



NOTICE

20 April 2017

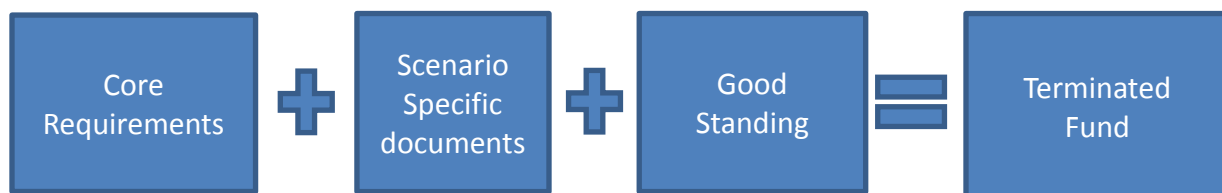
Termination of Regulated Funds-

Reminder: Penalties Waived for Eligible De-registered / LUT Funds

A regulated fund that is seeking to terminate its registration or cancel its licence with the Authority should submit the requisite documents in a timely manner in order to avoid delays, or incurring any additional requirements, licence or registration fees. A fund can either submit all of the documents necessary to fully terminate its registration/cancel its licence or provide only the core requirements to change its status from "Active" to "Licence under Termination (LUT)". The core requirements are: (a) the original certificate of registration; (b) certified copy of the Operator's resolution, which should indicate the date on which the fund will cease or has ceased to carry on business as a regulated mutual fund; and (c) the prescribed surrender fee.

Please be advised that where a fund submits a de-registration/cancellation package to the Authority prior to December 31st but the processing of the de-registration/cancellation is not completed by the Authority within the calendar year, the fund will not incur penalties if its de-registration/cancellation can be completed with an effective December date. Where the fund only qualifies to be placed into LUT status, it will also not be levied a penalty on the half annual fee that is payable, provided all core requirements were submitted by the end of December.

It is important to note that the fund also needs to be in good standing with the Authority in order to complete the de-registration/licence cancellation.



The fund must be up-to-date with the submission of audited financial statements in order to complete the de-registration/licence cancellation process. The Authority therefore, wishes to remind the industry that, in accordance with section 7.1 of the Cancellation Policy, unless a fund qualifies for an audit waiver, it must provide audited accounts from the date of the last financial year end (for which audited statements have been filed), either to the date of commencement of the winding up, where third party liquidator(s) have been appointed, or the date of the final distribution if no third party liquidator(s) have been appointed.

The Authority requires that all outstanding documents and/or fees necessary to complete the de-registration/licence cancellation process are submitted within six (6) months of the date of the application. For further information please see the Authority's Notice on Deregistration of LUT and LUL Funds, dated 29 September 2016, and the Supervisory Issues and Information Circular October 2016, which are posted on the Authority's website, or contact the Investments and Securities Division by email at terminations@cimoney.com.ky.