

Executive Order on Calculation of Issue and Redemption Prices for Subscription and Redemption of Units in Investment Associations and Special-Purpose Associations as well as in Restricted Associations

Executive Order no. 1181 of 12 December 2003

EXCLUDING MINOR AMENDMENTS

The following shall be laid down pursuant to section 48(5), section 113, 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.:

- 1.-(1)** The articles of association of an association shall contain provisions on whether the issue and redemption prices of the association or division shall be calculated in accordance with section 2, section 3, or section 4. The association shall state in its sales material the method it uses for calculating issue and redemption prices and possibly the dates of calculations in accordance with sections 3 and 4.
- (2)** If the units of an association or division are admitted to listing or trading on a regulated market, the double-pricing method, cf. section 2, shall be applied on calculation of the issue and redemption prices.
- (3)** The net asset value of the units of an association or division shall be calculated by dividing the value of the assets at the date of calculation with the nominal value of the units subscribed.

The double-pricing method

- 2.-(1)** The issue price shall be set at the net asset value calculated at the date of the issue in accordance with the principles applied in the annual financial statements, with an addition of an amount to cover the costs of acquisition of financial instruments and the necessary costs of the issue.
- (2)** The redemption price shall be set at the net asset value calculated at the date of the redemption in accordance with the principles applied in the annual financial statements, after deduction of an amount to cover the costs of sales of financial instruments and the necessary costs of the redemption.

The single-pricing method

3. The association shall stipulate one or more dates for calculation of the value of the units of the association. For the settlement of requests for issues or redemptions of units, which the association has received before the date of calculation, the issue and redemption prices shall be set at the net asset value at the date of calculation, calculated in accordance with the principles applied in the annual financial statements. The association may add a fee to the issue price to pay for marketing and financial agents.

Variable single-pricing method

4.-(1) The association shall stipulate one or more dates for calculation of the value of the units of the association. For the settlement of requests for issues and redemptions of units, which the association has received before the date of calculation, the issue and redemption prices shall be set at the net asset value at the date of calculation, calculated in accordance with the principles applied in the annual financial statements. The association may add a fee to the issue price to pay for marketing and financial agents.

(2) If there are requests for the issue of more units than for the redemption of units, the net asset value shall be calculated on the basis of the costs of acquisition of the total portfolio of instruments of the association. If there are requests for the redemption of more units than for the issue of units, the net asset value shall be calculated on the basis of the costs of sales of the total portfolio of instruments of the association.

5. If an association adds a fee for marketing and financial agents, cf. section 3 and section 4(1), in calculating the issue price for units in the association or in a division, the association shall provide information in its prospectus and sales material as to when it will add a fee and when it will not add a fee, as well as to the size of said fee.

6. Any person violating sections 1 and 5 shall be liable to a fine.

7. This Executive Order shall enter into force on 1 January 2004.

The Danish Financial Supervisory Authority, 12 December 2003

Henrik Bjerre-Nielsen

/Jens Anthon Vestergaard, financial inspector