the feeder UCITS shall consider available alternative solutions which may help to avoid or reduce transaction costs or other negative impacts for its own investors.

7) Where the feeder UCITS requests repurchase or redemption of its units in the master UCITS, it shall receive one of the following:

a) the repurchase or redemption proceeds in cash; or

b) some or all of the repurchase or redemption proceeds as a transfer in kind where this complies with the feeder UCITS`s request and where the agreement between the feeder UCITS and the master UCITS provides for it. In this case, the feeder UCITS may realise any part of the transferred assets for cash at any time.

8) The FMA shall grant approval on the condition that any cash held or received in accordance with paragraph 7 may be re-invested only for the purpose of efficient cash management before the date on which the feeder UCITS is to start to invest either in the new master UCITS or in accordance with its new investment objectives and policy.

B. Depositaries and auditors

1. Depositaries

Art. 87

Content of the information-sharing agreement between depositaries

1) The information-sharing agreement between the depositary of the master UCITS and the depositary of the feeder UCITS referred to in Art. 63 (1) UCITSG shall include the following:

a) the identification of the documents and categories of information which are to be routinely shared between both depositaries, and whether such information or documents are provided by one depositary to the other or made available on request;

b) the modalities manner and timing, including any applicable deadlines, of the transmission of information by the depositary of the master UCITS to the depositary of the feeder UCITS;

c) the coordination of the involvement of both depositaries, to the extent appropriate in view of their respective duties under national law, in relation to operational matters, including:

   1. the procedure for calculating the net asset value of each UCITS, including any measures appropriate to protect from the activities of market timing in accordance with Art. 62 (3) UCITSG;

   2. the processing of instructions by the feeder UCITS to purchase, subscribe or request the repurchase or redemption of units in the master UCITS and the settlement of such transactions, including any arrangement to transfer assets in kind;

d) the coordination of accounting year-end procedures;

e) what details of breaches by the master UCITS of the law and the fund rules or instrument of incorporation the depositary of the master UCITS shall provide to the depositary of the feeder UCITS and the manner and timing of their provision;

f) the procedure for handling ad hoc requests for assistance from one depositary to another;

g) identification of particular contingent events which ought to be notified by one depositary to the other on an ad hoc basis and the modalities and timing in which this will be done.

Art. 88

Choice of the applicable law.

1) Where the feeder UCITS and the master UCITS have concluded an agreement in accordance with Art. 62 (1) UCITSG, the agreement between the depositaries of the master UCITS and the feeder UCITS shall provide that the law of the EEA Member State applying to that agreement pursuant to Art. 77 shall also apply to the information-sharing agreement between both depositaries. In addition, depositaries shall subject to the exclusive jurisdiction of the courts of that EEA Member State.

2) Where the agreement between the feeder UCITS and the master UCITS has been replaced by internal conduct of business rules in accordance with Art. 62 (1) UCITSG, the agreement between the depositaries of the master UCITS and the feeder UCITS shall provide that the law applying to the information-sharing agreement between both depositaries shall be either that of the EEA Member State in which the feeder UCITS is established or - where different - that of the EEA Member State in which the master UCITS is established. Both depositaries shall subject to the exclusive jurisdiction of the courts of the EEA Member State whose law is applicable to the information-sharing agreement.

Art. 89

Reporting of irregularities by the depositary of the master UCITS

The irregularities referred to in Art. 63 (4) UCITSG which the depositary of the master UCITS detects in the course of carrying out its function under the national law and which may have a negative impact on the feeder UCITS shall in particular include the following:

a) errors in the net asset value calculation of the master UCITS;

b) errors in transactions for or settlement of the purchase, subscription or request to repurchase or redeem units in the master UCITS undertaken by the feeder UCITS;

c) errors in the payment or capitalisation of income arising from the master UCITS or in the calculation of any related withholding tax;

d) breaches of the investment objectives, policy or strategy of the master UCITS, as described in its fund rules or instrument of incorporation, prospectus or key investor information;

e) breaches of investment and borrowing limits set out in national law or in the fund rules, instruments of incorporation, prospectus or key investor information.

2. Auditors

Art. 90

Information-sharing agreement between auditors.

1) The information-sharing agreement between the auditor of the master UCITS and the auditor of the feeder UCITS referred to in Art. 64 (1) UCITSG shall include the following:

a) the identification of the documents and categories of information which are to be routinely shared between both auditors;

b) whether the information or documents referred to in point (a) are to be provided by one auditor to the other or made available on request;

c) the modalities and timing, including any applicable deadlines, of the transmission of information by the auditor of the master UCITS to the auditor of the feeder UCITS;

d) the coordination of the involvement of each auditor in the accounting year-end procedures for the respective UCITS;

e) identification of matters that shall be treated as irregularities disclosed in the audit report of the auditor of the master UCITS for the purposes of Art. 64 (3) UCITSG;

f) the manner and timing for handling ad hoc requests for assistance from one auditor to the other, including a request for further information on irregularities disclosed in the audit report of the auditor of the master UCITS.

2) The agreement referred to in Para. 1 shall include provisions on the preparation of the audit reports referred to in Art. 64 (3) and Art. 75 UCITSG and the modalities and timing for the provision of the audit report for the master UCITS and drafts of it to the auditor of the feeder UCITS.

3) Where the feeder UCITS and the master UCITS have different accounting year-end dates, the agreement referred to in Para. 1 shall include the manner and timing by which the auditor of the master UCITS is to make the ad hoc report required by Art. 64 (3) UCITSG and to provide it and drafts of it to the auditor of the feeder UCITS.

Art. 91

Choice of the applicable law.

1) Where the feeder UCITS and the master UCITS have concluded an agreement in accordance with Art. 62 (1) UCITSG, the agreement between the auditors of the master UCITS and the feeder UCITS shall provide that the law of the EEA Member State applying to that agreement in accordance with Art. 77 shall also apply to the information-sharing agreement between both auditors, and that both auditors subject to the exclusive jurisdiction of the courts of that EEA Member State.

2) Where the agreement between the feeder UCITS and the master UCITS has been replaced by internal conduct of business rules in accordance with the Art. 62 (1) UCITSG, the agreement between the auditors of the master UCITS and the feeder UCITS shall provide that the law applying to the information-sharing agreement between both auditors shall be either that of the EEA Member State in which the feeder UCITS is established or, where different, that of the EEA Member State in which the master UCITS is established, and that both auditors subject to the exclusive jurisdiction of the courts of the EEA Member State whose law is applicable to the information-sharing agreement.

Art. 92

Manner of providing information to investors

The feeder UCITS shall provide the information to investors pursuant to Art. 66 (1) UCITSG in the same manner as prescribed by Art. 66.

VIII. Information to investors

A. General

Art. 93

Principles

1) Unless the Act and this Ordinance expressly provide for publication in the organ of publication pursuant to Art. 94, management companies may provide investors with the information in question in other physical or electronic form.

2) Unless the Act and this Ordinance provide time-limits for the publication of information subject to approval, such information shall be published as soon as possible but no later than 30 days after approval by the FMA.

3) When publishing material changes to the constitutive documents, it shall be pointed out to investors that they may return their shares.

Art. 94

Organ of publication

As far as this is consistent with EEA law, the organ of publication in terms of this Ordinance shall be the website of the Liechtenstein Investment Fund Association (*Liechtensteinischer Anlagefondsverband*, LAFV). The FMA may declare further organs of publication to be admissible.

B. Prospectus and financial reports

Art. 95

Transparency of costs in financial reporting

All commissions and costs that are charged on a current basis to the assets of a UCITS shall be disclosed in the business report and semi-annual report in accordance with market customs and international standards (total expense ratio). The FMA may declare certain market customs and international standards to be binding.

C. Key investor information

Art. 96

Applicable law

The key investor information shall be subject to the law of the UCITS home Member State.

Art. 97

Updating

1) The key investor information shall be updated in any event if any of the figures or percentages stated deviates by more than 5 % from the figure published in the last key investor information.

2) The key investor information shall always be updated when a substantial number of new investors is to be expected as a result of marketing measures.

Art. 98

Provision and forwarding to the FMA

1) Immediately after any update, the key investor information shall be published through the organ of publication pursuant to Art. 94.

2) Immediately after provision pursuant to Para. 1, the key investor information in terms of Para. 1 shall be notified to the FMA.

3) The units of the UCITS must not be marketed before provision pursuant to Para. 1 and notification to Para. 2.

IX. General obligations of UCITS

Art. 99

Content of notification of suspension

The notification concerning the suspension of the repurchasing and redemption of units pursuant to Art. 85 (3) UCITS shall include the following information:

a) the reason for suspension;

b) the time of suspension;

c) the probable term of suspension;

d) whether and how the investors have been informed about the suspension;

e) when the notification of the competent authorities of the EEA Member States pursuant to Art. 85 (3) has been or will be carried out.

X. Auditor

Art. 100

Qualification of the auditor

1) Only auditors qualified with regard to asset management and UCITS may carry out the verifications and prepare the reports required by the Act.

2) An auditor shall be considered qualified in terms of Art. 129 (4) UCITSG if:

a) the requirements of Art. 93 to 96 IUV (*Verordnung zum Gesetz über Investmentunternehmen*, Ordinance concerning the Act on Investment Firms, LR 951.301) have been met; or

b) an auditor authorised pursuant to Commission Directive 2006/43/EC regularly carries out comparable verification and reporting duties for the benefit of supervisory authorities of other EEA Member States.

Art. 101

Audit forms

The FMA may provide binding audit forms for UCITS and their management companies.

Art. 102

Specification

The FMA may specify the principle of risk-oriented audit as well as the form and the content of the annual audit report by guidelines.

Art. 103

Duties of the auditor

1) The fee obtained from an audit mandate must on average not be more than 20 % of all annual fees obtained by the auditor. Audit mandates with collective investment undertakings handled by one and the same management company shall be deemed to be one audit mandate.

2) Auditors shall:

a) report to the FMA every change of their articles and regulations as well as every change of personnel in the composition of their governing bodies and the executive auditors;

b) only entrust audit management to auditors who have been reported to the FMA and meet the necessary requirements;

c) report to the FMA the person in charge of the mandate and the executive auditor; and

d) submit their business reports to the FMA annually.

3) The FMA may require to be informed about the reasons why members of the executive board and the executive auditors reported to the FMA have left the auditor.

Art. 104

Change of auditor

1) The management company shall report in writing with grounds any change of auditor six weeks before it becomes effective.

2) The notification in terms of Para. 1 shall be co-signed by the former auditor. If the management company and the auditor are unable to agree on the reason for the change, the former auditor shall submit his own report in terms of Para. 1 and 2.

3) The management company shall publish the change of auditor in the organ of publication when it takes effect. It shall be pointed out to investors in such publication that they may demand the repurchase of their units.

4) If the qualification of the auditor in terms of Art. 100 ceases or if an auditor loses his authorisation, the management company shall appoint a new auditor immediately, but no later than within one month. In exceptional circumstances, the FMA may extend that time-limit on request by an adequate period of time. The FMA shall be informed of the appointment of the new auditor within one week from such auditor's mandating.

Art. 105

Interim audit of management company

1) The auditor shall carry out at least once per accounting year an unannounced interim audit of the management company.

2) During such interim audit, the auditor shall in particular verify the following, taking into account the risk-based approach:

a) the requirements for authorisation;

b) the rules on risk management;

c) the rules of conduct;

d) the rules on the delegation of functions and the corresponding duties of the management company; and

e) the rules concerning the management company's marketing organisation.

3) The FMA may define further points of emphasis for the audit.

4) The result of the interim audit shall be reported on in the annual audit report.

5) If the auditor notices grave violations or deficiencies in the course of the interim audit, he shall immediately inform the FMA and shall submit to it a report on the interim audit within 30 days.

Art. 106

Extraordinary audit

1) The FMA may appoint a qualified auditor pursuant to Art. 129 (4) UCITS in connection with Art. 100 of this Ordinance to carry out an extraordinary audit in terms of Art. 120 (2)(e) UCITSG.

2) The FMA may demand an advance on costs from the management company.

XI. Cross-border business activities within the EEA

A. Cross-border marketing of the UCITS

Art. 107

Information for investors and appointment of a paying agent

1) Management companies shall provide the following information on the relevant laws, regulations and administrative provisions in accordance with Art. 96 (1) UCITSG:

a) the definition of the term "marketing of units of UCITS" or the equivalent legal term either as stated in Liechtenstein legislation or as developed in practice;

b) requirements for the contents, format, and manner of presentation of marketing communications, including all compulsory warnings and restrictions on the use of certain words or phrases;

c) without prejudice to Chapter VIII UCITSG, details of any additional information required to be disclosed to investors;

d) details of any exemptions from rules or requirements governing arrangements made for marketing applicable in Liechtenstein for certain UCITS, certain share classes of UCITS or certain categories of investors;

e) requirements for any reporting or transmission of information to the FMA, and the procedure for lodging updated versions of required documents;

f) requirements for any fees or other sums to be paid to the FMA or any other statutory body in Liechtenstein, either when marketing commences or periodically thereafter;

g) requirements in relation to the facilities to be made available to investors as required by Art. 96 (1)(a) UCITSG;

h) conditions for the termination of marketing of units of UCITS in Liechtenstein by a UCITS situated in another EEA Member State;

i) detailed contents of the information required in Liechtenstein to be included in Part B of the notification letter as referred to in Art. 1 of Commission Regulation (EU) No 584/2010 implementing Directive 2009/65/EC as regards the form and content of standard notification letter and UCITS attestation, the use of electronic communication between competent authorities for the purpose of notification, and procedures for on-the-spot verifications and investigations and the exchange of information between competent authorities;

k) the e-mail address designated for the purpose of Art. 109.

2) The information listed in Para. 1 shall be given in the form of a narrative description or a combination of a narrative description and a series of references or links to source documents.

3) If no branch is formed in Liechtenstein, the duties pursuant to Art. 96 (1) shall be complied with by appointing a paying agent.

Art. 108

UCITS host Member State's access to documents.

1) UCITS shall ensure that an electronic copy of each document referred to in Art. 98 (2) is made available on a website of the UCITS, or a website of the management company that manages that UCITS, or on another website designated by the UCITS in the notification letter submitted in accordance with Art. 98 (1) UCITSG or any updates of such letter. Any document made available on a website shall be provided in an electronic format in common use.

2) The UCITS host Member State must have access to the website referred to in Para. 1.

Art. 109

Updates of documents.

1) The FMA shall designate an e-mail address for the purpose of receiving notification from UCITS pursuant to Art. 98 (6) of updates and amendments to the documents referred to in Art. 98 (2) UCITSG.

2) UCITS may notify pursuant to Art. 98 (6) UCITSG any update or amendment to the documents referred to in 98 (2) UCITSG by e-mail to be sent to the e-mail address referred to in Para. 1. The e-mail notifying such an update or amendment may either describe the update or the amendment that has been made, or provide a new version of the document as an attachment.

3) Any document attached to the e-mail referred to in Para. 2, shall be provided by UCITS in a commonly used electronic format.

Art. 110

Development of common data processing systems.

1) The FMA may coordinate with the competent authorities of other EEA Member States in the question of establishing sophisticated electronic data processing and central storage systems common to all Member States in order to facilitate access by the competent authorities of the UCITS host Member States to the information or documents referred to in Art. 98 (1) to (3) as well as Art. 99 (1) and (2) UCITSG for the purposes of Art. 98 (6) UCITSG.

2) The coordination between EEA Member States referred to in Para. 1 shall take place in the European Securities and Markets Authority.

B. Other cross-border activities

Art. 111

Initial notification and notification of amendment for branches

1) The notification of the intended establishment of a branch pursuant to Art. 103 UCITS shall be made using the form provided by the FMA.

2) Art. 1 shall apply mutatis mutandis to the notification of amendments pursuant to Art. 104 UCITSG.

Art. 112

Initial notification and notification of amendment for cross-border services

1) The notification of the intended starting of services under the freedom to provide services pursuant to Art. 105 UCITS shall be made using the form provided by the FMA.

2) Art. 1 shall apply mutatis mutandis to the notification of amendments pursuant to Art. 106 UCITSG.

C. Collective portfolio management

1. General

Art. 113

Applicable law in cross-border collective portfolio management

1) If Liechtenstein is the home Member State of a management company, the requirements of Art. 110 (2) UCITSG shall be deemed to be met if the management company complies with the rules pursuant to Art. 13 to 31 UCITSG.

2) If Liechtenstein is the home Member State of a UCITS, the requirements of Art. 110 (3) and (4) UCITSG shall be deemed to be met if the rules of Art. 4 to 12 as well as Art. 32 to 92 UCITSG are complied with.

3) The other provisions of the UCITSG shall in the cases of Para. 1 apply to the management company and in the cases of Para. 2 to the UCITS.

2. Standard agreement between a depositary and a management company

Art. 114

Procedure

The depositary and the management company (hereinafter "the parties to the agreement") shall include in the written agreement referred to in Art. 111 UCITSG at least the following particulars related to the services provided by and procedures to be followed by the parties to the agreement:

a) a description of the procedures, including those related to the safe-keeping, to be adopted for each type of asset of the UCITS entrusted to the depositary;

b) a description of the procedures to be followed where the management company envisages a modification of the fund rules or prospectus of the UCITS, and identifying when the depositary should be informed, or where a prior agreement from the depositary is needed to proceed with the modification;

c) a description of the means and procedures by which the depositary will transmit to the management company all relevant information that the management company needs to perform its duties, including a description of the means and procedures related to the exercise of any rights attached to financial instruments and the means and procedures applied in order to allow the management company and the UCITS to have timely and accurate access to information relating to the accounts of the UCITS;

d) a description of the means and procedures by which the depositary will have access to all relevant information it needs to perform its duties;

e) a description of the procedures enabling the depositary to enquire into the conduct of the management company and to assess the quality of information transmitted, including by way of on-site visits;

f) a description of the procedures by which the management company can review the performance of the depositary in respect of the depositary's contractual obligations.

Art. 115

Provisions concerning the exchange of information and obligations on confidentiality and money-laundering.

1) The parties to the agreement referred to in Art. 111 UCITSG shall include at least the following elements related to the exchange of information and obligations on confidentiality and money laundering in that agreement:

a) a list of all the information that needs to be exchanged between the UCITS, its management company and the depositary related to the subscription, redemption, issue, cancellation, and repurchase of units of the UCITS;

b) the confidentiality obligations applicable to the parties to the agreement;

c) information on the tasks and responsibilities of the parties to the agreement as to obligations relating to the prevention of money laundering and the financing of terrorism, where applicable.

2) The obligations referred to in Para. (1)(b) shall be drawn up so as not to impair the ability of either the competent authorities of a management company's home Member State or the competent authorities of the UCITS home Member State in gaining access to relevant documents and information.

Art. 116

Provisions concerning the appointment of third parties

Where the depositary or the management company envisage appointing third parties to carry out their respective duties, both parties to the agreement referred to in Art. 111 UCITSG shall include at least the following particulars in that agreement:

a) an undertaking by both parties to the agreement to provide details, on a regular basis, of any third parties appointed by the depositary or the management company to carry out their respective duties;

b) an undertaking that, upon request by one of the parties, the other party will provide information on the criteria used for selecting the third party and the steps taken to monitor the activities carried out by the selected third party;

c) a statement that a depositary's liability as referred to in Art. 35 UCITSG shall not be affected by the fact that it has entrusted to a third party all or some of the assets in its safe-keeping.

Art. 117

Rules concerning potential amendments and the termination of the agreement

The parties to the agreement referred to in Art. 111 UCITSG to include at least the following particulars related to amendments and the termination of the agreement in that agreement:

a) the period of validity of the agreement;

b) the conditions under which the agreement may be amended or terminated;

c) the conditions which are necessary to facilitate transition to another depositary and, in case of such transition the procedure by which the depositary shall send all relevant information to the other depositary.

Art. 118

Applicable law

The parties to the agreement referred to in Art. 111 UCITSG shall specify that the law of the UCITS home Member State applies to that agreement.

Art. 119

Electronic transmission of information

In cases where the parties to the agreement referred to in Art. 111 UCITSG agree to the use of electronic transmission for part or all of information that flows between them, such agreement shall contain provisions ensuring that a record is kept of such information.

Art. 120

Scope of the agreement

The FMA may permit that the agreement referred to in Art. 111 UCITSG covers more than one UCITS managed by the management company. In such case, the agreement shall list the UCITS covered.

Art. 121

Service level agreement

The parties to the agreement may include the details of the means and procedures referred to in Art. 114 (c) and (d) either in the agreement referred to in Art. 111 UCITSG or in a separate written agreement.

Art. 122

Authorisation to obtain data from domestic branches

The FMA may require that the management companies shall provide the information and data necessary under Art. 114 (1) UCITS.

XII. Supervision

Art. 123

Directory

1) The FMA shall produce a separate directory on each of the following entities authorised in Liechtenstein:

a) management companies;

b) UCITS;

c) depositaries; and

d) qualified auditors.

2) The directories shall be provided to interested parties in a suitable manner.

Art. 124

Quarterly and semi-annual reports with regard to UCITS and management companies

1) There is no general obligation to draw up quarterly reports pursuant to Art. 129 (3) UCITSG. For the purpose of supervision, the FMA may require quarterly reports from individual management companies or concerning individual UCITS. In that case, the management companies shall draw up the quarterly reports as per 31 March and 30 September subject to the form provided by the FMA and submit them to the FMA each within two months after the corresponding record date.

2) Management companies shall draw up a semi-annual report as per 30 June and 31 December subject to the form provided by the FMA and submit them to the FMA each within two months after the corresponding record date.

3) Para. 1 and 2 shall apply mutatis mutandis to the domestic branches of foreign management companies; however, the report shall be limited to compliance with the rules pursuant to Art. 108 and 109 UCITSG.

XIII. Supervision

Art. 125

Extra-judicial arbitration body

1) The *Schlichtungsstelle* (Arbitration Office) shall be appointed by the Government on proposal from the Liechtenstein Investment Fund Association (*Liechtensteinischer Anlagefondsverband*, LAFV), from the Association of Independent Asset Managers (*Verein Unabhängiger Vermögensverwalter*, VuVL), from the Liechtenstein Bankers Association (*Liechensteinischer Bankenverband*, LBV), or from the FMA.

2) The Arbitration Office shall be subject to the rules of the FSV (*Finanzdienstleistungs-Schlichtungsstellen-Verordnung,* Ordinance on the Extra-judicial Arbitration Office for Financial Services, LR 952.012) mutatis mutandis, with the exception that in derogation of Art. 14, the Arbitration Office may:

a) determine a language different from German as the language of the proceedings;

b) determine that both parties shall first of all submit their requests for arbitration orally, and that arbitration proceedings shall be informal (ad hoc arbitration).

3) In the case of ad hoc arbitration, the material legal aspects of the agreement shall be laid down in writing immediately and shall be signed by both parties. If no agreement is reached, the Arbitration Office shall decide whether it appears sensible to carry out formal arbitration proceedings.

4) The Arbitration Office may cooperate with an arbitration body from other EEA Member State as long as this serves the settlement of the dispute.

Art. 126

Translations

The Ministry of Finance shall effect the translation of the Act and of this Ordinance pursuant to Art. 148.

XIV. Transitory and final provisions

Art. 127

Entering into force

This Ordinance shall enter into force concurrently with the Act dated 28 June 2011 on Certain Undertakings for Collective Investment in Transferable Securities (*Gesetz über bestimmte Organismen für gemeinsame Anlagen in Wertpapieren*, UCITSG).

The Princely Government:
by: *Dr. Klaus Tschütscher*
Princely Prime Minister