Translation of Liechtenstein Law

Disclaimer

English is not an official language of the Principality of Liechtenstein. This translation is provided for information purposes only and has no legal force. The contents of this website have been compiled with the utmost care to reflect the current situation and the current state of knowledge. However, the provider of this website cannot accept any liability if any of its contents should be found to be inaccurate, incomplete or out of date.

English title:	Ordinance of 5 July 2011 concerning specific undertakings for collective investment in transferable securities (UCITSV)
Original German title:	Verordnung vom 5. Juli 2011 über bestimmte Organismen für gemeinsame Anlagen in Wertpapieren (UCITSV)
Serial number (LR-Nr.):	951.311
First published:	1 August 2011
First publication no. (LGBl-Nr.):	2011-312
Last amended:	1 April 2019
Date of last amendment - publication no. (LGBl-Nr.):	2019-040
Translation date:	9 August 2019

Liechtenstein Legal Gazette
2011 no. 312 issued on 1 August 2011

Ordinance
of 5 July 2011
concerning specific undertakings for collective investment in transferable securities (UCITSV)

On the basis of Art. 2 (2), Art. 3 (2), Art. 5 (4) and (8), Art. 6 (4) and (6), Art. 7 (4), Art. 9 (4), Art. 10 (8) and (9), Art. 11 (4), Art. 14 (5), Art. 15 (5), Art. 16 (9), Art. 17 (7), Art. 18 (4), Art. 19 (4), Art. 20 (3), Art. 21 (5), Art. 22 (4), Art. 23 (4), Art. 31 (3), Art. 33 (4), Art. 34 (5), Art. 35 (5), Art. 36 (3), Art. 39 (10), Art. 43 (5), Art. 49, Art. 51 (4), Art. 53 (5), Art. 62 (9), Art. 63 (6), Art. 64 (5), Art. 66 (4), Art. 71 (1), Art. 77 (3), Art. 80 (7), Art. 81 (5), Art. 82 (4), Art. 83 (3), Art. 84 (2), Art. 85 (5), Art. 86 (2), Art. 92 (2), Art. 96 (2), Art. 102 (2), Art. 103 (6), Art. 105 (5), Art. 110 (7), Art. 111 (2), Art. 114 (1), Art. 126 (7), Art. 129 (3) and (4), Art. 136 (5), Art. 139 (4), Art. 142 (4) and Art. 147 of the Law of 28 June 2011 on specific undertakings for collective investment in transferable securities (UCITSG), Liechtenstein Legal Gazette (LGBl.) 2011 No. 295, the Government decrees:

I. General Provisions

A. Object, Purpose, Scope of Validity and Definition of Terms

Art. 1

Object and purpose

1) In implementation of the Law this Ordinance sets out specific details regarding the taking up, pursuit and oversight of the business of undertakings for collective investment in transferable securities (UCITS) and their management companies, in particular:

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

b) the authorisation of UCITS;
c) the authorisation and duties of management companies;
d) the depositary;
e) the merger of UCITS;
f) master-feeder structures;
g) the obligations of a UCITS; and
h) oversight.

2) It serves to transpose:

a) Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to specific undertakings for collective investment in transferable securities (UCITS) (EEA Compendium of Laws: Annex IX - 30.01; OJ. L 302 of 17.11.2009, p. 32);
b) Commission Directive 2007/16/EC of 19 March 2007 implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to specific undertakings for collective investment in transferable securities (UCITS) as regards the clarification of certain definitions (EEA Compendium of Laws: Annex IX - 30b.01; OJ. no. L 79 of 20.3.2007, p. 11);
c) Commission Directive 2010/43/EU of 1 July 2010 implementing Directive 2009/65/EC of the European Parliament and of the Council as regards organisational requirements, conflicts of interest, conduct of business, risk management and the content of the agreement between a depositary and a management company (OJ. no. L 176 of 10.7.2010, p. 42); and
d) Commission Directive 2010/44/EU of 1 July 2010 implementing Directive 2009/65/EC of the European Parliament and of the Council as regards certain provisions concerning fund mergers, master-feeder structures and the notification procedure (OJ. no. L 176 of 10.7.2010, p. 28).

3) Unless specified otherwise in this Ordinance, the provisions applying to management companies shall apply to self-managed investment companies mutatis mutandis.

Art. 2

Sub-funds

1) The term sub-fund as defined in Art. 2 (2) UCITSG shall also designate sub-structures of an investment company.

2) A depositary shall be appointed for each sub-fund. The assets of several sub-funds under a single umbrella may be kept in safe custody with different depositaries.

3) Umbrella funds with one single sub-fund are permitted. A reference shall be made to the fact that there is only one sub-fund under the umbrella in the key information for investors (KIID) in accordance with Art. 80 UCITSG, and in the prospectus referred to in Art. 71 UCITSG. Until a second sub-fund is authorised under the same umbrella, the name of the single sub-fund may not convey the impression that there would be a possibility of switching to other sub-funds.

Art. 3

Definition of terms and designations

1) The definitions of terms of the applicable provisions of EEA Law shall apply to the terms used in this Ordinance, in particular the terms of Commission Directives 2007/16/EC, 2010/43/EU and 2010/44/EU, and of Commission Delegated Regulation of 17 December 2015 supplementing Directive 2009/65/EC of the European Parliament and of the Council with regard to obligations of depositaries[1].[2]

1a) According to the terms of this Ordinance, marketing shall be defined as the direct or indirect offering of units of the UCITS for sale to investors or the placing of such units with investors having their domicile or registered office within the EEA, at the initiative of the management company or on its behalf.[3]

2) Terms used to designate persons or functions in this Ordinance are to be understood as referring to both the male and female genders.

B. Legal forms

1 Commission Delegated Regulation (EU) 2016/438 of 17 December 2015 supplementing Directive 2009/65/EC of the European Parliament and of the Council with regard to the obligations of depositaries (OJ. L 78 of 24.3.2016, p. 11).

2 Art. 3 (1) amended by LGBl. 2016 no. 99.

3 Art. 3 (1a) inserted by LGBl. 2013 no. 77

1. Content of the constitutive documents

Art. 4

Guidelines in respect of investment policy

1) The investment policy of the UCITS contained in the constitutive documents shall define the investment objective and the investment strategy referred to in Art. 50 to 59 UCITSG and stipulate the investments permitted as follows:

a) according to type;

b) according to industry sector, country or groups of countries; or

c) according to their share in the assets.

2) If the UCITS replicates an index, the index must be named and the extent of the replication must be estimated in figures.

Art. 5

Rules on unit valuation

1) The rules in the constitutive documents for the valuation of the assets and the calculation of the issue and sale price and of the redemption or repurchase price of the units of a UCITS, or a specific type of UCITS, shall conform to market practices and international standards.

2) The FMA may declare standards equivalent to those referred to in (1) to be legally binding.

Art. 6

Requirement for transparency

1) Deductions from the assets of a UCITS or the investor for costs and charges are to be set out in detail in the constitutive documents.

2) The rules concerning costs and charges in the constitutive documents shall be transparent. Transparency requirements are met if the information provided in application of Art. 10 to 14 and Annex II of Commission Regulation (EU) No. 583/2010 is verifiable and comprehensible for the investors on the basis of the rules in the constitutive documents.

Art. 7

General requirements regarding content

1) The nature, amount and calculation of the manager's remuneration and of charges and costs stated in the constitutive documents shall conform to market practice and international standards, as well as to the provisions of the Law and this Ordinance.

2) The FMA may declare standards equivalent to those referred to in (1) to be legally binding.

Art. 8

Disclosure of regular charges, type of charges[4]

1) Regular charges debited to the assets of the UCITS are to be subdivided in the constitutive documents into the following, with an indication of the amount or percentage:[5]

a) expenses dependent on the assets (variable);

b) expenses not dependent on the assets (fixed);

c) expenses dependent on investment performance.

2) Minimum charges may be levied for expenses dependent on the assets.

3) Regular charges debited to the assets of the UCITS may be subdivided into the following according to type:

a) individual expenses referred to in Art. 9;

b) inclusive expenses, i.e. the combination of individual expenses referred to in Art. 9 to produce one or more inclusive charge.

4) An arrangement whereby a fixed inclusive charge can be levied in addition to the individual expenses for the same service is not permitted.

5) repealed[6]

4 Art. 8 Subject heading amended by LGBl. 2013 no. 77.
5 Art. 8 (1) Introductory sentence amended by LGBl. 2013 no. 77.
6 Art. 8 (5) repealed by LGBl. 2013 no. 77.

Art. 9

Minimum rules on regular charges

1) The charging system in the constitutive documents shall contain arrangements in respect of expenditure for the following, as a minimum:

a) the management company, if necessary sub-divided according to its administration, investment decision-making and risk management, as well as marketing;

b) the depositary;[7]

c) auditing;

d) supervision;

e) transaction costs;

f) publications;

g) costs of marketing abroad; and

h) costs of exceptional measures.

2) Performance-related expenditure (performance fee) is to be disclosed as a separate entry in addition to expenditure for the management company.

3) Transaction-related payments falling within the remit of the management company are to be disclosed in the expenditure for the management company, according to the area in which they originated and divided between administration or risk management. Transaction-related payments for investment decision-making or marketing are not permitted.

4) The cost of exceptional measures consists of expenditure serving exclusively to protect the interests of investors, arising in the course of regular business operations and which was not foreseeable when the fund was established; it refers in particular to legal consultancy and procedural costs in the interests of the UCITS or investors.

Art. 10

Rules on issue and redemption of units

1) The rules in the constitutive documents on the issue and redemption of units shall:

7 Art. 9 (1) b) amended by LGBl. 2013 no. 77.

a) conform to market practice and international standards that the FMA has declared legally binding;

b) clearly state the cut-off time for each trading day;

c) establish criteria for the suspension referred to in Art. 85 (2) UCITSG.

2) The management company shall be responsible for ensuring that the marketing intermediaries comply with the cut-off time referred to in (1) b).

3) Notwithstanding the obligation to redeem units on each valuation date as referred to in Art. 86 UCITSG, the redemption of units may be arranged in the constitutive documents as follows:

a) on each trading day;

b) weekly;

c) fortnightly; or

d) in exceptional cases, monthly, provided that this does not have an adverse effect on investors' interests.

Art. 11

Rules on winding up[8]

1) The rules in the constitutive documents concerning winding up shall, as a minimum, provide that the management company shall communicate the decision on the winding up of a UCITS or a sub-fund to:

a) the investors immediately, but at least 30 days before the effective date of winding up; and

b) the FMA immediately after communication to the investors; a copy of the investor information shall be submitted to the FMA at the same time.[9]

2) The authorisation shall lapse upon conclusion of the winding up process.

3) If the constitutive documents do not contain sufficiently specific rules on winding up, the FMA may impose more specific requirements.[10]

8 Art. 11 Subject heading amended by LGBl. 2013 no. 77.
9 Art. 11(1) b) amended by LGBl. 2013 no. 77.
10 Art. 11(3) inserted by LGBl. 2013 no. 77.

2. Entry in the Commercial Register [11]

Art. 12[12]

Basic principle

The management company shall apply to the Office for Justice to have the investment fund and the collective trusteeship entered in the Commercial Register within 30 days from delivery of the authorisation decision, or the written confirmation of the FMA pursuant to Art. 10 (6) UCITSG.

II. Authorisation of a UCITS

Art. 13

Minimum assets

1) If business operations do not commence immediately upon authorisation, the FMA is to be notified as soon as the business operations of an authorised UCITS commence. Operations are deemed to have commenced upon the first issue of units.[13]

2) The minimum amount of assets referred to in Art. 9 (4) UCITSG shall be 1.25 million euro or the equivalent in Swiss Francs and shall be attained within one year from the authorisation or, if business operations commence with a notification as referred to in (1), within one year from when the FMA receives the notification pursuant to (1). The FMA is to be informed immediately if the amount of assets falls below the minimum amount. A higher minimum amount of assets may be established for each UCITS in the constitutive documents.[14]

3) The FMA may upon a justified request from the management company grant exemption from the obligation to notify pursuant to (1) or extend the time limit referred to in (2) on a maximum of two occasions, to up to six months in each case.[15]

11 Heading before Art. 12 amended by LGBl. 2013 no. 12.
12 Art. 12 amended by LGBl. 2016 no. 99.
13 Art. 13 (1) amended by LGBl. 2013 no. 77.
14 Art. 13 (2) amended by LGBl. 2016 no. 99.
15 Art. 13 (3) amended by LGBl. 2013 no. 77.

4) The UCITS may not be charged any minimum charges in the event of exemption or extension.

5) If at any time the amount of assets again falls below the minimum amount, (2) to (4) shall apply mutatis mutandis.[16]

6) If the minimum amount of assets is not attained within the time limits provided in (2) and (3), the authorisation of the UCITS shall lapse.

Art. 14[17]

Earliest validity of the shorter processing period and validity of the authorisation

The period referred to in Art. 10 (4) UCITSG, with the commencement of validity of the authorisation set out in Art. 10 (6) UCITSG, shall only apply to a new applicant if several UCITS of one management company have been authorised in Liechtenstein. Until then the time limits referred to in Art. 10 (5) UCITSG shall apply.

Art. 15

Grounds for extension of the time limits

1) The FMA may extend the periods referred to in Art. 10 (4) UCITSG if:

a) the applicant fails to use the form provided by the FMA or fails to complete it in full;

b) the applicant does not use any specimen documents or diverges from the specimen documents;

c) an extension of the time limit is appropriate or necessary because of information received from other supervisory authorities within the EEA or third countries concerning the management company or its directors;

d) the charging model in the constitutive documents does not meet the requirements set out in Art. 6 to 9 or is not presented in a transparent way;

e) the rules on valuation of units do not meet the requirements set out in Art. 5 or have not been presented in a transparent way;

16 Art. 13 (5) amended by LGBl. 2013 no. 77.
17 Art. 14 amended by LGBl. 2016 no. 99.

f) there are indications of an infringement of the law, for which more information will be required in clarification; or

g) the statements on investment policy do not clearly determine whether the investment policy complies with the provisions of the Law, in particular Art. 50 to 59 UCITSG.

2) If any time limit is extended, the reason for the extension pursuant to (1) shall be stated, quoting the relevant provision of the Ordinance.

Art. 16

Suspension of the validity of the authorisation in exceptional cases[18]

1) The FMA may suspend validity of the authorisation referred to in Art. 10 (6) in connection with (4) UCITSG in exceptional cases, if the spirit and purpose of the Law appear to be in jeopardy. This shall be the case, in particular, if:[19]

a) the application of the authorisation would compromise protection of investors or the public interest;[20]

b) there is a presumption of abusive use of the authorisation; or[21]

c) there are other exceptional circumstances.

2) Exceptional circumstances may arise in particular from the number of applications received by the FMA, the FMA's human or technical resources or unusual events on the financial market.

3) In the event of suspension, the time limits referred to in Art. 10 (5) UCITSG shall apply.

4) The suspension is to be publicised.

Art. 17[22]

Confirmation of validity of the authorisation

The FMA shall confirm that the authorisation is effective in writing immediately upon expiry of the deadline.

18 Art. 16 Subject heading amended by LGBl. 2016 no. 99.
19 Art. 16 (1) Introductory sentence amended by LGBl. 2016 no. 99.
20 Art. 16 (1)a) amended by LGBl. 2016 no. 99.
21 Art. 16 (1) b) amended by LGBl. 2016 no. 99.
22 Art. 17 amended by LGBl. 2016 no. 99.

Art. 18

Completeness of the application

1) The application referred to in Art. 10 UCITSG is complete if:

a) the documents required in support of the application have been submitted;

b) the FMA's application form has been completed correctly in a non-manual form;

c) there is confirmation from at least one director of the management company that the facts stated in the documents are correct;

d) where applicable, there is confirmation that the documents submitted do not contain any deviations from the approved specimen documents, or, if there are deviations, the way in which the documents submitted diverge from the approved specimen documents is set out in a transparent manner or by means of optical aids.

2) The FMA shall specify the supporting documents required by law on the application form.

3) The FMA may request other documents and information, provided this is necessary in the public interest.

Art. 19

Notification of a change in management of the depositary

The notification of a change in management in accordance with the Banking Act replaces the notification required in accordance with Art. 11 (3) UCITSG for depositaries in Liechtenstein.

III. Authorisation and obligations of management companies

A. Authorisation of management companies

Art. 20

Legal form and programme of activity

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

2) The management company must have a board of directors and supervisory board, whose functions in accordance with the articles of incorporation or association are consistent with the functions of a board of directors pursuant to Art. 344 to 349 PGR, or the functions of a supervisory board pursuant to Art. 27 to 34 SEG.

3) The programme of activity referred to in Art. 15 (1) c) UCITSG shall contain in particular:

a) information on:
   1. the organisation;
   2. the personnel;
   3. the office and business equipment;
b) a balance sheet plan scrutinised by the auditor for mathematical accuracy and plausibility and a planned profit and loss account for at least the first three financial years.

4) The information referred to in (3)a) no. 1 shall be subdivided into the following functions:[23]

a) investment management, consisting of investment decision-making and risk management;
b) administration;
c) marketing.

5) The programme of activity shall indicate the periods in which the targets are expected to be achieved.

23 Art. 20 (4) Introductory sentence amended by LGBl. 2016 no. 99.

Art. 21

Guarantee of proper conduct of business

1) The directors of the management company must collectively be sufficiently suited in professional terms, on the basis of their education or their practical experience, to perform the functions expected of them.

2) In setting the requirements in terms of quality the FMA shall take into account the investment policy guidelines, among other factors.

3) The directors shall also be capable of performing their duties properly, taking into account their other commitments, their place of residence and the infrastructure and the organisation of the undertaking.

4) In order to ensure that the business is conducted properly, the FMA may stipulate that directors must sign jointly, in twos.

5) Repealed[24]

B. Obligations of the management company

Art. 22

Changes to the programme of activity

1) Only material changes to the programme of activity need to be reported in accordance with Art. 18(1) UCITSG.[25]

2) A material change shall be deemed to have taken place if a management company exceeds or falls below the criteria for its size or risk category. This will be deemed to have occurred if additional legal or organisational requirements arise or lapse as a result of a change in the programme of activity.

3) The FMA has the authority to specify the categories of size and risk referred to in (2).

4) If the FMA provides an application form, the changes that have to be reported under Art. 18 (1) UCITSG, are only such changes made to the programme of activity that lead to a change in the information stated in the management company's application form. The FMA may release

24 Art. 21 (5) repealed by LGBl. 2017 no. 434.
25 Art. 22 (1) amended by LGBl. 2016 no. 99.

the management company from the obligation to provide individual details.[26]

Art. 23[27]

Qualifying holdings

1) The intention to purchase, increase or sell a qualifying holding according to the terms of Art. 19 (1) UCITSG is deemed to exist if a binding offer or a final decision to purchase, increase or sell has been made by the directors or the board of directors. Whichever occurs first shall be determinative.

2) The procedure and the criteria pertaining to assessment of the acquisition, increase or disposal of qualifying holdings in a management company shall be governed mutatis mutandis by Annex 8 of the Banking Ordinance.

Art. 24

Delegation of functions

1) A management company shall inform the FMA of a delegation of functions in accordance with Art. 22 UCITSG, using an official form, no later than ten working days before it becomes effective under civil law and before the delegated third party effectively commences its business operations.

2) The notification referred to in (1) shall include:

a) the delegated third party;

b) the delegated functions; and

c) the effects on the organisation.

26 Art. 22 (4) amended by LGBl. 2016 no. 99.
27 Art. 23 amended by LGBl. 2016 no. 99.

C. Code of Conduct

Art. 25

Obligation to act in the best interests of the UCITS and their investors

1) The management company shall ensure that the investors of managed UCITS are treated fairly. It shall not put the interests of a specific group of investors above the interests of another group of investors.

2) The management company shall apply appropriate principles and procedures for the avoidance of inadmissible practices that would normally be expected to have an adverse effect on market stability and integrity.

3) The management company shall ensure that fair, correct and transparent calculation models and valuation systems are used for the UCITS it manages, to ensure that the obligation to act in the best interests of investors is satisfied. It must be able to prove that the UCITS portfolios have been accurately valued.

4) The management company shall take the appropriate action to ensure that the UCITS and their investors are not charged excessive costs.

Art. 26

Due diligence obligations

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

2) The management company shall ensure that it has sufficient knowledge and information about the assets in which the UCITS are to be invested.

3) The management company shall establish written principles and procedures on due diligence obligations and implement effective arrangements for ensuring that investment decisions made on behalf of the UCITS are in keeping with their objectives, investment strategy and exposure limits.

4) In the implementation of its risk management principles, and insofar as this is appropriate in view of the nature of the planned investment, the management company shall, before making the investment, issue forecasts and provide analyses with reference to the contribution that the

investment will make to the composition of the UCITS portfolio, to its liquidity and its risk and reward profile. The analyses may be based only on reliable, up-to-date data, in terms of both quality and quantity.

5) If management companies conclude agreements with third parties concerning the performance of operations within the field of risk management, or manage or terminate such agreements, they shall do so with due skill, care and diligence. Before concluding such agreements, the management companies shall take the measures that are necessary in order to ensure that the third party possesses the necessary skills and capabilities in order to perform the operations in question in a reliable, professional and effective manner. The management company shall establish methods for a regular assessment of the third party's performance.

Art. 27

Reporting obligations with reference to carrying out subscription and redemption orders

1) The management company shall send an investor confirmation of the execution of that investor's subscription or redemption instructions, on a durable medium as soon as possible, but no later than the first business day following execution of the instructions, or - if the management company receives the confirmation from a third party - no later than the first business day following receipt of the confirmation from the third party. This provision shall not however apply, if this confirmation notice would contain the same information as a confirmation to be sent immediately to the investor by another person.

2) The notification referred to in (1) shall contain the following information, insofar as applicable:

a) name of the management company;

b) name or other designation of the investor;

c) date and time of receiving the order and the manner of payment;

d) date of carrying out the order;

e) name of the UCITS;

f) type of order (subscription or redemption);

g) number of units involved;

h) unit value at which the units were subscribed or redeemed;

i) reference value date;

k) gross order value, including subscription fees or net amount after redemption fees;

l) total commission and expenses charged, as well as an itemised breakdown, if the investor so requests.

3) If orders are regularly executed for the same investor, the management company shall either proceed in accordance with (1) or shall send the information listed in (2) concerning the transactions in question to the investor at least once every six months.

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

Art. 28

Implementation of trading decisions for the UCITS managed

1) The management company shall act in the best interests of the UCITS it manages when it implements trading decisions for them in the context of the management of their portfolios.

2) For the purposes of (1) the management company shall take all appropriate measures in order to achieve the best possible outcome for the UCITS, taking into account the price, the costs, the speed and likelihood of execution and settlement, the size and nature of the order and all other aspects relevant to the execution of the order. The relative significance of these factors shall be determined on the basis of the following criteria:

a) the objectives, investment policy and specific risks of the UCITS, as set out in the prospectus or, if applicable, in the contractual conditions or instruments of incorporation of the UCITS;

b) the characteristics of the order;

c) the characteristics of the financial instruments involved in the relevant order;

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

3) The management company shall establish and implement effective arrangements for compliance with the obligation laid down in (2). It shall, in particular, establish and implement basic rules that will allow it to achieve the best possible result in the execution of UCITS orders, as stated in (2). It shall obtain the prior consent of the investment company to the basic rules for the execution of orders. It shall provide investors with appropriate information concerning the rules established in accord-

ance with this article, and any material changes to them that may be made.

4) The management company shall monitor the effectiveness of its arrangements and rules for the execution of orders on a regular basis, in order to identify any deficiencies and correct them, if necessary. In addition to this, the management company shall subject its rules for the execution of orders to an annual review. A review shall also be conducted whenever a material change takes place that impairs the management company's ability to continue to achieve the best possible result for the UCITS under its management.

5) The management company shall be able to provide evidence that it has executed orders for UCITS in accordance with its basic rules.

Art. 29

Transfer of UCITS trading orders to other institutions for execution

1) The management company shall act in the best interests of the UCITS it manages, if in the management of its portfolios it transfers trading orders for the managed UCITS to other institutions for execution.

2) The management company shall take all appropriate measures in order to achieve the best possible outcome for the UCITS, taking into account the price, the costs, the speed and likelihood of execution and settlement, the size and nature of the order and all other aspects relevant to the execution of the order. The relative significance of these factors shall be determined on the basis of Art. 28 (2). To this end the management company shall establish and implement effective arrangements for compliance with this obligation. These arrangements shall state the name of the institutions with which orders may be placed in respect of each class of instrument. The management company shall only enter into execution agreements, if this is compatible with the obligations laid down in this article. It shall provide investors with appropriate information concerning the rules established in accordance with this article, and any material changes to them that may be made.

3) The management company shall monitor the effectiveness of its arrangements and rules established in accordance with (2) on a regular basis, in particular the quality of the execution of orders by the institutions identified in these rules and shall remedy any deficiencies, if necessary. In addition to this, the management company shall subject its rules and arrangements for the execution of orders to an annual review. A

review shall also be conducted whenever a material change takes place that impairs the management company's ability to continue to achieve the best possible result for the UCITS under its management.

4) The management company shall be able to provide evidence that it has placed orders for UCITS in compliance with the rules established in accordance with (2).

Art. 30

Processing of orders

1) The management company shall establish and implement procedures and arrangements that provide for the prompt, fair and expeditious execution of portfolio transactions conducted on behalf of UCITS. The procedures and arrangements implemented by the management company shall meet the following requirements:

a) They shall guarantee that the orders carried out for UCITS are promptly and accurately recorded and allocated.

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

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

3) A management company may not misuse information in connection with pending UCITS orders and shall make all appropriate arrangements to prevent the misuse of such information by its relevant persons.

Art. 31

Aggregation and allocation of trading orders

1) The management company may not execute any UCITS order in aggregate with the order of another UCITS or other clients, or in combination with an order for its own account, unless the following conditions are met:

a) It must be unlikely that the aggregation of orders will work overall to the disadvantage of a UCITS or client, whose order is aggregated with others.

b) Rules must be established and implemented for the allocation of orders, providing in sufficiently precise terms for the fair allocation of aggregated orders, including how the volume and price of orders determine the allocations and how to proceed in the event of partial execution.

2) Where a management company combines a UCITS order with one or more other UCITS order or client order, and the aggregated order is only partially executed, it shall allocate the associated transactions in accordance with its rules on the allocation of orders.

3) A management company that has aggregated transactions for its own account with one or more order from UCITS or other clients may not proceed in a way that is to the disadvantage of the UCITS or other clients in the allocation of the associated transactions.

4) A management company that aggregates a UCITS order or other client order with a transaction for its own account, and only partially executes the aggregated order, shall in the allocation of the associated transactions give the UCITS or other client priority over its own transactions. If, however, the management company is able to conclusively demonstrate to the UCITS or its other client, that without the combination it would not have been able to carry out the order on such advantageous terms, or at all, it may allocate the transaction for its own account proportionally, in accordance with its own rules established in (1) b).

Art. 32

Protection of the best interests of the UCITS

1) The management company shall not be regarded as acting fairly, honestly and professionally in the best interests of the UCITS if, in connection with its investment management for the UCITS, it pays or receives fees or commission, or if it provides or accepts any non-monetary benefit other than the following:

a) a fee, commission or a non-monetary benefit paid to the UCITS or a person acting on its behalf, or granted by the UCITS or a person acting on its behalf;

b) fees that facilitate, or are necessary for the provision of the service in question - including custodial fees, settlement and exchange fees, regulatory levies or legal fees - and which cannot by their nature give rise to conflicts with the obligation of the management company to act in the best interests of the UCITS, honestly, fairly and professionally; or

c) a fee, commission or a non-monetary benefit paid to a third party or a person acting on its behalf, or granted by one of these persons, provided that the following conditions are met:

1. The existence, nature and amount of the fee, commission or benefit, or - if the amount cannot be determined - the method for calculating this amount must be clearly disclosed to the UCITS, in a manner that is comprehensive, accurate and understandable, before the service in question is provided.
2. The payment of the fee or the commission or the provision of the non-monetary benefit shall be designed to enhance the quality of the service in question and may not prevent the management company from acting in the best interests of the UCITS in accordance with its obligations.

2) For the purposes of (1) c) no. 1, the management company may disclose the essential provisions of the agreements concerning fees, commission and non-monetary benefits in a summary form, provided that the management undertakes to disclose further details at the request of the investor and provided that it honours that undertaking.

Art. 33

FMA's powers in connection with the obligations of the management company

1) The FMA may provide more specific details concerning the code of conduct referred to in this section.

2) Further to (1) the FMA may additionally establish the following more specific rules in accordance with the UCITSG and this Ordinance, in particular to allow for developments within the EEA:

a) procedural and organisational requirements as set out in Section D;

b) conflicts of interest as stated in Section E;

c) risk management as referred to in Section F;

d) administrative and accounting procedures as referred to in Section G;

e) internal control mechanisms as referred to in Section H.

3) The FMA may take appropriate measures to enforce compliance with the management companies' obligations.

D. Procedural and organisational requirements

Art. 34

General requirements

1) The management company shall be obliged:

a) to establish, implement and maintain decision-making processes and an organisational structure in which reporting obligations are clearly established and documented, and functions and responsibilities are properly allocated and documented;

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

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

d) to introduce, practise and maintain effectively functioning internal reporting lines and systems for forwarding information at all relevant levels of the management company, as well as an unimpeded flow of information with all third parties involved;

e)to establish appropriate and systematic records of its business operations and internal organisation.

2) The management company shall take into account the nature, scale and complexity of its business, as well as the nature and range of the services provided and the activities undertaken in the course of that business.

3) The management company shall establish, implement and maintain appropriate systems and procedures in order to safeguard the security, integrity and confidentiality of information, in particular in connection with the reporting system referred to in Art. 21 (3a) UCITSG, and in doing so to take into account the nature of that information.[28]

4) The management company shall establish, implement and maintain an appropriate contingency plan, that in the event of disruption to its systems and procedures is designed to ensure that key information and functions will be preserved and services and activities can be continued or, if this should not be possible, that this information and these functions can be swiftly recovered and the services and activities can be promptly resumed.

28 Art. 34 (3) amended by LGBl. 2016 no. 99.

5) The management company shall establish, implement and maintain accounting principles and methods that enable it to submit financial statements to the FMA in good time on request, that convey a true and fair view of its assets and financial position, corresponding to its actual circumstances and that comply with all applicable accounting standards and regulations.

6) The management company shall monitor, and regularly evaluate the adequacy and effectiveness of its systems, internal control mechanisms and arrangements established in accordance with (1) to (4) and take the necessary measures to address any deficiencies.

Art. 35

Resources

1) The management company shall employ personnel with the necessary skills, knowledge and experience to enable them to perform the tasks assigned to them.

2) The management company shall possess the resources and specialised knowledge that are required for effective supervision of the activities carried out by third parties, under an agreement with the management company. This shall apply in particular to the management of the risks associated with such agreements.

3) The management company shall ensure that in the event that relevant persons are entrusted with the performance of multiple functions, this does not prevent, nor is likely to prevent these persons from discharging the functions concerned in a sound, honest and professional manner.

4) For the purposes established in (1) to (3) the management company shall take into account the nature, scale and complexity of its transactions, as well as the nature and range of the services provided and the activities undertaken in the course of this business.

E. Conflicts of interest

Art. 36

Criteria for identifying conflicts of interest

1) In establishing the types of conflict of interest that may arise in the provision of services and the performance of activities and that may be detrimental to the interests of a UCITS, the management company shall consider as a minimum, whether the management company, a relevant person or a person who is directly or indirectly linked to the management company, by way of control, is in any of the following situations, whether as a result of being engaged in collective portfolio management or other activities:

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

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

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

d) The management company or the person concerned performs the same business activities for the UCITS and for one or more other client, which are not UCITS.

e) The management company or the person concerned currently receives, or will in future receive from a person other than the UCITS, an inducement in the form of money, goods or services, in relation to the collective portfolio management services provided for the UCITS, in addition to the standard commission or fees for that service.

2) When identifying the nature of conflicts of interest, the management company shall consider the following:

a) its own interests, including those resulting from the management company's association with a group, or from the provision of services and undertaking of activities, the interests of clients and the obligation of the management company towards the UCITS;

b) the interests of two or more managed UCITS.

Art. 37

Conflicts of interest policy

1) The management company shall establish, comply with and maintain effective rules for dealing with conflicts of interest. These rules shall be set out in writing and must be appropriate to the size and organisation of the management company, as well as the nature, scale and complexity of its business. If the management company belongs to a group, these rules shall additionally take into account any circumstances of which the company is aware, or ought to be aware, and which may give rise to a conflict of interest as a result of the structure and business operations of other members of the group.

2) The policy for dealing with conflicts of interest established in (1) shall:

a) with reference to the collective portfolio management services provided by or on behalf of the management company, establish the circumstances under which a conflict of interest exists or might arise, that could cause material damage to the interests of the UCITS or one or more other client;

b) establish the procedures for managing these conflicts and the action that needs to be taken.

Art. 38

Independence in conflict management

1) The procedures and measures provided in Art. 37 (2) b) must be designed in such a way to ensure that relevant persons who undertake various activities that might involve a conflict of interest, perform these activities with a degree of independence appropriate to the size and activities of the management company and the group to which it belongs, as well as to the scale of the risk of damage to the interests of clients.

2) The procedures to be followed and the measures to be adopted pursuant to Art. 37 (2) b) shall include the following, insofar as it is necessary and appropriate for the management company to ensure the required degree of independence:

a) effective procedures to prevent or control the exchange of information between relevant persons who are involved in the collective portfolio management and whose activities may give rise to a conflict of interests, if this exchange of information could damage the interests of one or more client;

b) separate supervision of relevant persons, whose principal functions include collective portfolio management for clients or the provision of services for clients or investors, whose interests might possibly conflict or who otherwise represent different, possibly conflicting interests, including the interests of the management company;

c) the removal of any direct link between the remuneration of relevant persons who are principally engaged in one activity and the remuneration or earnings of other relevant persons who are principally engaged in another activity, if a conflict of interest might arise in relation to such activities;

d) measures to prevent or limit any inappropriate influence over the way in which a relevant person performs the collective portfolio management;

e) measures to prevent or control the simultaneous or sequential involvement of a relevant person in another collective portfolio management service, if such involvement might be an impediment to the effective management of conflicts.

3) If the adoption of one or more of the measures and procedures referred to in (2) does not ensure the required degree of independence, the management company shall establish such alternative or additional measures and procedures as are necessary and appropriate for these purposes.

Art. 39

Management of activities giving rise to a detrimental conflict of interests

1) The management company shall keep records of the types of collective portfolio management services provided by, or on behalf of the management company, in which a conflict of interests has arisen, or might still arise in current portfolio management, entailing a material risk of damaging the interests of one or more UCITS or other clients and shall update these records on a regular basis.

2) In cases in which the organisational or administrative measures established by the management company to manage conflicts of interest are not sufficient to give reasonable assurance that the risk of damaging the interests of the UCITS or its investors can be excluded, the directors or another competent internal body of the management company shall be informed immediately, to enable it to take the necessary decisions to ensure that the management company always acts in the best interests of the UCITS and its investors.

3) The management company shall inform the investors of the situation referred to in (2) on a durable medium suitable for the purpose and give reasons for its decision.

Art. 40

Strategies for the exercise of voting rights

1) The management company shall devise effective and appropriate strategies for determining when and how the voting rights attached to instruments held in the managed portfolios are to be exercised, to ensure they are exercised exclusively for the benefit of the UCITS concerned.

2) The strategy referred to in (1) shall contain measures and procedures for:

a) monitoring relevant corporate events;

b) ensuring that the exercise of voting rights is compatible with the investment objectives and the investment policy of the respective UCITS;

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

3) A brief description of the strategies referred to in (1) is to be made available to investors.

4) Further details of the action taken on the basis of these strategies are to be made available to investors free of charge, on request.

F. Risk management

1. Risk management policies and risk assessment

Art. 41

Risk management policies

1) The management company shall establish, implement and maintain appropriate, documented risk management policies, setting out the risks to which the UCITS under its management are or may be exposed.

2) The risk management policies shall include the procedures that are required to enable the management company to assess, for each of the UCITS under its management, the market, liquidity and counterparty risks to which the UCITS is exposed, as well as all other risks, including operational risks which might be of significance for the individual UCITS under its management.

3) The management company shall ensure that the following points, as a minimum, are covered in its risk management policies:

a) the methods, devices and arrangements that will enable it to meet the obligations established in Art. 43 and 44;

b) distribution of responsibilities with regard to risk management within the management company.

4) The management company shall ensure that the risk management policies provided in (1) and (2) specify the arrangements for, the content and the frequency of the reporting of the risk management function referred to in Art. 55 to the management or executive body and the directors, and if applicable to the supervisory function.

5) For the purposes of (1) to (4) the management company shall take into account the nature, scale and complexity of its business and of the UCITS under its management.

Art. 42

Assessment, monitoring and review of the risk management policies

1) The management company shall assess, monitor and periodically review the following:

a) adequacy and effectiveness of the risk management policies and the arrangements, processes and procedures provided in Art. 43 and 44;

b) the management company's compliance with the risk management policies and the arrangements, processes and procedures provided in Art. 43 and 44;

c) adequacy and effectiveness of the measures to address any weaknesses in the efficacy of the risk management process.

2) The management company shall inform the FMA of all material changes to the risk management process.

3) The requirements laid down in (1) shall be reviewed regularly by the FMA and in particular when granting the authorisation.

2. Risk management processes, counterparty risk and concentration of issuers

Art. 43

Measurement and management of risks

1) The management company shall introduce appropriate and effective arrangements, processes and procedures in order to:

a) be able at all times to measure and manage the risks to which the UCITS under its management are or might be exposed;

b) ensure compliance with the upper limits for overall exposure and counterparty risk referred to in Art. 44 and 46.

2) The arrangements, processes and procedures referred to in (1) shall be proportionate to the nature, scale and complexity of the business of the management company and of the UCITS it manages and shall be consistent with the UCITS' risk profile.

3) For the purposes of (1) the management company shall take the following measures for each of the UCITS it manages:

a) introduce the risk management arrangements, processes and procedures necessary to ensure that the risk of positions taken and their contribution to overall exposure are measured accurately, on the basis of sound and reliable data and that the risk management arrangements, processes and procedures are properly documented;

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

c) conduct periodic stress tests and scenario analyses, where appropriate, to determine the risks arising from potential changes in the market conditions that might have an adverse effect on the UCITS;

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

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

f) establish, implement and maintain adequate procedures that in the event of actual, or anticipated breaches of the risk limit system of the

UCITS, result in timely remedial actions in the best interests of investors.

4) The management company shall apply an appropriate risk management process for liquidity risks in order to ensure that each UCITS it manages is able to comply with Art. 85 (1) UCITSG at any time. If necessary, the management company shall conduct stress tests that enable the UCITS' liquidity risks under exceptional circumstances to be assessed.

5) The management company shall ensure that for each of the UCITS it manages the liquidity profile of the investments of the UCITS is appropriate to the redemption policy laid down in the contractual conditions, the instruments of incorporation or the prospectus.

Art. 44

Calculation of total exposure

1) The management company shall calculate the total exposure of a managed UCITS as referred to in Art. 53 (2) UCITSG, as either of the following:

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

b) the market risk of the UCITS portfolio.

2) The management company shall calculate the UCITS' total exposure at least once a day.

3) The management company may calculate the overall exposure using the commitment approach, the value-at-risk model or an advanced risk measurement method, as may be appropriate. For the purposes of this provision "value at risk" shall mean the maximum anticipated loss at a given confidence level over a specific period. The management company shall ensure that the method selected to measure overall exposure is appropriate to the investment strategy pursued by the UCITS, as well as the nature and complexity of the derivative financial instruments used and the proportion of derivative financial instruments in the UCITS portfolio.

4) If a UCITS employs techniques and instruments as referred to in Art. 53 (4) UCITSG, including repurchase agreements or securities lending transactions, in order to generate additional leverage or exposure to market risk, the management company shall include the relevant transactions in the calculation of overall exposure.

Art. 45

Commitment approach

1) If the commitment approach is used to calculate overall exposure, the management company shall apply this approach to all positions in derivative financial instruments, including embedded derivatives as defined in Art. 53 (3) UCITSG, irrespective of whether they are used as part of the UCITS' general investment policy, for the purpose of risk reduction or for the purpose of efficient portfolio management as referred to in Art. 53 (4) UCITSG.

2) If the commitment approach is used to calculate overall exposure, the management company shall convert each position in derivative financial instruments into the market value of an equivalent position in the underlying asset of the derivative concerned (standard commitment approach). The management company may use other methods of calculation if they are equivalent to the standard commitment approach.

3) The management company may take netting and hedging agreements into account when calculating total exposure, provided that these do not disregard obvious and material risks and clearly result in a reduction in risk exposure.

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

5) Where the commitment approach is used, temporary loan agreements concluded for the UCITS in accordance with Art. 89 UCITSG, do not need to be included in the calculation of total exposure.

Art. 46

Counterparty risk and issuer concentration

1) The management company shall ensure that the upper limits established in Art. 54 UCITSG shall apply to the counterparty risk arising from over-the-counter derivative financial instruments ("OTC-derivatives").

2) When calculating a UCITS' exposure to a counterparty in accordance with the upper limits referred to in Art. 54 (2) UCITSG, the management company shall use the positive mark-to-market value of the OTC derivative contract with the relevant counterparty as a basis. The management company may net the derivative positions of a UCITS with one and the same counterparty, if the management company is able to

legally enforce netting agreements with the counterparty in question on behalf of the UCITS. Netting shall only be permissible with respect to OTC derivatives with the same counterparty and not in relation to any other exposures the UCITS may have with that same counterparty.

3) The management company may reduce a UCITS' exposure to a counterparty arising from an OTC derivative transaction through the receipt of collateral. The collateral received must be sufficiently liquid so that it can be sold quickly at a price that is close to its pre-sale valuation.

4) If the management company passes collateral to an OTC counterparty on behalf of the UCITS, the management company shall take the collateral into account when calculating the risk of default referred to in Art. 54 (2) UCITSG. The collateral passed may only be taken into account on a net basis if the management company is able to legally enforce netting agreements with the counterparty concerned on behalf of the UCITS.

5) The management company shall calculate the upper limits for issuer concentration provided in Art. 54 UCITSG on the basis of the underlying risk created through the use of derivative financial instruments using the commitment approach.

6) With reference to the exposure arising from transactions with OTC derivatives as referred to in Art. 54 (3) UCITSG, the management company shall include any counterparty exposure arising from OTC derivatives in the calculation.

3. Procedures for the valuation of OTC derivatives

Art. 47

Procedures for the assessment of the value of OTC derivatives

1) The management company shall verify that UCITS exposures to OTC derivatives are allocated a fair value that does not rely solely on the market quotations of the counterparties of the OTC transactions and which meets the criteria set out in Art. 8 (4) of Commission Directive 2007/16/EC.

2) For the purposes of (1) the management company shall establish, implement and maintain arrangements and procedures to ensure that the assessment of the UCITS exposure to OTC derivatives is appropriate, transparent and fair. The management company shall ensure that the fair

value of OTC derivatives is subject to appropriate, accurate and independent assessment. The valuation arrangements and procedures shall be appropriate and proportionate to the nature and complexity of the OTC derivatives concerned. If the arrangements and procedures for the valuation of OTC derivatives involve the performance of certain functions by third parties, the management company must meet the requirements set out in Art. 26 (5) and Art. 35 (2).

3) For the purposes of (1) and (2) specific duties and responsibilities will be assigned to the risk management function.

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

4. Transmission of information on derivative instruments

Art. 48

Reports on derivative instruments

1) The management company shall deliver reports to the FMA, at least once a year, containing information that presents a true and fair view of the derivative instruments used for each managed UCITS, the underlying risks, the investments limits and the methods used to estimate the risks associated with the derivative transactions.

2) The FMA shall check that the information referred to in (1) is submitted regularly and is complete and shall intervene if necessary.

G. Administrative and accounting procedures

Art. 49

Handling of complaints

1) The management company is required to establish, implement and maintain effective and transparent procedures for the reasonable and prompt handling of complaints from investors.

2) The management company shall ensure that a record is kept of all complaints and the action taken for their resolution.

3) Investors must be able to file complaints free of charge. Information on the procedures referred to in (1) is to be made available to investors free of charge.

Art. 50

Electronic data processing

1) The management company shall make appropriate arrangements for suitable electronic systems to ensure that each portfolio transaction and each subscription order or redemption order is properly recorded in a timely manner in order to be able to comply with Art. 57 and 58.

2) The management company shall ensure a high level of security during the electronic data processing and guarantee the integrity and confidentiality of the recorded information, where necessary.

Art. 51

Accounting procedures

1) In order to guarantee protection of investors the management company shall ensure the employment of accounting policies and methods as referred to in Art. 34 (5).

2) UCITS accounting shall be conducted in a manner that ensures that all assets and liabilities of the UCITS can be directly identified at all times.

3) If a UCITS has several sub-funds, separate accounts shall be maintained for each of these sub-funds.

4) The management company is required to establish, implement and maintain accounting policies and methods in accordance with the accounting rules of the UCITS' home Member State, so as to ensure that the calculation of the net asset value of each UCITS is effected accurately, on the basis of the accounting, and that subscription and redemption orders can be properly executed at that net asset value.

5) The management company shall establish appropriate procedures to ensure the proper and accurate valuation of the assets and liabilities of the UCITS, as consistent with the applicable rules referred to in Art. 86 UCITSG.

H. Internal control mechanisms

Art. 52

Control by senior management and supervisory function

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

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

a) accepts responsibility for the implementation of the general investment policy for each managed UCITS, as defined, where relevant, in the prospectus, the contractual conditions or the instruments of incorporation of the investment company;

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

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

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

e) verifies and regularly reviews the adequacy of the internal procedures for undertaking investment decisions for each managed UCITS, in order to ensure that such decisions are consistent with the approved investment strategies;

f) approves and regularly reviews the risk management policy as referred to in Art. 41, as well as the arrangements, procedures and methods for implementing that policy, including the risk limit system for each managed UCITS.

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

a) assess and regularly review the effectiveness of the policies, arrangements and procedures put in place to comply with the obligations established in the Law and this Ordinance;

b) take appropriate measures to address any deficiencies.

4) The management company shall ensure that its senior management receives written reports on a frequent basis, but at least once a year, on

matters of compliance, internal audit and risk management, indicating in particular whether appropriate remedial measures have been taken in the event of any deficiencies.

5) The management company shall ensure that its senior management regularly receives reports on the implementation of investment strategies and the internal procedures for taking investment decisions referred to in (2) b) to e).

6) The management company shall ensure that the supervisory function, if there is one, receives written reports on the matters referred to in (4) on a regular basis.

Art. 53

Permanent compliance function

1) The management company shall establish, implement and maintain adequate policies and procedures designed to detect any risk of failure by the management company to comply with its obligations under the Law and this Ordinance, as well as the associated risks. The management company shall also put in place adequate measures and procedures designed to minimise the risk of non-compliance with the obligations under the Law and this Ordinance and to enable the FMA to exercise its powers effectively.

2) The management company shall take into account the nature, scale and complexity of its business, and the nature and range of services provided and activities undertaken in the course of that business.

3) The management company shall establish and maintain an effective compliance function which operates independently and which has the following responsibilities:

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

b) to advise and assist the relevant persons responsible for carrying out services and operations in order to meet the management company's obligations provided in the Law and this Ordinance.

4) In order to enable the compliance function referred to in (3) to discharge its responsibilities properly and independently, the management company shall ensure that:

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

b) a compliance officer is appointed who will be responsible for the compliance function and for producing reports that will be presented to the senior management on matters of compliance on a regular basis, but at least once a year, and that will indicate in particular whether the necessary remedial measures have been taken in the event of any deficiencies;

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

d) the procedure determining the remuneration of the relevant persons involved in the compliance function does not compromise their objectivity, nor is it likely to do so.

5) However if a management company is able to demonstrate that the requirement referred to in (4) c) or d) is disproportionate in the light of the nature, scale and complexity of its business, and the nature and range of its services and activities, and that the compliance function nevertheless continues to be effective, it shall be released from this requirement.

Art. 54

Permanent internal audit function

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

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

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

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

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

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

Art. 55

Permanent risk management function

1) The management company shall establish and maintain a permanent risk management function.

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

3) The requirements stated in (2) may be waived where this is appropriate and proportionate in view of the nature, scale and complexity of the management company's business and of the UCITS it manages.

4) A management company must be able to demonstrate that appropriate safeguards against conflicts of interest have been adopted, in order to ensure that risk management activities are performed independently and that its risk management process satisfies the requirements of Art. 23 and 53 UCITSG.

5) The permanent risk management function shall:

a) implement the risk management policies and procedures;

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

c) provide advice to the management or executive body as regards the identification of the risk profile of each managed UCITS;

d) provide regular reports to the management or executive body, or the supervisory function, if one exists, on the following subjects:

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

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

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

e) provide regular reports to the senior management outlining the current level of risk incurred by each managed UCITS and any actual or foreseeable overstepping of the limits applying to the respective UCITS, in order to ensure that prompt and appropriate action can be taken;

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

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

Art. 56

Personal transactions

1) The management company shall establish, implement and maintain adequate arrangements aimed at preventing the following activities on the part of relevant persons whose activities may give rise to a conflict of interest or who, by virtue of activities they perform on behalf of the management company, have access to insider information as defined in Article 1(1) of Directive 2003/6/EC, or to other confidential information relating to UCITS or transactions carried out with or for UCITS:

a) entering into a personal transaction that meets at least one of the following criteria:
   1. that person is prohibited from entering into the personal transaction under Directive 2003/6/EC.
   2. it involves the misuse or improper disclosure of confidential information.
   3. it conflicts, or is likely to conflict with an obligation of the management company under the Act or this Ordinance or under Directive 2014/65/EC.[29]

b) other than in the proper course of their employment or contract for services, recommending a transaction involving financial instruments to another person which, if it were a personal transaction of the relevant person, would fall within a) or Art. 25 (2) a) or b) of Commission Directive 2006/73/EC or would otherwise represent a misuse of information on pending orders, or causing that person to enter into such a transaction;

c) other than in the proper course of their employment or contract for services and without prejudice to Art. 3 a) of Directive 2003/6/EC, disclosing information or opinions to another person, if the relevant person knows, or reasonably ought to know that this disclosure will or would be likely to cause the other person to:

29 Art. 56 (1) a) 3 amended by LGBl. 2017 no. 434.

1. enter into a transaction involving financial instruments which, if it were a personal transaction of the relevant person, would fall within a) or Art. 25 (2) a) or b) of Commission Directive 2006/73/EC or would otherwise represent a misuse of information on pending orders;
2. advise another person to enter into such a transaction or assist them to do so.

2) The arrangements specified under (1) shall guarantee in particular, that:

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

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

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

3) For the purposes of (2) b), where certain activities are performed by third parties, the management company shall ensure that the entity performing the activity maintains a record of personal transactions entered into by all relevant persons and provides that information to the management company promptly on request.

4) The following are excluded from (1) to (3):

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

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

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

Art. 57

Recording of portfolio transactions

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

2) The record referred to in (1) shall include:

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

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

c) the quantity;

d) the type of order or transaction;

e) the price;

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

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

h) the reasons for cancellation of an order, if applicable;

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

3) For the purposes of (2) i) "execution venue" shall mean a regulated market as defined in Art. 4 no. 21 of Directive 2014/65/EC, a multilateral trading facility as defined in Art. 4 no. 22 of that Directive, a systematic internaliser as defined in Art. 4 no. 20 of the said Directive, or a market maker, another liquidity provider or an entity that performs a similar function in a third country.[30]

30 Art. 57 (3) amended by LGBl. 2017 no. 434.

Art. 58

Recording of subscription and redemption orders

1) The management company shall take all reasonable steps to ensure that the UCITS subscription and redemption orders received are centrally registered and recorded immediately after receipt of any such order.

2) The following information shall be recorded:

a) name of the UCITS concerned;

b) the person giving or transmitting the order;

c) the person receiving the order;

d) date and time of the order;

e) the terms and means of payment;

f) type of order;

g) the date of execution of the order;

h) the number of units subscribed or redeemed;

i) the subscription or redemption price for each unit;

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

l) gross value of the order, including subscription charges or net amount after deduction of redemption charges.

Art. 59

Record-keeping requirements

1) The management company shall ensure that the records referred to in Art. 57 and 58 are retained for a period of at least five years.

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

3) If a management company's authorisation has expired, the FMA may require the management company to retain the records referred to in (1) for the outstanding term of the 5-year period.

4) Where the management company transfers its responsibilities in relation to the UCITS to another management company, the FMA may

require that arrangements are made so that the records for the past 5 years are accessible to that company.

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

a) The FMA must be able to access the records readily and to reconstruct each key stage of the processing of each portfolio transaction.

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

c) It must not be possible for the records to be otherwise manipulated or altered.

I. Dissolution and liquidation, continued existence of the management company[31]

Art. 60[32]

Basic principle

1) Unless specified otherwise in the UCITSG and provided that the FMA does not introduce a different procedure for the protection of investors, winding up and liquidation (Art. 29 und 31 UCITSG) shall be governed by the provisions of the PGR. The liquidator must have the appropriate professional qualifications or shall otherwise engage an appropriately qualified person.

2) With the consent of the FMA, the management company that has been wound up in accordance with Art. 29 (1) UCITSG may resolve to continue its business operations with a different company aim. The resolution to continue the business may be structured in a way that enables it to become effective at the same time as winding up pursuant to Art. 29 (1) UCITSG.

3) A management company may not relinquish the authorisation until it finally ceases to manage any UCITS.

31 Heading before Art. 60 amended by LGBl. 2016 no. 99.
32 Art. 60 amended by LGBl. 2016 no. 99.

IV. Depositary

Art. 61[33]

Basic principle

1) Unless provided otherwise below, the specific details concerning the appointment, duties, delegation of duties and the liability of depositaries (Art. 32 to 35 UCITSG) shall be governed by the Commission Delegated Regulation of 17 December 2015 supplementing Directive 2009/65/EC of the European Parliament and of the Council with regard to the obligations of depositaries.

2) The FMA is authorised to publish a reference to pending court proceedings against the depositary, as referred to in Art. 35 UCITSG, in the publication referred to in Art. 94, at the expense of the management company.

3) Any settlement between the management company and the depositary shall be published in the publication referred to in Art. 94 and the FMA is to be notified within seven days. The FMA and the investors have the right to object to a settlement before the Princely Court of Justice, within six months.

V. Structural measures

A. Merger

1. Content of information concerning the merger

Art. 62

General provisions on the content of information for investors

1) The information that must be communicated to the investors pursuant to Art. 43 (1) UCITSG is to be brief and drafted in readily understandable, non-technical language to enable the investors to make an informed judgement of the effects of the proposed merger on their investment.

33 Art. 61 amended by LGBl. 2016 no. 99.

2) In the event of a cross-border merger the transferring UCITS and the absorbing UCITS shall clarify, in readily understandable language, all terms and procedures with reference to the other UCITS that are different from the terms and procedures normally used in the other EEA Member State.

3) The information for the investors of the transferring UCITS shall be designed for investors who have no prior knowledge of the key features of the absorbing UCITS or the nature of its business. They are to be referred to the key information for investors of the absorbing UCITS and advised to read it.

4) The information for the investors of the absorbing UCITS should focus on the merger process and the potential effects on the absorbing UCITS.

Art. 63

Specific provisions on the content of the information for investors

1) The information that must be supplied to investors of the transferring UCITS pursuant to Art. 43 (2) b) UCITSG shall include the following:

a) details of the differences with reference to the rights of the investors of the transferring UCITS before and after the proposed merger comes into effect;

b) if the key information for the investors of the transferring UCITS and the absorbing UCITS presents synthetic risk and return indicators in different categories, or if different significant risks are described in the accompanying clarifying description, a comparison of these differences;

c) a comparison of all costs, charges and expenditure of both UCITS on the basis of the amounts stated in the key information for the investors in each case;

d) if the transferring UCITS levies a performance-related fee, a clarifying comment on the collection of this fee up to the time when the merger comes into effect;

e) if the absorbing UCITS levies a performance-related fee, a clarifying comment on the collection of this fee, with a guarantee of fair treatment of those investors who previously held units of the transferring UCITS;

f) if the transferring or the absorbing UCITGS or their investors referred to in Art. 46 UCITSG may be assigned costs associated with

the preparation and accomplishment of the merger, the details of how these costs are allocated;

g) a statement as to whether the management company of the transferring UCITS intends to rearrange the portfolio before the merger takes effect.

2) The information to be transmitted to the investors of the absorbing UCITS in accordance with Art. 43 (2) b) UCITSG shall also include a statement indicating whether the management company of the absorbing UCITS assumes that the merger will have significant effects on the portfolio of the absorbing UCITS and whether it intends to conduct a restructuring of the portfolio before or after the merger comes into effect.

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

a) information about the procedure for dealing with the accrued income of the UCITS in question;

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

4) If a cash payment is provided in the merger plan in accordance with Art. 3 (1) no. 19 a) and b) UCITSG, the information for the investors of the transferring UCITS shall contain information about the proposed payment, including information about the time and terms of the cash payment to the investors of the transferring UCITS.

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

a) if relevant for the UCITS in question, the procedure for seeking the investors' approval of the proposed merger and information about the arrangements that will be made to inform them of the outcome;

b) details of any planned suspension of unit trading with the objective of ensuring that the merger is accomplished efficiently;

c) the time when the merger will come into effect pursuant to Art. 47 (1) and (2) UCITSG.

6) If, in accordance with the legislation applying to the UCITS in question, the proposed merger has to be approved by investors, the information may contain a recommendation from the management company, or the management or executive body of the investment company.

7) The information for the investors of the transferring UCITS shall include the following:

a) an indication of the period during which the investors in the transferring UCITS may still issue orders for the subscription and redemption of units;

b) an indication of the period during which investors who fail to exercise their rights granted in accordance with Art. 45 (1) and (2) UCITSG, within the relevant time limit, may exercise their rights as investors of the absorbing UCITS;

c) if the proposed merger has to be approved by the investors of the transferring UCITS and the proposal obtains the required majority, a statement to the effect that investors who vote against the proposed merger, or abstain from voting and fail to exercise their rights granted in Art. 45 (1) and (2) UCITSG, within the relevant time limit, will become investors of the absorbing UCITS.

8) If a summary of the key points of the merger proposal is provided at the beginning of the information documents, this must refer to the sections of the information documents where further information is provided.

Art. 64

Key information for investors

1) Investors of the transferring UCITS are to be sent an up-to-date version of the key information for the investors of the absorbing UCITS.

2) If changes are made to the key information for the investors of the absorbing UCITS on account of the proposed merger, the investors of the absorbing UCITS shall be provided with this revised information.

Art. 65

New investors

Between the date on which the information referred to in Art. 43 (1) UCITSG is communicated to the investors and the date on which the merger comes into effect, the information documents and the up-to-date key information for the investors of the absorbing UCITS shall be passed to any person who either buys or subscribes to units in the transferring or in the absorbing UCITS, or requests copies of the contractual conditions or the instruments of incorporation, the prospectus or the key information for the investors of one of the two UCITS.

2. Communication of information

Art. 66

Procedure for the communication of information to investors

1) The transferring and the absorbing UCITS shall provide the investors with the information to be communicated in accordance with Art. 43 (1) UCITSG on paper or on another durable medium.

2) If the information is to be made available to all or certain investors on a durable medium other than paper, the following conditions must be met:

a) The provision of information shall be appropriate to the context in which the business transactions between the investor and the transferring or absorbing UCITS or, if relevant, the respective management company are, or are to be conducted.

b) When choosing whether the information should be provided on paper or another durable medium, the investor to whom the information is to be communicated shall decide expressly for the latter.

3) For the purposes of (1) and (2), the provision of information by an electronic means of communication shall be considered appropriate with reference to the context in which the business transactions between the transferring and absorbing UCITS or their respective management companies and the investor are, or are to to be conducted, if it can be demonstrated that the investor has regular access to the Internet. This shall be deemed to have been demonstrated if the investor has provided an email address for the performance of these transactions.

B. Other structural measures

Art. 67[34]

Ban on assigning costs to the investors

Art. 46 UCITSG shall apply mutatis mutandis to the merger types referred to in Art. 49 a) to c) UCITSG.

34 Art. 67 amended by LGBl. 2016 no. 99.

C. Registration

Art. 68[35]

Basic principle

The provisions of Art. 113a to 113e of the Commercial Register Ordinance shall apply mutatis mutandis to the entry of the merger and other structural measures in the Commercial Register.

Art. 68a[36]

Repealed

VI. Investment policy

Art. 69

Use of derivatives

1) Use of derivatives must comply with market practices and international standards.

2) The FMA may declare the relevant standards to be binding.

Art. 70

Securities lending and repo transactions

1) Securities lending and repo transactions are permissible.

2) The depositary shall take responsibility for ensuring that securities lending and repo transactions are conducted smoothly in accordance with market practice.

3) Banks, investment firms, credit institutions, financial services institutions, insurance companies and clearing organisations may be used in securities lending, provided that they specialise in securities lending and provide security corresponding to the scale and risk of the proposed

35 Art. 68 amended by LGBl. 2013 no. 12.
36 Art. 68a repealed by LGBl. 2016 no. 99.

transactions. Repo business may also be transacted with the said institutions on the same conditions.

4) Securities lending and repo business are to be governed by a standardised framework agreement.

5) The FMA may issue guidelines concerning securities lending and repo business.

VII. Master-feeder structures

A. Common provisions for feeder UCITS and master UCITS

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

Art. 71

Access to information

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

a) how and when the master UCITS provides the feeder UCITS with copies of its contractual conditions and/or instruments of incorporation, prospectus and key information for investors;

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

c) how and when the master UCITS provides the feeder UCITS with internal operational documents, such as a description of the risk management procedure and the compliance reports, insofar as these are relevant;

d) the information concerning breaches of legal provisions, contractual conditions or instruments of incorporation by the master UCITS and the agreement between the master UCITS and feeder UCITS of which the master UCITS shall notify the feeder UCITS, including details of the method and timing of such notification;

e) if the feeder UCITS invests in derivative financial instruments for hedging purposes, how and when the master UCITS provides the feeder UCITS with information about its actual risk exposure to deriv-

ative financial instruments, to enable the feeder UCITS to determine its own global exposure as referred to in Art. 60 (2) a) UCITSG;

f) a statement to the effect that the master UCITS shall inform the feeder UCITS of any other agreements concerning the exchange of information with third parties, and if applicable, how and when the master UCITS communicates these agreements concerning exchange of information to the feeder UCITS.

Art. 72

Basis for investment and divestment by the feeder UCITS

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

a) information on the unit classes of the master UCITS in which the feeder UCITS may invest;

b) costs and expenses to be borne by the feeder UCITS, as well as discounts or refunds of charges or expenses of the master UCITS;

c) if applicable, the arrangements for any initial or subsequent transfer of non-cash contributions from the feeder UCITS to the master UCITS.

Art. 73

Standard agreements

The agreement referred to in Art. 62 (1) UCITSG between master UCITS and feeder UCITS shall contain the following with reference to standard agreements:

a) procedures for coordination of the frequency and timing of the calculation of the net asset value and the publication of the unit prices;

b) procedures for coordination of transmission of orders by the feeder UCITS, if applicable including a description of the role of the persons or third parties responsible for transmission;

c) if relevant, the arrangements required to take account of the fact that one or both UCITS are listed or traded on a secondary market;

d) if necessary, other appropriate measures that are required in order to ensure that the requirements set out in Art. 62 (3) UCITSG are met;

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

f) settlement cycles and payment arrangements for purchase and subscription, as well as redemption or repurchase of units of the master UCITS, including, where there are appropriate agreements between the parties, the arrangements for the settlement of redemption orders by way of a transfer of non-cash contributions from the master UCITS to the feeder UCITS, in particular in the cases referred to in Art. 62 (5) and (7) UCITSG;

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

h) if the contractual conditions or instruments of incorporation and prospectus of the master UCITS grant it specific rights or powers with reference to the investors, and the master UCITS elects to limit or forego the exercise of all or certain rights and powers with reference to the feeder UCITS, a description of the relevant arrangements.

Art. 74

Events having an effect on trading agreements

The agreement referred to in Art. 62 (1) UCITSG between master UCITS and feeder UCITS shall contain the following with reference to events having an effect on trading agreements:

a) arrangements and schedule for the notification of the temporary suspension and resumption of redemption, repurchase, purchase or subscription of units of a UCITS by the UCITS concerned;

b) arrangements for the reporting and correction of errors in pricing in the master UCITS.

Art. 75

Standard agreements for the audit report

The agreement referred to in Art. 62 (1) UCITSG between master UCITS and feeder UCITS shall contain the following with reference to standard agreements for the audit report:

a) if the feeder and master UCITS have the same financial year, coordination of the issue of the regular reports;

b) if the feeder and master UCITS have different financial years, arrangements for the communication of all the necessary information by the master UCITS to the feeder UCITS, to enable the latter to issue its regular reports on time, and in order to ensure that the auditor of the

master UCITS is able to issue an ad-hoc report as referred to in Art. 64 (3) UCITSG on the feeder UCITS' closing date.

Art. 76

Changes to permanent arrangements

The agreement referred to in Art. 62 (1) UCITSG between master UCITS and feeder UCITS shall contain the following with reference to permanent arrangements:

a) Arrangements and schedule for the notification of proposed changes to the contractual conditions or the instruments of incorporation, to the prospectus and the key information for investors by the master UCITS, or changes that have already come into effect, if this information deviates from the standard arrangements for providing information to investors laid down in the contractual conditions, the instruments of incorporation or the prospectus of the master UCITS;

b) arrangements and schedule for the notification of a planned or proposed liquidation, merger or division by the master UCITS;

c) arrangements and schedule for notification by a UCITS that the conditions for a feeder UCITS or master UCITS are no longer being met or will no longer be met in the future;

d) arrangements and schedule for notifying the intention of a UCITS to replace its management company, its depositary, its auditor or any third party entrusted with investment or risk management functions;

e) arrangements and schedule for the notification of other changes in permanent arrangements by the master UCITS.

Art. 77

Election of applicable law

1) If the feeder and master UCITS are established in Liechtenstein, the agreement between master UCITS and feeder UCITS referred to in Art. 62 (1) UCITSG shall stipulate Liechtenstein Law as the law applying to the agreement and both parties shall acknowledge the exclusive jurisdiction of the Liechtenstein courts.

2) If the feeder UCITS and master UCITS are established in different EEA Member States, the agreement between master UCITS and feeder UCITS referred to in Art. 62 (1) UCITSG shall stipulate that the applicable law shall be either the law of the EEA Member State in which the

feeder UCITS is established, or the law of the EEA Member State in which the master UCITS is established. Furthermore, both parties shall acknowledge in the agreement the exclusive jurisdiction of the courts of the EEA Member State, whose law they have established as the applicable law for the agreement.

2. Content of the internal regulations governing the conduct of business

Art. 78

Conflicts of interest

The internal regulations governing the conduct of business referred to in Art. 62 (1) UCITSG shall include appropriate measures to mitigate conflicts of interest that may arise between the feeder UCITS and the master UCITS or between the feeder UCITS and other investors of the master UCITS, if the measures taken by the management company in order to satisfy the requirements referred to in Art. 20 (1) d) and Art. 21 (3) UCITSG as well as Chapter III Section E of this Ordinance are not sufficient.

Art. 79

Basis of investments and divestment by the feeder UCITS

The internal regulations governing the conduct of business undertaken by the management company referred to in Art. 62 (1) UCITSG shall contain the following information with reference to the basis of investment and divestment by the feeder UCITS:

a) information on the unit classes of the master UCITS in which the feeder UCITS may invest;

b) costs and expenses to be borne by the feeder UCITS, as well as discounts or refunds of charges or expenses of the master UCITS;

c) if applicable, the arrangements for any initial or subsequent transfer of non-cash contributions from the feeder UCITS to the master UCITS.

Art. 80

Standard agreements

The internal regulations for the conduct of business undertaken by the management company referred to in Art. 62 (1) UCITSG shall contain the following with reference to standard agreements:

a) procedures for coordination of the frequency and timing of the calculation of the net asset value and the publication of the unit prices;

b) procedures for coordination of transmission of orders by the feeder UCITS, if applicable including a description of the role of the persons or third parties responsible for transmission;

c) if relevant, the arrangements required to take account of the fact that one or both UCITS are listed or traded on a secondary market;

d) appropriate measures in order to ensure that the requirements set out in Art. 62 (3) UCITSG are met;

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

f) settlement cycles and payment arrangement for purchase and redemption of units of the master UCITS, including, where there are appropriate agreements between the parties, the arrangements for the settlement of redemption orders by way of transfer of non-cash contributions from the master UCITS to the feeder UCITS, in particular in the cases referred to in Art. 62 (5) and (7) UCITSG;

g) if the contractual conditions or instruments of incorporation and prospectus of the master UCITS grant it specific rights or powers with reference to the investors, and the master UCITS elects to limit or forego the exercise of all or certain rights and powers with reference to the feeder UCITS, a description of the relevant arrangements.

Art. 81

Events having an effect on trading agreements

The internal regulations governing the conduct of business of the management company referred to in Art. 62 (1) UCITSG shall contain the following with reference to events having an effect on trading agreements:

a) arrangements and schedule for the notification of the temporary suspension and resumption of redemption, repurchase or subscription of units of a UCITS by the UCITS concerned;

b) arrangements for the reporting and correction of errors in pricing in the master UCITS.

Art. 82

Standard agreements for the audit report

The internal regulations governing the conduct of business of the management company referred to in Art. 62 (1) UCITSG shall contain the following with reference to the audit report:

a) if the feeder and master UCITS have the same financial year, coordination of the issue of the regular reports;

b) if the feeder and master UCITS have different financial years, arrangements for the communication of all the necessary information by the master UCITS to the feeder UCITS, to enable the latter to issue its regular reports on time, and in order to ensure that the auditor of the master UCITS is able to issue an ad-hoc report as referred to in Art. 64 (3) UCITSG on the feeder UCITS' closing date.

3. Procedure in the event of liquidation

Art. 83

Application for approval

1) A feeder UCITS having its registered office in Liechtenstein shall submit the following documents to the FMA within two months, at the latest, from being notified by the master UCITS of its binding decision on liquidation:

a)if the feeder UCITS intends to invest at least 85 % of its assets in units of another master UCITS pursuant to Art. 62 (5) a) UCITSG:

1. the application for approval of this investment;
2. the application for approval of the proposed changes to its contractual conditions or instruments of incorporation;
3. the changes to the prospectus and the key information for investors pursuant to Art. 76 and 84 UCITSG;
4. the other documents required in accordance with Art. 61 (2) UCITSG;

b) if the feeder UCITS intends to convert into a UCITS that is not a feeder UCITS as referred to in Art. 62 (5) b) UCITSG:
   1. the application for approval of the proposed changes to its contractual conditions or instruments of incorporation;
   2. the changes to the prospectus and the key information for investors pursuant to Art. 76 and 84 UCITSG;
c) if the feeder UCITS is planning liquidation, the notification of this intention.

2) In derogation from (1), if the master UCITS has informed the feeder UCITS having its registered office in Liechtenstein of its binding decision on liquidation more than five months before the liquidation is due to commence, the feeder UCITS shall send the FMA its application or its notification in accordance with (1) a), b) or c) no later than three months before that date.

3) The feeder UCITS shall inform its investors of the intended liquidation immediately.

Art. 84

Approval

1) The feeder UCITS having its registered office in Liechtenstein will be informed whether the FMA has granted the required approvals within 15 working days from submission of the full documentation referred to in Art. 83 (1) a) or b).

2) On receipt of the approval from the FMA referred to in (1), the feeder UCITS shall inform the master UCITS accordingly.

3) As soon as the competent authorities have granted the required approvals pursuant to Art. 83 (1) a), the feeder UCITS shall take all the necessary action to enable it to meet the requirements of Art. 66 UCITSG as soon as possible.

4) If the liquidation proceeds of the master UCITS are paid out before the date on which the feeder UCITS begins either to invest in other master UCITS pursuant to Art. 83 (1) a), or to make investments in accordance with its new investment objectives and its new investment policy pursuant to Art. 83 (1) b), the FMA, as supervisory authority of the feeder UCITS, shall give its approval on the following conditions:

a) the feeder UCITS receives:
   1. the liquidation proceeds in cash; or

2. a part, or all of the proceeds in the form of a transfer of non-cash contributions, provided that this is in accordance with the wishes of the feeder UCITS and provision is made for this in the agreement between the feeder and master UCITS or the internal regulations governing the conduct of business and the binding decision on liquidation;

b) all cash funds held or received in accordance with this paragraph may be reinvested only for the purpose of efficient liquidity management before the date on which the feeder UCITS begins to make investments in another master UCITS or in accordance with its new investment objectives and its new investment policy.

5) If (4) a) no. 2 applies, the feeder UCITS may convert any part of the assets transferred as non-cash contributions into cash assets at any time.

4. Procedure in the event of merger or division

Art. 85

Application for approval

1) A feeder UCITS having its registered office in Liechtenstein shall submit the following documents to the FMA within one month from the date on which it was informed of the proposed merger or division in accordance with Art. 62 (8) UCITSG:

a) if the feeder UCITS intends to remain the feeder UCITS of the same master UCITS:

1. the relevant application for approval;
2. if relevant, the application for approval of the proposed changes to its contractual conditions or instruments of incorporation;
3. if relevant, the amendments to the prospectus and the key information to investors in accordance with Art. 76 and 84 UCITSG;

b) if the feeder UCITS intends to become a feeder UCITS of another master UCITS emerging from the proposed merger or division of the master UCITS, or to invest at least 85 % of its assets in units of another master UCITS that has not been created from the proposed merger or division:

1. the application for approval of this investment
2. the application for approval of the proposed changes to its contractual conditions or instruments of incorporation;
3. the amendments to the prospectus and the key information to investors in accordance with Art. 76 and 84 UCITSG;
4. the other documents required in accordance with Art. 61 (2) UCITSG;

c) if the feeder UCITS intends to convert into a UCITS that is not a feeder UCITS pursuant to Art. 62 (5) b) UCITSG:

1. the application for approval of the proposed changes to its contractual conditions or instruments of incorporation;
2. the amendments to the prospectus and the key information to investors in accordance with Art. 76 and 84 UCITSG;

d) if the feeder UCITS is planning liquidation, the notification of this intention.

2) For the purposes of (1) a) and b) the following must be considered:

a) The expression "remains a feeder UCITS of the master UCITS" refers to cases in which:

1. the master UCITS is the absorbing UCITS in a proposed merger;
2. the master UCITS remains one of the UCITS emerging from the proposed division without any essential changes.

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

1. in which the master UCITS is the transferring UCITS and the feeder UCITS becomes an investor in the absorbing UCITS as a result of the merger;
2. in which the feeder UCITS becomes an investor of a UCITS created by a division, that is essentially different from the master UCITS.

3) In derogation of (1), if the master UCITS gives the feeder UCITS the information referred to in Art. 43 UCITSG, or comparable information, more than four months before the proposed date on which the merger or division will come into effect, the feeder UCITS shall submit its application or the notification referred to in (1) a) to d) to the FMA no later than three months before the proposed date on which the merger or division of the master UCITS comes into effect.

4) The feeder UCITS shall inform its investors and the master UCITS of the intended liquidation immediately.

Art. 86

Approval

1) The feeder UCITS having its registered office in Liechtenstein will be informed whether the FMA has granted the required approvals within 15 working days from submission of the full documentation referred to in Art. 85 (1) a) to c).

2) As soon as it receives the notification referred to in (1), the feeder UCITS shall inform the master UCITS accordingly.

3) Once the feeder UCITS has been informed that the FMA has granted the required approvals pursuant to Art. 85 (1) b), it shall take all the necessary action to meet the requirements of Art. 66 UCITSG without delay.

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

5) The feeder UCITS shall also exercise the right referred to in (4) in order to safeguard the rights of its investors to request redemption or repurchase of their units in the feeder UCITS in accordance with Art. 66 (1) d) UCITSG.

6) Before exercising the right referred to in (4), the feeder UCITS shall examine possible alternatives that might help to avoid or reduce transaction costs or other negative implications for its investors.

7) If the feeder UCITS wishes to redeem or repurchase its units in the master UCITS, it shall either receive:

a) the proceeds from the redemption or repurchase in cash; or

b) a part, or all of the proceeds from the redemption or repurchase in the form of a transfer of non-cash contributions, provided that this is in accordance with the wishes of the feeder UCITS and provision is made for this in the agreement between the master UCITS and feeder

UCITS. In this case the feeder UCITS may convert any part of the transferred assets into cash assets at any time.

8) The FMA grants the approval on the condition that all cash funds held or received in accordance with (7) may be reinvested only for the purpose of efficient liquidity management before the date on which the feeder UCITS begins to invest in the new master UCITS, or in accordance with its new investment objectives and its new investment policy.

B.Depositaries and auditors

1. Depositaries

Art. 87

Content of the agreement on exchange of information between depositaries

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

a) a description of the documents and the categories of information that are routinely exchanged between the two depositaries and an indication whether this information or these documents are transmitted from one depositary to the other, or made available on request;

b) arrangements and timing, including an indication of all time limits, for the communication of information by the depositary of the master UCITS to the depositary of the feeder UCITS;

c) details concerning coordination of the involvement of the two depositaries, taking into account their respective duties, in relation to operational matters, as appropriate, including:

   1. the procedure for calculating the net asset value of each UCITS and all appropriate measures for the protection against market timing referred to in Art. 62 (3) UCITSG;

   2. the processing of the feeder UCITS' orders for purchase, subscription, redemption or repurchase of units in the master UCITS and the settlement of these transactions, taking into account agreements on the transfer of non-cash contributions;

d) details concerning coordination of the procedures for issuing the annual financial statements;

e) an indication of the violations on the part of the master UCITS of legal provisions and the contractual conditions or the instruments of incorporation that are to be reported by the depositary of the master UCITS to the depositary of the feeder UCITS, as well as the arrangements for the provision of this information and its timing;

f) procedure for processing ad-hoc requests for assistance between depositaries;

g) description of contingencies about which the depositaries should inform one another on an ad-hoc basis, as well as the arrangements for this and the timing.

Art. 88

Election of applicable law

1) If the feeder UCITS and master UCITS have concluded an agreement as referred to in Art. 62 (1) UCITSG, under the agreement between the depositaries of the master UCITS and feeder UCITS, the law of the EEA Member State that applies to this agreement in accordance with Art. 77 shall also apply to the agreement on exchange of information between the two depositaries. The two depositaries shall also accept the exclusive jurisdiction of the courts of the EEA Member State in question.

2) If the agreement between the feeder and master UCITS pursuant to Art. 62 (1) UCITSG has been replaced by internal regulations governing the conduct of business, under the agreement between the depositaries of the master UCITS and the feeder UCITS, either the law of the EEA Member State, in which the feeder UCITS is established, or, if different, the law of the EEA Member State in which the master UCITS is established must be applied to the agreement concerning exchange of information between the two depositaries. The two depositaries shall accept the exclusive jurisdiction of the courts of the EEA Member State whose law is to be applied to the agreement on the exchange of information.

Art. 89

Reporting of irregularities by the depositary of the master UCITS

The irregularities referred to in Art. 63 (4) UCITSG detected by the depositary of the master UCITS, that might have a negative impact on the feeder UCITS, shall include the following in particular:

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

b) errors in transactions or in the settlement of purchase and subscription or of orders for redemption or repurchase of units in the master UCITS by the feeder UCITS;

c) errors in the payment or capitalisation of revenue from the master UCITS or in the calculation of the associated withholding tax;

d) contraventions of the investment objectives, policy or strategy of the master UCITS described in the contractual conditions or the instruments of incorporation, the prospectus or the key information for investors;

e) contraventions of the maximum limits for investments and borrowing laid down in the Law or the Ordinance, in the contractual conditions or the instruments of incorporation, the prospectus or the key information for investors.

2. Auditor

Art. 90

Agreement on the exchange of information between auditors

1) The agreement referred to in Art. 64 (1) UCITSG concerning the exchange of information between the auditors of the master UCITS and the feeder UCITS shall contain the following:

a) a description of the documents and categories of information that are routinely exchanged between the two auditors;

b) an indication of whether the information or documents referred to under a) are transmitted from one auditor to the other, or made available on request;

c) arrangements and timing, including an indication of all time limits, for the communication of information by the auditor of the master UCITS to the auditor of the feeder UCITS

d) arrangements for the coordination of the auditors' roles in the procedures for issuing the UCITS' annual financial statements;

e) an indication of the irregularities that must be mentioned in the audit report produced by the auditor of the master UCITS for the purposes of Art. 64 (3) UCITSG;

f) arrangements and time schedule for the processing of ad-hoc requests for assistance between auditors, including requests for further infor-

mation about irregularities mentioned in the audit report produced by the auditor of the master UCITS.

2) The agreement referred to in (1) shall contain provisions for the drawing up of the audit reports referred to in Art. 64 (3) and Art. 75 UCITSG, as well as the arrangements and schedule for the transmission of the audit report for the master UCITS and its drafts to the auditor of the feeder UCITS.

3) If the feeder and master UCITS have different closing dates, the arrangements and schedule for the drafting of the ad-hoc report of the auditor of the master UCITS required under Art. 64 (3) UCITSG, and for communicating it to the auditor of the feeder UCITS, as well as its drafts, will be settled in the agreement referred to in (1).

Art. 91

Election of applicable law

1) If the feeder and master UCITS have concluded an agreement as referred to in Art. 62 (1) UCITSG, under the agreement between the auditors of the master UCITS and the feeder UCITS, the law of the EEA Member State that applies to this agreement in accordance with Art. 77 shall also apply to the agreement on exchange of information between the two auditors. Furthermore, the two auditors shall acknowledge the exclusive jurisdiction of the courts of the EEA Member State in question.

2) If the agreement between the feeder and master UCITS pursuant to Art. 62 (1) UCITSG has been replaced by internal regulations governing the conduct of business, under the agreement between the auditors of the master UCITS and the feeder UCITS, either the law of the EEA Member State, in which the feeder UCITS is established, or, if different, the law of the EEA Member State in which the master UCITS is established must be applied to the agreement concerning exchange of information between the two auditors. In addition, the two auditors shall acknowledge the exclusive jurisdiction of the courts of the EEA Member State whose law is to be applied to the agreement on the exchange of information.

Art. 92

Procedure for the communication of information to investors

The information referred to in Art. 66 (1) UCITSG shall be provided by the feeder UCITS according to the procedure described in Art. 66.

VIII. Investor information

A. General

Art. 93

Basic principle

1) Unless the Law and this Ordinance expressly provide for publication of information for investors in the publication referred to in Art. 94, the management company may make the relevant information available to the investor in other physical or electronic forms.

2) Insofar as the Law and this Ordinance do not specify time limits for the publication of information subject to approval, such information shall be published as soon as possible, but no later than 30 days from approval by the FMA.

3) If material changes to the constitutive documents are published, the investors shall be informed that they have the right to redeem their units.

Art. 94

Publication

Provided that it is compatible with EEA Law, the publication for the purposes of this Ordinance shall be the website of the Liechtenstein Investment Fund Association (LAFV). The FMA may declare other publications to be permissible.

B. Prospectuses and financial reports

Art. 95

Transparency of costs in financial reporting

All commission and costs that are regularly charged to the assets of a UCITS shall be disclosed in the financial report and half-yearly report in accordance with market practice and international standards (total expense ratio). The FMA may declare specific market practices and international standards to be binding.

C. Key information for investors

Art. 96

Applicable law

The key information for investors shall be subject to the law of the UCITS' home Member State.

Art. 97

Up-dating

1) The key information for investors is to be up-dated on each occasion that one of the figures or percentages stated deviates by more than 5 % from the figure that was published in the most recently released version of the key information for investors. 2) The information shall always be updated if a large number of new investors is anticipated as a result of a marketing campaign.

Art. 98

Provision of information and communication to the FMA

1) Immediately upon being updated, the key information for investors shall be made available via the publication referred to in Art. 94.

2) The key information for investors referred to in (1) is to be communicated to the FMA as soon as it has been made available in accordance with (1).

3) The units of the UCITS may not be marketed before the communication of information referred to in (1) and the notification referred to in (2) have taken place.

D. Private placement[37]

Art. 98a[38]

Exemptions from the obligation to produce a prospectus

There is no obligation to publish a prospectus for an offer of units in UCITS in Liechtenstein:

a) that is exclusively aimed at professional investors;

b) that is aimed at fewer than 150 non-professional investors in Liechtenstein;

c) provided that the minimum unit denomination or the minimum contribution per investor amounts to 100 000 euro or the equivalent in another currency; or

d) if, under the terms of the constitutive documents of the UCITS, an acquisition for the purpose of integration in other financial instruments and investment contracts, that are marketed to private investors, is excluded; an acquisition for integration refers in particular to acquisition through UCITS, AIFs, index-based funds and as reference value of a structured product or certificate and as an asset in a life insurance policy.

IX. General obligations of a UCITS

Art. 99

Content of suspension notices

The following shall be stated in the notice referring to suspension of redemption of units pursuant to Art. 85 (3) UCITSG:

a) reason for the suspension;

b) time of suspension;

c) anticipated duration of the suspension;

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

37 Heading before Art. 98a inserted by LGBl. 2013 no. 77.
38 Art. 98a inserted by LGBl. 2013 no. 77.

e) when the competent authorities of the EEA Member States were notified in accordance with Art. 85 (3) UCITSG or when they will be notified.

Art. 99a[39]

Ban on granting loans and acting as a guarantor

The property and rights belonging to the assets may not be pledged, except for the purpose of borrowing permitted under the Law and transactions in derivative financial instruments permitted under the Law.

X. Auditor

Art. 100[40]

Qualification of the auditor

1) Auditors shall be deemed qualified pursuant to Art. 129 (4) UCITSG, if they possess the required skills for the scrutiny of the management company's portfolio and risk management, in accordance with the scope of the authorisation pursuant to Art. 14 (4) UCITSG, and are able through their operational organisation to guarantee appropriate and ongoing performance of the audit and reporting functions, in particular through appropriate rules on representation.

2) Auditors who are authorised in another EEA Member State in accordance with Commission Directive 2006/43/EC and wish to perform auditing and reporting functions in accordance with the UCITSG in Liechtenstein, must carry out duties for the supervisory authorities of other EEA Member States, that are comparable with the auditing and reporting duties referred to in the UCITSG, on a regular basis[41].

3) Auditors for the purposes of the UCITSG and this Ordinance shall also include audit companies as specified in the Law on Auditors and Audit Companies.[42]

39 Art. 99a inserted by LGBl. 2013 no. 77.
40 Art. 100 amended by LGBl. 2013 no. 77.
41 Art. 100 (2) amended by LGBl. 2016 no. 99
42 Art. 100 (3) amended by LGBl. 2015 no. 174.

Art. 101[43]

Proof of qualification

1) The auditor shall provide the FMA with evidence of his qualifications.

2) The FMA shall publish on its website a list of the auditors who are qualified for the purposes of Art. 129 (4) UCITSG and Art. 100 of this Ordinance.

Art. 102[44]

Specifications concerning the audit

1) The FMA may, after consultation with the Liechtenstein Auditors' Association, provide mandatory audit forms for UCITS and their management companies.

2) The FMA may provide more specific details on the principle of the risk-oriented approach to auditing and the form and content of the annual audit report by issuing guidelines.

Art. 103

Duties of the auditors

1) The professional fees received from one audit assignment may not on average make up more than 20 % of the auditor's total annual income from professional fees. Auditing assignments of all undertakings for collective investment that are under the management of the same management company are deemed to be a single audit assignment.[45]

2) The auditors shall be obliged:

a) to inform the FMA of any change in the articles of incorporation and rules and any change in personnel with respect to the composition of their executive bodies and the managing auditors;

b) to assign the management of the audit exclusively to auditors who are registered with the FMA and who meet the necessary conditions;

43 Art. 101 amended by LGBl. 2013 no. 77.
44 Art. 102 amended by LGBl. 2013 no. 77.
45 Art. 103 (1) amended by LGBl. 2013 no. 77.

c) to notify the FMA of the manager responsible for the audit assignment and the auditor in charge before the audit commences; and

d) to submit the annual report to the FMA every year.

3) The FMA may request information about the reasons for the departure of members of the management and the managing auditors reported to the FMA.

Art. 104

Change of auditor

1) The management company shall notify the FMA of any change in the auditor six weeks before the change comes into effect, stating the reasons in writing.[46]

2) The notification referred to in (1) is to be signed jointly with the current auditor. If the management company and the auditor are unable to agree on the reason for the change, the current auditor shall submit his own notification pursuant to (1).[47]

3) When the change comes into effect, the management company shall publish the change of auditor in the publication and the investors shall be informed at the same time that they may request the redemption of their units.

4) If the auditor's qualification should lapse or if an auditor has his authorisation withdrawn, the management company shall immediately appoint a new auditor, within one month at the latest. The FMA may extend this time limit as appropriate, on request, in exceptional cases. The FMA shall be informed of the appointment of the new auditor within one week from his being commissioned.[48]

Art. 105[49]

Interim audit of the management company and the UCITS[50]

1) The auditor shall conduct at least one unannounced interim audit of the management company during the financial year.

46 Art. 104 (1) amended by LGBl. 2016 no. 99.
47 Art. 104 (2) amended by LGBl. 2013 no. 77.
48 Art. 104 (4) amended by LGBl. 2013 no. 77.
49 Art. 105 amended by LGBl. 2013 no. 77.
50 Art. 105 subject heading amended by LGBl. 2016 no. 99.

2) In application of the risk-oriented approach, the auditor shall in the course of the interim audit of the management company check that the following, in particular, are being complied with:

a) the authorisation conditions;

b) the rules on risk management;

c) the code of conduct;

d) the rules concerning delegation of functions and the associated obligations of the management company; and

e) the rules concerning the marketing organisation of the management company.

3) During the interim audit of the UCITS the auditor shall check, in particular, whether:

a) the accounting is conducted properly;

b) the counter-value of newly issued units has accrued to the assets of the UCITS;

c) the valuation of the assets, the calculation and publication of the issue and redemption prices, as well as the issue and redemption of units comply with the provisions of the Law and the constitutive documents;[51]

d) the constitutive assets of the fund have been maintained in full;

e) the investment rules have been complied with;

f) any unencumbered promissory notes are held in safe custody by the depositary;

g) the rules concerning the minimum assets pursuant to Art. 13 are complied with at all times.

4) The FMA has the right to establish additional focus areas for the audit.

5) The result of the interim audit is to be reported in the annual audit report.

6) If in the course of the interim audit the auditor detects serious violations or irregularities, he shall inform the FMA immediately and send it a report on the interim audit within 30 days.

51 Art. 105 (3) c) amended by LGBl. 2016 no. 99.

Art. 106

Exceptional inspection

1) The FMA may commission a qualified auditor as referred to in Art. 129 (4) UCITSG in connection with Art. 100 of this Ordinance for the performance of an exceptional inspection as referred to in Art. 129 (2) e) UCITSG.

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

Art. 106a[52]

Appointment of the auditor for management companies operating under the UCITSG with authorisation as a management company pursuant to the IUG or as an AIFM under the AIFMG

A management company shall appoint the same auditor for its operations in accordance with the UCITSG, the IUG (Investment Undertakings Act) or the AIFMG.

Art. 106b[53]

Reporting obligations

1) Notifications in terms of Art. 95 (1) UCITSG are to be made to the FMA within three working days from verification of the circumstances.

2) Repealed[54]

Art. 106c[55]

Audit reports

1) Audit reports are the confidential, detailed reports of the auditor on the audit of the management company and the UCITS under its man-

52 Art. 106a amended by LGBl. 2016 no. 99.
53 Art. 106b inserted by LGBl. 2013 no. 77.
54 Art. 106b (2) repealed by LGBl. 2016 no. 99.
55 Art. 106c inserted by LGBl. 2013 no. 77.

agement, conducted in accordance with supervisory regulations. They are not for publication.

2) The audit report shall mention all the information and notices with reference to objections and legal doubts communicated verbally and in writing to the management company and the UCITS under its management.

3) The audit report for the management company shall, in addition to the information in the annual report contain, as a minimum:

a) information on the ongoing compliance with the authorisation conditions referred to in Art. 15 UCITSG;

b) information on compliance with the obligations of the management company set out in Art. 17 to 25 UCITSG; and

c) the results of the interim audit of the management company pursuant to Art. 105.

4) The audit report for the UCITS shall, in addition to the information in the annual report contain, as a minimum:

a) information on the ongoing compliance with the provisions concerning investment policy pursuant to Art. 50 et seqq. UCITSG; and

b) the results of the interim audit of the UCITS conducted pursuant to Art. 105.

5) Insofar as the management company and the UCITS have the same auditor, the audit reports on the management company and those on the UCITS may be combined. The information concerning the management company and the UCITS is to be stated in separate sections of an audit report. The audit report on the UCITS may make reference to the information in the audit report on the management company.

6) The audit reports pursuant to the UCITSG and AIFMG may be combined. Otherwise (5) shall apply accordingly.

XI. Cross-border business operations within the EEA

A. Cross-border marketing of UCITS

Art. 107

Investor information and appointment of a paying agent

1) The management company shall provide the following information concerning the relevant legal and administrative provisions referred to in Art. 96 (1) UCITSG:

a) the definition of the term "marketing of UCITS units" or the equivalent legal term under Liechtenstein Law or in accordance with common practice;

b) requirements for content, format and presentation of marketing notices, including all compulsory warnings and restrictions concerning the use of specific words or sentences;

c) notwithstanding Chapter VIII UCITSG concerning investor information, details of all additional information that has to be made available to the investors;[56]

d) details of all exemptions from provisions and requirements for marketing agreements that apply in Liechtenstein to specific UCITS, specific categories of UCITS units or specific investor categories;

e) requirements for reporting or communication of information to the FMA and the procedure for the communication of up-dated versions of the required documents;

f) requirements concerning charges or other sums that have to be paid in Liechtenstein to the FMA or another body governed by public law, either upon commencement of marketing or subsequently at regular intervals;

g) requirements with reference to the options that must be available to the investors in accordance with Art. 96 (1) a) UCITSG;

h) conditions for the discontinuation of marketing of UCITS units in Liechtenstein by a UCITS that is established in another EEA Member State;

i) specific details of the content of the information that in Liechtenstein must be included in Section B of the notification letter referred to in Art. 1 of Commission Regulation (EC) no. 584/2010 implementing

56 Art. 107 (1) c) amended by LGBl. 2013 no. 77.

Directive 2009/65/EC, as regards the form and content of the standard notification letter and UCITS attestation, the use of electronic communication between competent authorities for the purpose of notification, and procedures for on-the-spot verifications and investigations and the exchange of information between competent authorities;[57]

k) the email address provided for the purposes of Art. 109.

2) The information referred to in (1) is to be provided in the form of an explanatory description or a combination of an explanatory description and references or links to the source documents.

3) If no branch is established in Liechtenstein the obligations pursuant to Art. 96 (1) are to be met by the appointment of a paying agent.

Art. 108

Access of the UCITS host Member State to documents

1) UCITS shall provide an electronic copy of each document referred to in Art. 98 (2) UCITSG on a website of the UCITS, a website of the management company of this UCITS or another website indicated by the UCITS in the notification letter to be communicated in accordance with Art. 98 (1) UCITSG or any update to that letter. Any document made available on a website shall be displayed in a generally acceptable electronic format.

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

Art. 109

Updating of documents

1) The FMA will provide an email address to which the updates and amendments of the documents referred to in Art. 98 (2) UCITSG can be sent in accordance with Art. 98 (6) UCITSG.

2) UCITS may report updates or amendments of the documents referred to in Art. 98 (2) UCITSG in accordance with Art. 98 (6) UCITSG by email to the email address referred to in (1). The email in which such updates or amendments are reported may either describe the update or

57 Art. 107 (1) i) amended by LGBl. 2013 no. 77.

amendment that has been carried out, or it may enclose a new version of the document as an attachment.

3) Any document attached to the email referred to in (2), is to be provided in a generally acceptable electronic format.

Art. 110

Development of common data processing systems

1) The FMA may liaise with the competent authorities of other EEA Member States with regard to setting up modern electronic data processing and central storage systems for all EEA Member States, in order to facilitate access for the competent authorities of the host Member States of the UCITS to the information or documents referred to in Art. 98 (1) to (3) and Art. 99 (1) and (2) UCITSG for the purposes of Art. 98 (6) UCITSG.

2) The EEA Member States will coordinate within the framework of the European Securities and Markets Authority (ESMA) for the purposes of (1).

B. Other cross-border operations

Art. 111

Initial notification and reporting of changes in respect of branches

1) Notification of the intention to establish a branch in accordance with Art. 103 UCITSG shall be given using the form provided by the FMA.

2) (1) shall apply mutatis mutandis to the notification of changes in accordance with Art. 104 UCITSG.

Art. 112

Initial notification and reporting changes for cross-border provision of services

1) Notification of the intention to commence business involving the cross-border provision of services, as referred to in Art. 105 UCITSG, shall be given using the form provided by the FMA.

2) (1) shall apply mutatis mutandis to the notification of changes referred to in Art. 106 UCITSG.

C. Collective portfolio management

1. General

Art. 113

Applicable law for collective portfolio management on a cross-border basis

1) If Liechtenstein is the home Member State of a management company, the requirements set out in Art. 110 (2) UCITSG shall be deemed to have been met if the management company complies with the provisions set out in Art. 13 to 31 UCITSG.

2) If Liechtenstein is the home Member State of the UCITS, the requirements set out in Art. 110 (3) and (4) UCITSG shall be deemed to have been met if the provisions set out in Art. 4 to 12 and 32 to 92 UCITSG are complied with.

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

2. Standard agreement between depositary and management company

Art. 114 to 121[58]

Repealed

58 Art. 114 to 121 repealed by LGBl. 2016 no. 99.

Art. 122

Authorisation to collect data from domestic branches

The FMA may require the management companies to provide the information and details required in accordance with Art. 114 (1) UCITSG.

XII. Oversight

Art. 123

Directories

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

a) Management companies;

b) UCITS; and

c) Depositaries.

d) Repealed.[59]

2) The directories are to be made available to interested parties in an appropriate manner.

Art. 123a[60]

Languages

1) Applications for authorisation in accordance with the UCITSG are to be submitted in either German or English. The FMA may require applications to be made in German. The FMA may accept applications in other languages.

2) The documents that are to be enclosed with the applications are to be submitted in either German or English. The FMA may accept the documents in other languages or it may require certified translations of such documents.

3) The FMA may, at the request and at the expense of an applicant, produce a foreign language translation of an order issued in accordance

59 Art. 123 (1) d) repealed by LGBl. 2016 no. 99.
60 Art. 123a inserted by LGBl. 2013 no. 77.

with the UCITSG, or arrange for such a translation to be produced, and confirm the contents of this translation.

Art. 124

Quarterly and half-yearly reports with reference to the UCITS and the management company

1) The FMA may request quarterly reports from individual management companies or concerning individual UCITS for supervisory purposes. In such cases the management companies shall draw up the quarterly reports on the basis of the form provided by the FMA and submit them to the FMA within two months from the cut-off date specified by the FMA.[61]

2) Management companies shall draw up a report every six months on the basis of the form provided by the FMA and submit it to the FMA within two months from the relevant cut-off date.[62]

3) The provisions of (1) and (2) shall apply mutatis mutandis to the domestic branches of foreign management companies, with the proviso that the report is confined to compliance with the provisions referred to in Art. 108 and 109 UCITSG.

XIII. Extra-judicial dispute resolution

Art. 125[63]

Extra-judicial mediation body

The provisions of the Ordinance on Financial Services Mediation Bodies shall apply to the extra-judicial mediation body.

61 Art. 124 (1) amended by LGBl. 2013 no. 77.
62 Art. 124 (2) amended by LGBl. 2013 no. 77.
63 Art. 125 amended by LGBl. 2013 no. 440.

XIV. Final provisions[64]

Art. 126[65]

Translations

The Secretariat General of the Ministry for General Government Affairs and Finance shall arrange for the translation of the Law and this Ordinance pursuant to Art. 148 UCITSG.

Art. 127

Coming into effect

This Ordinance shall come into effect simultaneously with the Law of 28 June 2011 concerning specific undertakings for collective investment in transferable securities (UCITSG).

Princely Government:
signed *Dr. Klaus Tschütscher*
Head of the Princely Government

64 Heading of Art. 126 inserted by LGBl. 2013 no. 77.
65 Art. 126 amended by LGBl. 2019 no. 40.