

GUIDE TO COLLECTIVE INVESTMENT SCHEMES AND CLOSED-END FUNDS IN MAURITIUS

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PREFACE

This Guide is a summary of the two main categories of investment companies (funds): collective investment schemes and closed-end funds in Mauritius.

We recognise that this Guide will not completely answer detailed questions which clients and their advisers may have; it is not intended to be comprehensive. If any such questions arise in relation to the contents, they may be addressed to any member of the team, using the [contact information](#) provided at the end of this Guide.

Appleby

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1. INTRODUCTION

Global funds registered with the Financial Services Commission (**FSC**) in Mauritius are commonly structured as companies incorporated under the Companies Act 2001 and licensed as a company holding a Category 1 Global Business Licence under the Financial Services Act 2007 (**FSA**). Such a structure, referred to as an Investment Company, is defined as one where the company's business consists of investing its funds mainly in securities with the aim of spreading investment risk and giving members of the company the benefit of the results of the management of its funds.

The law in Mauritius provides for two main categories of investment companies (**funds**):

- open-ended funds also known as Collective Investment Schemes (**CIS**); and
- closed-end funds commonly known as Private Equity Funds.

Any CIS or closed-end fund (individually a **scheme** or collectively **schemes**) wishing to be approved, registered with, recognised and/or licensed by the Commission under the Securities Act must first apply to the Commission for the authorisation as a CIS or closed-end fund in the manner set out in the Securities (Collective Investment Schemes and Closed-end Funds) Regulations 2008 (the **CIS Regulations**) and obtain a Category 1 Global Business Licence (**GBL1**) under the FSA.

2. COLLECTIVE INVESTMENT SCHEMES

2.1 Definition

A Collective Investment Scheme:

- (a) means a scheme constituted as a company, a trust, or any other legal entity prescribed or approved by the Commission:
 - (i) whose sole purpose is the collective investment of funds in a portfolio of securities, or other financial assets, real property or non-financial assets as may be approved by the Commission;
 - (ii) whose operation is based on the principle of diversification of risk;
 - (iii) that has the obligation, on request of the holder of the securities, to redeem them at their net assets value, less commission or fees; and
 - (iv) where the participants do not have day to day control over the management of the property, whether or not they have the right to be consulted or to give directions in respect of such management; and
- (b) includes closed-end funds whose shares or units are listed on a securities exchange; but
- (c) does not include such schemes as are specified in Part II of the Schedule of the Securities Act 2005¹.

2.2 Categories of Collective Investment Schemes

- **Fully regulated CIS** (meant for Public Funds).
- **Professional CIS**: professional CIS are CIS which offer their shares solely to sophisticated investors or as private placements. The Professional CIS are exempted from most on-going obligations/regulations generally imposed on public CIS.
- **Specialised CIS**: a Specialised CIS is a CIS which invests in real estate, derivatives, commodities or any other product authorised by the Financial Services Commission.

¹ Refer to Annex 1

- **Expert Fund:** an Expert Fund is a CIS that has applied to the Commission to be licensed as an Expert Fund. Expert Funds are only available to expert investors.

2.3 Fully Regulated CIS

(a) Legal form of Collective Investment Schemes

A CIS may be constituted:

- as a company limited by shares;
- as a trust;
- in any other legal form approved by the Commission.

The constitutive documents of any CIS shall include:

- provisions for matters specified in the First Schedule² or the Second Schedule³ as may be applicable;
- subject to the Securities Regulations, the conditions for the replacement of the CIS manager, the custodian, a member of the board of directors, a trustee or a member of the governing body; and
- relevant provisions to ensure the protection of interests of participants in the event of a replacement under the above.

(b) Minimum funding

The prospectus of a scheme shall specify that the scheme must receive a minimum amount of subscription of at least 5% of the total amount to be raised from investors so as to begin operating the scheme, or such higher amount as may be disclosed in its prospectus. Where the minimum amount of subscriptions indicated in the prospectus is not reached during the first six months of the offering period, the funds shall be returned to the investors together with any interest earned thereon, unless the CIS can justify a request for extension and the Commission agrees to such an extension, which shall not exceed a further six months.

(c) Changes to the information provided to the Commission

No alteration to a CIS shall be effective unless the Commission has been informed, and where required under the constitutive documents of the scheme, the shareholders of the scheme have approved the change.

The prior approval of the Commission shall be required for:

- the nomination of an officer of the scheme, the CIS manager or the custodian;
- change in or addition to portfolio managers;
- change in ownership or the acquisition of shares in the CIS manager;
- the establishments of a subsidiary by the CIS manager.

The CIS manager or the CIS shall give written notice to the Commission of any proposal to replace the custodian of the CIS. The CIS shall give written notice to the Commission of any proposal to replace its CIS manager.

(d) Custodian

Every CIS shall appoint and shall at all times have a custodian. Where the assets of a scheme are kept outside Mauritius (for Global Schemes) the custodian shall appoint a sub-custodian. No sub-custodian shall be appointed in relation to a CIS unless it is a bank, a trust company which

² Refer to Annex 2

³ Refer to Annex 3

is subsidiary of a bank or a trustee of a trust and which shall have and maintain a minimum stated unimpaired capital of Mauritian rupees ten million or an equivalent amount.

(e) **Audit of Collective Investment Schemes**

A CIS shall appoint an auditor and the latter shall not be an officer of the custodian, the CIS manager or any support functionary of the CIS.

(f) **Prospectus or offer document of a Collective Investment Scheme**

The constitutive documents of a CIS shall form an integral part of the prospectus or offer document of a CIS. The prospectus or offer document of a CIS shall include:

- information prescribed in the Fourth Schedule⁴ of the Securities Regulations and any other information provided for under the CIS Regulations, and
- any further information that may be necessary to enable participants to make an informed judgement as to the investment proposed.
- The constitutive documents of a CIS may not be annexed to the prospectus or offer document of a CIS where:
 - participants and potential participants are informed of its contents in the prospectus or offer document of the CIS,
 - the constitutive documents will be sent to them free of charge on request; or
 - participants and potential participants are informed of the place in Mauritius where the documents are available for inspection.

Where any significant change occurs or any new information arises which should be stated in the prospectus or offer document after it has been filed with the Commission, an addendum may be inserted into the prospectus or offer document of the CIS and it shall forthwith notify the Commission by filing a copy of the addendum therewith. An addendum filed with the Commission shall be valid unless the Commission rejects such a change or such new information, the Commission may request the CIS to file a new prospectus if it deems appropriate.

(g) **General requirements for Collective Investment Schemes**

The CIS shall in the manner and at the frequency described in the prospectus, publish the issue, sale, repurchase and redemption prices of the shares of the CIS. Any such publication shall be done at least once in every week or at such frequency as may be approved by the Commission.

No expense shall be paid out of the assets of a CIS unless clearly disclosed in the prospectus or offer document of the CIS. The periodic fees of the CIS manager paid out of the assets of a CIS by way of remuneration, shall be calculated and accrued and be paid in the manner determined by the constitutive documents of the CIS.

The fees of the custodian paid out of the assets of a CIS shall be calculated and accrued and be paid in the manner determined by the constitutive documents of the CIS.

All payments or repayments of an income/capital nature payable out of or into the assets of a CIS shall be payable out of or into the income/capital (as the case may be) assets of the CIS.

The constitutive documents of a CIS shall provide for the creation, cancellation, sale, repurchase and redemption of shares, the valuation of the assets of the CIS and the calculation of the sale, issue, repurchase and redemption prices of shares.

⁴ Refer to Annex 4

Except in the case of the first public offering, purchase and redemption prices of shares of a CIS shall be established on the basis of the net asset value as provided in the prospectus or offer document of the scheme.

The CIS shall describe in its prospectus, the valuation method that it will employ in valuing its portfolio securities to arrive at a net asset value.

The CIS shall describe in its prospectus the valuation methods used for illiquid assets.

A CIS offering shares in Mauritius shall not issue, use or cause to be issued for any purpose any advertisement for or in connection with the CIS unless a copy of the advertisement is forwarded to the Commission not later than five working days prior to the date of first issue or use. It is to be noted that **advertisement** does not include any publication of the issue, sale, repurchase or redemption prices of shares.

An advertisement of a CIS shall include a warning statement that:

- the price of shares, and the income from them (if the CIS pays a dividend), may decrease or increase; and
- in certain circumstances a participant's right to redeem his shares may be suspended.

Except with the prior approval of the Commission and, if applicable, of the shareholders of the CIS, no alteration shall be made to the constitutive documents of a CIS. The constitutive documents may be altered by the CIS manager or the self-managed scheme where in its opinion the proposed alteration:

- is necessary to enable compliance with fiscal or other statutory or official requirements;
- is necessary to correct a manifest error;
- does not materially prejudice participants' interests;
- does not to any material extent release the custodian, CIS manager or any other person from any liability to participants; or
- does not increase the costs and charges payable from the CIS assets.

(h) **Investment restrictions and practices**

Investment restrictions

A CIS shall not:

- purchase a security, other than a debt security issued by the Government of Mauritius or the government of any other country, if, immediately after the purchase, more than 5% of its net assets, taken at market value at the time of purchase, would be invested in securities of that issuer;
- purchase a security of an issuer where, immediately after the purchase, the CIS would hold more than 10% of a class of securities of that issuer;
- purchase real estate;
- purchase a mortgage;
- purchase a security for the purpose of exercising control or management of the issuer of the security;
- purchase an illiquid asset if, immediately after the purchase more than 10% of the net assets of the CIS, taken at market value at the time of the purchase, would consist of illiquid assets;
- except within the limits established by the Commission or, in the case of a specialised fund authorised by the Commission, purchase or sell derivatives;

- except in the case of a specialised CIS authorised by the Commission, purchase or sell a physical commodity, including precious metals.

Investment practices

A CIS shall not:

- borrow money or provide for the creation of any encumbrance on its assets except in the two following situations:
 - the transaction is a temporary measure to accommodate requests for the redemption of securities of the CIS while the CIS effects an orderly liquidation of its assets, and, after giving effect to the transaction, the outstanding amount of all borrowings of the CIS does not exceed 5% of the net assets of the CIS taken at market value at the time of the borrowing;
 - the encumbrance secures a claim for the fees and expenses of the custodian or a sub-custodian for services rendered in that capacity;
- subscribe securities offered by a company under formation;
- engage in the business of underwriting or marketing securities of any other issuer;
- subject to these Regulations lend money, securities or other assets,
- guarantee securities or obligations of another person;
- purchase or sell securities other than through market facilities where these securities are normally bought and sold unless the transaction price approximates the prevailing market price or is negotiated on an arm's length basis;
- purchase a security from, or sell a security to, one of the following persons:
 - the CIS manager or the custodian;
 - an officer of the CIS manager or the custodian;
 - an affiliate of a person referred to in the above two subparagraphs, unless the purchase from or sale to the affiliate is carried out at arm's length.

However, where the Commission is satisfied that a CIS has sufficient justification to depart from the above investment restrictions and investment practices, the scheme may be exempted from these restrictions and practices subject to such terms and conditions as the Commission deems appropriate and provided that the prospectus or offer document of the CIS shall describe:

- the investment rules that the CIS shall follow;
- the nature of the risks, including minimum exposure to stock market, sensitivity to rate of interest risk, exposure to currency, concentration risk, derivative risk, foreign investment risk, in illiquid securities risk; and
- the degree of specialisation, in a geographic region or in a particular class or kind of industry.

(i) Investment in other Collective Investment Schemes

Where a CIS intends to invest in foreign CISs, it shall:

- file, where available, a copy of the prospectus or other offering document of the foreign CIS with the Commission; and
- make adequate disclosure of its intentions in the prospectus, including the risks associated with the investments.

However, a CIS shall not invest in aggregate more than 5% of its net asset value in the shares of other CISs and a CIS shall not acquire more than 10% of the shares of any single CIS.

2.4 Professional Collective Investment Schemes

The provisions relating to professional CISs applies to CISs offering their shares solely to sophisticated investors⁵, or those CISs offering their shares as private placements. Moreover, the provisions also apply to closed-end funds which are not reporting issuers or to those CISs that the Commission classifies by rules as professional CISs.

The professional CISs are exempted from several provisions of the Securities Regulations provided the shares acquired by the participants shall not be resold to the public and the participants are advised of this restriction at the moment of subscription or the CIS is not listed for trading on a securities exchange. The exemptions shall apply only where the CIS or closed-end fund has notified the Commission 15 days before the offering is made and has filed a copy of the prospectus or offering document prepared for the purpose of the offering with the Commission at the same time. The CIS or closed-end fund shall advise the Commission at the conclusion of the offering indicating the total amount and value of shares sold.

2.5 Specialised Collective Investment Schemes

A specialised CIS is one that invests in real estate, derivatives, commodities or any other product authorised by the Commission. A person wishing to establish a specialised CIS shall apply to the Commission for a decision as to whether or not such a scheme would be authorised.

Prior to giving a decision the Commission shall determine which of the regulations would apply, whether specific rules should be issued and the conditions that would apply to such a scheme.

2.6 Expert Funds

A CIS may apply to the Commission for authorisation as an expert fund. The application for authorisation as an expert fund shall include the following documents or information:

- constitutive document of the scheme;
- measures taken to prevent money laundering and financing of terrorism;
- latest audited financial statements;
- a copy of the offering document given to potential investors; and
 - if applicable, information on the CIS manager.

An expert fund shall only be available to expert investors, and an **expert investor** means:

- an investor who makes an initial investment, for his own account, of not less than USD100,000; or
- a sophisticated investor or any similarly defined investor in any other securities legislation.

An expert fund may appoint a manager who, where appointed, shall be the holder of a CIS manager licence, or a licence issued by a regulatory body in a jurisdiction having comparable regulation as Mauritius for investor protection.

The CIS manager of an expert fund need not be resident in Mauritius. The board of the fund or the CIS manager (where appointed) must satisfy itself that the fund is and continues to be managed in accordance with the fund's constitutive documents.

The board of the fund, or the CIS manager where appointed, shall be responsible for ensuring that the provisions of the CIS Regulations applicable to expert funds are complied with.

⁵ Sophisticated Investor means: (a) the Government of Mauritius; (b) a statutory authority or an agency established by an enactment for a public purpose; (c) a company, all the shares in which are owned by the Government of Mauritius or a body specified in paragraph (b); (d) the government of a foreign country, or an agency of such government; (e) a bank; (f) a CIS manager; (g) an insurer; (h) an investment adviser; (i) an investment dealer; or (j) a person declared by the Commission to be a sophisticated Investor.

The expert fund shall accept as investors in the fund, only such persons as the Board or CIS manager where appointed is satisfied are expert investors.

The offering document or any other similar document of an expert fund shall:

- contain a statement to the effect that the expert fund shall be available only to expert investors,
- contain in a prominent position, the definition of an expert investor; and
- shall have the following statements in a prominent position:
 - “Investors in [name of the expert fund] are not protected by any statutory compensation arrangements in Mauritius in the event of the fund’s failure.”
 - “The Mauritius Financial Services Commission does not vouch for the financial soundness of the fund or for the correctness of any statements made or opinions expressed with regard to it.”

An expert fund is exempted from several provisions of the Securities regulations.

3. CLOSED-END FUNDS

The provisions in the Securities Regulations relating to closed-end funds shall apply to all closed-end funds which are reporting issuers or where the closed-end fund is filing a prospectus with the intention of applying for a listing on a licensed securities exchange.

A closed-end fund shall appoint and have at all times a CIS manager, however where the closed-end fund is self-managed the board of directors of the fund shall be subject to all provisions relating to a CIS manager.

Prospectus

A person shall be deemed to make an offer or distribution of securities where that person invites or solicits another person:

- to purchase or subscribe to securities that have never been issued;
- to enter into an agreement for the underwriting of securities;
- to purchase securities underwritten;
- to distribute securities previously offered without a prospectus; or
- to purchase securities, other than securities acquired on a securities exchange in normal market operations, previously issued and held by a person, including an issuer,
- and where the offer or distribution is made from Mauritius, or received in Mauritius.

A prospectus shall not be needed for:

- an issue of securities of a company at or in connection with the formation of the company, where no solicitation is made for the purchase of the securities;
- the transmission of securities by succession;
- the vesting or transfer of securities by operation of law or by order of a court;
- an offer or issue of securities that is a private placement;
- an offer or issue of securities that is made only to sophisticated investors;
- an offer or issue of securities only to related corporations of the issuer of the securities;
- an offer by an issuer:
 - to allow the exercise of an exchange, conversion, or subscription rights previously issued for securities held by a reporting issuer;

- under a subscription plan, a share dividend plan or a dividend reinvestment plan; or
- under an employee share plan or a similar plan and is made only to officers or employees of the issuer,
- where the issuer has complied with its obligations under the Securities Act, any regulations made under the Securities Act or any FSC Rules as to disclosure in relation to the securities;
- an offer of securities (acquired under an offer or issue of securities that is made only to sophisticated investors or an offer or issue of securities only to related corporations of the issuer of the securities) where:
 - a sale of securities is made in normal market operations on a securities exchange;
 - the issuer has complied with its obligations under the Securities Act, any regulations made under the Securities Act or any FSC Rules and the rules of the securities exchange as to disclosure in relation to the securities; and
 - the person making the offer has held the securities for at least the period specified in FSC Rules;
 - an offer or issue of securities for the purpose of effecting an amalgamation of companies.

A prospectus shall provide full, true and plain disclosure of all material facts concerning the securities to be offered and the person offering the securities, without omitting anything that would be required to allow investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the issuer of the securities and the rights and liabilities attaching to the securities.

A prospectus shall contain:

- the date of the prospectus, which shall be the date on which the prospectus is provisionally registered with the Commission;
- a statement signed by all the directors of the issuer to the effect that they accept responsibility for the contents of the prospectus and that, to the best of their knowledge and belief, and after making reasonable inquiries, the prospectus complies with the Securities Act, any regulations made under the Securities Act or any FSC Rules;
- such signatures as may be specified in FSC Rules; and
- a statement to the effect that the Commission takes no responsibility for its contents.

A prospectus shall not include any statement made by a person, or any statement said in the prospectus to be based on a statement made by a person, unless:

- the person has consented to the statement being included in the prospectus in the form and context in which it appears or referred to in the prospectus;
- the prospectus states that the person has given his consent;
- the consent is filed with the Commission; and
- the person has not withdrawn his consent before the date the prospectus is lodged for provisional registration with the Commission.

An issuer shall not issue securities under a prospectus unless that prospectus is up to date at the time of issue of the securities. A prospectus shall be in the English or French language. An issuer shall not issue securities under a prospectus more than six months after the date the prospectus is granted effective registration. A prospectus shall include a statement that securities shall not be issued under the prospectus more than six months after the date the prospectus is granted effective registration.

The Commission shall, on filing of a prospectus, issue an acknowledgement of filing on such terms and conditions as it may deem appropriate.

No subscription for any securities offered to the public shall be effected unless registration of the prospectus is granted, subscription is made on an application form for subscription accompanying the prospectus and the subscription is effected through a licensed investment dealer who shall give a copy of the prospectus to each potential subscriber before subscription.

Moreover, the prospectus of a closed-end fund shall include the disclosure requirements as set out in the Fifth Schedule⁶.

4. AUTHORISATION – GLOBAL SCHEMES

4.1 Global Schemes

A **Global scheme** means a company, a trust or any other legal entity approved by the Commission, holding a Category 1 Global Business Licence and authorised to carry out activities falling within the definition of a CIS.

Application and Authorisation

The application for authorisation as a Global scheme shall contain the information specified in the Third Schedule⁷ and shall include:

- the following documents or information:
 - a prospectus in accordance with the Fourth Schedule or a copy of the prospectus or similar offering document filed in another jurisdiction;
 - the constitutive documents of the scheme;
 - measures taken to prevent money laundering and financing of terrorism;
 - latest audited financial statements as applicable;
- the personal questionnaire form set out in the FSC Rules which shall be completed by each of the officers or proposed officers of the CIS;
- the fees specified in FSC Rules;
- such other information or document as the Commission may require in order to process the application.

The Commission may grant an authorisation for a Global scheme provided that:

- information relating to the CIS manager and the custodian as prescribed in these Regulations is submitted with the application for authorisation;
- a CIS administrator with a place of business in Mauritius is appointed;
- the accounting and reporting services are carried out by the CIS manager, or the CIS Administrator of the scheme, having a place of business in Mauritius.

The prospectus or other offering document contains the following statements in a prominent position:

“Investors in [name of the Global scheme] are not protected by any statutory compensation arrangements in Mauritius in the event of the fund’s failure.”

⁶ Refer to Annex 5

⁷ Refer to Annex 6

"The Mauritius Financial Services Commission does not vouch for the financial soundness of the fund or for the correctness of any statements made or opinions expressed with regard to it."

- a certified copy of the prospectus or other offering document filed in a jurisdiction where the CIS is regulated or exempted from regulation is filed with the Commission;
- information is provided on the CIS manager and the custodian, including name and registered addresses and where regulated, if applicable;
- information is given on whether the CIS is regulated, or shall be subject to regulation, in any jurisdiction and if so, a copy of the authorisation or similar consent of the regulator and if not, indication on what basis it is exempted from securities regulation in other jurisdictions;
- adequate measures are taken to prevent money laundering and financing of terrorism and provided that the Commission is satisfied that these measures meet legislative requirements.

5. CIS MANAGER CUSTODIAN

5.1 CIS Manager

A CIS manager holding a licence issued by the Commission shall be a company which shall be incorporated and have its place of business in Mauritius, and is engaged solely in the business of management of CISs, unless otherwise authorised by the Commission.

An application for a CIS manager licence shall be filed with the Commission, and shall be accompanied by:

- the constitutive documents of the applicant;
- a detailed description of how the applicant intends to comply with the Act, including any regulations and rules made thereunder;
- information that demonstrates that it has suitably qualified staff with the appropriate expertise and experience to carry out the functions of a CIS manager;
- the personal questionnaire form for every officer or proposed officer, controller, shareholder and beneficial owner of the CIS manager;
- a list of persons responsible for the management of securities portfolios of the CISs under management and the competence of these persons;
- the audited financial statements of the applicant as at the last balance sheet date; and
- the relevant fees.

A CIS manager holding a licence issued by the Commission shall maintain a minimum stated unimpaired capital of at least Mauritian rupees one million or an equivalent amount.

It is to be noted that a Global scheme may appoint and retain a CIS manager established in a foreign jurisdiction subject to the approval of the Commission.

5.2 Custodian

A person wishing to hold the assets of a CIS for safe keeping shall apply to the Commission for a custodian licence.

The application for a custodian licence shall include:

- the constitutive documents of the applicant;
- the audited financial statements of the applicant as at the last balance sheet date;
- the list of CISs for which the applicant proposes to act as custodian;

- save where the applicant is a bank, the personal questionnaire form specified in the FSC Rules for every officer or proposed officer, controller, shareholder and beneficial owner of the custodian;
- the fees specified in FSC Rules; and
- any other information or document requested by the Commission.

A person applying for a custodian licence as a trust company established as a subsidiary of a bank or as a trustee of a trust, shall have and maintain a minimum stated unimpaired capital or Mauritian rupees 10 million or an equivalent amount.

A Global scheme may appoint and retain a custodian established in a foreign jurisdiction subject to the approval of the Commission.

6. MAURITIUS AS A LISTING VENUE FOR GLOBAL AND SPECIALISED FUNDS⁸

The implementation of the Securities Act in September 2007 has enabled a wider coverage of activities within the Securities Industry and laid down the regulatory framework for CISs. The introduction of the Securities Regulations in 2008 has set the operating framework for Global Schemes and a wider variety of Specialist Funds. The Securities (CISs and closed-ended funds) Regulations in 2008, now provides for the listing of different types of Investment Entities, namely: Closed-End Funds, Global Schemes, Professional CISs, Specialised CISs and Expert Funds. To capture the listing potential of these funds, the SEM has reviewed Chapter 16 of the Listing Rules and tailored it to reflect the specific requirements of the Specialist Funds.

6.1 Changes brought to the Chapter 16

Previous Chapter 16	New Chapter 16
Catered only for the listing of investment companies, unit trusts and open-ended funds.	Investment entities include Global Schemes, professional CIS, specialised CIS, expert funds, closed-ended funds and other types of specialised CIS's.
In general, an investment entity had to invest in a well-diversified portfolio of assets.	Can accommodate the listing of investment entities with a more concentrated investment portfolio.
Investment entity should be a passive investor and should not control or be actively involved in the management of the entities in which it invests.	Provision is made for the listing of investment entities which can exercise control, if exemption is obtained in accordance with specific nature of fund or as per Regulation 67 of the CIS Regulations 2008.
Generally, three years' audited accounts are required for listing. Only investment companies, unit trusts and open-ended funds were allowed to provide < three years audited accounts.	This requirement has been extended to the new types of investment entities introduced under the new Chapter 16.
Every investment entity has to submit a full-fledged Listing Particulars (LP) compliant with the requirements of the Listing Rules.	SEM may accept the Offer Document registered with the FSC during the previous 12 months in lieu of an LP.

⁸ Stock Exchange of Mauritius: Positioning the SEM as a Listing Venue for Global and Specialised Fund.

An investment entity had to satisfy a minimum percentage of issued share capital in public hands of 25%.	The new types of CIS may be admitted to listing with less than 25% in public hands to cater for the specific attributes of these CIS.
NAV's had to be calculated every month and published in two daily newspapers.	Specialised CIS's adhere to NAV calculations as disclosed in their Offer Documents.
An entry requirement for a company to list on the Official Market is a minimum of 200 shareholders. This requirement could be waived only for investment companies, unit trusts and open-ended funds.	The waiver regarding the requirement to have 200 shareholders at the time of listing has been extended to the new types of CIS introduced under the new Chapter 16.
Investment companies need to have a minimum market capitalisation of Rs 20M at the time of listing.	New types of CIS may be listed with a market cap < Rs 20M, but must move to minimum threshold within a year.

6.2 Advantages

A listing on the SEM can generate a number of important advantages to a Fund. The key advantages can be summarised as follows:

- A listing on the SEM will enhance the attractiveness of the Fund from an investors' perspective. The SEM is a well-regulated Exchange which has gained recognition through its accreditation to various international bodies, including the World Federation of Exchanges (**WFE**), South Asian Federation of Exchanges (**SAFE**), African Securities Exchanges Association (**ASEA**) and Committee of SADC Stock Exchanges (**COSSE**).
- New Chapter 16 ensures flexibility of listing through tailor-made vehicles that are adapted to fund-specific circumstances and objectives of Global Business Schemes and Specialised Funds.
- A listing constitutes one of the ways of demonstrating substance and added value.
- The regulatory gap between the compliance requirements of the CIS Regulations and Chapter 16 of the Listing Rules is thin, which ensures little difference in terms of compliance costs between a listed and an unlisted CIS.
- A listing on the SEM can be particularly important where a fund is marketed to institutional investors, whose own rules may prohibit or restrict investment in unlisted securities.
- A listing can, therefore, increase a fund's potential investor base.
- A listing allows investors to mark their fund investment to market, namely for those funds which are actively traded.
- The SEM ensures a speedy processing of applications with a turnaround time of two weeks if application is complete.
- A listing on the SEM does not require the applicant to have registered sponsors as in other jurisdictions. Financial advisers/legal experts may handle applications and deal with the SEM.
- The offer document registered with the FSC may also serve as Listing Particulars.
- SEM's trading infrastructure is tuned to accommodate multi-currency trading (USD, GBP, EURO, etc.).
- Listing fees are set at very competitive levels (refer to Appendix 7 of the Listing Rules).

6.3 How to list

A smooth process has been ensured for the listing of global funds on the SEM, which comprises the following distinct stages.

(a) Appoint an authorised representative

An authorised representative must be appointed by every applicant. The authorised representative is responsible for dealing with the SEM on all matters in relation to the application and for ensuring the applicant's suitability for listing prior to any submission to the SEM.

(b) Comply with conditions for listing

Every applicant and its authorised representative must be satisfied that it can meet all the conditions for listing prior to applying to the SEM. The SEM should be consulted in advance in case of doubt.

(c) Submit draft listing particulars/prospectus to the SEM for approval

An applicant must submit, through its authorised representative, a Listing Particulars for review and comments by the SEM. In lieu of a full-fledged Listing Particulars, the offer document registered with the Financial Services Commission during the previous 12 months may also be accepted by the SEM.

(d) Approval of final listing particulars/offer document

Once approved by the SEM, the Listing Particulars/offer document must be signed off by the directors.

(e) Listing

The listing of the fund will take place on the business day communicated by the SEM.

(f) Ongoing obligations

A fund, after admission to listing, must comply with the ongoing obligations of the SEM, as specified under the Listing Rules.

6.4 Application

Applications for the listing of global and specialised funds must be channelled through the Listing Division of the Stock Exchange of Mauritius Ltd and the main documents that must be filed are as follows:

- formal application letter;
- draft Listing Particulars (offer document);
- certificate of Incorporation or equivalent;
- certified copy of issuer's Constitutive documents;
- certified copies of resolutions authorising issue of the securities;
- issuer's undertaking and directors' declarations and undertakings.

6.5 SEM and CDS Fees

The fees that the SEM charges are highly competitive. An initial listing fee of USD1,500 and an annual fee of USD1,500 are normally applicable for a fund. CDS fees are payable by these funds who would avail themselves of CDS services and facilities.

In the case of a **multi-class fund** or an **umbrella fund**, a CIS which is divided into a number of sub funds, the following will apply in respect of the initial and annual listing fees payable:

No of Different Classes	Initial Fee/Annual Fee (Rs)
1-3	USD1,500 (per sub fund)
4-10	USD5,000 (fixed)
11-20	USD7,500 (fixed)
Over 20	USD10,000 (fixed)

For more specific advice on collective investment schemes and closed-end funds in Mauritius, we invite you to contact:

Mauritius

Malcolm Moller

Managing Partner, Mauritius and Seychelles

Corporate

+230 203 4301

mmoller@applebyglobal.com

For the convenience of clients in other time zones, a list of contacts available in each of our jurisdictions may be found [here](#).

ANNEX 1**PART II****Schemes which are not CISs**

1. A contract of insurance, other than an insurance policy traded on the secondary market
2. A cheque, order for the payment of money, bill of exchange or promissory note
3. A scheme or arrangement operated by a person otherwise than by way of business
4. A scheme or arrangement that each participant enters into merely as incidental to some other business (other than a business of investment) that the participant carries out
5. A scheme or arrangement where each participant is a related corporation of the operator
6. A scheme or arrangement where each participant is:
 - (a) a bona fide employee or former employee of the operator of the scheme or arrangement or of a related corporation of the operator; or
 - (b) a close relative of such an employee or former employee
7. A franchise
8. An arrangement under which:
 - (a) money is received by a law practitioner from clients, whether as stakeholder or otherwise, the law practitioner acting in a professional capacity in the ordinary course of practice; or
 - (b) money is received by a statutory body as a stakeholder in the carrying out of its statutory functions
9. An arrangement made by a co-operative society registered under the Cooperative Societies Act in accordance with its objects for the benefit of its members
10. An arrangement out of a life policy under the Insurance Act
11. An occupational pension scheme, including the National Pension Fund
12. A clearing or settlement facility operated by a person in accordance with a clearing or settlement facility licence
13. A debenture
14. A time-sharing scheme, that is, a scheme, undertaking or enterprise, whether in Mauritius or elsewhere, where:
 - (a) the participants are or may become entitled to use, occupy or possess, for two or more periods, property to which the scheme, undertaking or enterprise relates; and
 - (b) that is to operate for a period of not less than three years
15. A document issued or executed by a bank or deposit taking non-bank financial institution licensed or authorised under the Banking Act 2004, being a document issued or executed in the ordinary course of its banking or deposit taking business, that acknowledges the indebtedness of the bank or institution arising in the ordinary course of that business
16. A foreign exchange contract as defined in the Banking Act 2004
17. A scheme or arrangement that the regulations or the Commission, by notice, declare not to be a CIS

ANNEX 2**FIRST SCHEDULE***(Rule 5)***A CIS CONSTITUTED AS A TRUST****18. NAME OF THE SCHEME**

A statement of the name of the scheme being a name consistent with the objectives of the scheme stated in accordance with clause 2.

19. INVESTMENT OBJECTIVES

General description of investment objectives to be detailed in the prospectus or offer document.

20. GOVERNING LAW

A statement that the:

- (a) scheme is established under and governed by the laws of Mauritius; or
- (b) scheme is established in such jurisdiction and governed by such laws as the Commission may approve, where a scheme is recognised by or is seeking recognition as a foreign scheme from the Commission.

21. TRUST DEED TO BE BINDING AND AUTHORITATIVE

A statement that the trust deed is binding on each participant as if he had been a party to it and so to be bound by its provisions and authorises and requires the custodian and the CIS manager to do the things required of them through the terms of the deed.

22. DECLARATION OF TRUST

A declaration that the assets of the scheme are held by the custodian for and on behalf of the participants *pari passu*, according to the number of shares held by each participant.

23. CURRENCY

A statement indicating in what currency the accounts of the scheme will be held.

24. ANNUAL ACCOUNTING PERIOD

State the dates in the calendar year on which the annual accounting begins and ends which must, in the case of an umbrella scheme, be the same for all the constituent schemes.

25. ANNUAL ENTITLEMENT DATE

State the date in the calendar year (not being later than two months after the date on which the immediately preceding annual accounting period ends) that is to be the annual entitlement (not including bonus issues and other benefits in kind) date that must, in the case of an umbrella scheme, be the same for all the constituent schemes.

26. PARTICIPANTS LIABILITY TO PAY

A provision that a participant is not liable to make any further payment after he has paid the purchase price of his shares and that no further liability can be imposed on him in respect of the shares which he holds.

27. DURATION OF THE SCHEME

If the scheme is to terminate after the expiration of a particular period, a statement to that effect.

28. CIS MANAGER'S PERIODIC CHARGE

Subject to these regulations:

- (a) a statement authorising the CIS manager to make a periodic charge payable out of the assets of the scheme and specifying how it shall accrue and be paid, with a statement of the maximum of that charge expressed as an annual percentage of the value of the assets of the scheme.
- (b) alternatively a statement authorising the CIS manager to make a periodic charge payable out of the assets of the scheme expressed as a specified annual percentage of the value of the assets of the scheme lower than the maximum referred to in sub-clause (1) with authority to increase it to a larger percentage of that value (not greater than that maximum) but with effect only from the expiry of three months from the date on which the CIS manager gives notice in writing to each participant entered on the register of its intention to do so.

29. UMBRELLA COLLECTIVE INVESTMENT SCHEMES: CIS MANAGER'S CHARGE ON AN EXCHANGE OF SHARES

Subject to these regulations, a statement authorising the CIS manager of an umbrella CIS to make a charge of a fixed amount on the exchange of shares in one constituent part (other than the first exchange by a participant in any one annual accounting period) and specifying what the maximum of that amount may be.

30. CUSTODIAN'S REMUNERATION

A statement authorising the CIS manager to make payments to the custodian by way of remuneration for its services, relieving the custodian from any obligation to account for those payments to the participants or any of them and specifying the basis on which that remuneration is to be calculated and how it should accrue and be paid.

31. CUSTODIAN'S REMUNERATION CHARGEABLE TO THE ASSETS OF THE SCHEME

A statement authorising any payments to the custodian, by way of remuneration for its services, to be paid (in whole or in part) out of the assets of the scheme.

32. CUSTODIAN'S DISBURSEMENTS

The descriptions of expenses or disbursements of the custodian which are payable out of the assets of the scheme.

33. INITIAL PRICE

A statement of the initial offering price of shares, including a breakdown on how it has been calculated and by identifying clearly the preliminary charges or expenses.

34. INVESTMENT IN CISS MANAGED BY THE CIS MANAGER OR A CONNECTED PERSON

Subject to these Regulations, a statement as to whether or not the assets of the scheme may include shares in another CIS that is

- (a) managed by the CIS manager or by another company in the same group as the CIS manager;
or
- (b) managed by any person who is a controller of the CIS manager or of which the CIS manager is the controller.

35. INTERIM ENTITLEMENT DATE

A provision authorising or requiring interim entitlement, not including bonus issues and other benefits in kind and either specifying what the interim accounting period or periods is or are to be and what the interim entitlement date or dates is or are to be or stating that those matters are left to the discretion of the CIS manager.

ANNEX 3**SECOND SCHEDULE***(Rule 5)***A CIS CONSTITUTED AS A COMPANY****1. GOVERNING LAW**

A statement that the:

- (a) constitution is made under and governed by the laws of Mauritius; or
- (b) constitutive documents are made in such jurisdiction and governed by such laws as the Commission may approve, where a scheme is recognised by or is seeking recognition as a foreign scheme from the Commission.

2. INVESTMENT OBJECTIVES

A broad description of the investment objectives to be detailed in the prospectus or offer document.

3. BASE CURRENCY

A statement indicating in what currency the accounts of the scheme will be held.

4. ANNUAL ACCOUNTING PERIOD

State the dates in the calendar year on which the annual accounting begins and ends which must, in the case of an umbrella CIS, be the same for all the constituent CISs.

5. ANNUAL ENTITLEMENT DATE

State the date in the calendar year (not being later than two months after the date on which the immediately preceding annual accounting period ends) that is to be annual entitlement (not including bonus issues and other benefits in kind) date that must, in the case of an umbrella CIS, be the same for all the constituent CISs.

6. NO PARTLY PAID SHARES

A provision that no partly paid shares may be issued and no credit shall be granted to participants or potential participants.

7. MANAGEMENT OR INVESTMENT COMPANY'S PERIODIC CHARGE

Subject to these regulations

- (a) a statement authorising the company to make a periodic charge payable out of the assets of the scheme and specifying how it should accrue and be paid with a statement of the maximum of that charge expressed as an annual percentage of the value of the assets of the scheme.
- (b) alternatively a statement authorising the company to make a periodic charge payable out of the assets of the scheme expressed as a specified annual percentage of the value of the assets of the scheme lower than the maximum referred to in sub-clause (1) with authority to increase it to a larger percentage of that value (not greater than that maximum) but with effect only from the expiry of three months from the date on which the scheme CIS manager gives notice in writing to each participant entered on the register of its intention to do so.

8. CUSTODIAN'S REMUNERATION

Subject to these regulations, a statement authorising the CIS manager to make payments to the custodian by way of remuneration for its services, relieving the custodian from any obligation to

account for those payments to the participants or any of them and specifying the basis on which that remuneration is to be calculated and how it should accrue and be paid.

9. **CUSTODIAN'S REMUNERATION CHARGEABLE TO THE ASSETS OF THE CIS**

A statement authorising any payments to the custodian by way of remuneration for its services to be paid (in whole or in part) out of the assets of the scheme.

10. **CUSTODIAN'S DISBURSEMENTS**

The description of any expenses or disbursements of the custodian which are payable out of the assets of the scheme.

11. **INITIAL PRICE**

A statement of the initial offering price of shares, including a breakdown on how it has been calculated and by identifying clearly the preliminary charges or expenses.

12. **INTERIM ENTITLEMENT DATE**

If interim entitlement, not including bonus issues and other benefits in kind, are to be authorised or required, a provision so stating and also either specifying what the interim accounting period or periods is or are to be and what the interim entitlement date or dates is or are to be or stating that those matters are left to the discretion of the scheme CIS manager and directors.

ANNEX 4**FOURTH SCHEDULE***(Rule 9, 16 and 51)***PROSPECTUS OF A CIS
IMPORTANT**

The prospectus constitutes the fundamental base of information for the subscribers of shares of a collective investment scheme and must be reviewed and updated by the scheme as it becomes necessary. Whenever the prospectus is amended, a copy of the addendum shall be filed with the Commission.

Information under all headings must be completed in accordance with the requirements of this Schedule and specific requirements of the Securities Act, including any regulations and rules made thereunder. The information must be presented in a clear manner that will facilitate reading and understanding by the investors.

The information required by this Schedule constitutes a minimum and the CIS may add other information as long as it is not misleading and is designed to increase the comprehension of the investment being proposed.

In the case of a family of schemes, the prospectus may be divided into different parts. For example, specific information about each scheme in the family could be in the first part and general information that applies to all the schemes could be in the last part of the prospectus. Also, in the first part, general information on CISs may be given to assist the investor in the understanding of that type of investment and the risks involved.

The prospectus shall include full disclosure of the information required by the investors to make a decision on the investment.

Heading I: Presentation of the CIS

1. **General Information** concerning the collective investment scheme, indicating its principal sphere of activity from among the following list or another activity defined by the scheme - *Mauritian Shares CIS*

The CIS will invest at least 60% of its assets in shares of Mauritian companies.

Foreign Securities CIS

The CIS will invest at least 60% of its assets in foreign securities. If the CIS wishes to invest at least 60% of its assets in European securities then it should identify itself as a European Securities CIS.

Debt Securities CIS

The CIS will invest at least 60% of its assets in debt securities. The CIS must indicate if debt securities of foreign markets are included in the amount to be invested. If more than 50% of the assets are to be invested in foreign debt securities, then the CIS should be identified as a Foreign Debt Securities CIS.

Diversified CIS

The CIS will invest in a mix of assets, including domestic and foreign securities. As much as possible, the mix should be described, without restricting the investing activities of the CIS.

Money Market CIS

The CIS restricts its investments to short term (less than one year to maturity) corporate and government debt securities (such as Treasury bills) and commercial paper. The CIS could also include debt securities of a maturity of between one to two years. In this case, the CIS should indicate what percentage of assets these securities will represent.

This list is not exhaustive and if the activity of the CIS does not fit within this list, it must clearly identify its sphere of activity so that investors will be able to evaluate the risks of their investment.

2. Name and Address of CIS

State the full name of the CIS and the address of its head office. If the name of the scheme was changed during the past twelve months, state its former name. State the name and address of the promoter, if any.

3. Constitution of the CIS

State the law under which the scheme was constituted, the manner, the date of formation and any particularities relating to its legal structure. Give a summary of the particulars of the constitutive documents, attach copy to the prospectus or indicate where the investor can obtain a copy free of charge.

Heading II: Organisation and Management of the CIS

1. Give details and principal functions of the

- (a) CIS manager;
- (b) trustee, if applicable;
- (c) principal distributor of the securities of the CIS, if any;
- (d) custodian and, if applicable, sub-custodian;
- (e) CIS administrator;
- (f) auditor;
- (g) investment adviser, if applicable.

2. Give the names of the members of the board of the CIS and the members of its Compliance Committee, indicating those members that are independent. For each member, provide the following information

- (a) full name;
- (b) functions with date of appointment and duration of term;
- (c) principal occupation outside of the CIS;
- (d) positions held as a member of the board in other companies.

Where the legal form of the scheme differs, the same information shall be provided for members of the governing body.

Heading III: CIS Manager

Name and address of head office of the CIS manager, date of constitution and law under which constituted. Name and address of each member of the board of directors, indicating those members that are independent. In the case of independent members, indicate their principal employment.

Name of natural persons acting as portfolio managers, with details qualifications and any previous experience in the management of portfolios of CIS.

Description of the principal functions of the CIS manager and names of the persons occupying these functions. Circumstances under which the management agreement may be terminated.

If applicable, names of the investment dealers responsible for the marketing of securities of the CIS and details on the contractual arrangements with this company.

Heading IV: Investment Objectives and Practices and Financial Characteristics**1. Investment Objectives and Practices**

State the fundamental investment objectives of the CIS, the types of securities in which the CIS proposes to invest (bonds, shares, money market instruments, etc.), as well as investment policies and practices of the CIS in pursuing its objectives.

Describe the investment rules to be followed by the CIS and an explanation as to why these rules may differ from these regulations, if applicable.

Explain the nature of the risks, including minimum exposure to stock market, sensitivity to rate of interest risk, exposure to currency risk, concentration risk, derivative risk, foreign investment risk, investment in illiquid securities risk, etc.

Degree of specialisation (in a geographic region or in a particular class or kind of industry).

Changes in the net asset value.

Diversification: specific limitations imposed and list of companies in which the CIS holds more than 5% of the securities of a class.

In the case of a CIS that proposes to acquire securities of other CISs, describe the measures put in place to resolve the conflicts that may arise, the additional risks, if any and whether the strategy will have an impact on the fees charged and the return on investment.

2. Type of investors

Type of investors for whom shares of the CIS would be suitable. In particular, lock-in period recommended for an investment in the fund.

3. Guarantee or protection

Nature of the guarantee or protection, if any, institution providing the guarantee, purpose, terms and conditions.

4. Financial Statements

Audited financial statements of the CIS for the last financial year, presented in accordance with the Sixth Schedule.

5. Dividends or Distributions

State the amount of dividends or other distributions, if any, paid by the CIS including income distributed by way of dividend reinvestment, during its last three completed financial years preceding the date of the prospectus.

In the case of a new CIS, explain when and how the gains of the CIS will be distributed, if applicable.

6. Performance

Except in the case of a first offering, provide information on the performance of the CIS during its last three completed financial years preceding the date of the prospectus, including net asset value at the beginning, plus results (net income and net capital gain), less distributions of income, net asset value at the end, total return for the year.

The information on performance must follow the requirements prescribed.

7. Tax Status of CIS and Shareholders

Where applicable, state in general terms, if any, the income or other tax consequences to the holders of the shares of the CIS, either in Mauritius or in a foreign country.

Heading V: Conditions of Operation

1. Description of Securities Offered

Describe all significant characteristics of the securities offered (dividend rights, liquidation rights, voting rights, etc.) and conditions under which these characteristics may be modified.

Describe the shares being offered, including the currency of denomination and the method of indicating the ownership.

2. Contractual Plans

Describe all significant characteristics of the contractual plan, including minimum initial investment and subsequent minimum investment, frequencies of investment (weekly, monthly, quarterly, interim or yearly) and rate of the sales charge as a percentage of the net amount invested.

State that the shareholder may cancel the plan at any time at his own discretion, without any additional charges.

3. Net Asset Value

Describe the method used to calculate the net asset value, including the frequency of the calculations and any other information in accordance with these regulations.

Describe the method used to calculate the value of illiquid assets as defined in the Regulations.

Give, if applicable, the net asset value at the end of the last three completed financial years preceding the date of the prospectus, unless the information is given in the financial statements.

4. Purchases and Redemptions

Explain the procedure for purchases and redemptions of shares of the CIS, including places where purchase and redemption orders are received by the CIS.

If applicable, indicate if a minimum purchase is required. Indicate that the price of subscription must be fully paid up before the CIS can act on the order to purchase shares of the CIS.

Indicate that the CIS manager is not allowed to give credit to participants or potential participants.

In the case of a new CIS where a minimum amount of securities must be subscribed, describe the terms according to which funds will be kept and returned to subscribers if that minimum is not reached, including the name and address of the bank where the funds will be kept.

Give the sales and redemption charges, given as a percentage of the net investment or of the redemption price. If applicable, rates of charges depending on the amount of the purchases or the redemptions. Where investors have a choice between different types of payment of the charges (front load, no load, back load, etc.) explain each type in detail and indicate the effect on return on investment of the choice made.

In the case of a contractual plan, give details on sales charges, including a comparison with a one-time purchase. State any right for the investor to recover charges paid if the plan terminates before expiration of the term. In the case of a CIS that intends to invest in securities of another CIS, give details of the agreement concerning sales charges and management fees.

Indicate the additional risks, if any, in that type of scheme. Give comparison, if appropriate, of the charges.

Provide a summary of fees and charges payable by the CIS as follows -

Type of charge	Description including amount or rate
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Purchases or redemptions

Amounts payable on -

- (a) purchase of shares
- (b) exchange/transfer of shares to a related fund
- (c) redemption of shares

Services

Amounts payable with respect to -

- (a) management fees paid directly by shareholder
- (b) obtaining certificates
- (c) purchase plans
- (d) withdrawal plans
- (e) other (insert descriptions) - e.g. dividend reinvestment charges, wire order charges

5. **Management Fees and Other Fees and Charges**

Method used for calculation of management fees, taking into account the various components and any other information in accordance with these regulations.

Except in the case of a first offering, give the management expense ratio or MER (MER is the percentage that the management expenses represent of the fund's average net assets - For example, if a 100 million fund has two million in costs for the year its MER will be 2%) for each of the last three financial years of the CIS. Where a change to the basis of this calculation is proposed, indicate the effect the proposed change would have had on the ratio during the last financial year. Give a clear explanation as to the MER so that investors will understand.

Indicate any other fees and expenses, including the expenses set out below, that will be charged to the investment scheme and the effect of these fees and expenses on the return on investment.

- (a) the costs of dealing in the assets of the CIS;
- (b) interest on borrowings permitted under the CIS and charges incurred in effecting or varying the terms of such borrowings;
- (c) the costs and expenses incurred in obtaining a listing of the shares of the CIS on any licensed securities exchange;
- (d) taxation and duties payable in respect of the assets of the CIS, the constitutive documents of the CIS and the creation and sale of shares;
- (e) any costs incurred in modifying the constitutive documents of the CIS;
- (f) any costs incurred in the preparation and publication of the CIS prospectus and other disclosure documents;
- (g) any costs incurred in respect of meetings of the participants;

- (h) any periodic charge payable to the CIS manager;
- (i) the fees of the custodian, and the administrator, if any;
- (j) any expenses or disbursements of the custodian which are authorised by the constitutive documents of the CIS to be paid out of the assets of the CIS;
- (k) the fees and expenses of the auditor of the CIS;
- (l) the costs incurred in respect of the distribution of income to participants;
- (m) the costs incurred in respect of the printing and posting of certificates where applicable;
- (n) costs reasonably incurred in respect of the publication of prices of shares and in respect of the publication and distribution of the collective investment prospectus, annual and interim reports and accounts;
- (o) the costs incurred by the CIS manager and permitted by the constitutive documents; and
- (p) any other costs, incidental to its operation that may be charged to the CIS.

Heading VI: General

1. Information

Indicate where a subscriber may obtain the constituting documents of the CIS, if it is not included in the prospectus.

2. Listing

Indicate if the shares of the CIS will be listed and, if so, where they will be listed, how the quotations are to be understood by the investors and what effect this will have on the net asset value, if any, at the time of purchase or redemption.

3. Termination

Indicate when and how the investment scheme may be terminated.

Heading VII: Signatures

1. Company

In the case of a CIS constituted as a company, the prospectus shall be signed by two authorised members of the board of the CIS or by two authorised members of the board of the CIS manager.

2. Trust

In the case of a CIS constituted as a trust, the prospectus shall be signed by the trustee and by two members of the board of the CIS manager.

3. Other legal forms

In all other cases, the governing body shall determine who will sign the prospectus.

4. Interpretation

In this schedule, "authorised" means duly authorised by a resolution of the particular board of directors, or the governing body.

ANNEX 5**FIFTH SCHEDULE***(Rule 74)***PROSPECTUS, FINANCIAL STATEMENTS AND MANAGEMENT REPORTS OF CLOSED-END FUNDS****1. PROSPECTUS**

In addition to the contents of the prospectus prescribed in Part V of the Act, the prospectus of a closed-end fund shall, include the following additional information:

- (a) information required in Headings two and three of the Fourth Schedule;
- (b) detailed information required in Heading four of the Fourth Schedule including, a full description of the investment practices and policies to be followed by the fund and then risks associated with any of these practices and policies.
- (c) other items of information in Heading one of the Fourth Schedule as far as the information requested is applicable.

2. FINANCIAL STATEMENTS AND MANAGEMENT REPORTS

In addition to the financial statements required under section 88 of the Act, the financial statements of a closed-end fund shall include statements specified in the Sixth Schedule and shall include management report as prescribed in the Sixth and Seventh Schedules, *mutatis mutandis*.

ANNEX 6

THIRD SCHEDULE

(Rule 9 and 16)

INFORMATION TO BE CONTAINED IN AN APPLICATION FOR AUTHORISATION

(Note: If the information required is contained in the prospectus, it may be omitted from the form of application)

General details of the CIS

1. Name of the CIS.
2. Names of the sub-CISs (if any).
3. Structure of the CIS (including number of sub classes/funds, if any).
4. Applicable Act and the date and country of establishment/incorporation.
5. Listing on any securities exchange and authorisation granted by other regulatory bodies.
6. Undertakings given to other regulatory bodies.
7. Launch: date and place.
8. Dealing: daily/weekly/other.
9. Valuation of assets: daily/weekly/other.
10. Pricing: forward/ other.
11. Investment plans to be offered in Mauritius and other jurisdictions.
12. (a) Customer Due Diligence (**CDD**) documents on:
 - (i) the promoter(s) of CISs, Private Equity Funds, Venture Capital Funds, Investment Companies, CIS manager and Investment Adviser/ Manager and
 - (ii) each controlling shareholder of CIS manager are to be submitted in original or as certified true copies. (Where any of the documents is in a language other than English or French, it should be translated into either of these languages and certified by a qualified translator before submission to the Commission).
- (b) Subject to paragraph 1.12, the documents to be submitted, as the case may be, are as follows:
 - (i) Individual
 - CV details
 - Valid passport copy
 - Bank Reference from a recognised banking institution which has known the person for at least the last two years
 - (ii) Corporate Body
 1. Certificate of Incorporation/Certificate of Good Standing
 2. List of controlling shareholders and directors
 3. (a) Latest audited financial statements
 - (b) Corporate Profile - in case latest audited accounts are not available

(e.g. Name of entity-partnership/Date of formation/Country of formation/Registered Address/Issued Capital, and Committed Capital if higher/controlling shareholders/ members/ directors-managing principals/ business activity/ financial highlights [dd/mm/yy] - total assets-total liabilities)

4. Confirmation from the Management Company to the effect that it holds on records CDD documents on the controlling shareholders of the corporate body and that these will be made available to the Commission upon request

(iii) Trust

1. Name of the trust, its date and place of registration
2. An indication of the value of assets held by the trust
3. CDD documents on the:
 - (a) settlor/contributor and the trustee
 - (b) beneficiaries, or confirmation from the management company that it holds on records comfort on the beneficiaries, that has been obtained from a recognised source
4. For a discretionary trust, a written confirmation from the Management Company to the effect that it has adequate arrangements in place with the trustee of the trust to make available to the Management Company, CDD documents on the beneficiaries at the time of distributions to beneficiaries of the trust and that it is comfortable that these arrangements will enable it to satisfy its obligation under Section 4.1 of the Code on the Prevention of Money Laundering and Terrorist Financing intended for Management Companies.

(iv) Limited Partnership

1. Certificate of Registration/Establishment/Good Standing of the Limited partnership and its General Partner
2.
 - (a) Latest audited financial statements of the Limited Partnership and its General Partner
 - (b) Corporate profile – in case latest audited accounts are not available
3. Confirmation from the Management Company to the effect that it holds on records CDD documents on the significant Limited Partners of the Limited Partnership and that these will be made available to the Commission upon request

(v) Société

1. Profile of the Société (including a copy of the acte de société)
2. Details and comfort (as per (7a) above) on the principals, administrators or gérants of the société
 - (a) Where reliance is placed upon Eligible or Group Introducer to satisfy obligations as regard Customer Due Diligence checks, a copy of the Eligible or Group Introducer Certificate – specifying that the Eligible or Group Introducer is regulated for money laundering purposes or/is subject to rules of professional conduct pertaining to money laundering
 - (b) Where the applicant for business is a listed company or a regulated financial service business or a government administration/enterprise or statutory body or a pension, superannuation or similar scheme, reference

should be made to the relevant section of the Code on the Prevention of Money Laundering and Terrorist Financing intended for Investment Businesses (**Code**).

For each CIS or sub-CIS

13. (1) Fee structure
 - (a) level of all charges payable by participant; and
 - (b) level/basis of calculation of all charges payable by the CIS.
- (2) Subject to these regulations, for equity or bond CISs
 - (a) investment objective and borrowing powers; and
 - (b) currency of denomination.
- (3) Minimum initial subscription and the minimum subsequent holding.

Details of the parties to the CIS

14. The CIS manager (if applicable)
 - (a) Name
 - (b) Registered/business address.
 - (c) Name of the ultimate holding company.
 - (d) (i) Previously licensed by the Commission to manage authorised CISs?
(ii) If no, whether an application for a CIS manager licence has been or will be submitted to the Commission.
(iii) For a Global scheme whether the CIS manager is established in a foreign jurisdiction and specify the jurisdiction.
 - (e) Details of contact person(s).
 - (f) Resumes of directors of the CIS manager and details of key contact person(s).
15. The custodian
 - (a) Name.
 - (b) Registered/business address.
 - (c) Name of the ultimate holding company.
 - (d) (i) Previously licensed by the Commission as custodian under the Act?
(ii) If no, whether an application for a custodian licence has been or will be submitted to the Commission.
(iii) For a Global scheme whether the custodian is established in a foreign jurisdiction and specify the jurisdiction and any licence held.
 - (e) Details of contact person(s).

16. The investment adviser (if any)
 - (a) Name.
 - (b) Registered/business address.
 - (c) Name of the ultimate holding company.
17. For the custodian, CIS manager and investment adviser
 - (a) which, if any, of these companies are connected persons,
 - (b) name anyone who holds appointments, as director or officer, with more than one of these companies.
18. The auditor
 - (a) Name.
 - (b) Registered/business address.
19. The principal investment dealer\ broker (if any)
 - (a) Name.
 - (b) Registered/business address.
 - (c) The approximate percentage of the scheme's transactions in value of securities carried out by the principal broker/ investment dealer within the latest financial year of the scheme.
 - (d) Whether the custodian, the directors of the scheme, the CIS manager or the investment adviser is a connected person of the principal broker/ investment dealer.
20. Legal advisers in Mauritius (if any).
 - (a) Name.
 - (b) Details of contact person(s).

Additional details on the CIS

21. Details of the main clauses or drafts of agreements to be concluded with the different functionaries, if not included in the Private Placement Memorandum.
22. In case the CIS is structured as a trust under the Trust Act 2001, please provide the following:
 - (a) A certified true copy of the Trust Deed
 - (b) Details of the Trustee:
 - (i) Certificate of Incorporation
 - (ii) List of directors and controlling shareholders (not applicable if trustee is from an equivalent jurisdiction)
 - (iii) Copy of the latest available audited financial statements (not applicable if trustee is from an equivalent jurisdiction)

- (iv) Certified true copy of any licence/registration/authorisation held which enables it to act as Trustee
- 23. Customer Due Diligence ('CDD') and Anti-Money Laundering ('AML') measures. Confirmation is required from the Applicant that all CDD and AML check documents on investors in the CIS will be made available to the FSC upon request.
- 24. In case the Global scheme is structured as a Protected Cell Company, please provide the following:
 - (i) Details of first cell/s to be created
 - (ii) Confirmation that at least one cell will be operational as and when the Company is licensed.
 - (iii) An indication as to the number of cells to be set up initially
 - (iv) Confirmation that no cell will be created unless the prior approval of the FSC is secured. (Please note that a copy of the supplemental offer document or any document to be circulated for the new cell created should accompany the request).
- 25. Structure Chart
- 26. Incorporation Documents:
 - (a) Copy of the Constitution and the required legal certificate
 - (b) Certified copies of statutory documents required for the incorporation.
- 27. Additional documentation required in case of Application for Conversion of a GBC2 to a GBC1
 - (a) Declaration By Existing Applicant
 - (b) Certified copy of an updated register of directors and shareholders of the Applicant
 - (c) An indication as to how active the Company has been since inception
 - (d) Original Certificate of Current Standing by the Registrar of Companies
 - (e) Certified copy of the shareholder's resolution for the change in legal regime of the Applicant
 - (f) Original Category 2 Global Business Licence - if still valid as at that date