

Financial Supervision (International Schemes) (Advertising and Scheme Particulars)
Regulations 1995

*Statutory Document No: 429/95
as amended by Statutory Document
No: 121/99 and 408/00*



FINANCIAL SUPERVISION ACT 1988

**FINANCIAL SUPERVISION (INTERNATIONAL
SCHEMES) (ADVERTISING AND SCHEME
PARTICULARS) REGULATIONS 1995**

Approved by Tynwald 19 October 1995

Coming into operation 1 September 1995

In exercise of the powers conferred on the Treasury by sections 10, 11(4) and 27 of the Financial Supervision Act 1988(a), and of all other powers enabling it in that behalf, the following Regulations are hereby made -

Citation, commencement and saving

1. (1) These Regulations may be cited as the Financial Supervision (International Schemes) (Advertising and Scheme Particulars) Regulations 1995 and shall come into operation on 1 September 1995.

(2) These Regulations shall not be construed as affecting the operation of section 1(1) of the Act.

Interpretation

2. In these regulations -

"the Act" means the Financial Supervision Act 1988;

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- (a) 1988 c.16
(b) S.D. 140/92

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"investment advertisement" means any advertisement inviting persons to request information about, to enter or to offer to enter into, [an international collective investment] scheme or to exercise any rights conferred by [an international collective investment] scheme to acquire, dispose of, underwrite or convert [an international collective investment] scheme or containing information calculated to lead directly or indirectly to persons doing so;

"[international collective investment] scheme" has the meaning given in section 11(5) of the Act.

Advertising

3. Every investment advertisement issued in connection with [an international collective investment] scheme shall state -

- (a) the name and address of the manager of the [international collective investment] scheme;
- (b) the address from which copies of the scheme particulars may be obtained;
- (c) the address from which copies of the [international collective investment] scheme's latest report and accounts may be obtained;
- (d) the address at which documents constituting the [international collective investment] scheme may be inspected.

Preparation of the Scheme Particulars Document

4. (1) The operator of [an international collective investment] scheme shall prepare a document, howsoever titled, ("scheme particulars"), in English and complying with the requirements of the Schedule.

(2) The document containing the scheme particulars shall state prominently on the cover page or first page that it has been prepared in accordance with these Regulations and complies with the requirements of the Schedule.

[amended by SD 408/00]

(3) The scheme particulars shall be dated and shall be revised immediately if any significant change occurs which requires existing information to be revised or additional information to be provided.

(4) A revision of the scheme particulars may take the form of a complete substitution for the previous scheme particulars document or of a supplement to that scheme particulars document, whichever method is chosen the date on which the revision was made must be prominently displayed.

(5) The scheme particulars must be offered by the operator of the scheme to any new investor free of charge before the conclusion of a contract for the issue or sale of units in the [international collective investment] scheme to that investor.

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(6) A copy of the most recent scheme particulars and any subsequent revisions shall be sent to the Commission and to the trustee of the [international collective investment] scheme within 14 days of the scheme particulars being produced or revised.

(7) The operator shall certify to the Commission that the scheme particulars comply in all material aspects with the requirements of these Regulations and the Schedule.

Feeder Funds

5. In the case of [an international collective investment] scheme which invests solely in another single collective investment scheme (a "feeder fund"), the matters required to be stated in the scheme particulars shall be stated in respect of both the feeder fund and the fund into which it is to invest.

Umbrella Funds

6. In the case of [an international collective investment] scheme which consists of separate parts and which provides for investors to exchange rights in one part for rights in another (an "umbrella fund"), the information required to be stated by the Schedule shall be stated in relation to each constituent part of the umbrella fund if that part differs from any other constituent part and the information required by the Schedule shall be stated for the scheme as a whole.

[amended by SD 408/00]

Revocation

7. The Financial Supervision (International Schemes) (Advertising) Regulations 1992(b) are revoked.

Transitional Arrangements

8. Any [international collective investment] scheme which is in existence immediately before the date on which these Regulations come into operation shall have until whichever is the sooner of twelve months from that date or the date of the next revision of any document which is in the nature of scheme particulars, to comply with these Regulations.

[amended by SD 408/00]

(b) S.D. 140/92

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**SCHEDULE
INFORMATION TO BE CONTAINED IN THE
SCHEME PARTICULARS DOCUMENT**

- (a) Name, address and any other material information in respect of the operator, trustee and investment adviser (if any) of the scheme.
- (b) Name and address of the registrar.
- (c) Name and address of the auditors of the scheme.
- (d) Amount of the manager's or operator's current and maximum permitted preliminary and periodic charges.
- (e) Description of any other charges which are authorised to be borne by the investor or out of the property of the scheme.
- (f) Details of the constitution and investment objectives of the scheme.
- (g) Description of investment, hedging and borrowing powers, limits and restrictions.
- (h) Characteristics of units in the [international collective investment] scheme.
- (i) Details of when, where and how the valuation, pricing and dealing in the units of the scheme will take place.
- (j) Details of accounting periods, distribution of income and publication of reports.
- (k) Details of the winding up of the scheme.
- (l) Address at which the documents constituting the scheme may be inspected.
- (m) Address from which copies of the scheme's latest reports and accounts and scheme particulars document may be obtained.
- (n) Any special characteristics of the [international collective investment] scheme, including any particular risks it may be reasonably regarded as having, and any other material information which at the date of the scheme particulars is within the knowledge of the manager or operator, or which the manager or operator would have obtained by making reasonable enquiries, which would be relevant for the making of an informed investment decision.

[amended by SD 408/00]

- [(o) The following statements displayed prominently and in bold type -

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"The value of units and the income produced by them can fall as well as rise. Investors may not get back the value of their original investment."

"The Manager and Custodian of the scheme are both Authorised Persons for the purposes of the Financial Supervision Act 1988. In granting permission for the Manager to manage [the Scheme], the Financial Supervision Commission has reviewed the constitutional documents of the Scheme. The Commission has not, however, commented on, nor is it required to comment on, the investment objectives or strategy of the scheme or its suitability for any investor or class of investor. The scheme is not subject to the benefit of any compensation arrangements".]

Made this 23rd day of August 1995

D J Gelling
Minister for the Treasury

[] *Amended by SD No: 121/99*

EXPLANATORY NOTE
(This note is not part of the Regulations)

These Regulations require the operators of international collective investment schemes to produce scheme particulars which contain the information specified in the Schedule to the Regulations.

The operators of international collective investment schemes are responsible for the completeness and accuracy of the information contained in the scheme particulars and for ensuring that the document is revised to take account of significant changes to the scheme or its operation.

The Regulations require the operators to provide a copy of the most recent scheme particulars to the trustee of the scheme and to the Financial Supervision Commission.