

Executive Order on Other Collective Investment Schemes

Executive Order no. 1177 of 10 December 2003 **EXCLUDING MINOR AMENDMENTS**

The following shall be laid down pursuant to section 115(5) and section 132(3) of Act no. 1169 of 19 December 2003 on Investment Associations and Special-Purpose Associations as well as Other Collective Investment Schemes etc.:

Regulations governing the collective investment scheme

1.-(1) An investment company, an investment management company or a bank managing a collective investment scheme shall ensure that the collective investment scheme is described in a set of regulations which is distributed to the investors. This set of regulations may, for instance, take the form of articles of association, ordinary terms of business or standard contracts for the collective investment scheme.

(2) The regulations specified in subsection (1) shall, as a minimum, include the following:

- 1) The name of the collective investment scheme.
- 2) The legal form in which the collective investment scheme is organised, for instance a pool, an association, a limited partnership, a partnership or other form, as well as information on the liability of the investors.
- 3) The size of the fee, including fees to investment consultants, that the collective investment scheme is to pay to the investment company, investment management company or bank managing the collective investment scheme, and information on the method used to calculate such fee.
- 4) Information as to whether the collective investment scheme is covered by an investor guarantee scheme.
- 5) A description of the risks associated with participating in the collective investment scheme, including whether it is permitted to raise loans.
- 6) The assets, cf. Annex 5 of the Financial Business Act, in which the funds are placed, and the principles governing the placement of funds.
- 7) The principles governing the measurement of the assets of the investment scheme, including the value at which instruments, cf. annex 5 of the Financial Business Act, are recognised for listed instruments, and information on the principles of measurement used for other assets, for instance unlisted instruments.
- 8) Any nominal value of the investment units, and the principles used to fix the net asset value of the units, and the costs of joining or withdrawing from the collective investment scheme.
- 9) The presentation of the collective investment scheme's annual report, including information on how often interim reports for the collective investment scheme are to be prepared.
- 10) Name and address of the auditing firm and of the auditor(s) auditing the annual report of the collective investment scheme.
- 11) Reporting to the investors and information on how often and when the investors will be informed about their investment in the collective investment scheme by the investment company, investment management company or bank managing the collective investment scheme.

While this translation was carried out by a professional translation agency, the text is to be regarded as an unofficial translation based on the latest official Executive Order no. 1177 of 10 December 2003. Only the Danish document has legal validity.

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(3) If the collective investment scheme is a legal person, the following particulars shall also be included in the regulations, cf. subsection (1):

- 1) The municipality in which the registered office of the collective investment scheme is located.
- 2) The objects clause in the articles of association.
- 3) Regulations on notice to convene general meetings.
- 4) Regulations on the adoption of proposals at general meetings and on amendments to the articles of association, and the dissolution of the collective investment scheme.
- 5) Regulations on voting rights and the exercise of these rights.
- 6) Election of the board of directors and the powers of the board of directors.
- 7) The authority to sign documents.

Information regarding the document on the offer for sale of the collective investment scheme

2.-(1) If the collective investment scheme offers for sale investment units that are not covered by part 12 of the Securities Trading, etc. Act, said offer shall be described in a document on the offer for sale. If the offer for sale of the units is covered by part 12 of the Securities Trading, etc. Act on prospectuses at the first public offer of certain securities, this prospectus may take the place of the document on the offer for sale specified in the 1st clause.

(2) The regulations specified in section 1 shall appear from the document on the offer for sale or be included in an annex to that document, together with the latest annual report. If the collective investment scheme has existed for less than 12 months, the document on the offer for sale shall be annexed to an interim report. If the auditor has made any qualifications or refused to endorse the annual report, this fact shall be disclosed and the reasons given. If the auditor has requested the possibility to review and endorse an interim report, and the auditor has refused to endorse said report or has made any qualifications, this fact shall be disclosed and the reasons given. If the auditor has given supplementary information in his endorsement, this shall also be disclosed.

3. The document on the offer for sale shall state the name, address and registration number in the Danish FSA and in the Danish Commerce and Companies Agency of the investment company, investment management company, or bank managing the collective investment scheme.

4. The particulars given in the document on the offer for sale regarding the units offered shall, as a minimum, include:

- 1) the date on which the collective investment scheme was established,
- 2) a description of the legal form of the units,
- 3) information on restrictions on the negotiability of the units,
- 4) the nominal value of the units and, if relevant, the number of units issued,
- 5) the price at which the units are offered, or the method by which the price is fixed,
- 6) payment and time limit for delivery of the units or documentation of the units,
- 7) date of commencement of the right to dividends on the units,
- 8) any taxation at source on the dividends,
- 9) the period in which the units are offered for sale, or indication whether it is a tap issue,
- 10) who is the lender where the collective investment scheme raises loans, and
- 11) any other information on matters which may affect the evaluation of the units.

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5. If the collective investment scheme is a legal person, the document on the offer for sale shall, in addition to the particulars specified in section 2(2) and sections 3-4, as a minimum include the following information:

- 1) the objects of the collective investment scheme, as defined in the articles of association,
- 2) if the collective investment scheme is registered in a public register (register of companies, register of commerce or similar), where and under which registration number,
- 3) the present assets or capital of the collective investment scheme, and any division hereof into classes, and
- 4) the name, occupation and address or, where appropriate, the business address, of the members of the board of directors.

6.-(1) A document on the offer for sale prepared under sections 2-5 shall be written in Danish, Swedish, Norwegian, English or another language approved by the Danish FSA.

(2) The significant parts of the document on the offer for sale shall be kept up to date on an ongoing basis.

7. It shall appear from any documents on offers for sale, including advertisements, displays etc., that a document on the offer for sale has been prepared that describes the collective investment scheme, and where the document on the offer for sale can be obtained.

Penalties

8. Violation of sections 1-7 shall be liable to a fine, if the violation was committed by intent or gross negligence.

Entry into force

9.-(1) This Executive Order shall enter into force on 1 January 2004.

(2) This Executive Order shall not apply to collective investment schemes referred to in section 136 of the Investment Associations and Special-Purpose Associations as well as other Collective Investment Schemes etc. Act.

The Danish Financial Supervisory Authority, 10 December 2003

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