



Guernsey Financial
Services Commission

**THE REGISTERED COLLECTIVE
INVESTMENT SCHEME RULES 2018**

THE GUERNSEY FINANCIAL SERVICES COMMISSION

THE REGISTERED COLLECTIVE INVESTMENT SCHEME RULES 2018

GUIDANCE NOTES

These Guidance Notes are intended to aid the understanding of the *Commission's* policy and practice and should be read in conjunction with the Registered Collective Investment Scheme Rules 2018 (“the Registered CIS Rules”).

1. The Registered CIS Rules seek to provide a clear and concise set of requirements for *registered investment schemes*. *Registered investment schemes* are registered under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended. The *Commission* will conduct limited enquiries into the parties to be associated with the *registered investment schemes* and will consider the scheme’s investment objectives at the time of the initial application. The *Commission* will assess the *designated administrator's* due diligence on the parties associated with the scheme as part of its *post facto* monitoring of the *designated administrators*.

2. The following summarises the key features of the Registered CIS Rules –
 - (a) Each scheme must be registered under the *Law* with the *Commission*.

 - (b) *Registered investment schemes* may be established as companies (including protected cell and incorporated cell companies), *unit trusts* or *limited partnerships* or such other vehicle or entity as may be approved by the *Commission*.

 - (c) The scheme must be established with the objective of spreading risk. The criteria for the spread of risk must be specified in the scheme’s *information particulars*.

 - (d) The Prospectus Rules 2018 make provision for disclosures which must be made to investors in the *registered investment scheme's information particulars*.

- (e) Provisions regarding both immediate and periodic notifications that are to be made to the *Commission* regarding changes to the *registered investment scheme*, financial statements and statistical information are also included within the Registered CIS Rules and attention is also drawn to the provisions of Part 6 of the Prospectus Rules 2018.
3. In the case of a registered *open-ended investment scheme*, a *designated administrator* and either a *designated trustee* or *designated custodian* licensed under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended and domiciled in Guernsey must be appointed.
 4. In the case of a registered *closed-ended investment scheme*, a *designated administrator* licensed under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended and domiciled in Guernsey must be appointed. The *Commission* is willing to consider the appointment of a custodian/*trustee* that is domiciled outside Guernsey for a registered *closed-ended investment scheme*. For the avoidance of doubt a registered *closed-ended investment scheme* is not required to appoint a custodian.
 5. As with all other types of investment business, the Commission is always prepared to meet *managers*, potential promoters or their professional advisers in order to discuss matters of policy and practice regarding the disclosure requirements as set out in these rules.
 6. Enquiries should be directed to the Investment and Fiduciary Supervision and Policy Division of the *Commission*.

REGISTERED COLLECTIVE INVESTMENT SCHEME RULES 2018

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The Guernsey Financial Services Commission (“the *Commission*”), in exercise of the powers conferred on it by sections 12, 14, 16 and 18 of the Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended (“the *Law*”) hereby makes the following rules:-

PART 1 – INTRODUCTION

1.01 Citation and commencement

These rules, which may be cited as the Registered Collective Investment Scheme Rules 2018 (“the Registered CIS Rules”), are made on 6 July 2018 and shall come into operation on 6 October 2018.

1.02 Interpretation

- (1) Unless the context otherwise requires, in these Registered CIS Rules, expressions defined in the *Law* have the same meaning as they have in the *Law* and the following expressions have the meanings assigned to them:

“**administration agreement**” means an agreement under which a person is appointed designated manager of a *registered investment scheme* to discharge the duties of the administration of the scheme;

“**annual accounting period**” is the period, normally of 12 months, as specified by the governing law or specified in the *information particulars* or *principal documents*;

“**annual notification**” means the notification to be submitted to the Commission in accordance with Rule 6.02;

“**approved derivative**” means a derivative which is traded or dealt in or on a regulated derivatives market;

“approved security” means a transferable security that is admitted to official listing on an investment exchange regulated by the *Commission* or in an EEA State or is traded on or under the rules of a regulated market;

“associate”, in relation to any person, means –

- (a) The spouse or child of that person;
- (b) any *company* of which that person is a *director*;
- (c) any person who is an employee or partner of that person;
- (d) if that person is a *company* –
 - (i) any *director* or subsidiary of that *company*; and
 - (ii) any *director* or employee of any such subsidiary; and
- (e) if that person has with any other person an agreement or arrangement as to the acquisition, holding or disposal of *shares* or other interests in a *company* or under which they undertake to act together in exercising their voting power in relation to a *company*, that other person;

“closed-ended investment scheme” means a closed-ended *investment scheme* as defined in the *Law*;

“collective investment scheme” or **“investment scheme”** means any arrangement such as is identified as described in paragraph 1 of Schedule 1 of the *Law*;

“Commission” means the Guernsey Financial Services Commission;

“company” means any body corporate (whether or not incorporated, and wherever incorporated or constituted) which is not a public sector body;

“custodian agreement” means an agreement under which a body corporate is appointed to hold the property of a *collective investment scheme* (other than a

unit trust) and to discharge the duties imposed by these rules on the *designated custodian* (if appointed);

“designated administrator” in relation to a *registered investment scheme*, means the person designated by the *Commission* to be the designated manager for the purposes of the *Law* (as designated in the *Commission’s registration* of the *registered investment scheme* under section 8 of the *Law*);

“designated custodian” in relation to a registered *open-ended investment scheme* other than a *unit trust*, means the custodian of the scheme if appointed as designated in the *Commission’s registration* of the *registered investment scheme* under section 8 of the *Law*);

“designated trustee” or **“trustee”** in relation to an open-ended *registered investment scheme* that is a *unit trust*, means the trustee of the *unit trust*;

“director” means, in respect of a *company*, any person appearing on the register of directors of such *company*, in respect of a *limited partnership*, any person appearing on the register of directors of the *general partner* of such *limited partnership* and in respect of any other incorporated bodies, any person responsible for the management of the incorporated body;

“financial instrument” means instruments specified in Section C of Annex I of *MiFID*, that is:

- (a) transferable securities;
- (b) money-market instruments;
- (c) units in collective investment undertakings;
- (d) options, futures, swaps, forward rate agreements and other derivative contracts relating to securities, currencies, interest rates or yields, or other derivative instruments, financial indices or financial measures which may be settled physically or in cash;

- (e) options, futures, swaps, forward rate agreements and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of default or other termination event);
- (f) options, futures, swaps and any other derivative contracts relating to commodities that can be physically settled provided that they are traded on a *regulated market* and/or a multilateral system, operated by an investment firm or a market operator; which brings together multiple third-party buying and selling interests in financial instruments – in the system and in accordance with non-discretionary rules – in a way that results in a contract in accordance with the provisions of Title II of *MiFID*;
- (g) options, futures, swaps, forwards and any other derivative contracts relating to commodities that can be physically settled not otherwise mentioned in paragraph (f) and not being for commercial purposes, which have characteristics of other derivative financial instruments, having regard to whether, *inter alia*, they are cleared and settled through recognised clearing houses or are subject to regular margin calls (see Articles 38(1), (2) and (4) of the *MiFID* Regulation);
- (h) derivative instruments for the transfer of credit risk;
- (i) financial contracts for differences; and
- (j) options, futures, swaps, forward rate agreements and any other derivative contracts relating to:
 - (i) climatic variables;
 - (ii) freight rates;
 - (iii) emission allowances;
 - (iv) inflation rates or other official economic statistics;
 - (v) telecommunications bandwidth;
 - (vi) commodity storage capacity;
 - (vii) transmission or transportation capacity relating to commodities, whether cable, pipeline or other means;
 - (viii) an allowance, credit, permit, right or similar asset which is directly

linked to the supply, distribution or consumption of energy derived from renewable resources;

- (ix) a geological, environmental or other physical variable;
- (x) any other asset or right of a fungible nature, other than a right to receive a service, that is capable of being transferred; and
- (xi) an index or measure related to the price or value of, or volume of transactions in, any asset, right, service or obligation,

where the conditions in Articles 38(3) and (4) of the MiFID Regulation are met;

“general partner” means a person who is so appointed under a *partnership agreement* and who has unlimited liability for all debts of the partnership;

“holder” in relation to a *share* in a *registered investment scheme*, means the person who is entered in the register as the holder of the *share* or unit or *limited partnership* interest or the first named holder in the case of joint holders;

“information particulars” means particulars of a *registered investment scheme* prepared in accordance with Part 5 and includes a prospectus, scheme particulars, offering memorandum, explanatory memorandum, term sheet, application form, subscription agreement, admission document, listing particulars or any other similar documents or any combination of the foregoing;

“investment adviser” means a person who, under a commercial arrangement not being a mere contract of employment, provides the *manager* or the board of *directors*, the *general partner* of a *limited partnership* and the *manager* or *trustee* of a *unit trust* of a *registered investment scheme* with advice as to the merits of investment opportunities available to such *registered investment scheme* whether or not he regularly exercises a discretionary power over investments for the account of that scheme;

“**Law**” means the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended;

“**limited partnership**” means a partnership, wherever domiciled, which is for the time being registered as a *limited partnership* in accordance with the relevant legislation;

“**manager**” means the person appointed *manager* of a *registered investment scheme*, including the *general partner* (appointed under a *partnership agreement*), the *manager* of a *unit trust* (appointed under a *trust instrument*) or appointed by the *trustee* (under a *management agreement*), to discharge the duties under a *management agreement*;

“**management agreement**” means an agreement under which a person is appointed *manager* of a *registered investment scheme* to discharge the duties;

“**market operator**” means a person who manages and/or operates the business of a *regulated market*. The market operator may be the *regulated market* itself;

“**MiFID**” means The European Parliament and Council Directive on markets in financial instruments (No. 2004/39/EC);

“**open-ended investment scheme**” means an open-ended *collective investment scheme* as defined under the *Law*;

“**partnership agreement**” means an agreement in writing of the partners as to the affairs of a *limited partnership* and the conduct of its business;

“**principal documents**” in relation to:

(a) a *unit trust*, means the *trust instrument* and the *management agreement* (if any);

(b) a *company*, means the articles of incorporation of a Guernsey *company* (or an equivalent document under the applicable law of a non-Guernsey body corporate), the *administration agreement* and the *custodian agreement* (if applicable);

(c) a *partnership*, means the *partnership agreement*, the *partnership administration agreement*, the *partnership management agreement* and the *custodian agreement* (if applicable);

(d) a *registered investment scheme* other than a *unit trust*, a *company* or a *limited partnership* means the documents dealing collectively with the same or similar obligations and duties as the *principal documents* constituting a *unit trust*, a *company* or a *limited partnership* and *administration agreement* and *custodian agreement* (if applicable);

“**qualified auditor**” means a person who has a place of business in Guernsey and is a member of:

- (a) (i) The Institute of Chartered Accountants in England and Wales; or
- (ii) The Institute of Chartered Accountants of Scotland; or
- (iii) The Institute of Chartered Accountants in Ireland; or
- (iv) The Association of Chartered Certified Accountants; or

(b) A body outside the United Kingdom undertaking a similar regulatory role and having equivalent professional standards for membership as any of the bodies specified in (a) above.

For the purpose of this definition a “person” is defined as a partnership, body corporate or an individual with a current practising certificate issued by the bodies referred to in (a) and (b) above;

“registered investment scheme” means a *collective investment scheme* declared in a *registration* issued by the *Commission* under section 8 of the *Law* and section 7.02 to be a registered *collective investment scheme* for the purposes of the *Law*, and **“registration”** and related expressions shall be construed accordingly;

“regulated market” means in accordance with Article 4(1)(14) of *MiFID*, a multilateral system operated and/or managed by a *market operator*, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in *financial instruments* – in the system and in accordance with its non-discretionary rules – in a way that results in a contract, in respect of the *financial instruments* admitted to trading under its rules and/or systems, and which is authorised and functions regularly and in accordance with the provisions of Title III of *MiFID*;

“scheme property” means the property of a *registered investment scheme*;

“share” means a *share, limited partnership interest* or unit or similar interest in a *registered investment scheme*;

“trust instrument” means a written instrument, whether or not under seal, made by the *trustee* or made between the *manager* and the *trustee* constituting the *unit trust* and includes supplemental instruments;

“trustee” in relation to a *registered investment scheme* that is a *unit trust*, means the trustee of the *unit trust*;

“umbrella fund” means a *registered investment scheme* which provides that the contributions of investors and the profits or income out of which payments are to be made to them are pooled in separate parts of the property and whether or not investors in each separate part may exchange rights in one part for rights in another; and

“**unit trust**” means a *registered investment scheme* (other than a *limited partnership*) under which the property of the scheme is held in trust for the investors.

- (2) The Interpretation (Guernsey) Law, 1948 applies to the interpretation of these Rules.
- (3) References to enactments shall include reference to any modifications or re-enactments thereof for the time being in force.

1.03 Umbrella funds

- (1) The Registered CIS Rules shall apply in the case of an *umbrella fund* as if each reference to a *registered investment scheme* were a reference to each constituent part within the *umbrella fund* but subject to any modification set out in any particular rule.

PART 2 – APPLICATION OF RULES

2.01 Application of rules

- (1) Unless specifically agreed otherwise by the *Commission*, all of the Registered CIS Rules apply to:
 - (a) registered *open-ended investment schemes*; and
 - (b) registered *closed-ended investment schemes*.

PART 3 – ADMINISTRATION, CUSTODY AND AUDIT

3.01 Administration of the scheme

- (1) It is the duty of the *designated administrator* of a *registered investment scheme*, to administer the scheme in accordance with:
 - (a) the *principal documents*;
 - (b) these rules;
 - (c) the most recently published *information particulars*; and
 - (d) in the case of a *company* scheme, subject to any proper directions from time to time given by the *directors* and in the case of a limited partnership scheme, subject to any direction given from time to time by the *general partner, trustee* or *manager* of a *unit trust* scheme as applicable.
- (2) In the case of a *company*, it is the duty of the *directors* not to give any directions or exercise any powers, duties or discretions which causes the *company* to operate otherwise than in accordance with the *principal documents* and *information particulars* or these rules.

- (3) Subject to any restrictions in the *principal documents*, the *designated administrator* may at its discretion and, in the case of a *company* subject to any directions given by the *directors*, delegate any function to any person provided that the *designated administrator* is satisfied at the outset, and continues to remain satisfied, that the delegate is competent to undertake the function in question. Any such arrangement must be done in accordance with the *Commission's* Guidance on Outsourcing of Functions by Entities licensed under the Protection of Investors (Bailiwick of Guernsey) Law, 1987.

3.02 Custody of the scheme property

- (1) The *designated custodian* or *designated trustee* of a registered *open-ended investment scheme* shall take into its custody or under its control all the *scheme property* and hold it in trust in accordance with the *information particulars*.
- (2) It is the duty of the *designated custodian* or *designated trustee* of a registered *open-ended investment scheme* to take reasonable care to ensure that the *scheme property* is administered by the *designated administrator* in accordance with the *information particulars*.
- (3) Upon full disclosure of the provisions that are in place to ensure the assets of the scheme are adequately safeguarded, the *Commission* will give consideration to the appointment of a custodian or *trustee* that is not domiciled in Guernsey for a registered *closed-ended investment scheme*. Full details of the custodian or the *trustee* shall be disclosed to the Commission upon application for the scheme to be registered under the *Law*. In the absence of a custodian, the *Commission* shall be advised of the relevant provisions that will apply in respect of the *scheme property*. This shall be done upon application for the scheme to be registered under the *Law*. The *designated administrator* of a registered *closed-ended investment scheme* may provide safekeeping facilities to the investment scheme.

3.03 General provisions applicable to the designated administrator and designated custodian or designated trustee of a registered open-ended investment scheme and designated administrator of a registered closed-ended investment scheme

- (1) The duties of the *designated administrator* and *designated custodian* or *designated trustee* and, if applicable, in the case of a *company*, the *directors* and, in the case of a *limited partnership*, the *general partner* and, in the case of a *unit trust*, the *trustee* imposed on them by these rules and by the *principal documents* and the *information particulars* are in addition to and not in derogation from the duties which are otherwise imposed on them by applicable law.
- (2) The *designated administrator* and the *designated custodian* or *designated trustee* of a registered *open-ended investment scheme* shall:
 - (a) be different persons and act independently of each other;
 - (b) each be incorporated, operate, and have a place of business, in Guernsey;
 - (c) each be licensed under the *Law*;
 - (d) not be a subsidiary of the other; and
 - (e) not have executive *directors* or other officers in common.
- (3) In the case of a *registered investment scheme* that is a *company*, the *designated custodian* shall not have executive *directors* or other officers in common with those of the *registered investment scheme*.

3.04 Appointment of a Qualified Auditor

- (1) A *registered investment scheme* must appoint a *qualified auditor* as the auditor of the scheme.

PART 4 – CONFLICTS OF INTEREST

4.01 Conflicts of interest

- (1) The *directors*, the *general partner* and, the *trustee* (as relevant) must each take all reasonable steps to ensure that there is no breach of any of the following requirements of this rule by any “relevant person”, meaning:
 - (a) the *designated administrator*;
 - (b) in the case of a *unit trust*, the *trustee*;
 - (c) any *investment adviser*;
 - (d) any *manager*;
 - (e) in the case of a *company*, the *company*;
 - (f) in the case of a *company*, a *director* of the *company*;
 - (g) *directors* or partners of the *general partner*;
 - (h) the custodian; and
 - (i) any *associate* of any person described above.
- (2) Cash forming part of the *scheme property* may be placed in any current, deposit or loan account with a relevant person if the arm’s length requirement in paragraph (9) is satisfied.
- (3) A relevant person may lend money to the *registered investment scheme* if the arm’s length requirement in paragraph (9) is satisfied. For the avoidance of doubt, loans that form part of an investor’s commitments do not fall into this category.
- (4) A relevant person may not sell or deal in the sale of property to the *registered investment scheme* unless the arm’s length requirement in paragraph (9) is satisfied and, for the purpose of this paragraph, a sale shall include any lease or other

- transaction under which *scheme property* is made available by the *registered investment scheme*.
- (5) A relevant person may not purchase *scheme property* from a *registered investment scheme* unless the arm's length requirement in paragraph (9) is satisfied and, for the purpose of this paragraph, a purchase shall include any lease or other transaction under which the *scheme property* of the *registered investment scheme* is made available to the relevant person by the *trustee/custodian*.
- (6) A relevant person may not vest property in the *registered investment scheme* against the issue of *shares*, unless:
- (a) the arm's length requirement in paragraph (9) is satisfied; or
 - (b) it is vested for the purpose of arrangements whereby the whole or part of such property becomes the initial *scheme property* of the *registered investment scheme*.
- (7) A relevant person may not enter into stock lending transactions in relation to the *registered investment scheme* unless the arm's length requirement in paragraph (9) is satisfied.
- (8) A relevant person within paragraph (1) above may not provide services for the *registered investment scheme* unless the services are provided on terms which satisfy the arm's length requirement in paragraph (9).
- (9) The arm's length requirement is that the arrangements between the relevant person and the *registered investment scheme* are at least as favourable to the *registered investment scheme* as would be any comparable arrangement effected on normal commercial terms negotiated at arm's length between the relevant person and an independent party.

- (10) Paragraphs (2) to (7) are subject to any provision in the *principal documents* or the *information particulars* forbidding the taking of advantage of all or any of them.

PART 5 – INFORMATION PARTICULARS

5.01 Preparation of information particulars

- (1) In connection with the launch of a *registered investment scheme*, in the case of a *company*, the *directors* or, in the case of a *limited partnership*, the *general partner* or, in the case of a *unit trust*, the *manager* or *trustee* shall prepare *information particulars* which shall at least contain the matters set out in the Prospectus Rules 2018.
- (2) The *designated administrator* of a *registered investment scheme*, as far as it is reasonably able, should monitor compliance with Part 5 of these Rules.
- (3) In the case of a registered *open-ended investment scheme* which is open for new subscriptions, *information particulars* shall be reviewed at least once in every 12 months.
- (4) Changes in content of the *information particulars* in any *registered investment scheme* should be disclosed in accordance with the mechanism provided for by Rule 6.01 of the *Prospectus Rules 2018*.

5.02 Statements to be included in the information particulars

- (1) The *information particulars* must include the following statements (or words of equivalent effect):-

“The Company is a registered closed-[open-] ended investment scheme registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as

amended and the Registered Collective Investment Scheme Rules 2018 issued by the Guernsey Financial Services Commission (the “Commission”). The Commission, in granting registration, has not reviewed this document but has relied upon specific declarations provided by [insert here name of the Designated Administrator], the Company’s designated administrator.”

“The Commission takes no responsibility for the financial soundness of the [Scheme] or for the correctness of any of the statements made or opinions expressed with regard to it.”

5.03 False or misleading information particulars

- (1) The *directors, the general partner or trustee* of a *registered investment scheme* is/are to be treated as responsible for the *information particulars* and shall take all reasonable steps to ensure that they do not contain any false or misleading statements or omit facts which would make misleading any statement in the *information particulars*.

PART 6 – NOTIFICATIONS

6.01 Immediate notifications

- (1) The *designated administrator* of a *registered investment scheme* must give written notice forthwith to the *Commission* in respect of the following:-
 - (a) Any proposed change of:
 - (i) *designated administrator*; or
 - (ii) *designated custodian or designated trustee* (in the case of a registered *open-ended investment scheme*).

- (b) Any proposal to reconstruct, amalgamate, terminate prematurely, wind-up or extend the life of the *registered investment scheme*.
- (2) The *designated administrator* of a registered *closed-ended investment scheme* must give written notice forthwith to the *Commission* of the addition of classes, sub-funds or cells to a registered *closed-ended investment scheme*.

6.02 Annual notifications

- (1) Unless already notified under Rule 5.01(4), a *designated administrator* of a *registered investment scheme* must notify the *Commission* in writing each year of any change in respect of the information contained in the application form submitted for *registration* as a *registered investment scheme* or, in the absence of any change, notify the *Commission* by way of confirmation of no change.
- (2) Notification must be submitted to the *Commission* via the online Submissions Portal in accordance with the *registered investment scheme*'s online timeline.

6.03 Annual reports and financial statements

- (1) The *designated administrator* of a *registered investment scheme* must submit to the *Commission* copies of the audited annual report and accounts for the scheme in line with the *information particulars*, no later than six months following the end of the *annual accounting period* via the *Commission*'s online Submissions Portal. At such time as the audited annual report and accounts are sent to the *Commission* any *principal documents* or other agreements which have been amended and not previously submitted to the *Commission* must be submitted.

6.04 Quarter-end statistical information

- (1) The *designated administrator* of a *registered investment scheme* must submit to the *Commission* a statistical return relevant to the scheme for each quarter via the *Commission's* online Submissions Portal. The information to be contained in such statistical return is as required by the *Commission* from time to time and must be within the *Commission's* agreed timeframes.

PART 7 – REGISTRATION OF OPEN-ENDED OR CLOSED-ENDED INVESTMENT SCHEMES

7.01 Application for registration of an open-ended investment scheme or a closed-ended investment scheme

- (1) The *designated administrator* of an *open-ended investment scheme* or a *closed-ended investment scheme* seeking a declaration of *registration* from the *Commission* shall submit the appropriate application form to the *Commission* and shall also provide:
 - (a) final versions of the *principal documents, information particulars* and other agreements material to the scheme; and
 - (b) the application fee as prescribed from time to time by Regulations made under Section 22 of the *Law*; and
 - (c) such other information as the *Commission* may require.

7.02 Registration declarations

- (1) The *Commission* may grant *registration* under section 8 of the *Law* to an *open-ended investment scheme* or a *closed-ended investment scheme* that complies with 7.01 by declaration, if it is satisfied:

- (a) that the scheme's *principal documents* and *information particulars* appear to the *Commission* to comply with all of the Prospectus Rules 2018 relating to their contents; or
 - (b) that it is unnecessary in the interests of investors for the scheme's *principal documents* and/or *information particulars* to comply with any part of the Prospectus Rules 2018 relating to their contents with which they do not comply.
- (2) A declaration granted in the circumstances set out in sub-paragraph (1)(b) shall specify the rules with which the *registered investment scheme's principal documents* and/or *information particulars* do not comply.

7.03 Proposal to add additional classes, sub-funds or cells to a registered open-ended investment scheme

- (1) The *designated administrator* of a registered *open-ended investment scheme* shall give prior written notice to the *Commission* of any proposal to add additional classes, sub-funds or cells to a registered *open-ended investment scheme* together with:
- (a) final versions of any amended or additional *information particulars, principal documents* or other agreements material to the addition of the class, sub-fund or cell;
 - (b) the application fee as prescribed from time to time by Regulations made under Section 22 of the *Law*; and
 - (c) such other information as the *Commission* may require.
- (2) No effect shall be given to the proposal in (1) above unless:
- (a) the *Commission* has given its approval to the proposal; or

- (b) one month has elapsed since the notice was given without the *Commission* having notified the person serving the notice that the proposal is not approved.

7.04 Derogations

- (1) The *Commission* may, by notice in writing to the *designated administrator* of a *registered investment scheme*, exclude or modify the application of any provision of those rules in relation to that scheme if the *Commission* is satisfied that compliance with that provision is not necessary in the interests of investors.
- (2) An exclusion or modification under paragraph (1) may be in such terms (as to notification of investors, revision of *information particulars* or otherwise) as the *Commission* may specify.

7.05 Undertakings

- (1) As a condition of the *registration* of a scheme as a *registered investment scheme*, the *Commission* shall be entitled to require such undertakings, indemnities, bonds, guarantees and assurances as the *Commission* may determine to secure compliance with these rules.

PART 8 – TRANSITIONAL PROVISIONS

8.01 Application

- (1) This Part applies to all *registered investment schemes*.

8.02 Derogations

(1) Any exclusion or modification granted by the *Commission* in relation to a *registered investment scheme* pursuant to either 7.04 of the Registered Collective Investment Scheme Rules 2008 or 7.04 of the Registered Collective Investment Scheme Rules 2015 will continue to apply, to the extent applicable, under the Registered Collective Investment Scheme Rules 2018.

8.03 The Registered Collective Investment Scheme Rules 2015

The Registered Collective Investment Scheme Rules 2015 shall be revoked upon the commencement date of these Rules save that the 2015 Rules shall continue to apply to any outstanding obligations of any person as at that date.

Dated this day of July, 2018

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C. A. SCHRAUWERS

Chairman of the Guernsey Financial Services Commission

For and on behalf of the Commission