

English translation (unofficial)

Act No 30/2003

on Undertakings for Collective Investment in Transferable Securities (UCITS) and Investment Funds

## CHAPTER I

General provisions

Article 1

Scope

This Act shall apply to Undertakings for Collective Investment in Transferable Securities (UCITS) and to investment funds.

UCITS and investment funds are solely intended to accept funds from members of the public for collective investment in financial instruments and other assets on the basis of spreading risk, in accordance with a prior-stated investment policy.

Only UCITS and investment funds may accept funds from members of the public for joint investment in financial instruments and other assets on the basis of spreading risk, in accordance with a prior-stated investment policy.

## Article 2

### Definitions

For the purposes of this Act the following meanings shall apply:

1. UCITS: a fund licensed to operate in the European Economic Area (EEA), established and operated by a management company, which issues units in collective investment undertakings (unit share certificates) which are redeemable at the owners' demand from the fund's assets;
2. Investment fund: a fund with an operating license not authorised to market its products in the EEA, which issues unit share certificates in collective investment undertakings or shares;
3. Management company: the management company of a UCITS, in accordance with the Act on Financial Undertakings, which operates UCITS and investment funds,

as provided for in Chapters II and III of this Act, and other funds for collective investment;

4. Depositaries: financial undertakings, as provided for in the Act on Financial Undertakings, which fulfil the requirements of sub-chapter C of Chapter II of this Act;

5. Financial instrument: a financial instrument in accordance with the definition of the Act on Securities Transactions;

6. Unit in collective investment undertakings (unit share certificate): a financial instrument which confirms the right of all persons with a holding in a fund for collective investment, or individual division of it, to the fund's securities assets. All owners of unit shares shall have the same right to the fund's income and assets, or those of the division concerned, in proportion to their holding;

7. Institutional investor: an institutional investor in accordance with the definition of the Act on Securities Transactions.

### Article 3

Authorisation to commence operation and registration of funds

The Financial Supervisory Authority shall grant UCITS accreditation, as provided for in Chapter II, and grant accreditation or an operating licence for investment funds, as provided for in Chapter III. The Financial Supervisory Authority shall rule as to whether any activities are covered by this Act.

The Financial Supervisory Authority shall keep a register of UCITS and investment funds, including all the principal information on the fund in question. Any changes to information previously reported should be notified to the Financial Supervisory Authority in advance.

#### Article 4

##### Other funds for collective investment

Management companies may establish funds for collective investment which do not accept funds from members of the public (institutional investor funds) and issue unit shares or shares. The management companies must notify the Financial Supervisory Authority of the establishment of funds in accordance with this Article. Funds referred to in this Article shall not be subject to surveillance as provided

for in this Act.

Management companies must adopt an investment policy for funds referred to in this Article which shall be accessible to investors. Information provision shall in other respects be in accordance with an agreement between the management company and investor.

The provisions of Articles 23-25 on unit shares shall apply to funds referred to in this Article.

## CHAPTER II

### Undertakings for Collective Investment in Transferable Securities (UCITS)

#### A. Accreditation and revocation of accreditation

##### Article 5

##### Granter of accreditation

The Financial Supervisory Authority shall grant UCITS accreditation. Activities may begin once accreditation has been received from the Financial Supervisory Authority. A UCITS may not operate without the accreditation of the Financial Supervisory Authority.

UCITS as provided for this Act may not be converted into