

Collective Investment Schemes in Emerging Markets



OICU-IOSCO

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1. Introduction

In October 2003 at its meeting in Seoul, the IOSO Emerging Markets Committee (EMC) mandated its Working Group on Investment Management (WG5) to carry out a mandate on the state of the Collective Investment Funds (“CIS”) industry in emerging markets. Through a survey WG5 would examine the size, structure and functioning of the industry, as well as the related regulatory framework.

A questionnaire was drawn up and distributed at the EMC meeting in Egypt, December 2004. It was completed by 42 jurisdictions. This means that the results presented here represent by some distance the broadest survey ever carried out on this topic. This report, based on the data collected in the questionnaire, was presented and approved for publication by the EMC at the Hong Kong meeting, in June 2006.

The survey’s main objective was to make both quantitative and qualitative assessments of the growth and development of the mutual fund industry in emerging markets. The results play an invaluable role in providing the EMC with a basis for planning future areas of study.

The jurisdictions that responded to the questionnaire were:

#	Jurisdiction	#	Jurisdiction	#	Jurisdiction	#	Jurisdiction
1	ALGERIA	11	CZECH REPUBLIC	22	MALAYSIA	33	ROMANIA
2	BAHAMAS, THE	12	EGYPT	23	MALTA	34	SLOVAKIA
3	BAHRAIN	13	HONDURAS	24	MAURITIUS	35	SLOVENIA
4	BARBADOS	14	HUNGARY	25	MONTENEGRO	36	SOUTH AFRICA
5	BRAZIL	15	INDIA	26	MOROCCO	37	THAILAND
6	BULGARIA	16	INDONESIA	27	NIGERIA	38	TUNISIA
7	CHINA	17	ISRAEL	28	OMAN	39	TURKEY
8	CHINESE TAIPEI	18	KENYA	29	PAKISTAN	40	UGANDA
		19	KOREA	30	PANAMA	41	VENEZUELA
9	COLOMBIA	20	LITHUANIA	31	PERU	42	VIETNAM
10	COSTA RICA	21	MACEDONIA	32	POLAND		

2. Methodology and processing of data

The conclusions presented in this report are based on the completed questionnaires returned by EMC members. Occasionally, other public information referring to the countries concerned has been used for the purposes of comparison.

In some cases where the information supplied appeared to contain inconsistencies or mistakes that could lead to inaccurate conclusions, either such information has not been considered or its apparent flaws have been highlighted. No quality check was carried out with the respondents, so there is the possibility that at times jurisdictions have used differing interpretations of the concepts involved.

Although completed questionnaires were received from over half the EMC membership, this does not necessarily entail that the conclusions are 100% representative for the group as a whole. Also, when broken down into segments the number of respondents within each segment was relatively small, which means that the conclusions may not always be considered statistically robust. This is especially true in the case of questions that were not answered by all of the participants.

However, it is our view that the conclusions presented here can be considered valid as indicators of trends and characteristics of the participant jurisdictions. The conclusions can also be considered valid for the group as a whole, given the fact that included in the survey are responses from countries that, collectively, account for a significant part of the CIS Industry in emerging markets.

The intention of this document is not to cover comprehensively all the topics of the questionnaire, but to focus on the aspects and conclusions that appear most relevant, representative or conclusive. A full overview of responses is taken up in Annex 2.

3. Characterization and segmentation of the responses

The responses to this survey cover 42 jurisdictions, or 54% of EMC membership. These jurisdictions account for approximately 83% of total EMC GDP. The responses were well divided over all continents, as shown in the table¹ below.

Continent	Participants	% EMC	% GDP
Africa	9	64 %	89%
America	9	47 %	71%
Asia/Oceania	13	50 %	93%
Europe	11	58 %	56%
TOTAL	42	53 %	83%

Taking 2003 as a base, the countries in the sample possess a joint CIS net asset value (NAV) of over US\$ 700 billion, distributed in more than 22,500 funds administered by 1,262 fund administrators. In the period between 1999 and 2003, these funds showed a compound annual growth rate (CAGR) of 9%.

For the purposes of this analysis, the various jurisdictions were divided into 3 groups, the criterion for such division being the relative importance of the fund industry in each jurisdiction, as represented by the relation between NAV and GDP. Each group represents approximately a third of the total sample. The names given to these groups, and the abbreviations used throughout this report, are as follows: Developed Group (DG), Intermediate Group (IG) and Growing Group (GG). The DG is formed by the jurisdictions where the NAV/GDP was greater than 10%, the IG by those where this ratio lies between 2% and 10% and the GG by the ones with less than 2%. Five jurisdictions did not provide sufficient information to permit an evaluation of the relative importance of their fund industry. They are identified hereafter under the heading “No Information Available” (NA). Some of the countries in the NA group, however, did present information on some subjects and this information was taken into account in this report.

¹ The table shows the number of jurisdictions that responded to the questionnaire and compares this number to the total of EMC member jurisdictions in each continent. The same comparison is made for the GDP of these countries. Data for GDP was obtained from the World Bank Data Query (www.worldbank.org), except for Chinese Taipei and Montenegro.

Developed Group		
Country	NAV / GDP (%)	NAV CAGR (99-03)
Mauritius	180.66%	8.67%
Bulgaria	60.61%	7.72%
Bahrain ⁽¹⁾	51.06%	28.81%
Brazil	38.82%	7.81%
Chinese Taipei	28.45%	25.65%
South Africa	21.16%	19.72%
Malta	20.87%	9.66%
Korea	20.15%	-8.74%
Malaysia	17.76%	13.02%
Morocco	17.67%	11.68%
Israel	17.03%	23.16%
Costa Rica	16.49%	60.56%

Intermediate Group		
Country	NAV / GDP (%)	NAV CAGR (99-03)
Thailand	8.27%	36.56%
Czech Republic	6.75%	26.90%
Turkey	5.95%	60.83%
Barbados ⁽²⁾	5.52%	-
Hungary	5.24%	22.69%
Tunisia	5.19%	10.97%
Montenegro ⁽²⁾	5.18%	-
India	5.11%	123.81%
Poland	4.23%	89.17%
Slovakia	3.75%	64.73%
Peru	3.47%	38.92%
Indonesia	3.44%	85.01%
Panama	2.94%	19.29%
Bahamas	2.04%	3.25%

Growing Group		
Country	NAV / GDP (%)	NAV CAGR (99-03)
Slovenia	1.77%	67.44%
China	1.27%	35.18%
Pakistan	1.06%	27.60%
Colombia	0.69%	12.51%
Oman	0.55%	1.04%
Egypt	0.39%	-14.52%
Venezuela	0.18%	-0.17%
Nigeria	0.13%	31.24%
Lithuania ⁽¹⁾	0.11%	713.63%
Kenya ⁽²⁾	0.08%	-
Romania ⁽¹⁾	0.05%	28.52%

NA Group
Macedonia
Honduras
Uganda
Algeria
Vietnam

Notes: NAV and GDP data based on 2003

CAGR = Compound Annual Growth Rate

GDP Source: World bank Data Query (WBDQ) (www.worldbank.org) (a) For Chinese Taipei and Montenegro data was not available from the WBDQ and were calculated based on the values informed in the questionnaires for population and GDP per capita (b) As the WBDQ provides information only for the last 5 years, GDP for 1999 were calculated discounting the figure for 2000 of its informed growth rate.

(1) CAGR for 2001-2003 as data for 1999 was not available

(2) It was not possible to calculate CAGR as data for NAV was presented for 2003 only.

The annual growth rate and NAV of each group was as follows:

- ▶ Developed Group (DG): 12 jurisdictions accounting for 82% of total NAV:
 - Median NAV/GDP: 21%
 - NAV CAGR (99-03): 5%
- ▶ Intermediate Group (IG): 14 jurisdictions accounting for 14% of total NAV:
 - Median NAV/GDP: 5%
 - NAV CAGR (99-03): 58%
- ▶ Growing Group (GG): 11 jurisdictions accounting for 4% of total NAV:
 - Median NAV/GDP: 0.4%
 - NAV CAGR (99-03): 31%

In the following sections this categorization will permit an analysis of similarities and differences between countries where the CIS industry is playing a role of greater or lesser relevance in their respective economies.

4. Aspects referring to the financial markets in the countries under study

A number of sections of the questionnaire shed light on the state of the financial markets in the jurisdictions under study. It can be concluded that within the EMC members there is considerable concentration in terms of the size of the capital markets.

The tables below show the top ten in 2003 Market Capitalization, the top ten in Market Capitalization/GDP, and the top ten growers between 1999 and 2003.

Top 10 in Market Cap		
Group	Country	Market Cap 2003 US\$ million
GG	China	513,400
DG	Chinese Taipei	373,905
DG	Korea	298,100
IG	India	279,185
DG	South Africa	255,973
DG	Brazil	234,219
DG	Malaysia	168,000
DG	Israel	70,420
IG	Turkey	69,003
IG	Indonesia	54,385

Top 10 in Market Cap / GDP – 2003		
Group	Country	Market Cap / GDP
DG	Malaysia	162%
DG	South Africa	155%
DG	Chinese Taipei	133%
IG	Barbados	133%
DG	Bahrain	99%
DG	Israel	64%
IG	Hungary	56%
DG	Korea	49%
IG	India	46%
GG	Slovenia	46%

Top 10 in CAGR of Market Cap		
Group	Country	CAGR (99-03)
NA	Macedonia	195%
GG	Romania	34%
GG	Kenya	31%
GG	Pakistan	25%
DG	Costa Rica	23%
GG	Venezuela	23%
IG	Thailand	22%
GG	Slovenia	19%
GG	Nigeria	19%
GG	Lithuania	15%

(1) CAGR = Compound Annual Growth Rate

(2) GDP Source: World bank Data Query (WBDQ) (www.worldbank.org) (a) For Chinese Taipei and Montenegro data was not available from the WBDQ and were calculated based on the values informed in the questionnaires for population and GDP per capita (b) As the WBDQ provides information only for the last 5 years, GDP for 1999 were calculated discounting the figure for 2000 of its informed growth rate.

(3) Only jurisdictions for which the information of Market Cap was informed for all years were considered.

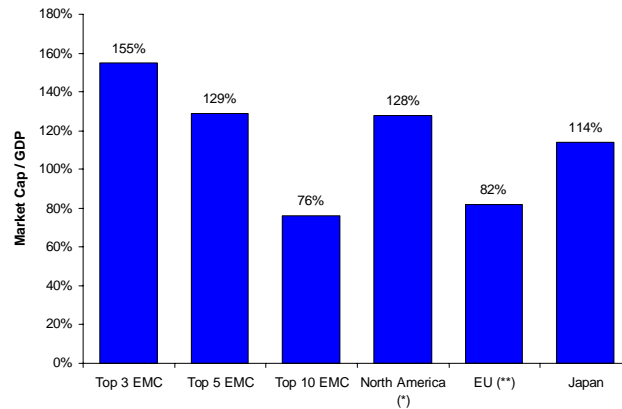
Underlining the high concentration, the three biggest jurisdictions in terms of market capitalization (China, Chinese Taipei, and Korea) had in 2003 a joint participation of 46% of the total market capitalization of the respondents. Also, the top ten in market capitalization accounted for 89% of the figure for the whole group in 2003. In other words, only 25% of the jurisdictions under study account for close to 90% of total EMC-market capitalization. These numbers did not change much during the time frame of the survey; in 1999 the top three had 44% of the total and the top ten 90%.

However, none of the jurisdictions with the largest capital markets appear in the list of top ten growers. This observation leads to the conclusion that although the smaller markets have grown, their size is as yet not big enough to cause a reduction in the observed process of concentration.

The overlap between the first two tables is worth noting. Of the top ten in market capitalization, six are also present in the list of market capitalization/GDP.

Taking into consideration the relation between market capitalization and GDP, when comparing the figures from the top-10 of EMC-jurisdictions with those from a sample of developed countries, the figures seem similar.

EMC x Developed Countries (Market Cap / GDP) 2003



(*): USA and Canada;

(**): France, Germany, Netherlands and UK

Source: IMF - Global Financial Stability Report – September 2004

In the period between 1999 and 2003, the relation between market capitalization and GDP in the jurisdictions under study fell from 53% to 44%, with 11 jurisdictions showing a reduction and 25 an increase. An interesting fact is that among the jurisdictions of the GG group, ten showed an increase while only one showed a reduction. In the other groups the majority of jurisdictions also showed increase in market capitalization/GDP but the difference was not so significant: In the DG seven out of 11 increased and in the IG 7 out of 12. One jurisdiction of the NA group also showed growth in this figure and one a reduction. Six responding jurisdictions were left out of this analysis due to lack of relevant data.

5. The CIS industry and its practices in EMC countries

The CIS industry also shows a strong concentration in EMC countries. In 2003 the leading three jurisdictions (Brazil, Korea, and Chinese Taipei) accounted for approximately 69% of total NAV. This represents an improvement in distribution since 1999, when the top three accounted for close to 84%. Together, the top ten countries in terms of NAV saw their participation fall from roughly 95% to 90%. Even so, it remains the case that 75% of jurisdictions only account for approximately 10% of total assets.

The tables below show the top ten countries in size of fund industry (NAV), top ten in CIS assets as a percentage of GDP and top ten growers in terms of CIS industry, as measured in NAV.

Top 10 in NAV		
Group	Country	NAV 2003 US\$ million
DG	Brazil	196,324
DG	Korea	122,567
DG	Chinese Taipei	80,000
DG	South Africa	35,000
IG	India	30,716
GG	China	20,765
DG	Israel	18,786
DG	Malaysia	18,466
IG	Turkey	14,293
DG	Bulgaria	12,084

Top 10 in CAGR of NAV		
Group	Country	CAGR (99-03)
IG	India	124%
IG	Poland	89%
IG	Indonesia	85%
GG	Slovenia	67%
IG	Slovakia	65%
IG	Turkey	61%
DG	Costa Rica	61%
IG	Peru	39%
IG	Thailand	37%
GG	China	35%

Top 10 in NAV / GDP – 2003 (A)		
Group	Country	NAV / GDP
DG	Mauritius	181%
DG	Bulgaria	61%
DG	Bahrain	51%
DG	Brazil	39%
DG	Chinese Taipei	28%
DG	South Africa	21%
DG	Malta	21%
DG	Korea	20%
DG	Malaysia	18%
DG	Morocco	18%

Top 10 in NAV / GDP – 2003 (B)		
Group	Country	NAV / GDP
DG	Bulgaria	61%
DG	Brazil	35%
DG	Chinese Taipei	28%
DG	Malta	21%
DG	Korea	20%
DG	South Africa	19%
DG	Malaysia	18%
DG	Morocco	18%
DG	Israel	17%
DG	Costa Rica	16%

CAGR = Compound Annual Growth Rate

Funds of funds were not considered in order to avoid double counting of assets.

(A) Considers the joint NAV of domestic and foreign funds.

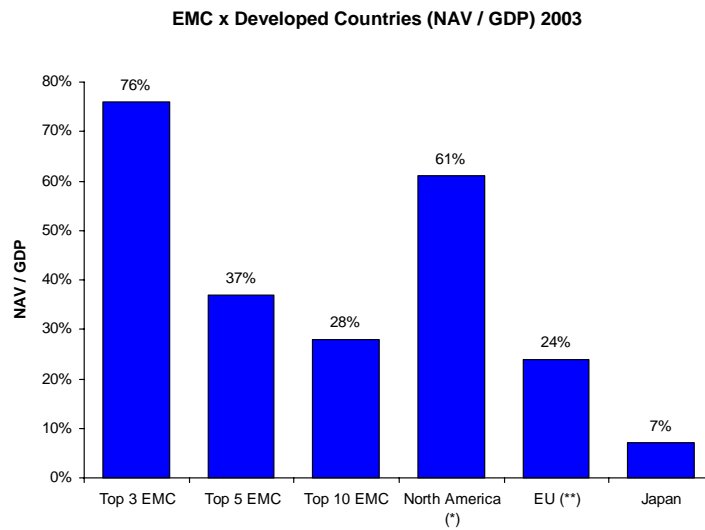
(B) Considers only the NAV of domestic funds

Only jurisdictions for which there was data available for all years were considered

Regarding foreign funds it's necessary to check in future surveys the hypothesis that some jurisdictions may have mistaken them for investment made by foreign investors in CIS constituted locally.

Seven of the top ten in NAV are from the DG category, but this group provides only one of the top ten growers, seven of which come from the IG category. The stronger growth in those countries where the industry is in an intermediate stage of development helps explain the process of de-concentration observed above.

The following graph shows that the 10 EMC jurisdictions where the CIS industry is most advanced still show significant differences compared with the United States and Canada, but figures are more similar to some European countries (United Kingdom, Germany, France and Netherlands).



(*): USA and Canada;

(**): France, Germany, Netherlands and UK;

Source: Country Report submitted to IIFA in 2004

The following tables show the structure of the CIS industry in emerging markets and the differences between the three categories of country.

Type of Fund – 2003

Overall Industry	Type	# Funds	# Accounts	NAV US\$ million	CAGR (99-03)	NAV/Fund US\$ million
	Funds	17,165	85,120,014	583,256	10%	34
	Funds of funds	2,238	6,656,672	94,652	9%	42
	Foreign funds	3,894	244,658	39,177	5%	11

Developed Group	Type	# Funds	# Accounts	NAV US\$ million	CAGR (99-03)	NAV/Fund US\$ million
	Funds	14,404	21,990,550	472,613	6%	33
	Funds of funds	2,231	6,654,822	94,572	9%	42
	Foreign funds	2,838	243,115	36,654	3%	13

Interme- diate Group	Type	# Funds	# Accounts	NAV US\$ million	CAGR (99-03)	NAV/Fund US\$ million
	Funds	2,390	21,044,353	87,266	57%	37
	Funds of funds	7	1,850	79	43%	11
	Foreign funds	1,043	-	2,494	113%	2

Growing Group	Type	# Funds	# Accounts	NAV US\$ million	CAGR (99-03)	NAV/Fund US\$ million
	Funds	371	42,085,111	23,378	31%	63
	Funds of funds	-	-	-	-	-
	Foreign funds	13	1,543	29	29%	2

Special attention is needed to OMAN (GG) informed # of accounts = 41,798,620

China's NAV has a strong relevance in the GG: NAV 2003 in US\$ million = 20,765

Double counting in the number of accounts is possible as it was asked in the questionnaire the number of accounts or shareholders.

CAGR = Compound Annual Growth Rate of NAV

The data show that all types of funds recorded growth in the period 1999-2003. The DG jurisdictions showed the lowest growth rates. It is worth noting that the strong growth in the GG category (31% per year for funds) was largely due to the performance of China (35% of CAGR, with NAV of US\$ 20,765 million in 2003), but even when this is discounted, the remaining jurisdictions showed an increase of 13% per year which is twice the rate of the DG category. The IG category recorded a significant increase in all types of funds.

When looking at CIS structure by types of funds, it becomes clear that the DG category accounts for the vast majority of funds of funds, with Brazil showing an especially strong participation in this area. Funds of funds are almost non-existent in the other categories, with some of the GG nations commenting that regulation governing this type of fund only came into being in 2004.

The table below breaks down the fund industry into the various types of funds (bonds, equity, and other).

Class of Funds – 2003

Overall Industry	Type	# Funds	# Accounts	NAV (US\$ million)	CAGR (99-03)	NAV / Fund (US\$ million)	NAV / Account (US\$) ⁽¹⁾	% NAV
	Bond	8,434	7,234,823	410,371	10%	49	42,704	71%
Equity	2,703	21,461,052	99,920	10%	37	5,628	17%	
Other	5,078	39,292,971	64,294	2%	13	25,420	11%	

Developed Group	Type	# Funds	# Accounts	NAV (US\$ million)	CAGR (99-03)	NAV / Fund (US\$ million)	NAV / Accounts (US\$)	% NAV
	Bond	7,738	4,778,099	350,947	7%	45	73,449	74%
Equity	2,162	16,064,014	72,598	5%	34	4,519	15%	
Other	4,504	1,148,437	49,852	-3%	11	43,409	11%	

Intermediate Group	Type	# Funds	# Accounts	NAV (US\$ million)	CAGR (99-03)	NAV / Fund (US\$ million)	NAV / Accounts (US\$)	% NAV
	Bond	606	2,374,841	56,291	60%	93	23,702.9	72%
Equity	401	792,564	9,242	42%	23	11,661.2	12%	
Other	459	530,583	12,590	48%	27	23,745.6	16%	

Growing Group	Type	# Funds	# Accounts	NAV (US\$ million)	CAGR (99-03)	NAV / Fund (US\$ million)	NAV / Accounts (US\$) ⁽¹⁾	% NAV
	Bond	90	81,883	3,133	-18%	35	38,267.1	14%
Equity	140	4,604,474	18,080	30%	129	3,926.7	78%	
Other	115	37,613,951	1,842	26%	16	48.97	8%	

(1) # Accounts of Oman (GG) 41,798,620 was not considered as it might be overestimated.

Total number of accounts and funds in this table may differ from the numbers presented before in this report as some jurisdictions provided the totals but not the number by type of fund.

CAGR = Compound Annual Growth Rate

The relative importance of bond funds can clearly be seen. They account for 71% of the total industry NAV, while equity funds account for just 17%. However, this does not apply to the GG category. In those jurisdictions where the fund industry is in an early stage of development, equity funds account for 78% of total NAV.

It is interesting to note that bond funds recorded high growth rates in all categories, except in the GG group. This is due to the great reduction of investments in this type of asset in Pakistan². When Pakistan is excluded from the analysis, the GG shows a CAGR of 85% in bonds funds. This huge growth of bond funds in the GG category appears to have been largely due to the performance of China³. Therefore, when not taking into account Pakistan *and* China, the growth rate for the group would be 22%. As for the other groups, the percentage of NAV held in bond funds in the period 1999-2003 increased from 64% to 69% in the DG category, and from 60% to 63% in the IG. In the GG it decreased from 87% to 13%. This decrease is also due to the changes observed in Pakistan during this period.

The above analysis is based on the data filed by the respondents regarding the types of funds in each jurisdiction. Another item of the questionnaire enquired about the


² NAV for bond funds in Pakistan went from US\$ 6,604.00 million in 1999 to US\$ 112.20 million in 2003

³ NAV invested in bond funds was informed by China for 2003 was US\$2,447.52 million. No value was informed for the other years.

types of assets invested. As can be seen in Annex 2, however, not many jurisdictions provided sufficient data on this. Therefore, we believe that results shown below are not entirely reliable. However, we did opt to make this analysis as it might be indicative of some trends in the industry.

The table below shows the distribution of assets for 1999 and 2003. It groups the assets into three classes according to their nature: Capital market instruments (equity and corporate bonds), government debt (locally and externally traded government bonds) and short term (money market and bank deposits).

Class of Asset		
Class	1999	2003
Equities	16.20%	15.72%
Locally Traded Gov. Bonds	58.35%	38.88%
Externally Traded Gov. Bonds	0.91%	1.09%
Corporate Bonds	2.62%	10.01%
Bank Deposits	9.79%	13.78%
Money-Market	7.44%	12.22%
Other	4.65%	8.30%

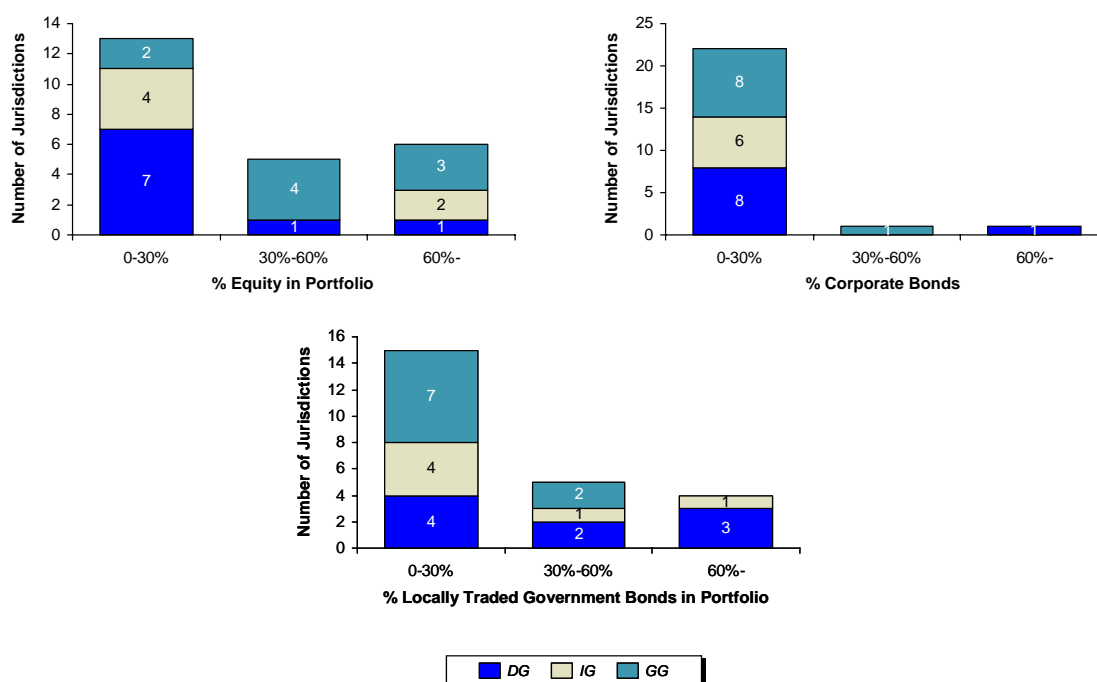


Nature of Security		
Nature	1999	2003
Cap. Market	19%	26%
Gov. Debt	59%	40%
Short Term	17%	26%

The data lead to the conclusion that in the period 1999-2003 there was a significant reduction in government bonds in the funds' portfolios, with an increase in corporate bonds, money market instruments and bank deposits.

The graphs below show the differences in the profiles of the portfolios of the funds across the three categories (DG, IG, and GG) for three classes of assets. Although relevant information on this question was supplied by only 9 of the 12 DG jurisdictions, 6 of 14 in the IG category and 9 of 11 in the GG the figures highlight an interesting comparison between the DG and GG categories.

Graphs – Profile of fund portfolios



It can be concluded that in the DG group 77% of jurisdictions have less than 30% of equities in their portfolios, while in the GG group 77% of the jurisdictions have more than 30% of equities. Corporate bonds are assets less invested in, with only one jurisdiction (DG) showing more than 60%. Government bonds account for less than 30% of portfolios in 77% of GG jurisdictions, while in the DG category they account for more than 30% of portfolios in 55% of the jurisdictions.

The table below sheds light on the degree of fragmentation and the operational scale of the industry in the three categories of jurisdiction.

Group	NAV / Fund (US\$ million)	NAV / Account ⁽¹⁾ (US\$)	NAV / manager (US\$ million)
DG	33	21,491	628
IG	37	4,147	235
GG	63	81,186	125

Notes: Numbers based on 2003 data. Funds of funds and foreign funds were not considered.

Only jurisdictions that provided all data necessary for each calculus were considered, for an instance, if a country informed NAV but not # of accounts it was excluded of the NAV/Account calculus.

(1) Double counting is possible as a person may have more than one account

Oman # Accounts was not considered in this analysis

Analyzing these figures, it can be concluded that, in comparison with the DG category, the GG nations have the following characteristics:

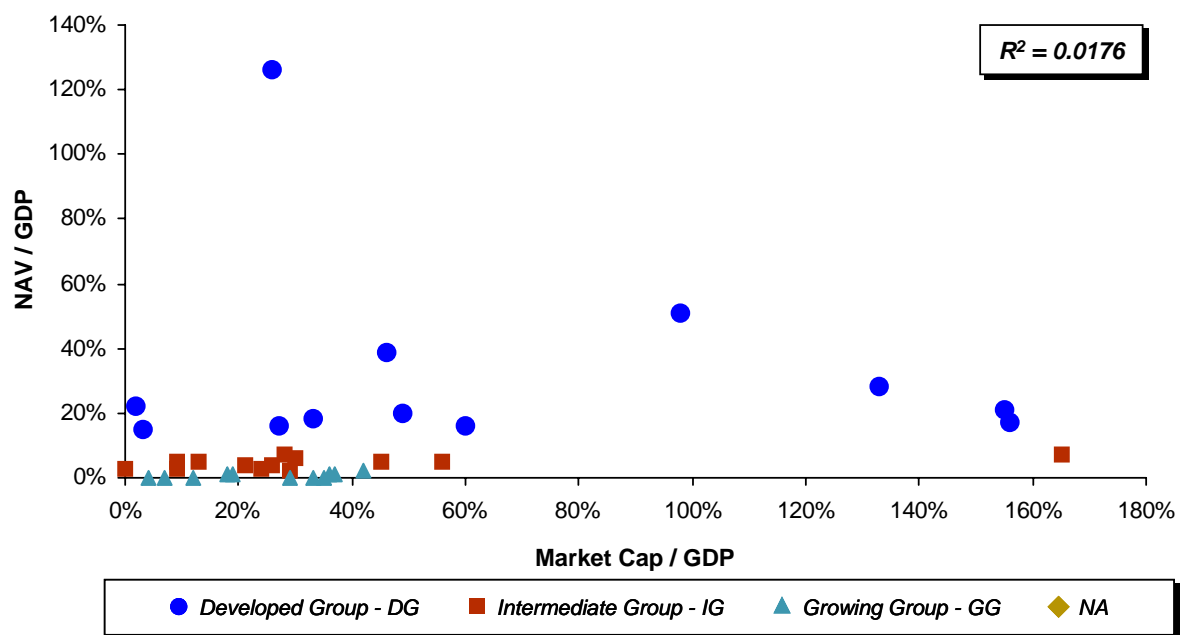
a) Higher average value per fund, which could result from lesser diversity in products offered, in turn generating less dispersal of investments in the search for operational scale.

b) Higher average investment per account. This could result from the natural process in which industries in the early stages of development focus their efforts on attracting relatively wealthy and sophisticated investors, while countries with more mature fund industries register greater penetration of small investors. This hypothesis is underlined by taking into consideration the greater penetration of the industry in the DG countries. In the DG nations the quantity of accounts represents 6% of the population, compared with less than 1% across the other two categories.

c) Lower NAV per asset manager, indicating a lower operational scale for administrators when compared with DG countries.

When we search for an explanation for the development of a country's fund industry based on the level of development of its capital markets, we find that there is no strong correlation between these factors, as can be observed in the following graph ($R^2 = 0.0176$).

Graph – Correlation between NAV/GDP and Market Cap/GDP



However, those countries with the most developed fund industry tend to also belong to the group with the most developed capital markets, as shown by the table below.

$\frac{NAV}{GDP} \backslash \frac{MktCap}{GDP}$	Developed Markets	Intermediate Markets	Growing Markets
DG	9	3	2
IG	3	6	5
GG	1	5	5

The following observation can be drawn from this table: When we compare the countries in accordance with the DG, IG and GG categorization (relative to NAV/GDP) with their respective ranking in terms of Market Capitalization/GDP (i.e., Developed Market = the 13 most developed, Intermediate Market formed by the 14th to 25th, Growing Market by the 26th to 37th) it can be seen that most countries are positioned at the diagonal of the table. This would indicate that a direct relationship exists between the level of development of a country's fund industry and the level of development of its capital markets. It also seems that jurisdictions with developed capital markets tend to have developed CIS industries.

We shall now analyze the practices adopted in EMC jurisdictions in terms such as supervision, distribution, divulging of information, international opening, and incentive policies.

Supervision

90% of jurisdictions which included the answer to this question in their response replied that within their jurisdiction a specific body is responsible for the supervision of the fund industry. The breakdown among the categories was as follows; DG 100%, IG 78%, GG 88%.

It is interesting also to note that almost 30% of all respondents did not answer this question. However, when questioned about the overlapping of responsibilities with other regulatory organs, a third of the jurisdictions in the sample recognized the existence of such overlap within their jurisdiction.

Given the quantity of jurisdictions reporting the problem of potential overlap, it would seem advisable for the regulatory organs concerned to initiate a process of dialogue with the aim of coming to an agreed solution.

Publication

In terms of the collection and publication of information, two aspects were examined:

- a) Portfolio composition
- b) Administration fees and minimum investment requirements

Regarding the first, in 89% of the jurisdictions that answered the specific question the regulator does collect information on portfolio composition. No significant differences between the 3 categories were observed. As to administration fees and minimum investment requirements, differences between the categories were also of little relevance. The collection of this second set of information takes place in 69% of

respondent jurisdictions, which breaks down as follows: 60% of the DG category, 64% of the IG, and 73% of the GG. 63% of the jurisdictions that answered to the two questions collect information both on portfolio composition and administrative fees/minimum investment requirements.

But the situation is very different when looking at disclosure of information. In this the jurisdictions take a much more active role. 97% of them make available to the public information both on portfolio composition and administrative fees/minimum investment requirements.

It can be concluded that the percentage of jurisdictions that collect information in the two areas under study is lower than the percentage of jurisdictions that divulge such information. This seems to suggest that greater emphasis is placed on making information available to the public, though the regulator need not necessarily play a role in the collection of this information.

The jurisdictions adopt several different channels to provide information about portfolio composition to the public, such as a supervisor's website (e.g. Malaysia), industry associations (e.g. Korea), stock exchanges (e.g. Montenegro), newspapers (e.g. India) and asset manager's websites (e.g. Turkey). However, information regarding fees and minimum investment requirements are primarily published through funds prospectus, and secondly via newspapers.

Several jurisdictions announced they were developing efforts to enhance the transparency of the industry by establishing a common classification of types of funds or by developing systems and processes to improve the collection and publication of information about the funds (e.g. Mauritius was doing work on both aspects).

Organizational structure

CIS typically are organized under one of two structures: (1) investment funds, as a trust or contract with individual investors ("contractual model"), and (2) investment companies, often structured as corporations ("corporate model"). In CIS organized under the corporate form, investors become shareholders by acquiring shares of a company whose principal objective is to invest in a portfolio of securities. The acts of purchasing and redeeming CIS shares are generally processed through an authorized distributor that acts on behalf of the CIS. Differently from the case of CIS under the corporate form, in the contractual type investors buy unit shares that provide them interest in a portfolio of diversified securities that does not have legal existence for itself. Because of this, CIS does not have the legal capacity to contract on its own and therefore the management of its portfolio has to be entrusted to a Management Company.

In terms of the organizational structure of CIS within the EMC, 29% of the respondent jurisdictions adopt only the corporate model, i.e. CIS are structured as investment *companies* whose shares the investors buy, 38% only the contractual model, i.e. CIS are structured as investment *funds* and the investors join in to a contract that specifies its rules of operation, and 32% permit both. Once more a difference can be observed between the three categories. In the GG group 45% of jurisdictions permit

both models. This figure falls to 15% in the IG category and 27% in the DG. 20% of the jurisdictions did not offer information on this topic.

In 49% of the jurisdictions, the same CIS may make different classes of shares/units available to the public. In this area there is a marked difference between the categories, since it occurs in 67% of cases in the DG group, 57% in the IG and 18% in the GG. It is clear that this practice, whereby a range of alternatives is offered to investors and distributors, tends to be more common in more developed markets. However, it is not possible to conclude if this is a common practice or only adopted for specific types of funds.

In 79% of jurisdictions there is a requirement for the custodian to be independent of the asset manager. It should be stated, though, that it is unclear whether the degree of independence required is the same across all jurisdictions. In 74% of cases the custodian is required to supervise the activities of the asset manager in relation to the fund's investment policies. Once again, differences emerge when the results are broken down by category. The independence requirement is present in the following percentages: DG category 75%, IG 69%, GG 90%. The requirement for the custodian to supervise the investment policies break down in a very different manner: DG category 100%, IG 53%, GG 67%.

Openness of economies

The degree to which economies are open was also a topic of the survey. In total 64% of countries have no controls on capital flows. This figure is 72% in the DG group, 62% in the IG and 50% in the GG. When just the fund industry is taken into account, the level of restriction is higher since 57% do not allow their CIS to invest abroad and 68% prohibit the distribution of foreign funds within their territory. In the entire sample just 4 countries (Bahrain, Egypt, Hungary, and Panama) are completely open, with neither controls on capital flows nor restrictions on external investments by CIS or domestic distribution of foreign CIS. There are 6 countries (Barbados, China, Czech Republic, Macedonia, Thailand, and Venezuela) that impose restrictions in all of the three areas mentioned above. A total of 11 countries have no controls on capital flows but impose restrictions on their CIS investing abroad.

Distribution channels

The principal distribution channel of CIS in EMC nations is formed by the banks. They were cited in 94% of the jurisdictions that responded to the respective question. Brokers were the second most common, cited by 50% of the jurisdictions. Approximately 47% of the jurisdictions reported the existence of one predominant channel of distribution, while in 26% of cases three or more significant channels were cited.

Capital requirements

The vast majority of jurisdictions (95%) enforce minimum capital requirements for asset managers. Some countries, such as Bahamas, demand even indemnity insurance besides minimum capital. The level of capital, when required, varies

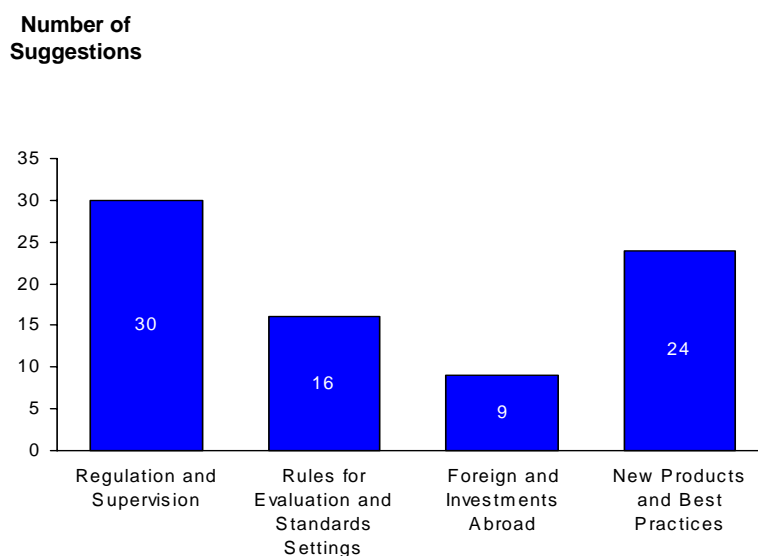
significantly among jurisdictions (e.g. US\$ 50,000 in Honduras vs. US\$ 300,000 in Nigeria).

However the requirement for asset managers to invest in their own funds is not common. 85% of jurisdictions have no requirement of this nature. Such a restriction is most commonly found among the GG nations, where it is imposed by 33% of the jurisdictions. It seems that there is not a common understanding that this is a good practice, as there are jurisdictions that don't even allow management companies to invest on their own funds.

While on the one hand restrictions are imposed on the operation of asset managers, on the other hand tax benefits for funds and/or their unit holders are relatively common. Such practices are present in 74% of the jurisdictions under study, what shows the perceived relevance of the development of CIS for the countries, at the point to make them accept tax revenues exemption to promote collective investments. The objectives and forms of the incentives vary among the jurisdictions. There are those ones that extend the tax incentive to promote longer-term investment (e.g. Brazil, Barbados, Korea); others (e.g. Malaysia, Bulgaria, South Africa, Indonesia, Panama) exempt CIS return taxation under certain circumstances; and some (e.g. Egypt) exempt the CIS investor from taxation on capital gains.

Future priorities

At the end of the questionnaire, the jurisdictions were asked to identify and submit up to three themes they perceive as priorities for future discussions or studies. The diversity of subjects proposed, as presented in Annex 1, made it clear that the jurisdictions have a wide range of interests. The specific topics that were most commonly identified by the respondents were grouped in four categories, as shown below. The graph shows that Regulation and Supervision (30 suggestions) as well as New Products and Best Practices (24 suggestions) seem to be the categories that are prioritized by most EMC-members.



6. Conclusions and further developments

This paper is the result of IOSCO's first structured effort to enhance the understanding of the commonalities and differences of the fund industries of the various EMC nations. It serves as a guide towards common themes of interest, and also aids the process whereby information, experiences and best practices can be shared and exchanged among group members.

As the data reveal, there are significant differences among the jurisdictions in terms of development of the CIS industries and of practices adopted by each jurisdiction. This means that different jurisdictions within the EMC have different agendas and fields of interest. For this reason it is important to understand the interests and the state of development of each jurisdiction in order to elect future mandates that are in accordance with the best interests of the majority.

The survey revealed that a high level of concentration of NAV continues to exist within the CIS industry in the EMC nations. However, during the period under study (1999-2003) a marked reduction in concentration was observed. If this trend continues, then a significant change in the profile of the group is to be expected, with more equitable distribution as result of development of the CIS industry in a number of jurisdictions.

Given the important findings obtained from the survey and the rapid development being shown by some important jurisdictions, it would be of clear benefit to seek to improve and update this information in a continuous manner. Such a process would allow trends to be continuously monitored and, with even more nations participating in future surveys, could lead to an even clearer picture of the state of the CIS industry in emerging markets.

It is to be hoped, therefore, that a start has been made with a continuous process whereby IOSCO possesses a database on collective investment schemes that will serve as a primary source of statistical information for all those with an interest in this subject.

ANNEX1: Possible issues for future discussion within EMC

1 - REGULATION AND SUPERVISION

A - SUGGESTIONS MADE BY MEMBERS OF THE DEVELOPED GROUP

- Regulation of purchasing and redemption of funds
- Regulation of Hedge Funds and Hedge Fund Managers
- Habilitation of members
- Rules for internal persons' personal transactions
- Soft commissioning
- Minimum Standards on custody
- Minimum Standards on CIS distribution
- Minimum Standards on CIS Management
- Shareholders activism

B - SUGGESTIONS MADE BY MEMBERS OF THE INTERMEDIATE GROUP

- Regulation of parties related to funds – which parties should be licensed?
- Private pension funds regulation
- Taxation of CIS
- Filing requirements for financial statements of fund of funds
- Supervisory methodology
- Enforcement
- Surveillance Program
- Risk based supervision
- Risk management in CIS
- Fund governance
- Prospectus requirements for Mutual Funds

C - SUGGESTIONS MADE BY MEMBERS OF THE GROWING GROUP

- Tax regimes (in respect of UCITS and participants) in the EU Member States
- Portfolio composition and regulations governing Real Estate Investment Fund
- Issuance and Regulation of global unit trust funds, regulatory challenges
- Clear distinction of Mutual Funds from Unit Trusts and other forms of CIS in terms of structure, obligations and regulatory framework
- Relation to the banks
- Main issues that supervisors are supervising
- New standards requested to fund managers and funds

D - SUGGESTIONS MADE BY MEMBERS OF THE NA GROUP

- Investor Protection
- Disclosure of Issuers Information
- Conflict of interest in CIS management and governance

2 - EVALUATION AND STANDARD RULES

A - SUGGESTIONS MADE BY MEMBERS OF THE DEVELOPED GROUP

- Investment companies and contractual funds' portfolio evaluation rules, as well as net asset value determination rules
- Evaluation of the performance of CIS Managers
- Evaluation of mutual funds
- Standardization of the classification of funds in order to provide the public with important outlined information about the funds
- Performance fees for unit trust funds
- Policy making in relation to unquoted securities within funds

B - SUGGESTIONS MADE BY MEMBERS OF THE INTERMEDIATE GROUP

- Calculation of net asset value
- The amount of net assets
- Method of Valuation of Mutual Funds
- Portfolio Valuation
- The yield/return
- The composition of the portfolio
- Regulatory standards on fees and expenses of CIS
- Alternative criteria for valuing illiquid assets

C - SUGGESTIONS MADE BY MEMBERS OF THE NA GROUP

- Accounting Standards
- CIS accounting

3 - FOREIGN INVESTMENT AND INVESTMENT ABROAD

A - SUGGESTIONS MADE BY MEMBERS OF THE DEVELOPED GROUP

- Regulation of foreign CIS
- Regulation of offshore funds
- Public offerings of foreign mutual funds in Israel
- Domiciled CIS investing abroad

B - SUGGESTIONS MADE BY MEMBERS OF THE INTERMEDIATE GROUP

- Cross-border marketing/selling of investment units
- Supervision of CIS' foreign investments (cooperation among Securities Commissions)

C - SUGGESTIONS MADE BY MEMBERS OF THE GROWING GROUP

- Peculiarities of the activity of foreign investment funds
- Portfolio Composition and rules governing CIS in offshore markets

D - SUGGESTIONS MADE BY MEMBERS OF THE NA GROUP

- Approval of Foreign Schemes

4 - NEW PRODUCTS AND BEST PRACTICES

A - SUGGESTIONS MADE BY MEMBERS OF THE DEVELOPED GROUP

- Investment in unlisted instruments, especially derivative instruments
- Rules for effecting transactions in derivatives and risk hedging
- Use of Credit Ratings to establish acceptability of investments
- Improve the management of bond funds
- Dedicated funds
- The introduction of new financial instruments and activities to the Israeli market

B - SUGGESTIONS MADE BY MEMBERS OF THE INTERMEDIATE GROUP

- Supervision of CIS with investment portfolio in derivatives
- Innovative CIS products and regulatory issues
- Move from closed-ended funds towards open-end funds
- Treatment of master-feeder funds
- List of recognized markets for purpose of fund investment
- Procedure for voluntary winding up of a Mutual Fund
- Best practices and conflicts of interests

C - SUGGESTIONS MADE BY MEMBERS OF THE GROWING GROUP

- Models of evaluation of the financial derivatives instruments in a CIS portfolio
- The terms for using derivative instruments and Repurchase transactions in EU States
- New types of funds
- Listing and trading of CIS units on a stock exchange, framework and regulatory challenges
- Class of persons that invest in CIS, education wages, etc
- Growth of stock markets and growth in CIS
- Non-harmonized UCITS
- Location

D - SUGGESTIONS MADE BY MEMBERS OF THE NA GROUP

- Fund Managers' best practices (to protect fund investor interests)
- Investors Education
- Government Debt

Annex 2 - Responses

I- List of respondents – Jurisdiction and Member agency

JURISDICTION	MEMBER AGENCY
ALGERIA	COSOB
BAHAMAS (The)	Securities Commission
BAHRAIN	Bahrain Monetary Agency
BARBADOS	The Securities Commission
BRAZIL	Comissão de Valores Mobiliários
BULGARIA	Financial Supervision Commission
CHINA (People's Republic of)	China Securities Regulatory Commission
CHINESE TAIPEI	Financial Supervisory Commission
COLOMBIA	Superintendencia de Valores
COSTA RICA	Superintendencia General de Valores
CZECH REPUBLIC	Czech Securities Commission
EGYPT	Capital Market Authority
HONDURAS	Comision Nacional de Bancos y Seguros
HUNGARY	Hungarian Financial Supervisory Authority (HFSA)
INDIA	Securities and Exchange Board of India
INDONESIA	Capital Market Supervisory Agency of Indonesia
ISRAEL	Israel Securities Authority
KENYA	Capital Markets Authority
KOREA	Financial Supervisory Service
LITHUANIA	Lithuanian Securities Commission
MACEDONIA (Former Yugoslav Republic of)	Securities and Exchange Commission
MALAYSIA	Securities Commission Malaysia
MALTA	Malta Financial Services Authority
MAURITIUS (Republic of)	Financial Services Commission
MONTENEGRO	Securities Commission of Montenegro
MOROCCO	Conseil Déontologique des Valeurs Mobilières
NIGERIA	Securities and Exchange Commission
OMAN (Sultanate of)	Capital Market Authority
PAKISTAN	Securities and Exchange Commission of Pakistan
PANAMA (Republic of)	Comisión Nacional de Valores
POLAND	Polish Securities and Exchange Commission
ROMANIA	Romanian National Securities Commission
SLOVAK REPUBLIC	Financial Market Authority
SLOVENIA	The Securities Market Agency
SOUTH AFRICA	Financial Services Board
THAILAND	The Securities and Exchange Commission, Thailand
TUNISIA	Financial Market Council
TURKEY	Capital Markets Board
UGANDA	Capital Markets Authority
VENEZUELA	Comisión Nacional de Valores
VIETNAM	The State Securities Commission of Vietnam

II – Collective Investment Schemes and National Statistics - Please provide a short description of the collective investment scheme governance in your jurisdiction. **Do local CIS follow a Corporate Model, Contractual Model or any other model?**

JURISDICTION	CIS MODEL		
	Corporate	Contractual	Both
ALGERIA			
BAHAMAS			
BAHRAIN	X		
BARBADOS	X		
BRAZIL			X
BULGARIA		X	
CHINA		X	
CHINESE TAIPEI		X	
COLOMBIA		X	
COSTA RICA		X	
CZECH REPUBLIC			X
EGYPT	X		
HONDURAS			
HUNGARY		X	
INDIA		X	
INDONESIA			
ISRAEL			
KENYA			X
KOREA			X
LITHUANIA			X
MACEDONIA			X
MALAYSIA			
MALTA	X		
MAURITIUS			X
MONTENEGRO			
MOROCCO	X		
NIGERIA			
OMAN	X		
PAKISTAN			X
PANAMA	X		
POLAND	X		
ROMANIA		X	
SLOVAK REPUBLIC		X	
SLOVENIA			X
SOUTH AFRICA	X		
THAILAND		X	
TUNISIA			X
TURKEY		X	
UGANDA	X		
VENEZUELA			X
VIETNAM		X	

II – Collective Investment Schemes and National Statistics Please provide a short description of the collective investment scheme governance in your jurisdiction. Do local CIS follow a Corporate Model, Contractual Model or any other model? – Commentaries and observations.

ALGERIA

We have no Collective Investment Schemes (CIS).

BAHAMAS

Unless otherwise exempted, investment funds (CIS) are required to have administrators who are responsible for the governance of these investment funds. In this regard, an investment fund administrator shall take all reasonable steps to ensure that the operations of an investment fund are carried out in accordance with the investment fund's offering memorandum and constitutive documents and the relevant legislation. In so doing, the administrator shall, inter alia, ensure that the investment fund maintains proper books and records; that audited financial statements for the financial year are available for each investor; and that the investment fund is not carrying on its business in a manner which is or is likely to be prejudicial to investors or its creditors.

BAHRAIN

They follow the corporate model. The fund company is incorporated as a Bahraini Shareholding Company Closed. Funds are also governed by the Regulation Governing Collective Investment Schemes issued on November 1992, and amended subsequently.

BARBADOS

The Securities Commission is the regulator for the mutual fund industry in Barbados. The legislation by which the Commission is guided is the Mutual Funds Act 2002-22 and its accompanying Regulations of 2002. The legislation allows for the following models corporate, unit trusts, partnerships or societies – most funds follow the corporate model.

BRAZIL

In Brazil, the Depositary is required to supervise the activities of the CIS Operator. Notwithstanding there is no requirement of legal and economic independence between the CIS Operator and Depositary, this last has to conduct its business separately from the CIS Operator and must appoint a Director responsible for both custodian and supervisory activities, which cannot exercise any functions at the CIS Operator. Furthermore, the governance structure in Brazil foresees that the CIS itself can have both an administrator and a manager. In the majority of cases the CIS do have administrator and manager and they are distinct companies. The administrator has supervisory powers over the manager activities (that consist mainly in managing the CIS' assets). In this sense the co-responsibility of the administrator in what concerns the manager's activities make the former, in fact, a supervisor of the latter, having to perform a role that resembles the one of the depositary in the funds where the administration and management are done by the same person. In the few cases where the administrator and the manager are not distinct, the depositary gets entrusted with supervising the administrator's activities that in this case also comprises the management activities. Notwithstanding the fact that the majority of CIS have a contractual type structure, the corporate form is also a possible way of organizing a CIS in Brazil.

BULGARIA

According to Law of public Offering of Securities the Collective investment scheme” shall be an undertaking, organized as an investment company, fund of contractual type or unit trust, which invests in securities cash raised through public offering of shares or units and which acts on the principle of risk diversification and on request of the shareholders, respectively the owners of units redeems its shares or units at price, based on its net asset value.

CHINA

All collective investment schemes in China follow a contractual model.

CHINESE TAIPEI

Securities investment trust enterprises (SITEs) raising and issuing securities investment trust funds (similar to collective investment scheme) shall obtain approval from or effective registration with the Competent Authority (the FSC). Local CIS follows a Contractual Model.

COLOMBIA

In Colombia different kinds of CIS exist. They all follow a contractual model.

Funds Supervised by the Banking Superintendence:

- Fondos Ordinarios managed by trusts that created in the form of trusts
- Fondos De pensiones Voluntarias managed by trusts and pension fund managers (AFP)

Funds supervised by the securities Superintendence:

- Fondos de valores managed by brokerage firms that follow a contractual model
- Fondos de inversion managed by investment management firms that follow a contractual model

Historically each Superintendence determined the rules that each typo of CIS had to follow. However during the last two years there has been an effort to harmonize regulation and eliminate arbitrage.

COSTA RICA

Investment funds (collective investment scheme) in Costa Rica follow the contractual model. In this case the investors buy unit shares that provide them a return derived from the investment in a portfolio of diversified securities. The funds do not have legal existence by it selves and its owners are the investor. There exist open and closed funds.

Investment funds are managed by management companies. Management companies are corporations or branches of foreign corporations. They must comply with the provisions established in the Ley Reguladora del Mercado de Valores (Law 7732, Regulatory Law for the stock market) and the Código de Comercio de Costa Rica (Code of Commerce of Costa Rica) in order to provide administration services to investment funds. Also, they should comply with the provisions of the Reglamento de Sociedades Administradoras y Fondos de Inversión (Regulation on management companies and investment funds.)

Investment funds should invest complying with: the investment policies established in the prospectus of the investment fund, the rules defined by the Law 7732 and the

regulations issued by the Superintendencia General de Valores (Superintendency of Securities).

The management company has the responsibility of acting on behalf of the unit-holders and their interests. It is their obligation to carry out all acts and operations necessary or convenient to provide proper administration of the investment funds in accordance with criteria of both high diligence and professional competence.

CZECH REPUBLIC

Collective Investment industry is currently governed by the Act No. 189/2004 Coll. on Collective Investment and the Decrees issued by Czech Securities Commission. According to the legislation we recognize corporate form of fund- “investment fund” and non-corporate form “mutual fund”.

EGYPT

CIS should be incorporated as a joint stock company (as stated in article 35 of the Capital Market Law no. 95 for 1992). Banks and Insurance Companies, after being licensed by the Authority, and in agreement with the Central Bank of Egypt and the Egyptian Insurance Supervisory Authority, as the case may be, may carry out the activities of Investment Funds (as stated in Article 41 of the Capital Market Law).

HONDURAS

Currently in Honduras there are no management companies registered, and other funds negotiations. The only types of CIS operating are the pension funds, which are basically of five public companies of the country. There transactions are made directly to the central bank; they don't use any type of intermediaries. Actually our country is almost starting in stock markets, but hopefully it will develop fast.

HUNGARY

Act No. CXX of 2001 on the Capital Market (CMA) regulates the establishment and operational conditions of investment fund management companies and investment funds and furthermore, the tasks of the Hungarian Financial Supervisory Authority (HFSA) connected to their activities. The HFSA is the single supervisory authority for the financial services industry in Hungary.

Investment funds may be open-ended or closed-ended and may be offered publicly or privately. In August of 2005 there are 23 investment fund management companies managing 156 investment funds - the own capital of the funds is close to 1600 billion Hungarian forints - of which almost 90% is public, open-ended investment fund. The Hungarian CIS follow a Contractual Model.

INDIA

Essentially, Indian Mutual Funds comprise of a three- tier structure, viz., a Sponsor, a Trustee and an Asset Management Company. The Trusts get registered as such under the Indian Trusts Act, 1882. The Trustee may be a company also and operating through its Board of Directors. The Asset Management Company shall necessarily be a company registered under the Companies Act, 1956. The Mutual Funds are regulated by the SEBI Act, the SEBI (Mutual Funds) Regulations, 1996 and the administrative guidelines issued from time to time.

A Deed of Trust is entered into by the Sponsor of a Mutual Fund and the Trustees. Like wise an Investment Management Agreement is entered into by the Trustees and the

Asset Management Company that sets the contractual rights and obligations of the parties to the agreement. Thus, a Contractual Model is practiced in India.

INDONESIA

ISRAEL

The ISA supervises just one type of CIS - mutual funds. Other types such as provident funds and pension funds are supervised by the Capital Markets Division in the Ministry of Finance. A mutual fund is not a legal entity but is an account at a member of the stock exchange which is managed by a company whose only occupation is managements of funds (hereafter: "fund manager"). A mutual fund is set up under an agreement between a company approved as fund manager and another company approved as trustee. The trustee acquires the assets of the fund and he is responsible for the supervision of the fund manager which manages the assets of the fund. A mutual fund is an arrangement whose aim is a joint investment in securities and the making of joint profits from the holding of such securities and from any transaction in them. The law dealing with the activities of mutual funds is the Joint Investments Trust Law, 5754-1994, and its regulations, which prescribe how the fund manager and trustee carry out their duties under the law and regulations. Section 78 of the Law states that "the Trustee shall supervise the implementation of this Law, the provisions of the fund agreement and the obligations of the fund manager under the prospectus". Section 97 of the Law states that "in fulfilling their obligations under this Law, the fund manager and the trustee shall be subject to the supervision of the Authority". Investment companies that offer their securities to the public are required to receive a permit from the ISA in order to publish their prospectus, however the ISA does not supervise or regulate these investment companies.

KENYA

The first Collective investment Schemes in Kenya were approved in 2002 shortly after the relevant rules and regulations were put in place (the Capital Markets (Collective InvestmentSchemes) Regulations, 2001).

The CIS legal framework recognizes three key institutions – Fund Mangers and Custodian who are corporate entities and trustees who are governed by a trust deed.

The CIS can take the legal form of a mutaul fund, unit trust or investment company. In the case of an investment company, there will be a board of directors whereas unit trust or mutual fund shall appoint a trustee.

KOREA

Both the Corporate Model and Contractual Model are allowed under the Act on Business of Operating Indirect Investment and Assets (ABOIIA) in the Republic of Korea.

CIS should be Investment Trust (Contractual Model) or Investment Company (Corporate Modal), and is classified into 7 types, depending on the objects of the operation of the indirect investment property.

(1) Investment Trust

Every asset management company shall make the terms and conditions of trust depending on types of indirect investment fund and report them to the Financial Supervisory Service (FSS) prior to public offerings.

However, in the case of the private investment trust, asset management companies must report to the Financial Supervisory Commission regarding the terms and conditions of trust when concluding the contract.

(2) Investment Companies

Every investment company including private investment companies must register with the Financial Supervisory Commission in order to collect funds from investors and operate properties on investment assets.

LITHUANIA

COUNCIL DIRECTIVE of 20 December 1985 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (85/611/EEC) with the latest amendments made by Directives 2001/107/EC and 2001/108/EC of the European Parliament and of the Council of 21 January 2002 was fully transposed into the national legislation when the Law on Collective Investment Undertakings was passed in July 2003. In accordance with the said Law collective investment schemes of two types operate in Lithuania.

Collective Investment Schemes shall mean an investment fund (IF) or an investment company with variable capital (ICVC), investment units or shares of which represent the right of their holders to require at any time their investment units or shares to be redeemed.

Investment fund shall mean assets held by legal and natural persons by the right of joint partial ownership, the management of which is entrusted to a management company. The rules of an IF shall define relations between the management company and the participants of the IF, furthermore, shall be approved by a decision of the management's company's board.

ICVC – shall mean a public limited liability company (a corporate model) the shareholders of which have the right to require at any time to redeem their shares and the amount of capital of which changes depending on the issuance and redemption of shares.

ICVC the company the management of assets whereof may be delegated to a management company. In the event the management of assets is not delegated to a management company the ICVC must set up the Board and the Administration.

Assets management agreements concluded between ICVC and management company and agreements with depositories shall be subject to verification by the general meeting of shareholders of ICVC.

The assets of a CIS must be entrusted to one depository for safe keeping.

MACEDONIA

According to the Chapter “V. FUND MANAGEMENT COMPANY” in the Macedonian Law on Investment Funds (hereinafter: MLIF), a fund management

company is a commercial enterprise in the context of the Law on Commercial Enterprises, incorporated as a joint stock company, with a sole purpose of establishing and managing of funds, or investing money in the name and on behalf of unit certificate owners and stockholders of open-ended fund and closed funds respectively.

One company may manage several funds.

In addition to the provision of the Law on Commercial Enterprises pertaining to Company's Charter, the Charter of a fund management company shall also contain:

- the method of investing personal property,
- establishment and management of funds, or investing money in its own name and on behalf of an open-ended fund or in the name and on behalf of the closed fund
- other issues.

Fund Management Company may commence its activities after it has obtained an Approval from the MSEC. The MSEC shall issue the Approval if the company attaches to the request for Approval proof that the following conditions are satisfied:

1. the amount of paid in base capital at the moment of submission of the request for Approval is not less than a denar counter value of approx. 250.000 Euro if the company intends to manage one fund only. If the company is incorporated for management of several funds, the base capital shall be enlarged for the amount of a denar counter value of approx. 125.000 Euro for each following fund;

2. company can observe the personnel, technical and organisational standards narrowly defined by the MSEC;

3. members of the management body in the company shall have the approval of the MSEC to manage and govern the company. Persons:

- sentenced for a criminal offence – initiation of false bankruptcy, acting against the obligation to maintain the business books, causing damage to creditors, awarding privileges to creditors, malpractice during mandatory settlement and bankruptcy procedures, unauthorised disclosure or acquisition of business secrets or fraud, for a period of five years after the verdict has become final, exclusive of the time served for the punishment, or

- who has been banned from practising a profession which is entirely or in part in the domain of the principal activity of the company, for the duration of the ban

can not be members of the company's management, persons involved in the management of the fund or persons employed by the funds;

4. the company's Charter;

5. designation of an authorised auditor;

6. to have paid the prescribed fee for obtaining an Approval from the MSEC.

The Fund Management Company shall commence operation within 6 months after receipt of the Approval for Commencement.

This company shall manage the fund's assets with due care, independently of the depository bank, and exclusively in the interest of the fund unit owners or stockholders pursuant to the fund's Charter and the provisions of the MLIF.

The founders of the company, the members of managing board and supervisory board, and all persons employed in it or carrying out some permanent or temporary activities under a separate contract, shall maintain the confidentiality about the activities of the company pursuant to the Law and the company's Charter.

The data about the owners of unit certificates and stocks, about the payments and disbursements, are business secret and may only be announced with a court order.

According to the same law, an open-ended fund is pooling of cash assets set up by a fund management company for investment purposes. The owners of a unit certificates have the right of the fund's income in proportion to their share in the fund's assets and the right to request redemption of unit certificates. Open-ended funds do not have a status of a legal entity.

Fund management company establishes open-ended funds by adopting a Charter and preparing public announcement and a Prospectus of the fund and by drawing a contract with a depository bank in accordance with the provisions of the law.

Unit certificate owners become owners of portions of the fund's assets in proportion to the percentage of the purchased number of unit certificates.

Unit certificates confer the following rights:

1. pro rata share of the fund's net gains,
2. redemption of unit certificates by the company, on owner's request;
3. the right to a proportional share of the remainder of the bankruptcy estate.

Unit certificates are non-transferable except in events defined by the law.

Fund management companies may cancel the management of a fund with a notice period of 6 months.

If a fund management company terminates its activities, the depository bank may on behalf of the owners of unit certificates cancel the contractual relationship with the company.

With an approval from the MSEC, the depository bank may also cancel the agreement if the fund management company is unable to fulfil its obligations, and in particular:

1. if 3 months after the announcement of the first public call for purchase of unit certificates of the open-ended fund the total amount of money raised and paid in stands below approx. 1.000.000 Euroes in denar counter value;
2. if the asset value of an open-ended fund has remained below approx. 1.000.000 Euroes in denar counter value for periods with aggregate duration of 6 months.

On the other hand, a closed fund is a joint-stock company incorporated with a sole purpose of pooling money by way of public offer of its own shares and investing this money in securities. The provisions of the Commercial Enterprise Law are applied to a closed-end fund unless otherwise provided for in the Law.

Closed funds are incorporated and managed by fund management companies by adopting a Charter, preparing a Prospectus of the fund and enter into an agreement with a depository bank pursuant to the provisions of the Law.

The minimum nominal amount of the base capital of a closed-end fund is approx. 1.000.000 Euros in denar counter value.

The closed-end fund can increase the amount of the base capital equity by new issue of shares, after obtaining an Approval from the MSEC.

Shares of closed end funds are ordinary and transferable with no restrictions. Closed funds may not issue either preferred shares or shares conferring different rights.

Closed funds may not acquire their own shares.

Fund management companies manages closed funds in the name and on behalf of the fund pursuant to the provisions of the Law and the Charter of the fund.

Closed-end Fund has its Supervisory Board and Assembly. Supervisory board of a closed-end fund shall have a minimum of three (3) members. Supervisory board members shall be elected by the company's stockholders assembly on the basis of their renowned expertise and may not be members: of the management boards; members of the supervisory boards in the fund management company; members in the depository bank, or in employment with them; members of more than two supervisory boards.

Fund management company may withdraw from the management of the fund with a 6 month notice. The assembly of the closed fund may also withdraw from the management of the fund with the same notice.

MALAYSIA

The collective investment scheme is a pooled investment scheme constituted as a trust between the management company and the trustee, with the latter acting in a fiduciary capacity on behalf of the unitholders.

MALTA

All locally based collective investment schemes have been established as investment companies.

MAURITIUS

The Code of Corporate Governance is applicable to Collective Investment Schemes. Mixed model.

MONTENEGRO

Fund's shareholders appoint Management Company at annual meeting. Funds are closed-ended and are freely traded at the stock market. Fund and management companies are two separate legal bodies.

MOROCCO

L'épargne collective au Maroc est gérée essentiellement à travers les OPCVM.

De droit exclusivement marocain, les OPCVM se soumettent à des schémas de gouvernance déterminés selon qu'il s'agisse de SICAV (société d'investissement à capital variable) ou FCP (Fonds commun de placement).

Les SICAV se conforment aux dispositions énoncées par la loi N° 17-95 relative aux sociétés anonymes et celle relative aux OPCVM en valeurs mobilières (loi N° 1-93-213).

Les OPCVM sont de modèle de gestion déléguée prédominant sur le marché financier marocain. Ainsi, deux schémas de gouvernance se dessinent pour la SICAV, soit une gestion à travers un conseil d'administration, soit un conseil de surveillance.

Quand au FCP, il suit un modèle contractuel défini entre les associés fondateurs dans le respect des dispositions de la loi N° 1-93-213 relative aux OPCVM en valeurs mobilières.

Les OPCVM suivent le « Corporate Model » car il s'agit d'identités juridiques indépendantes.

En marge des OPCVM, il existe une gestion contractuelle de gré à gré entre l'investisseur et le gestionnaire. Ce type de gestion est qualifié de gestion déléguée pour compte de tiers.

NIGERIA

OMAN

Collective Investment schemes are regulated by Capital Market Authority Executive Regulations of The Capital Market Law for Investment Funds. Local CIS follows a corporate model

PAKISTAN

CIS are regulated under the Companies Ordinance, 1984, Securities and Exchange Ordinance, 1997, and Non Banking Finance Companies (Establishment and Regulation) Rules, 2003. Our jurisdiction has provided for both corporate as well as trust structure for CIS. Open –end CIS issue redeemable instruments and closed-ended CIS offer shares/ certificates which are traded at stock exchanges. The shares/ units of both the categories are operated by management companies called investment advisors or management companies. The management companies are also regulated under the aforesaid rules.

PANAMA

Local CIS follow a Corporate Model

POLAND

In Poland investment fund is a legal person whose sole area of activity is the collective investment of capital raised from the public. Investment funds are created by investment fund management companies which shall manage them and represent them in relations with third parties. Only a joint stock company of an initial capital amounted to at least 125 000 euro may be an investment fund management company.

ROMANIA

The operation and functioning of the CIS are established by the Capital Market Law no. 297/2004 and by Regulation no.15/2004 on the authorization and functioning of asset management companies, collective investment undertakings and depositories.

Within the Romanian jurisdiction are operating: UCITS and collective investment undertakings, other than UCITS.

The first category includes the open-end investments funds and the investment companies which perform collective investment by investing cash resources in liquid financial instruments and whose units are repurchased or redeemed at request.

The category of collective investment schemes other than UCITS includes closed-end investments funds, closed-end investment companies and financial investment companies.

According with the provisions set out by the Capital Market Law the collective investment schemes are constituted either under civil contract or under instruments of incorporation, so it is followed a Contractual Model.

(The Capital Market Law, Art. 76 (2) and 114)

SLOVAK REPUBLIC

Local CIS follow a Contractual Model. This model is constituted under the Act of collective investment (hereby after “CIS Act”). The management company is a joint-stock company, the subject of activities is establishment and management of mutual funds on permission to establish and run a management company issued by Financial Market Authority. The mutual fund is a joint asset of unit holders collected by a management company through the issue of unit certificates and investing these assets. Unit certificates represent the property rights of unit certificate holders. The mutual fund is the undertaking of collective investment and is not a legal entity.

SLOVENIA

Investment funds in the Republic of Slovenia can be constituted as close-ended investment companies or established as open-ended mutual funds. All mutual funds established in Slovenia should follow the standard set by the UCITS Directive. Investment fund can be established only by the management company, which also manages fund's assets and performs other services for the investment fund. All funds in Slovenia have depositary according to UCITS Directive.

SOUTH AFRICA

CIS's may be structured as a trust or open-ended investment company. Depending on the scheme structure, an independent trustee or custodian must be appointed to represent the interests of investors.

THAILAND

Mutual funds in Thailand are of contractual model managed by asset management companies (AMC). Before undertaking the business, the AMC is required to obtain a license for mutual fund management. Any AMC, wishing to set up a mutual fund, must submit the mutual fund scheme for SEC approval. In each mutual fund project, the AMC must specify, among other things, the size of the fund, the par value of an investment unit, the number of investment unit available for sale, and the investment policy. After getting approval, the AMC can offer investment units to investors at the price specified in the prospectus. Each investment unit has an equal right to the assets of the fund. The money received from sale shall constitute a pool of assets, which is required to register with the SEC as a mutual fund, a juristic entity legally separated from the AMC.

The assets of the fund must be kept separate and in custody of a mutual fund supervisor(performing the role equivalent to that of a trustee). The AMC must manage fund assets according to the details of the mutual fund project so approved and under supervision of the mutual fund supervisor.

TUNISIA

For the time being, we haven't a collective investment scheme governance. However, collective investment schemes shall draw up an annual report once a year. CIS follow a corporate model. Invest trust follow a contractual model.

TURKEY

The Capital Markets Law (the Law) provides a general framework for CIS. The detailed regulations are made through several communiqués. Mutual funds, pension funds and

investment companies (securities / real estate / venture capital) are the forms of CIS that are regulated and supervised by the Capital Markets Board (the Board).

Mutual funds and pension funds follow contractual model while investment companies are following a corporate model.

Mutual funds and pension funds are established in the form of investment funds. On the other hand, investment companies (investment trusts, real estate investment trusts, and venture capital investment trusts) are established as joint stock corporations with registered capital system, The term investment company refers to public company shares of which are traded in the secondary markets while investment fund refer to CIS whose participation certificates redeemed by the founder and/or authorized intermediary institutions. Investment funds do not have any legal entity. They are operated in terms of the rules stated in the internal statute of the fund, which includes general terms about management of the fund, custody of the assets, valuation principles and conditions of investing in the fund. The founder of the mutual fund or pension fund is responsible for the management, representation and custody of the mutual fund which is not a legal entity itself. According to Article 38 of the Law mainly banks, insurance companies and intermediary institutions may be founders of the mutual funds.

On the other hand for investment trusts, real estate investment trusts, and venture capital investment trusts, the board of directors is responsible for the management of the company according to the interests of the shareholders.

As an example the chart below summarizes the framework for mutual funds.

UGANDA

The Law in Uganda provides for the Trust and Corporate models

VENEZUELA

The collective investment in Venezuela follows the model governance according to the provisions of the Collective investment law. The management company is responsible for

The actions of the funds, even under the best of market conditions, it takes an astute, experienced investor to choose investments correctly, and a further commitment of time to continually monitor those investments. With mutual funds, experienced professionals manage a portfolio of securities for full time, as well as strict government regulation and full disclosure.

VIETNAM

Our local CIS follows a Contractual Model (with fund's Board of Director like Corporate Model).

II.1 Data regarding investment schemes – Please fill in data in the following tables – Whenever possible, please provide data for December/1999, December/2001 and December/2003 and please state all values reported in local currency at fixed prices (reference = 2003).

		Number of funds in operation			Number of shareholders or accounts			Observations
		1999	2001	2003	1999	2001	2003	
ALGERIA	FUNDS	Bond						
		Equity						
		Other						
		Total						
	FUND OF FUNDS	Bond						
		Equity						
		Other						
	Total							
FOREIGN	Foreign							
BAHRAIN	FUNDS	Bond						
		Equity						
		Other						
		Total	637	673	721			
	FUND OF FUNDS	Bond						
		Equity						
		Other						
	Total							
FOREIGN	Foreign							
BAHRAIN	FUNDS	Bond			1			
		Equity		13	24			
		Other		15	17			
		Total		28	42			
	FUND OF FUNDS	Bond						
		Equity						
		Other						
	Total							
FOREIGN	Foreign		120	1.348				

		Number of funds in operation			Number of shareholders or accounts			Observations
		1999	2001	2003	1999	2001	2003	
BARBADOS	FUNDS	Bond						
		Equity						
		Other	2		10			14.532
		Total	2		10			14.532
	FUND OF FUNDS	Bond						
		Equity						
	Other			1			1.163	
	Total			1			1.163	
FOREIGN	Foreign			1				
BRAZIL	FUNDS	Bond	1.578	2.222	2.660	1.560.052	1.103.335	1.055.389
		Equity	548	583	568	3.670.393	3.709.288	3.247.386
		Other						
		Total	2.126	2.805	3.228	5.230.445	4.812.623	4.302.775
	FUND OF FUNDS	Bond	1.405	2.008	1.998	5.192.593	4.785.004	5.123.997
		Equity	56	121	89	9.764	582.869	1.398.554
		Other						
		Total	1.461	2.129	2.087	5.202.357	5.367.873	6.522.551
	FOREIGN	Foreign				355	332	308
	BULGARIA	FUNDS	Bond					
		Equity	3	3	5			
		Other						
		Total	3	3	5			
FUND OF FUNDS		Bond						
		Equity						
	Other							
	Total							
FOREIGN	Foreign							

		Number of funds in operation			Number of shareholders or accounts			Observations
		1999	2001	2003	1999	2001	2003	
CHINA	FUNDS	Bond			15			
		Equity	20	51	94			
		Other			1			
		Total	20	51	110			
	FUND OF FUNDS	Bond						
		Equity						
Other								
Total								
FOREIGN	Foreign							
CHINESE TAIPEI	FUNDS	Bond	52	77	105	56.978	108.336	159.421
		Equity	178	221	244	1.254.338	1.741.192	1.546.377
		Other	6	28	68	47.289	97.802	130.289
		Total	236	326	417	1.358.605	1.947.330	1.836.087
	FUND OF FUNDS	Bond						
		Equity						
		Other			6			10.450
		Total			6			10.450
	FOREIGN	Foreign	396	564	797			
	COLOMBIA	FUNDS	Bond	43	48	48		53.810
Equity			1	1	1		1	1
Other			8	8	12		29.242	26.830
Total			52	57	61		83.053	96.814
FUND OF FUNDS		Bond						
		Equity						
		Other						
		Total						
FOREIGN		Foreign		2	2		206	705

		Number of funds in operation			Number of shareholders or accounts			Observations	
		1999	2001	2003	1999	2001	2003		
COSTA RICA	FUNDS	Bond	82	121	131	14.681	36.548	64.930	
		Equity	2	3	3	222	324	198	
		Other	2	8	10	121	1.033	2.199	
		Total	86	132	144	15.024	37.905	67.327	
	FUND OF FUNDS	Bond							
		Equity							
		Other							
Total									
FOREIGN	Foreign			1					
CZECH REPUBLIC	FUNDS	Bond						The data from 1999, 2001 and 2003 are available to limited extent only. See also notes to each table. The data of 1999 and 2001 are re-counted in local currency at fixed prices with reference year 2003. The same was applied for the GDP. The CSC used the GDP deflators 2000-2003 published by Czech Statistical Office.	
		Equity							
		Other							
		Total	74	88	66	1.185.623	1.445.850		
	FUND OF FUNDS	Bond							
		Equity							
		Other							
Total									
FOREIGN	Foreign		209	723					
EGYPT	FUNDS	Bond							
		Equity							
		Other							
		Total	26	26	26				
	FUND OF FUNDS	Bond							
		Equity							
		Other							
Total									
FOREIGN	Foreign								

		Number of funds in operation			Number of shareholders or accounts			Observations
		1999	2001	2003	1999	2001	2003	
HONDURAS	FUNDS	Bond						
		Equity						
		Other						
		Total						
	FUND OF FUNDS	Total						
HUNGARY	FUNDS	Bond	43	43	48			
		Equity	23	31	40			
		Other	25	21	25			
		Total	91	95	113			
	FUND OF FUNDS	Total						
INDIA	FUNDS	Bond	127	203	193			
		Equity	164	178	166			
		Other	21	36	40			
		Total	312	417	399	30.800.000	15.900.000	
	FUND OF FUNDS	Total						
FOREIGN	Foreign	6	8	37				

		Number of funds in operation			Number of shareholders or accounts			Observations
		1999	2001	2003	1999	2001	2003	
INDONESIA	FUNDS	Bond	54	75	136	8.568	30.350	144.945
		Equity	22	23	20	4.791	7.990	6.050
		Other	5	10	30	10.768	13.383	20.202
		Total	81	108	186	24.127	51.723	171.712
	FUND OF FUNDS	Bond						
		Equity						
		Other						
		Total						
	FOREIGN	Foreign						
	ISRAEL	FUNDS	Bond	149	186	256		
Equity			198	271	270			
Other			44	69	122			
Total			391	526	648			
FUND OF FUNDS		Bond						
		Equity						
		Other						
		Total						
FOREIGN		Foreign						
KENYA		FUNDS	Bond			3		196
	Equity				2		533	
	Other							
	Total				5		729	
	FUND OF FUNDS	Bond						
		Equity						
		Other						
		Total						
	FOREIGN	Foreign						

		Number of funds in operation			Number of shareholders or accounts			Observations
		1999	2001	2003	1999	2001	2003	
KOREA	FUNDS	Bond	7.995	2.989	4.355	6.938.883	2.751.286	2.778.363
		Equity	175	411	706	1.837.244	92.228	192.459
		Other	5.346	3.275	4.046		722.830	670.107
		Total	13.516	6.675	9.107	8.776.127	3.566.344	3.640.929
	FUND OF FUNDS	Bond						
	Equity							
	Other							
	Total							
FOREIGN	Foreign							
LITHUANIA	FUNDS	Bond			1			28
		Equity		1	1		15	171
		Other						Data represent only Lithuanian shareholders
		Total		1	2		15	199
	FUND OF FUNDS	Bond						
	Equity							
	Other							
	Total							
FOREIGN	Foreign			10			798	
MACEDONIA	FUNDS	Bond						although the legislation exists, still there is not any investment funds established in the Republic of Macedonia
		Equity						
		Other						
		Total						
	FUND OF FUNDS	Bond						
	Equity							
	Other							
	Total							
FOREIGN	Foreign							

		Number of funds in operation			Number of shareholders or accounts			Observations
		1999	2001	2003	1999	2001	2003	
MALAYSIA	FUNDS	Bond	6	13	31	17.729	32.976	168.167
		Equity	78	106	130	8.702.383	9.713.410	9.875.216
		Other	17	29	53	189.970	243.602	254.945
		Total	101	148	214	8.910.082	9.989.988	10.298.328
	FUND OF FUNDS	Bond						
		Equity						
Other								
Total								
FOREIGN	Foreign							
MALTA	FUNDS	Bond	6	8	15			
		Equity	9	16	15			
		Other	4	18	9			
		Total	19	42	39			
	FUND OF FUNDS	Bond	4	7	4			
		Equity	2	4	5			
Other								
Total		6	11	9				
FOREIGN	Foreign	107	279	314				
MAURITIUS	FUNDS	Bond						Exchange Rates Used: 1999: 1 USD = Rs 25.34 2001: 1 USD = Rs 29.25 2003: 1 USD = Rs 25.89
		Equity	1	1	2			
		Other	13	18	21			
		Total	14	19	23			
	FUND OF FUNDS	Bond						
		Equity						
Other								
Total								
FOREIGN	Foreign	164	245	280				

		Number of funds in operation			Number of shareholders or accounts			Observations
		1999	2001	2003	1999	2001	2003	
MONTENEGRO	FUNDS	Bond						
		Equity			6			250.000
		Other						
		Total			6			250.000
	FUND OF FUNDS	Bond						
		Equity						
	Other							
	Total							
FOREIGN	Foreign							
MOROCCO	FUNDS	Bond	60	78	90	7.301	6.379	6.687
		Equity	26	42	44	15.503	14.012	12.685
		Other	25	34	35	6.109	3.650	2.696
		Total	111	154	169	28.913	24.041	22.068
	FUND OF FUNDS	Bond						
		Equity						
	Other							
	Total							
FOREIGN	Foreign							
NIGERIA	FUNDS	Bond						
		Equity						
		Other	15	15	18			56.682
		Total	15	15	18			56.682
	FUND OF FUNDS	Bond						
		Equity						
	Other							
	Total							
FOREIGN	Foreign	1	1	1	37	37	40	

		Number of funds in operation			Number of shareholders or accounts			Observations
		1999	2001	2003	1999	2001	2003	
OMAN		Bond						
	FUNDS	Equity	1	1	1	4.500.000	4.500.000	4.500.000
		Other	3	3	4	40.972.987	35.832.987	37.298.620
		Total	4	4	5	45.472.987	40.332.987	41.798.620
	FUND OF FUNDS	Bond						
		Equity						
		Other						
	Total							
FOREIGN	Foreign							
PAKISTAN		Bond	1	1	6	100	405	7.205
	FUNDS	Equity	19	19	21	66.898	59.701	46.475
		Other	21	20	18	126.369	117.373	98.110
		Total	41	40	45			
	FUND OF FUNDS	Bond						
		Equity						
		Other						
	Total							
FOREIGN	Foreign							
PANAMA		Bond	2	5	6			
	FUNDS	Equity	6	6	6			
		Other						
		Total	8	11	12			
	FUND OF FUNDS	Bond						
		Equity		1	1			
		Other						
	Total		1	1				
FOREIGN	Foreign	1	1	1				

		Number of funds in operation			Number of shareholders or accounts			Observations
		1999	2001	2003	1999	2001	2003	
PERU	FUNDS	Bond	16	21	22	12.096	31.152	22
		Equity						
		Other	9	8	7	1.014	714	7
		Total	25	29	29	13.110	31.866	29
	FUND OF FUNDS	Bond						
	Equity							
	Other							
	Total							
	FOREIGN	Foreign						
POLAND	FUNDS	Bond						Please be informed that we have only aggregated data concerning investment funds. At the same time, please be informed that there were no funds of funds in Poland till 2004 (Act of investment funds of 27 May 2004 allowed for creation of such funds).
		Equity						
		Other						
		Total	66	108	137			
	FUND OF FUNDS	Bond						
	Equity							
	Other							
	Total							
	FOREIGN	Foreign						
ROMANIA	FUNDS	Bond						
		Equity	5	5	5			
		Other	21	27	22	49.296	63.407	
		Total	26	32	27			
	FUND OF FUNDS	Bond						
	Equity							
	Other							
	Total							
	FOREIGN	Foreign						

		Number of funds in operation			Number of shareholders or accounts			Observations
		1999	2001	2003	1999	2001	2003	
SLOVAKIA	FUNDS	Bond	8	17	19	2.061	15.129	181.008
		Equity	2	9	7	1.157	5.286	27.059
		Other	47	63	67	56.546	110.211	128.237
		Total	57	89	93	59.764	130.626	336.304
	FUND OF FUNDS	Bond						
		Equity						
Other								
Total								
FOREIGN	Foreign		73	234				
SLOVENIA	FUNDS	Bond	2	3	3	390	727	422
		Equity	5	5	6	2.373	34.854	18.214
		Other	10	11	11	6.050	8.702	40.048
		Total	17	19	20	8.813	44.283	58.684
	FUND OF FUNDS	Bond						
		Equity						
Other								
Total								
FOREIGN	Foreign							
SOUTH AFRICA	FUNDS	Bond	32	83	94	253.203	360.954	545.142
		Equity	131	160	151	1.820.503	1.595.925	1.189.693
		Other	50	93	123	96.003	78.560	88.201
		Total	230	336	368	2.169.706	2.035.439	1.823.036
	FUND OF FUNDS	Bond						
		Equity						
Other								
Total		24	108	129	48.363	126.576	121.821	
FOREIGN	Foreign	30	90	98	220.455	303.833	242.807	

		Number of funds in operation			Number of shareholders or accounts			Observations
		1999	2001	2003	1999	2001	2003	
THAILAND	FUNDS	Bond	46	79	90		87.492	
		Equity	106	105	111		472.133	
		Other	17	52	123		161.377	
		Total	169	236	324		721.002	
	FUND OF FUNDS	Bond						
		Equity						
Other								
Total		1	1	5			687	
FOREIGN	Foreign							
TUNISIA	FUNDS	Bond	9	16	17	14.367	22.222	
		Equity						
		Other	14	18	18	4.154	2.488	
		Total	23	34	35	18.521	24.710	
	FUND OF FUNDS	Bond						
		Equity						
Other								
Total								
FOREIGN	Foreign							
TURKEY	FUNDS	Bond	45	61	75	311.414	789.725	1.961.374
		Equity	28	55	45	11.610	33.837	37.322
		Other	150	169	139	148.194	174.197	206.228
		Total	223	285	259	471.218	997.759	2.204.924
	FUND OF FUNDS	Bond						
		Equity						
Other								
Total								
FOREIGN	Foreign	13	21	47				

		Number of funds in operation			Number of shareholders or accounts			Observations
		1999	2001	2003	1999	2001	2003	
UGANDA	FUNDS	Bond						The first CIS Manager in Uganda began operating in October 2004.
		Equity						
		Other						
		Total						
	FUND OF FUNDS	Bond						
	Equity							
	Other							
	Total							
	FOREIGN	Foreign						
VENEZUELA	FUNDS	Bond	19	14	14	22.481	21.808	4.049
		Equity	12	9	9	9.118	6.454	39.080
		Other	25	35	29	41.186	52.521	30.254
		Total	56	58	52	72.785	80.783	73.383
	FUND OF FUNDS	Bond						
	Equity							
	Other							
	Total							
	FOREIGN	Foreign						
VIETNAM	FUNDS	Bond						In 2004, we licensed first Fund (Closed-end Fund) in Vietnam (USD 20 millions) and about more than 1000 investors. There are many foreign funds allowed to invest in Vietnam (not raise funds).
		Equity						
		Other						
		Total						
	FUND OF FUNDS	Bond						
	Equity							
	Other							
	Total							
	FOREIGN	Foreign						

II.1 Data regarding investment schemes – Please fill in data in the following tables – Whenever possible, please provide data for December/1999, December/2001 and December/2003 and please state all values reported in local currency at fixed prices (reference = 2003).

		Net Assets in Local Currency (In millions of \$)			Net Assets (in millions of USD)			Net Assets (percent of GDP)		
		1999	2001	2003	1999	2001	2003	1999	2001	2003
ALGERIA	FUNDS	Bond								
		Equity								
		Other								
		Total								
	FUND OF FUNDS	Bond								
	Equity									
	Other									
	Total									
FOREIGN	Foreign									
BAHAMAS	FUNDS	Bond								
		Equity								
		Other								
		Total	94,50	89,43	107,39	94,50	89,43	107,39		
	FUND OF FUNDS	Bond								
	Equity									
	Other									
	Total									
FOREIGN	Foreign									
BAHRAIN	FUNDS	Bond		8,00			20,00			0,21%
		Equity		10,00	41,00		26,00	108,00	0,33%	1,13%
		Other		49,00	223,00		129,00	591,00	1,63%	6,17%
		Total		59,00	271,00		155,00	720,00	1,96%	7,51%
	FUND OF FUNDS	Bond								
	Equity									
	Other									
	Total									
FOREIGN	Foreign		1.067,00	1.596,00		2.830,00	4.233,00		35,79%	44,18%

		Net Assets in Local Currency (In millions of \$)			Net Assets (in millions of USD)			Net Assets (percent of GDP)			
		1999	2001	2003	1999	2001	2003	1999	2001	2003	
BARBADOS	FUNDS	Bond									
		Equity									
		Other			278,94			139,47			
		Total			278,94			139,47			
	FUND OF FUNDS	Bond									
	Equity										
	Other			19,40			9,70				
	Total			19,40			9,70				
FOREIGN	Foreign			16,70			8,35				
BRAZIL	FUNDS	Bond	324.143,95	430.453,25	467.444,93	110.480,00	137.617,00	161.802,00	22,60%	28,30%	30,00%
		Equity	34.028,54	33.446,44	41.615,85	11.598,00	10.693,00	14.405,00	2,40%	2,20%	2,70%
		Other									
		Total	358.172,49	463.899,69	509.060,78	122.078,00	148.310,00	176.207,00	24,90%	30,60%	32,70%
	FUND OF FUNDS	Bond	194.445,94	268.584,35	258.696,49	66.274,00	85.867,00	89.545,00	13,50%	17,70%	16,60%
		Equity	715,88	1.390,53	2.226,95	244,00	445,00	771,00	0,05%	0,10%	0,10%
		Other									
	Total	195.161,82	269.974,87	260.923,44	66.518,00	86.312,00	90.316,00	13,60%	17,80%	16,80%	
FOREIGN	Foreign	68.183,07	49.046,01	58.122,69	23.239,00	15.680,00	20.117,00	4,70%	3,20%	3,70%	
BULGARIA	FUNDS	Bond									
		Equity	13.898,00	10.887,00	18.729,00	8.975,00	7.030,00	12.084,00	0.06%	0.04%	0.08%
		Other									
		Total									
	FUND OF FUNDS	Bond									
		Equity									
		Other									
	Total										
FOREIGN	Foreign										

		Net Assets in Local Currency (In millions of \$)			Net Assets (in millions of USD)			Net Assets (percent of GDP)			
		1999	2001	2003	1999	2001	2003	1999	2001	2003	
CHINA	FUNDS	Bond		20.241,03			2.447,52			0,17%	
		Equity	51.425,65	81.800,67	147.118,15	6.218,34	9.891,25	17.789,38	0,63%	0,85%	1,26%
		Other			4.371,14			528,55			0,04%
		Total	51.425,65	81.800,67	171.730,33	6.218,34	9.891,25	20.765,45	0,63%	0,85%	1,47%
	FUND OF FUNDS	Bond									
		Equity									
	Other										
	Total										
FOREIGN	Foreign										
CHINESE TAIPEI	FUNDS	Bond	633.611,85	1.426.036,59	2.145.582,62	19.200,00	43.213,00	65.018,00	6,82%	15,00%	21,77%
		Equity	400.499,62	321.257,80	342.438,36	12.136,00	9.735,00	10.377,00	4,31%	3,38%	3,47%
		Other	24.933,15	30.316,13	178.826,59	756,00	919,00	5.419,00	0,27%	0,32%	1,81%
		Total	1.059.044,64	1.777.609,53	2.666.847,58	32.092,00	53.867,00	80.000,00	11,40%	18,70%	27,06%
	FUND OF FUNDS	Bond									
		Equity									
	Other			11.975,50			363,00			0,12%	
	Total						363,00			0,12%	
FOREIGN	Foreign										
COLOMBIA	FUNDS	Bond	562.961,39	1.402.884,73	1.313.020,66	202,63	504,96	472,61	2,80%	0,70%	0,60%
		Equity	80.870,37	10.149,94	8.779,85	29,11	3,65	3,16	0,40%		
		Other	311.813,80	214.080,55	196.293,87	112,24	77,06	70,65	1,50%	0,10%	0,10%
		Total	955.645,56	1.627.115,22	1.518.094,38	343,98	585,67	546,43	4,70%	0,80%	0,70%
	FUND OF FUNDS	Bond									
		Equity									
	Other										
	Total										
FOREIGN	Foreign		4.715,33	13.159,99		1,70	4,74				

		Net Assets in Local Currency (In millions of \$)			Net Assets (in millions of USD)			Net Assets (percent of GDP)			
		1999	2001	2003	1999	2001	2003	1999	2001	2003	
COSTA RICA	FUNDS	Bond	81.777,00	424.605,00	1.105.298,00	405,00	1.499,00	2.644,00	2,56%	9,14%	15,12%
		Equity	3.301,00	2.529,00	1.672,00	7,00	9,00	4,00	0,04%	0,05%	0,02%
		Other	9.297,00	31.362,00	98.658,00	22,00	111,00	236,00	0,14%	0,68%	1,35%
		Total	94.375,00	458.496,00	1.205.628,00	434,00	1.619,00	2.884,00	2,74%	9,87%	16,49%
	FUND OF FUNDS	Bond									
		Equity									
	Other										
	Total										
FOREIGN	Foreign										
CZECH REPUBLIC	FUNDS	Bond	34.120,00	35.009,00	76.088,00	1.330,00	1.365,00	2.966,00	1,50%	1,40%	3,00%
		Equity	309,00	2.419,00	3.130,00	12,00	94,00	122,00			0,10%
		Other	25.999,00	32.193,00	27.471,00	1.013,00	1.255,00	1.071,00	1,10%	1,30%	1,10%
		Total	60.539,00	69.620,00	106.689,00	2.360,00	2.714,00	4.159,00	2,70%	2,90%	4,20%
	FUND OF FUNDS	Bond									
		Equity									
	Other										
	Total										
FOREIGN	Foreign			50.304,00			1.961,00			2,00%	
EGYPT	FUNDS	Bond									
		Equity									
		Other									
		Total	2.121,40	1.505,90	1.941,00	606,00	386,00	323,50			
	FUND OF FUNDS	Bond									
		Equity									
	Other										
	Total										
FOREIGN	Foreign										

		Net Assets in Local Currency (In millions of \$)			Net Assets (in millions of USD)			Net Assets (percent of GDP)			
		1999	2001	2003	1999	2001	2003	1999	2001	2003	
HONDURAS	FUNDS	Bond									
		Equity									
		Other									
		Total									
	FUND OF FUNDS	Bond									
	Equity										
	Other										
	Total										
FOREIGN	Foreign										
HUNGARY	FUNDS	Bond	388.000,00	629.000,00	727.000,00	1.635,00	2.195,00	3.239,00	3,41%	4,24%	3,95%
		Equity	36.000,00	48.000,00	95.000,00	152,00	168,00	423,00	0,32%	0,32%	0,52%
		Other	23.000,00	21.000,00	85.000,00	97,00	73,00	379,00	0,20%	0,14%	0,46%
		Total	447.000,00	698.000,00	907.000,00	1.884,00	2.436,00	4.041,00	3,92%	4,70%	4,93%
	FUND OF FUNDS	Bond									
	Equity										
	Other										
	Total										
FOREIGN	Foreign	9.300,00	14.900,00	71.000,00	39,00	43,00	316,00	0,08%	0,08%	0,39%	
INDIA	FUNDS	Bond	43.050,00	702.067,60	1.098.787,60	943,87	15.392,84	24.090,93	0,22%	3,09%	3,98%
		Equity	9.190,00	136.187,00	248.311,70	201,49	2.985,90	5.444,24	0,05%	0,60%	0,90%
		Other	3.590,00	179.963,40	53.846,10	78,71	3.945,70	1.180,58	0,02%	0,79%	0,20%
		Total	55.830,00	1.018.218,00	1.400.945,40	1.224,07	22.324,44	30.715,75	0,29%	4,48%	5,08%
	FUND OF FUNDS	Bond									
	Equity										
	Other										
	Total										
FOREIGN	Foreign										

		Net Assets in Local Currency (In millions of \$)			Net Assets (in millions of USD)			Net Assets (percent of GDP)			
		1999	2001	2003	1999	2001	2003	1999	2001	2003	
INDONESIA	FUNDS	Bond	3.318.900,00	6.877.600,00	65.341.090,00	467,48	661,30	7.577,57	0,30%	0,47%	3,66%
		Equity	926.500,00	490.900,00	502.270,00	130,49	47,20	47,52	0,08%	0,03%	0,02%
		Other	728.700,00	635.260,00	3.734.370,00	102,63	61,08	441,15	0,07%	0,04%	0,21%
		Total	4.974.100,00	8.003.760,00	69.477.720,00	700,58	769,59	8.207,65	0,45%	0,54%	3,89%
	FUND OF FUNDS	Bond									
		Equity									
	Other										
	Total										
FOREIGN	Foreign										
ISRAEL	FUNDS	Bond	20.756,00	45.772,00	57.036,00	4.717,00	10.403,00	12.963,00	4,80%	9,60%	11,40%
		Equity	10.908,00	8.378,00	10.460,00	2.479,00	1.904,00	2.377,00	2,50%	1,80%	2,10%
		Other	4.267,00	8.982,00	15.160,00	970,00	2.041,00	3.446,00	1,00%	1,90%	3,00%
		Total	35.931,00	63.132,00	82.656,00	8.166,00	14.348,00	18.786,00	8,40%	13,20%	16,50%
	FUND OF FUNDS	Bond									
		Equity									
	Other										
	Total										
FOREIGN	Foreign										
KENYA	FUNDS	Bond			371,44		4,89			0,03%	
		Equity			571,54		7,53			0,05%	
		Other									
		Total			942,98		12,42			0,08%	
	FUND OF FUNDS	Bond									
		Equity									
	Other										
	Total										
FOREIGN	Foreign										

		Net Assets in Local Currency (In millions of \$)			Net Assets (in millions of USD)			Net Assets (percent of GDP)			
		1999	2001	2003	1999	2001	2003	1999	2001	2003	
KOREA	FUNDS	Bond	140.680.000,00	99.770.000,00	95.440.000,00	118.020,00	83.700,00	80.067,00	26,90%	16,10%	13,20%
		Equity	7.300.000,00	8.350.000,00	10.290.000,00	6.124,00	7.005,00	8.632,00	1,40%	1,30%	1,40%
		Other	62.620.000,00	49.370.000,00	40.370.000,00	52.534,00	41.418,00	33.867,00	11,90%	8,00%	5,60%
		Total	210.600.000,00	157.500.000,00	146.100.000,00	176.678,00	132.131,00	122.567,00	40,20%	25,40%	20,10%
	FUND OF FUNDS	Bond									
		Equity									
	Other										
	Total										
FOREIGN	Foreign										
LITHUANIA	FUNDS	Bond			12,07			4,37			0,02%
		Equity		1,30	11,17		0,30	4,04			0,02%
		Other									
		Total		1,30	23,24		0,30	8,41			0,04%
	FUND OF FUNDS	Bond									
		Equity									
	Other										
	Total										
FOREIGN	Foreign			31,61			11,45			0,05%	
MACEDONIA	FUNDS	Bond									
		Equity									
		Other									
		Total									
	FUND OF FUNDS	Bond									
		Equity									
	Other										
	Total										
FOREIGN	Foreign										

		Net Assets in Local Currency (In millions of \$)			Net Assets (in millions of USD)			Net Assets (percent of GDP)			
		1999	2001	2003	1999	2001	2003	1999	2001	2003	
MALAYSIA	FUNDS	Bond	357,10	1.950,56	5.262,03	94,00	513,30	1.384,70			
		Equity	40.523,45	42.335,57	59.083,23	10.664,00	11.140,94	15.548,20			
		Other	2.132,73	3.053,99	5.827,08	560,83	803,73	1.533,50			
		Total	43.013,28	47.340,12	70.172,34	11.319,00	12.457,97	18.466,40			
	FUND OF FUNDS	Bond									
		Equity									
	Other										
	Total										
FOREIGN	Foreign	114,35	74,48	108,19							
MALTA	FUNDS	Bond	184,31	83,61	248,79	439,69	184,96	724,46	10,76%	4,84%	13,48%
		Equity	48,53	61,86	60,86	117,68	136,87	177,24	2,88%	3,58%	3,30%
		Other	52,46	43,89	30,34	127,21	97,10	88,36	3,11%	2,54%	1,64%
		Total	282,30	189,35	339,99	684,57	418,96	990,06	16,75%	10,96%	18,42%
	FUND OF FUNDS	Bond	18,02	17,24	12,18	43,71	38,14	35,47	1,07%	1,00%	0,66%
		Equity	16,80	11,80	19,90	40,74	26,12	57,96	1,00%	0,68%	1,08%
	Other										
	Total	34,82	29,04	32,09	84,45	64,26	93,44	2,07%	1,68%	1,74%	
FOREIGN	Foreign										
MAURITIUS	FUNDS	Bond									
		Equity	20,00	29,00	33,00	0,79	1,00	1,26	0,02%	0,02%	0,02%
		Other	4.766,00	4.283,00	5.121,00	188,00	146,00	198,00	4,44%	3,24%	3,26%
		Total	4.786,00	4.312,00	5.154,00	189,00	147,00	199,00	4,45%	3,26%	3,28%
	FUND OF FUNDS	Bond									
		Equity									
	Other										
	Total										
FOREIGN	Foreign				6.600,00	6.700,00	9.270,00	156,00%	148,00%	153,00%	

		Net Assets in Local Currency (In millions of \$)			Net Assets (in millions of USD)			Net Assets (percent of GDP)			
		1999	2001	2003	1999	2001	2003	1999	2001	2003	
MONTENEGRO	FUNDS	Bond									
		Equity			75,89		94,91			0,52%	
		Other									
		Total			75,89		94,91			0,52%	
	FUND OF FUNDS	Bond									
	Equity										
	Other										
	Total										
FOREIGN	Foreign										
MOROCCO	FUNDS	Bond	40.270,00	36.063,00	61.904,00	3.995,00	3.120,00	7.075,00	11,65%	9,41%	14,60%
		Equity	4.420,00	3.280,00	2.431,00	438,00	284,00	278,00	1,28%	0,85%	0,57%
		Other	5.480,00	2.791,00	3.412,00	544,00	241,00	390,00	1,58%	0,72%	0,80%
		Total	50.170,00	42.134,00	67.747,00	4.977,00	3.645,00	7.743,00	14,52%	11,00%	15,98%
	FUND OF FUNDS	Bond									
	Equity										
	Other										
	Total										
FOREIGN	Foreign										
NIGERIA	FUNDS	Bond									
		Equity									
		Other	1.549,23	3.262,17	8.763,79	15,49	29,13	63,88	48,50%	63,00%	122,06%
		Total	1.549,23	3.262,17	8.763,79	15,49	29,13	63,88	48,50%	63,00%	122,06%
	FUND OF FUNDS	Bond									
	Equity										
	Other										
	Total										
FOREIGN	Foreign	1.024,69	1.380,72	1.707,78	10,25	12,32	12,48	32,08%	26,66%	23,78%	

		Net Assets in Local Currency (In millions of \$)			Net Assets (in millions of USD)			Net Assets (percent of GDP)			
		1999	2001	2003	1999	2001	2003	1999	2001	2003	
OMAN	FUNDS	Bond									
		Equity	3,84	2,86	3,89	9,94	7,41	10,08	0,06%	0,04%	0,05%
		Other	40,39	28,88	42,20	104,60	40,97	109,61	0,67%	0,38%	0,54%
		Total	44,22	31,75	46,09	114,53		119,39	0,73%	0,41%	0,59%
	FUND OF FUNDS	Bond									
		Equity									
	Other										
	Total										
FOREIGN	Foreign										
PAKISTAN	FUNDS	Bond	358,28	749,30	6.500,29	6.604,00	11,24	112,20	0,01%	0,02%	0,16%
		Equity	1.997,60	1.910,98	8.016,33	36,82	28,67	138,45	0,06%	0,05%	0,20%
		Other	15.492,60	18.139,37	35.974,02	285,57	272,16	621,13	0,49%	0,50%	0,90%
		Total	17.848,48	20.799,64	50.490,64	329,00	312,07	872,03	0,56%	0,57%	1,27%
	FUND OF FUNDS	Bond									
		Equity									
	Other										
	Total										
FOREIGN	Foreign										
PANAMA	FUNDS	Bond	77,06	197,29	299,01	77,06	197,29	299,01	0,67%	1,67%	2,30%
		Equity	32,09	28,73	29,82	32,09	28,73	29,82	0,28%	0,24%	0,23%
		Other									
		Total	109,16	226,02	328,83	109,16	226,02	328,83	0,95%	1,91%	2,53%
	FUND OF FUNDS	Bond									
		Equity		2,88	3,43		2,88	3,43		0,02%	0,03%
	Other										
	Total		2,88	3,43		2,88	3,43		0,02%	0,03%	
FOREIGN	Foreign	77,56	43,74	49,25	77,56	43,74	49,25	0,68%	0,37%	0,38%	

		Net Assets in Local Currency (In millions of \$)			Net Assets (in millions of USD)			Net Assets (percent of GDP)			
		1999	2001	2003	1999	2001	2003	1999	2001	2003	
PERU	FUNDS	Bond	1.821,49	4.223,55	6.946,28	522,49	1.229,19	1.999,38	1,02%	2,29%	3,28%
		Equity									
		Other	152,53	155,96	377,76	43,54	45,26	108,60	0,08%	0,09%	0,17%
		Total	1.974,02	4.379,51	7.324,04	566,03	1.274,45	2.107,98	1,10%	2,38%	3,45%
	FUND OF FUNDS	Bond									
	Equity										
	Other										
	Total										
FOREIGN	Foreign										
POLAND	FUNDS	Bond									
		Equity									
		Other									
		Total	2.595,00	12.171,00	33.231,00	693,76	3.253,84	8.884,11	0,42%	1,98%	5,40%
	FUND OF FUNDS	Bond									
	Equity										
	Other										
	Total										
FOREIGN	Foreign										
ROMANIA	FUNDS	Bond									
		Equity		24.544,00	42.677,00		0,84	1,29		0,000022%	0,000022%
		Other	1.570,00	495.000,00	937,00	102,39	17,03	28,22	0,0029%	0,00045%	0,00049%
		Total		509.341,00	961.192,00		17,53	28,95			
	FUND OF FUNDS	Bond									
	Equity										
	Other										
	Total										
FOREIGN	Foreign										

		Net Assets in Local Currency (In millions of \$)			Net Assets (in millions of USD)			Net Assets (percent of GDP)			
		1999	2001	2003	1999	2001	2003	1999	2001	2003	
SLOVAKIA	FUNDS	Bond	137,48	2.330,02	27.395,25	4,83	48,07	832,18	0,03%	0,28%	2,26%
		Equity	140,00	465,88	1.887,59	4,92	9,61	57,34	0,03%	0,06%	0,16%
		Other	4.455,05	6.669,44	6.418,86	156,62	137,61	194,98	0,78%	0,79%	0,53%
		Total	4.732,53	9.465,34	35.701,70	166,38	195,29	1.084,50	0,85%	1,13%	2,95%
	FUND OF FUNDS	Bond									
		Equity									
	Other										
	Total										
FOREIGN	Foreign		1.377,56	4.631,18		34,12	140,68		0,16%	0,46%	
SLOVENIA	FUNDS	Bond	423,57	1.156,19	4.416,41	2,24	6,11	23,32	0,01%	0,02%	0,76%
		Equity	1.946,75	8.616,28	23.016,80	10,28	45,50	121,55	0,04%	0,16%	0,40%
		Other	9.451,24	12.304,60	65.484,13	49,91	64,98	345,80	0,18%	0,23%	1,13%
		Total	11.821,55	22.077,06	92.917,35	62,43	116,58	490,67	0,23%	0,41%	1,60%
	FUND OF FUNDS	Bond									
		Equity									
	Other										
	Total										
FOREIGN	Foreign										
SOUTH AFRICA	FUNDS	Bond	41.423,00	74.625,00	126.777,00	6.289,00	11.330,00	19.249,00	3,30%	6,00%	10,10%
		Equity	46.754,00	51.158,00	56.682,00	7.099,00	7.767,00	8.606,00	3,70%	4,10%	4,50%
		Other	6.704,00	11.932,00	26.900,00	1.018,00	1.812,00	4.084,00	0,50%	1,00%	2,10%
		Total	94.881,00	137.716,00	210.539,00	14.406,00	20.909,00	31.966,00	7,60%	11,00%	16,80%
	FUND OF FUNDS	Bond									
		Equity									
	Other										
	Total	3.932,00	27.625,00	25.027,00	597,00	4.194,00	3.800,00	0,30%	2,20%	2,00%	
FOREIGN	Foreign	17.335,00	36.872,00	19.985,00	2.632,00	5.598,00	3.034,00	1,40%	2,90%	1,60%	

		Net Assets in Local Currency (In millions of \$)			Net Assets (in millions of USD)			Net Assets (percent of GDP)			
		1999	2001	2003	1999	2001	2003	1999	2001	2003	
THAILAND	FUNDS	Bond	62.644,00	92.967,00	95.551,00	1.581,00	2.346,00	2.412,00	1,35%	2,00%	2,06%
		Equity	64.932,00	36.399,00	112.635,00	1.639,00	919,00	2.843,00	1,40%	0,78%	2,43%
		Other	7.128,00	24.216,00	260.251,00	180,00	611,00	6.568,00	0,15%	0,52%	5,61%
		Total	134.704,00	153.582,00	468.437,00	3.400,00	3.876,00	11.823,00	2,90%	3,31%	10,10%
	FUND OF FUNDS	Bond									
		Equity									
FOREIGN FUNDS	Other										
	Total	735,00	756,00	2.603,00	19,00	19,00	66,00	0,02%	0,02%	0,06%	
TUNISIA	FUNDS	Bond	989,00	1.371,00	1.606,00	768,00	1.065,00	1.247,00	4,01%	4,77%	4,99%
		Equity									
		Other	113,00	81,00	65,00	88,00	63,00	50,00	0,46%	0,28%	0,20%
		Total	1.102,00	1.452,00	1.671,00	856,00	1.128,00	1.298,00	4,47%	5,05%	5,19%
	FUND OF FUNDS	Bond									
		Equity									
FOREIGN FUNDS	Other										
	Total										
TURKEY	FUNDS	Bond	649.740.000,00	3.702.010.000,00	16.230.010.000,00	1.203,00	2.571,61	11.627,46	0,78%	1,97%	4,52%
		Equity	37.850.000,00	139.990.000,00	251.830.000,00	70,08	97,24	180,42	0,05%	0,07%	0,07%
		Other	464.180.000,00	1.296.760.000,00	3.442.420.000,00	859,44	900,80	2.466,21	0,56%	0,69%	0,96%
		Total	1.151.770.000,00	5.138.760.000,00	19.924.260.000,00	2.132,52	3.569,66	14.274,08	1,39%	2,73%	5,55%
	FUND OF FUNDS	Bond									
		Equity									
FOREIGN FUNDS	Other										
	Total										
FOREIGN FUNDS	Foreign				3,80	19,40	19,00				

		Net Assets in Local Currency (In millions of \$)			Net Assets (in millions of USD)			Net Assets (percent of GDP)		
		1999	2001	2003	1999	2001	2003	1999	2001	2003
UGANDA	FUNDS	Bond								
		Equity								
		Other								
		Total								
	FUND OF FUNDS	Bond								
	Equity									
	Other									
	Total									
FOREIGN	Foreign									
VENEZUELA	FUNDS	Bond	36.132,24	49.994,41	110.516,98	55,73	71,53	68,51		1,00%
		Equity	12.190,36	6.792,07	7.642,02	18,81	9,72	4,70		1,00%
		Other	22.281,99	80.942,62	119.866,53	73,69	115,81	73,99		1,00%
		Total	96.100,42	137.729,11	238.125,54	148,23	197,06	147,20		1,00%
	FUND OF FUNDS	Bond								
	Equity									
	Other									
	Total									
FOREIGN	Foreign									
VIETNAM	FUNDS	Bond								
		Equity								
		Other								
		Total								
	FUND OF FUNDS	Bond								
	Equity									
	Other									
	Total									
FOREIGN	Foreign									

II.1 Data regarding investment schemes – Please fill in data in the following tables – Whenever possible, please provide data for December/1999, December/2001 and December/2003 and please state all values reported in local currency at fixed prices (reference = 2003). – Commentaries and observations:

EGYPT

1999 1US\$ = 3,5 LE; 2001 1US\$ = 3,9 LE; 2003 1US\$ = 6,0 LE

MAURITIUS

1. Exchange Rates Used:

1999: 1 USD = Rs 25.34; 2001: 1 USD = Rs 29.25; 2003: 1 USD = Rs 25.89

Source: Bank of Mauritius. The rates were computed on an average basis for the whole year.

2. GDP at market prices:

1999: Rs 107,444 m; 2001: Rs 132,219 m; 2003: Rs 157,161 m

Source: Central Statistics Office.

II.2 Portfolio composition of investment schemes – Does the regulator collect data regarding portfolio composition of registered managed investment companies, mutual funds and/or unit trusts? If So, how often? If portfolio composition data is available, please fill in the data in the following table.

JURISDICTION	Data collected?		How often?	Disclosure to public?	
	Y	N		Y	N
ALGERIA					
BAHAMAS	X		semi-annually	X	
BAHRAIN	X		annually	X	
BARBADOS		X			
BRAZIL	X		monthly	X	
BULGARIA	X		quarterly	X	
CHINA	X		quarterly	X	
CHINESE TAIPEI	X		annually	X	
COLOMBIA	X		weekly/monthly		
COSTA RICA	X		fortnightly	X	
CZECH REPUBLIC	X		monthly	X	
EGYPT	X		weekly	X	
HONDURAS					
HUNGARY	X		daily		
INDIA		X	semi-annually	X	
INDONESIA					
ISRAEL	X		monthly	X	
KENYA	X		quarterly	X	
KOREA				X	
LITHUANIA	X		semi-annually	X	
MACEDONIA	X		annually	X	
MALAYSIA	X		monthly	X	
MALTA		X		X	
MAURITIUS		X			X
MONTENEGRO	X		monthly	X	
MOROCCO	X		weekly	X	
NIGERIA	X		monthly	X	
OMAN	X		annually	X	
PAKISTAN	X		monthly	X	
PANAMA	X		quarterly	X	
PERU	X		daily	X	
POLAND	X				
ROMANIA	X		weekly	X	
SLOVAKIA					
SLOVENIA	X		monthly	X	
SOUTH AFRICA	X		quarterly	X	
THAILAND	X		monthly	X	
TUNISIA	X		quarterly	X	
TURKEY	X		daily	X	
UGANDA					
VENEZUELA	X		quarterly	X	
VIETNAM					

II.2 Portfolio composition of investment schemes – Does the regulator collect data regarding portfolio composition of registered managed investment companies, mutual funds and/or unit trusts? If so, how often? If portfolio composition data is available, please fill in the data in the following table. – Commentaries and observations

ALGERIA

BAHAMAS

Yes Statistical data is collected semi-annually. Investment Companies are required to publish material changes as they occur unless exempted from doing so by the Commission.

BAHRAIN

Yes, the BMA requires such information to be included in the annual audited accounts of the fund, as per Article 33 (i) of circular OG/318/95 of the Regulation Governing Collective Investment Schemes. The audited accounts must be sent to the BMA and the fund's investors, as per Article 34 of the same circular.

BARBADOS

No, this type of information is not collected as yet. The Commission is in the process of setting up a mutual funds database.

BRAZIL

Fund management companies file monthly portfolio composition reports with CVM for all the funds they manage. The portfolio reports are made available to the public through the Commission's web-site and consultation center. However, managers can request a delay in the web-site publication for a maximum period of 90 days in order to preserve confidentiality of certain strategic operations.

BULGARIA

Information on the portfolio structure is disclosed under the attachments to the quarterly financial statements of the investment companies. The above information is accessible by the investors through its publication in the FSC's register and through its disclosure on the Bulgarian Stock Exchange - Sofia.

CHINA

Mutual funds disclose their portfolio composition in their quarterly report in the designated newspapers and websites, meanwhile file the reports with the regulator.

CHINESE TAIPEI

Yes, FSC collects the data annually and discloses it to the public on a regular basis

COLOMBIA

The securities superintendence collects data weekly. However, we are currently working on a system that will allow us to receive the information daily. The banking superintendence receives the information monthly.

COSTA RICA

Management Companies have the obligation of presenting a report of portfolio data to SUGEVAL every fifteen days. Also the report of portfolio data can be requested by SUGEVAL at any time. These reports are disclosed to the public upon request at the SUGEVAL's Information Center.

CZECH REPUBLIC

The CSC currently collects data on asset structure of supervised funds on monthly basis, however due to preparation of a new IT tool these data are not available as a whole yet. Funds are obliged to make available these data to the public on monthly basis. The CSC does not publish these data on regular basis at the moment.

EGYPT

Data is disclosed to the public on a regular basis

HONDURAS

In Honduras we don't have registered any investment companies, mutual funds or unit trusts.

HUNGARY

Yes, the investment fund management companies send daily reports on the portfolio elements and their daily value, as well to the HFSA.

INDIA

SEBI does not collect the data on portfolio composition of Mutual Funds. However, as per SEBI (Mutual Funds) Regulations, 1996 it is mandatory to disclose portfolio every six months by way of publication in newspapers and distribution to unit holders.

INDONESIA

Data are not available

ISRAEL

The principal means of proper disclosure are the prospectus published by a fund manager, and the immediate and monthly reports filed by fund managers with the ISA. The prospectus of a fund sets out details regarding the fund manager, the investment policy of the fund, its activities in the past, the results of its management, the make-up its assets and other supplementary information. Immediate reports bring to the attention of the public events relating to the fund manager, trustee or the fund itself, which are important for a reasonable investor in making an investment decision. The law also obligates the fund managers to file electronically a monthly report which includes data about all the securities holdings and other assets held by the fund on the last trading day of each month and about their activities during the month. This data includes information about events concerning fund managers, trustees and funds, contained in immediate reports filed with the ISA by fund managers and trustees. All data mentioned above (prospectuses, immediate and monthly reports) is published.

KENYA

Yes, the legal framework requires that the fund manager provide the trustees, holders of units and the regulator quarterly reports on the performance of the scheme, and the disclosure is only to these parties.

KOREA

It is disclosed in the web site of Asset Management Association on a daily basis.

LITHUANIA

Investment companies with variable capital or management companies (for each investment fund) must publish a report covering every financial year and a report covering the first six months of every financial year (semi-annual report). A report must include financial statements, data on the activities (including portfolio composition) during the financial year and other information which will enable investors to make informed judgments about the

activities of a collective investment undertaking and their results. Requirements for the contents of annual and semi-annual reports as well as the procedure of filing them with the Securities Commission shall be prescribed by the latter. Reports must be published and filed with the Securities Commission within the following time limits: 1) annual report – four months from the end of the accounting financial year; 2) semi-annual report – two months from the end of the accountable six months period. Reports shall be provided to participants of a collective investment undertaking free of charge on their request and must be available to the public at the places specified in the full and simplified prospectuses. Copies of the latest annual report and a subsequent semi-annual report must be offered to buyers of investment units or shares expressing if they so require.

MACEDONIA

MALAYSIA

Disclosure to the public will only be made available through the annual report of the SC and industry statistics that are posted on the SC website from time to time. Disclosure to the unitholders is by the unit trust management companies through the annual and interim reports of the funds and occasional newsletters or fact sheets. If such disclosure is made to the public it comes within the ambit of a promotional material and is subject to the requirements of the Guidelines

MALTA

CIS interim and audited financial statements (which financials are available to the general public) must disclose details of the composition of their portfolio.

MAURITIUS

This exercise is currently underway and it is proposed to collect the data on a quarterly basis. Disclosure to the public will be done on a quarterly and annual basis.

MONTENEGRO

Regulator collects portfolio data on monthly basis, but in regard to Net asset value as the portfolios are composed of equities. Since January 2005, funds publish their portfolios monthly through stock exchanges' web site.

MOROCCO

Weekly, monthly and quarterly

NIGERIA

Yes, the regulator collects data of registered unit trusts. From 2001 to date, returns are collated monthly, quarterly and annually. There is disclosure to the public on a regular basis by the fund managers through Annual Audited Accounts. However, not all fund managers prepare accounts when due.

OMAN

On an annual basis the Funds are required to disclose data to public regarding portfolio composition of each Fund Scheme.

PAKISTAN

Yes, the regulator receives this data through monthly statements, quarterly and annual reports on assets and liabilities of the CIS. The quarterly and annual accounts are also distributed among the investors by the concerned management company.

PANAMA

The regulator collects data regarding portfolio composition through financial statement Quarterly Reports. The financial statements are public information

PERU

Yes. CONASEV collects data regarding portfolio composition of registered mutual funds on a daily basis (business days) and in the case of registered investment funds, CONASEV collects data regarding their portfolio composition on a quarterly basis, as part of their non-audited financial statements requirement (at the end of March, June, September and December). Likewise, investment funds are required to disclose their audited financial statements on an annual basis.

Information regarding portfolio composition of registered mutual funds (at the end of every month of the year) is published on CONASEV's web page. There is monthly historical information since January 2000. In the case of registered investment funds, their financial statements are available to investors in the Public Registry of CONASEV.

POLAND

The PSEC collects data regarding portfolio composition. This information is provided to the PSEC by investment funds on a regular basis (it is included in their annual and semiannual reports which are disclosed to the public as well). However, we do not have a database containing aggregated data concerning portfolio composition.

ROMANIA

The asset management companies have to submit to CNVM weekly, semi-annual and annual reports for the UCITS that they manage. The annual and half-annual reports have to be published and provided to the investors, at request and free of charge. The draft regulation on licensing and functioning of the asset management companies, undertaking for collective investments and depositories mentions the obligation of the asset management companies to draft and submit to CNVM weekly reports which are detailing the assets, number of investors and the net asset value, for each day, for the managed funds. These reports shall be certified by the depository. The asset management companies have the obligation to draft and submit to CNVM first semester report and annual report including the assets situation and the detailed situation of the investment for managed funds.

SLOVAK REPUBLIC**SLOVENIA**

The Slovene regulator (the SMA) collects data regarding portfolio composition of investment funds once every month. Respective data is also monthly published in the newspapers and on the internet. Management companies should on the regulator's request, provide also much more detailed reporting on data regarding the portfolio composition.

SOUTH AFRICA

YES. In respect of CIS, a manager must quarterly submit a full list of all underlying assets included in every portfolio administered by it, reflecting, inter alia the market value of each asset. This information is aggregated in the annual report on the CIS industry that the regulator is required to present to Parliament and is available for purchase by the public.

THAILAND

The information on mutual funds is regularly disclosed to the public on a monthly and quarterly basis through our web site

TUNISIA

The CMF collects every quarter data regarding the portfolio composition of mutual funds and unit trusts. Those institutions must disclose their quarterly financial statements to the public by publishing them in the official bulletin of CMF.

TURKEY

CIS are required to have a certain page at their websites which include key documents (prospectus, internal statute, article of association), and all necessary information regarding CIS is available to investors and potential investors in an easy to understand format. Portfolio composition of the CIS is disclosed daily to the public at these web sites.

UGANDA

VENEZUELA

The regulator collects data of mutual funds, only, it is disclosure quarterly

II.2 Portfolio composition of investment schemes – Does the regulator collect data regarding portfolio composition of registered managed investment companies, mutual funds and/or unit trusts? If so, how often? If portfolio composition data is available, please fill in the data in the following table.

Asset	1999	2001	2003	Observations
ALGERIA	Equities			
	Locally traded government bonds			
	Externally traded government bonds			
	Corporate bonds			
	Bank deposits (time deposits)			
	Money-market instruments			
	Other			
BAHAMAS	Equities			
	Locally traded government bonds			
	Externally traded government bonds			
	Corporate bonds			
	Bank deposits (time deposits)			
	Money-market instruments			
	Other			
BARHEIN	Equities			
	Locally traded government bonds			
	Externally traded government bonds			
	Corporate bonds			
	Bank deposits (time deposits)			
	Money-market instruments			
	Other			
BARBADOS	Equities			
	Locally traded government bonds			
	Externally traded government bonds			
	Corporate bonds			
	Bank deposits (time deposits)			
	Money-market instruments			
	Other			
BRAZIL	Equities	9,3%	7,0%	8,8%
	Locally traded government bonds	71,8%	65,9%	61,9%
	Externally traded government bonds	0,1%	0,1%	0,1%
	Corporate bonds	1,5%	4,2%	3,2%
	Bank deposits (time deposits)	5,8%	7,9%	6,7%
	Money-market instruments	9,2%	13,4%	17,0%
	Other	2,2%	1,5%	2,4%
BULGARIA	Equities	20.71%	49.39%	17.48%
	Locally traded government bonds	41.92%	8.32%	34.24%
	Externally traded government bonds		3.71%	8.14%
	Corporate bonds		7.02%	7.38%
	Bank deposits (time deposits)	29.57%	22.29%	7.56%
	Money-market instruments			11.82%
	Other	7.79%	9.27%	13.39%

Asset	1999	2001	2003	Observations	
CHINA	Equities	64%	43%	63%	
	Locally traded government bonds				
	Externally traded government bonds				
	Corporate bonds				
	Bank deposits (time deposits)				
	Money-market instruments				
	Other	32%	53%	31%	Bond and cash
CHINESE TAIPEI	Equities		14,16%	11,66%	
	Locally traded government bonds		0,20%	0,58%	
	Externally traded government bonds		0,09%	2,55%	
	Corporate bonds		19,55%	26,16%	
	Bank deposits (time deposits)		25,34%	25,84%	
	Money-market instruments		27,42%	15,45%	
	Other		13,24%	17,76%	
COLOMBIA	Equities	13%	4%	5%	Based on the information received by the securities superintendence
	Locally traded government bonds	9%	39%	26%	
	Externally traded government bonds				
	Corporate bonds	63%	46%	41%	
	Bank deposits (time deposits)	7%	4%	6%	
	Money-market instruments				
	Other	7%	7%	26%	
COSTA RICA	Equities	1%	1%	0%	
	Locally traded government bonds	73%	86%	88%	
	Externally traded government bonds	5%	2%	2%	
	Corporate bonds	21%	11%	10%	
	Bank deposits (time deposits)				
	Money-market instruments				
	Other				
CZECH REPUBLIC	Equities				
	Locally traded government bonds				
	Externally traded government bonds				
	Corporate bonds				
	Bank deposits (time deposits)				
	Money-market instruments				
	Other				
EGYPT	Equities	66,67%	55,76%	56,72%	
	Locally traded government bonds				
	Externally traded government bonds				
	Corporate bonds	11,68%	14,00%	8,76%	
	Bank deposits (time deposits)	19,67%	26,85%	34,41%	
	Money-market instruments				
	Other	1,98%	3,40%	0,11%	

Asset	1999	2001	2003	Observations
HONDURAS	Equities			
	Locally traded government bonds			
	Externally traded government bonds			
	Corporate bonds			
	Bank deposits (time deposits)			
	Money-market instruments			
	Other			
HUNGARY	Equities	5,43%	5,90%	5,50%
	Locally traded government bonds			
	Externally traded government bonds	78,98%	75,30%	56,00%
	Corporate bonds	3,46%	3,40%	3,50%
	Bank deposits (time deposits)	6,80%	14,30%	22,00%
	Money-market instruments			
	Other	5,33%	1,10%	13,00%
INDIA	Equities			
	Locally traded government bonds			
	Externally traded government bonds			
	Corporate bonds			
	Bank deposits (time deposits)			
	Money-market instruments			
	Other			
INDONESIA	Equities			
	Locally traded government bonds			
	Externally traded government bonds			
	Corporate bonds			
	Bank deposits (time deposits)			
	Money-market instruments			
	Other			
ISRAEL	Equities	28,00%	10,00%	9,00%
	Locally traded government bonds	52,00%	68,00%	65,00%
	Externally traded government bonds			
	Corporate bonds	4,00%	2,00%	3,00%
	Bank deposits (time deposits)	12,00%	14,00%	11,00%
	Money-market instruments			
	Other	4,00%	6,00%	12,00%
KENYA	Equities			47,09%
	Locally traded government bonds			27,17%
	Externally traded government bonds			
	Corporate bonds			0,09%
	Bank deposits (time deposits)			22,07%
	Money-market instruments			3,00%
	Other			0,58%

Asset	1999	2001	2003	Observations
KOREA	Equities		9,60%	12,00%
	Locally traded government bonds		37,40%	41,70%
	Externally traded government bonds			
	Corporate bonds		22,90%	12,50%
	Bank deposits (time deposits)		7,50%	16,50%
	Money-market instruments		10,90%	8,80%
	Other		11,70%	8,50%
LITHUANIA	Equities		96,7%	46,8%
	Locally traded government bonds			32,7%
	Externally traded government bonds			2,3%
	Corporate bonds			11,2%
	Bank deposits (time deposits)			
	Money-market instruments			3,8%
	Other		3,3%	3,2%
MACEDONIA	Equities			
	Locally traded government bonds			
	Externally traded government bonds			
	Corporate bonds			
	Bank deposits (time deposits)			
	Money-market instruments			
	Other			
MALAYSIA	Equities			
	Locally traded government bonds			
	Externally traded government bonds			
	Corporate bonds			
	Bank deposits (time deposits)			
	Money-market instruments			
	Other			
MALTA	Equities			
	Locally traded government bonds			
	Externally traded government bonds			
	Corporate bonds			
	Bank deposits (time deposits)			
	Money-market instruments			
	Other			
MAURITIUS	Equities	77%	75%	60%
	Locally traded government bonds	1%	1%	2%
	Externally traded government bonds			
	Corporate bonds	2%	1%	3%
	Bank deposits (time deposits)	7%	11%	13%
	Money-market instruments	1%	3%	7%
	Other	12%	9%	15%

Asset	1999	2001	2003	Observations
MONTENEGRO	Equities			100,00%
	Locally traded government bonds			
	Externally traded government bonds			
	Corporate bonds			
	Bank deposits (time deposits)			
	Money-market instruments			
	Other			
MOROCCO	Equities	15,14%	8,86%	5,29%
	Locally traded government bonds	49,25%	50,21%	17,46%
	Externally traded government bonds			
	Corporate bonds	31,81%	31,09%	60,08%
	Bank deposits (time deposits)			
	Money-market instruments			
	Other	3,80%	9,84%	17,17%
NIGERIA	Equities			58,90%
	Locally traded government bonds			
	Externally traded government bonds			
	Corporate bonds			
	Bank deposits (time deposits)			
	Money-market instruments			24,80%
	Other			16,30%
OMAN	Equities			
	Locally traded government bonds			
	Externally traded government bonds			
	Corporate bonds			
	Bank deposits (time deposits)			
	Money-market instruments			
	Other			
PAKISTAN	Equities	101,29%	102,95%	93,17%
	Locally traded government bonds			1,45%
	Externally traded government bonds			
	Corporate bonds	2,34%	0,58%	3,81%
	Bank deposits (time deposits)	7,24%	5,54%	2,90%
	Money-market instruments	0,34%	1,63%	5,93%
	Other	0,03%	0,02%	
PANAMA	Equities			
	Locally traded government bonds			
	Externally traded government bonds			
	Corporate bonds			
	Bank deposits (time deposits)			
	Money-market instruments			
	Other			

Asset		1999	2001	2003	Observations
PERU (OPEN END FUNDS)	Equities		1%	0%	0%
	Locally traded government bonds				
	Externally traded government bonds			9%	15%
	Corporate bonds		24%	13%	23%
	Bank deposits (time deposits)		29%	34%	36%
	Money-market instruments		5%	5%	4%
	Other		41%	40%	21%
PERU (CLOSED END FUNDS)	Equities			16%	68%
	Locally traded government bonds				
	Externally traded government bonds				
	Corporate bonds			3%	13%
	Bank deposits (time deposits)			10%	
	Money-market instruments			71%	19%
	Other				
ROMANIA	Equities			0,96%	7,85%
	Locally traded government bonds			83,15%	32,89%
	Externally traded government bonds				
	Corporate bonds				0,48%
	Bank deposits (time deposits)			8,75%	10,87%
	Money-market instruments			6,53%	2,06%
	Other			0,61%	45,85%
SLOVAKIA	Equities				
	Locally traded government bonds				
	Externally traded government bonds				
	Corporate bonds				
	Bank deposits (time deposits)				
	Money-market instruments				
	Other				
SLOVENIA	Equities		78,36%	69,79%	67,17%
	Locally traded government bonds		4,14%	3,69%	8,34%
	Externally traded government bonds				
	Corporate bonds		7,96%	5,74%	13,06%
	Bank deposits (time deposits)		1,10%	3,71%	2,08%
	Money-market instruments		7,18%	1,80%	8,59%
	Other		1,26%	15,27%	0,76%
SOUTH AFRICA	Equities		44,00%	31,00%	41,00%
	Locally traded government bonds				
	Externally traded government bonds		6,00%	9,00%	22,00%
	Corporate bonds				
	Bank deposits (time deposits)				
	Money-market instruments		38,00%	38,00%	38,00%
	Other		12,00%	22,00%	

Asset	1999	2001	2003	Observations
THAILAND	Equities		26,0%	65,4%
	Locally traded government bonds		5,6%	1,2%
	Externally traded government bonds			
	Corporate bonds		30,6%	11,2%
	Bank deposits (time deposits)		4,7%	1,1%
	Money-market instruments		1,4%	15,9%
	Other		31,7%	5,2%
TUNISIA	Equities	6,70%	4,18%	4,01%
	Locally traded government bonds	35,00%	26,83%	31,78%
	Externally traded government bonds			
	Corporate bonds	25,00%	29,96%	27,17%
	Bank deposits (time deposits)	19,78%	13,14%	18,01%
	Money-market instruments	22,23%	25,74%	19,15%
Other				
TURKEY	Equities	6,55%	7,11%	2,16%
	Locally traded government bonds	29,73%	14,92%	60,81%
	Externally traded government bonds			
	Corporate bonds			
	Bank deposits (time deposits)			
	Money-market instruments	63,41%	77,77%	36,93%
Other	0,31%	0,20%	0,10%	
UGANDA	Equities			
	Locally traded government bonds			
	Externally traded government bonds			
	Corporate bonds			
	Bank deposits (time deposits)			
	Money-market instruments			
Other				
VENEZUELA	Equities	7%		
	Locally traded government bonds	47%		
	Externally traded government bonds	7%		
	Corporate bonds	26%		
	Bank deposits (time deposits)	6%		
	Money-market instruments			
Other	7%			
VIETNAM	Equities			In 2004, we licensed first Fund (Closed-end Fund) in Vietnam (USD 20 millions) and about more than 1000 investors. There are many foreign funds allowed to invest in Vietnam (not raise funds).
	Locally traded government bonds			
	Externally traded government bonds			
	Corporate bonds			
	Bank deposits (time deposits)			
	Money-market instruments			
Other				

II.2 In order to estimate the participation in government debt of investment companies, mutual funds and/or unit trusts, please provide data for the **outstanding government debt** (locally traded and sovereign external debt):

JURISDICTION	1999	2001	2003
	local currency 1.000.000	local currency 1.000.000	local currency 1.000.000
ALGERIA			
BAHAMAS	1.886,00	1.962,00	2.400,00
BAHRAIN			
BARBADOS	777,00	1.359,00	1.329,00
BRAZIL	728.300,00	849.400,00	731.400,00
BULGARIA	5,83	1,31	7,94
CHINA	1.054.200,00	1.561.800,00	2.260.400,00
CHINESE TAIPEI	1.331.692,00	2.788.166,00	3.159.043,00
COLOMBIA	83.823.465,91	97.275.634,15	117.761.398,29
COSTA RICA	1.098.311,00	2.144.037,00	3.836.465,00
CZECH REPUBLIC			
EGYPT		104.200,00	188.300,00
HONDURAS	4.119,00	4.229,60	4.684,00
HUNGARY	9.103.000,00	8.511.000,00	10.588.000,00
INDIA	4.301.160,00	6.126.940,00	7.874.050,00
INDONESIA		64.654.280,00	390.482.240,00
ISRAEL	162.240,00	189.110,00	229.720,00
KENYA	681.820,00	606.280,00	711.340,00
KOREA	29.100.000,00	30.900.000,00	59.400.000,00
LITHUANIA			7,87
MACEDONIA	65.555,00	109.317,00	118.661,00
MALAYSIA			
MALTA			
MAURITIUS		75.707,00	93.034,00
MONTENEGRO			
MOROCCO	346.249,00	361.155,00	337.636,00
NIGERIA	2.803.000,00	3.175.000,00	4.516.000,00
OMAN	1.118,40	900,50	
PAKISTAN	2.192.094,00	2.151.506,00	2.053.945,00
PANAMA	44,51	38,56	40,94
PERU		357,60	1056,50
POLAND	273.383,50	302.106,70	408.640,50
ROMANIA	140,07	409.408,47	306.760,16
SLOVAKIA			
SLOVENIA	963.255,00	1.272.853,00	1.629.132,00
SOUTH AFRICA			
THAILAND		8.599,00	5.791,00
TUNISIA	1.456,00	4.027,00	4.611,00
TURKEY			
UGANDA			
VENEZUELA	3.575.379,00	10.553.890,00	23.265.463,00
VIETNAM			

II.2 In order to estimate the participation in government debt of investment companies, mutual funds and/or unit trusts, please provide data for the **outstanding government debt** (locally traded and sovereign external debt):

JURISDICTION	1999 US dollars 1.000.000	2001 US dollars 1.000.000	2003 US dollars 1.000.000
ALGERIA			
BAHAMAS	1.886,00	1.962,00	2.400,00
BAHRAIN			
BARBADOS	388,50	679,50	664,50
BRAZIL	401.300,00	361.400,00	237.800,00
BULGARIA	3,76	0,85	5,12
CHINA	127.500,00	188.900,00	273.300,00
CHINESE TAIPEI	38.692,00	81.009,00	91.784,00
COLOMBIA	30.172,00	35.014,78	42.387,51
COSTA RICA	5.433,00	7.568,00	9.177,00
CZECH REPUBLIC			
EGYPT		26.700,00	25.500,00
HONDURAS	234,83	241,14	267,05
HUNGARY	40.560,00	37.920,00	47.174,00
INDIA	94.303,00	134.333,26	172.638,67
INDONESIA		7.637,83	46.129,00
ISRAEL	37.040,00	43.180,00	52.460,00
KENYA	9.700,00	7.700,00	9.360,00
KOREA	24.000,00	26.000,00	50.000,00
LITHUANIA			2,85
MACEDONIA	1.414,00	2.322,00	2.520,00
MALAYSIA			
MALTA			
MAURITIUS		2.988,00	3.593,00
MONTENEGRO			
MOROCCO	34.350,00	31.241,00	38.586,00
NIGERIA	28.039,00	28.347,00	32.917,00
OMAN	2.897,00	2.232,00	
PAKISTAN	37.860,00	37.159,00	35.474,00
PANAMA	44,51	38,56	40,94
PERU		104,10	304,10
POLAND	73.087,42	80.766,39	109.247,56
ROMANIA	9.135,50	14,09	9,24
SLOVAKIA			
SLOVENIA	5.087,00	6.721,00	8.603,00
SOUTH AFRICA			
THAILAND		217,00	146,00
TUNISIA	1.130,69	3.127,28	3.580,80
TURKEY	145.462,01	198.751,95	285.066,95
UGANDA			
VENEZUELA	2.207,03	6.514,75	14.361,40
VIETNAM			

II.2 In order to estimate the participation in government debt of investment companies, mutual funds and/or unit trusts, please provide data for the outstanding government debt (locally traded and sovereign external debt) – Commentaries and observations:

MONTENEGRO

Montenegro is one of the former Yugoslavia republics. As the division of assets and liabilities between former Yugoslavia republics is not finished, there is no precise data on Montenegrin outstanding debt.

II.3 Local Stock Market Data - Number of public companies listed in the local stock market:

JURISDICTION	December/1999	December/2001	December/2003
ALGERIA			
BAHAMAS		16	17
BAHRAIN	38	42	44
BARBADOS	22	25	24
BRAZIL	527	428	369
BULGARIA	861	402	338
CHINA	841	1,048	1,176
CHINESE TAIPEI	462	584	669
COLOMBIA	182	153	114
COSTA RICA	26	25	20
CZECH REPUBLIC	195	102	65
EGYPT	1,033	1,110	967
MACEDONIA	2	2	98
HONDURAS	5	5	5
HUNGARY	66	56	53
INDIA	7,845	5,795	5,644
INDONESIA	277	316	333
ISRAEL	669	668	601
KENYA	56	54	48
KOREA	725	689	684
LITHUANIA	54	46	45
MALAYSIA	757	812	906
MALTA	7	12	14
MAURITIUS	43	40	39
MONTENEGRO			379
MOROCCO	52	54	53
NIGERIA	195	194	200
OMAN	20	63	124
PAKISTAN	773	747	701
PANAMA	32	28	25
PERU	254	249	258
POLAND	221	230	203
ROMANIA	5,627	5,151	4,504
SLOVAKIA	839	833	370
SLOVENIA	210	221	185
SOUTH AFRICA	668	542	468
THAILAND	392	382	405
TUNISIA	44	45	45
TURKEY	319	310	285
UGANDA		3	5
VENEZUELA	69	63	70
VIETNAM			

II.3 Local Stock Market Data - Number of public companies listed in the local stock market
– Commentaries and observations

CZECH REPUBLIC

Number of securities issues registered at Prague Stock Exchange

KOREA

KOSDAQ MARKET: 1999 - 453 companies, 2001 - 721, 2003 - 879

ROMANIA

1999: 127 (BVB) 5500 (RASDAQ)

2001: 67 (BVB) 5084 (RASDAQ)

2003: 62 (BVB) 4442 (RASDAQ)

II.3 Local Stock Market Data – Total Stock Market Capitalization

JURISDICTION	December/1999	December/2001	December/2003
	local currency	local currency	local currency
	1.000.000	1.000.000	1.000.000
ALGERIA			
BAHAMAS		1.449	1.449
BAHRAIN	2.700	2.500	3.600
BARBADOS	4.015	3.656	7.125
BRAZIL	674.547	585.666	676.706
BULGARIA		916	1.742
CHINA	2.647.100	4.352.200	4.245.800
CHINESE TAIPEI	11.803.524	10.247.599	12.869.101
COLOMBIA	29.750.975	28.134.445	39.634.308
COSTA RICA	52.843	99.837	250.583
CZECH REPUBLIC	534.447	356.423	644.483
EGYPT	112.331	111.331	171.922
MACEDONIA	502	897	39.068
HONDURAS	37.189	20.316	25.118
HUNGARY	9.658.000	8.187.000	10.401.000
INDIA	8.033.530	5.323.290	12.733.610
INDONESIA	451.814.900	239.271.200	460.366.000
ISRAEL	287.720	265.790	308.370
KENYA	106.700	86.100	317.530
KOREA	349.500.000	255.800.000	355.300.000
LITHUANIA	13.900	12.500	17.900
MALAWI			
MALAYSIA	586.000	478.000	693.000
MALTA	790	610	633
MAURITIUS	54.164	37.458	51.230
MONGOLIA			
MONTENEGRO			194
MOROCCO	152.186	111.296	115.500
NIGERIA	300.000	662.600	1.360.000
OMAN	2.262	1.722	2.789
PAKISTAN	361.300	296.144	951.447
PANAMA	3.731	3.602	3.075
PERU	47.141	37.384	55.883
POLAND	123.411	103.370	167.717
ROMANIA	23.371.850	72.573.200	121.944.740
SLOVAKIA	150.800	167.611	109.851
SLOVENIA	1.232.457	1.566.540	2.441.991
SOUTH AFRICA	1.616.260	1.770.700	1.787.200
THAILAND	2.193	1.607	4.790
TUNISIA	3.362	3.239	2.976
TURKEY	235.142.588.000	114.338.402.000	96.072.774.000
UGANDA	0		362
VENEZUELA	4.846.803	4.709.466	10.891.131
VIETNAM			

II.3 Local Stock Market Data – Total Stock Market Capitalization

JURISDICTION	December/1999	December/2001	December/2003
	US dollars	US dollars	US dollars
	1.000.000	1.000.000	1.000.000
ALGERIA			
BAHAMAS		1.449	1.449
BAHRAIN	7.200	6.600	9.600
BARBADOS	2.008	1.828	3.563
BRAZIL	371.713	249.177	234.219
BULGARIA		413	1.127
CHINA	320.100	526.300	513.400
CHINESE TAIPEI	342.945	297.739	373.905
COLOMBIA	10.709	10.127	14.266
COSTA RICA	261	352	599
CZECH REPUBLIC	20.833	13.893	25.122
EGYPT	32.094	28.547	28.654
MACEDONIA	11	19	830
HONDURAS	2.120	1.158	1.432
HUNGARY	43.030	36.477	46.340
INDIA	176.135	116.713	279.185
INDONESIA	57.374	28.266	54.385
ISRAEL	65.700	60.690	70.420
KENYA	1.400	1.130	4.180
KOREA	293.200	214.600	298.100
LITHUANIA	3.470	3.125	6.480
MALAWI			
MALAYSIA	154.000	125.000	168.000
MALTA	1.916	1.348	1.843
MAURITIUS	2.137	1.281	1.979
MONGOLIA			
MONTENEGRO			242
MOROCCO	15.097	9.627	13.200
NIGERIA	3.000	5.920	5.920
OMAN	5.859	4.460	7.224
PAKISTAN	6.709.378	5.168	16.605
PANAMA	3.731	3.602	3.075
PERU	13.407	10.861	16.084
POLAND	32.993	27.635	44.838
ROMANIA	1.884	2.399	6.056
SLOVAKIA	4.581	5.091	3.337
SLOVENIA	6.508	8.272	12.896
SOUTH AFRICA	231.992	255.017	255.973
THAILAND	55	41	121
TUNISIA	2.583	2.515	2.311
TURKEY	114.300	47.689.000	69.003.000
UGANDA	0		181
VENEZUELA	2.992	2.907	6.772
VIETNAM			

II.3 Local Stock Market Data – Total Stock Market Capitalization – Commentaries and observations

CZECH REPUBLIC

CZK/USD exchange rate 31.12.2003

KOREA

KOSDAQ MARKET: 1999 KRW 98,7 trillion / USD 82,8 billion; 2001KRW 51,8 trillion / USD 43,4 billion, 2003 KRW 37,3 trillion / USD 31,3 billion

II.2 National Statistics Data - Total population of the country (last estimate, please report the date) - Gross Domestic Product per capita (GDP per capita) for 2003

JURISDICTION	Total population (in millions)	GDP per capita 2003 / US\$
ALGERIA		
BAHAMAS	0,30	16.400
BAHRAIN	0,69	13.897
BARBADOS	0,27	8.065
BRAZIL	183,10	2.782
BULGARIA	7,93	6.890
CHINA	1.290,00	1.090
CHINESE TAIPEI	22,70	12.381
COLOMBIA	45,33	1.712
COSTA RICA	4,27	4.522
CZECH REPUBLIC	10,22	8.858
EGYPT	67,60	1.219
HONDURAS	6,86	988
HUNGARY	10,13	8.097
INDIA	1.091,00	564
INDONESIA	206,26	1.023
ISRAEL	6,86	17.134
KENYA	33,18	431
KOREA	45,90	13.255
LITHUANIA	3,45	5.737
MACEDONIA	2,02	1.859
MALAYSIA	25,99	4.141
MALTA	0,40	13.824
MAURITIUS	1,23	6.070
MONTENEGRO	0,62	2.963
MOROCCO	29,89	1.620
NIGERIA	120,00	750
OMAN	2,77	7.302
PAKISTAN	153,04	582
PANAMA	3,17	4.062
PERU	27,20	2.241
POLAND	38,19	5.704
ROMANIA	21,73	7.190
SLOVAKIA	5,38	6.831
SLOVENIA	1,99	15.576
SOUTH AFRICA	44,00	3.760
THAILAND	62,30	7.070
TUNISIA	9,94	2.543
TURKEY	67,80	3.383
UGANDA	25,00	300
VENEZUELA	25,09	2.319
VIETNAM	81,30	482

III. CIS characteristics

III.1 Fees and cost structure- Does the regulator collect data regarding management fees and minimum investment required to buy CIS units? If so, is this information made available to the public? How?

JURISDICTION	Collect data?		Disclosure to public?		How?
	Y	N	Y	N	
ALGERIA					
BAHAMAS	X		X		Offering document
BAHRAIN	X		X		Prospectus
BARBADOS		X			
BRAZIL	X		X		
BULGARIA					
CHINA		X			
CHINESE TAIPEI	X		X		SITCA's website and fund prospectuses
COLOMBIA	X		X		
COSTA RICA	X		X		Requesting at SUGEVAL / internet
CZECH REPUBLIC	x			X	
EGYPT	X		X		income statements and statements of financial position which are published on regular basis
MACEDONIA	x		x		
HONDURAS	X		X		newspapers
HUNGARY	X		X		prospectuses, summary prospectuses and annual reports
INDIA		X	X		newspapers
INDONESIA	X		X		prospectus
ISRAEL			X		funds prospectuses and data tables
KENYA	X		X		Information memorandum
KOREA	X		X		web site of Asset Management Association
LITHUANIA	X				
MALAYSIA	X		X		
MALTA		X			
MAURITIUS		X		X	
MONTENEGRO	X		X		newspapers
MOROCCO		X	X		through prospectus
NIGERIA	X		X		Prospectus
OMAN	X		?		
PAKISTAN	X		X		
PANAMA	X		X		
PERU		X	X		Funds' bylaws
POLAND	X		X		
ROMANIA		X			
SLOVAKIA		X		X	The regulator does not collect data regarding management fees and minimum investment required to buy CIS units.
SLOVENIA		X	X		fund rules, the prospectus and simplified prospectus
SOUTH AFRICA		X	X		marketing material
THAILAND	X		X		
TUNISIA	X		X		Financial statements
TURKEY		X	X		
UGANDA	X		X		marketing material
VENEZUELA	X		X		in the financial statement, quarterly
VIETNAM	X		X		through prospectus, websites.

III.1 Fees and cost structure- Does the regulator collect data regarding management fees and minimum investment required to buy CIS units? If so, is this information made available to the public? How? – Commentaries and observations.

BAHAMAS

Yes. By distribution of the Offering Document to potential investors.

BAHRAIN

Yes, the BMA requires such information to be included in the prospectus of the fund, thus, making it available for the BMA and the investors (Article 8 of circular BC/05/2002). Moreover, the fund must submit to the Agency as well as the investors a copy of the audited report of the fund, which includes a section about the fund's fees in the income statement (Article 34 of circular OG/318/95)

BRAZIL

CVM makes prospects and By-laws available to the public through its web site and consultation center.

BULGARIA

By virtue of the POSA, the maximum amount of the management costs, the management company's fee inclusive, may not exceed 5% of the average annual net asset value of the investment company. The issue value and the buy-back price of the investment company's shares may be increased /decreased/ by the issuance expenses, related to the buying-back respectively, by not more than 3% of the net asset value of one share. In the case of a change in the amount of the above expenses, the investment company is obligated to disclose such information before the investors within a one-month time period, prior to the change's entering into force. The investment's minimum amount depends on the net asset value of one share. The issue values and the buy-back prices are accessible by the investors through their publication in the FSC's register, the press and the Bulgarian Stock Exchange - Sofia.

CHINESE TAIPEI

Yes, information of management fees is collected monthly and available to the public through SITCA's website and fund prospectuses.

COLOMBIA

The two regulators collect data regarding management fees and minimum investment required to buy CIS units. This information is made available to the public via a fact sheet that each fund must do once a month. The format for the fact sheet has been agreed upon by the two regulators and easily permits potential investors to compare many aspects including asset allocation, total expenses, duration, main investments, past performance, etc.

COSTA RICA

SUGEVAL collects data about the fees. This information is available to the public upon request at SUGEVAL's Information Center or it can be found on the Internet at the following address: <http://www.sugeval.fi.cr/esp/mercado/actfondos.html>.

CZECH REPUBLIC

The CSC is informed about the fees and minimum investment requirements via the statutes of the funds, however there is no statistics on thus data as a whole, the CSC does not publish these data.

EGYPT

Yes, data are available in income statements and statements of financial position which are published on regular basis and filed with the CMA

HONDURAS

This data is published in the two newspapers of greater circulation in the country..

HUNGARY

Yes, the investment fund management companies send daily reports on the portfolio elements and their daily value, in addition, on expenses charged to the investment fund. The detailed expenses structure is disclosed in the fund prospectuses, summary prospectuses and the annual reports.

INDIA

SEBI, as a regulator does not collect data on management fees and minimum investments. Through the Regulations SEBI has only fixed a ceiling on the Management Fees chargeable by the AMCs. AMCs are required to disclose the actual management fee charged by them in un-audited half yearly reports published in newspapers. Thus the information is made available to the public. Again, information concerning minimum investment required to buy a unit of a scheme is contained in the Offer Documents of Mutual Funds inviting subscriptions from the investing public.

INDONESIA

Yes. Management Fee and minimum investment required to CIS units are disclosed in prospectus.

ISRAEL

This information is included in the funds prospectuses and in data tables which are published daily on the economic newspapers.

KENYA

The Regulations requires that the basis of management fee and service charged be disclosed in the applicants' information memorandum, and the manner in which such charges is determined is prescribed in the trust deed as well. The regulator during its routine inspections verifies the fee charged and is also provided in the interim and audited accounts filed with the regulator. The unit holders too, access this information when they receive annual reports.

LITHUANIA

The prospectus shall specify the methods for the calculation of the fee to the management company; and the amount of the fee shall be disclosed in the full and the simplified prospectus, the annual and the semi-annual reports. The minimum amount to be invested shall be specified in the semi-annual report. The full and the simplified report, the annual and the semi-annual reports disclosing the above data shall be filed with the Securities Commission.

MACEDONIA

Fund's Annual Financial reports must contain data on, among others, the changes in revenues and expenses of the fund for the reporting period, including management expenses, depository bank fees, other expenses and fees. Fund management companies publishes in one daily newspaper each financial statement of the fund under their management within 1 day of its filing with the MSEC

MALAYSIA

This information is made available to the public through imposing a requirement on unit trust management companies to have a daily publication both in Bahasa Melayu and English language in national newspapers. This information is also required as part of the disclosure requirements in the prospectus and the latter must be made available to the investor every time an offer or invitation to subscribe is made.

MONTENEGRO

There is no legal restriction on minimum investment required to buy CIS units. Regulator collects data regarding management fees (maximum 3% of net asset value). Funds are required to publish this information in newspapers.

NIGERIA

Yes. The information is made available to the public through the prospectus.

OMAN

The Regulator receives the offer document for granting registration to the fund whereby the Fees and Cost Structure details are provided.

PAKISTAN

Yes, the upper limit has been prescribed. In the offering document of CIS, the level of fee to be charged as well as minimum investment required to buy CIS units/ certificated/ shares is disclosed. The fee charged is also disclosed in the annual accounts/ reports.

PANAMA

The regulator collect data regarding management fees and minimum investment require to buy CIS units. The information is made available through prospectus of CIS.

PERU

No. However, it is important to mention that the regulatory framework requires that the “Reglamento de Participacion” (It is a document that is intended to give investors relevant information about the CIS.) includes information about the expenses applicable to the fund (i.e. management fees, transaction costs and others) as well as about the subscription and redemption fees and the minimum investment requirement. Thus, CIS’ administrators disclose information about management fees and minimum investment required to buy CIS units in the “Reglamento de Participacion” but they do it in a general way (they only disclose upper limits). The information is available for any investor in the Public Registry of CONASEV. However, the information is not available on a comparative basis, so that investors may not compare in a single table all the applicable fees and/or the minimum investment requirements.

POLAND

This data is publicly available e.g. on internet web sites of particular investment fund management companies.

ROMANIA

According to the provisions of the legislation in force, the level of the management fees is specified in the management contract that has to be presented when requesting authorization from the Romanian National Securities Commission. The minimum value of investments is specified in the issue prospectus that has to be presented together with the request for authorization. The minimum content of the management contract and of the prospectus are included as annexes to Regulation no. 3/2003 regarding the operation and functioning of the asset management companies, open-end investment funds, investment companies and

depositories. Draft Regulation on the authorization and functioning of the asset management companies, open-end investment funds and depositories provides that the management fee shall be specified within the funds rules as part of the instruments of incorporation, also presented at the authorization moment. Both funds rules and the prospectus are made public for the investors.

SLOVENIA

Data regarding management fee and all other information concerning the manner and amount of remuneration payable by the unit trust to the management company and the depositary, and reimbursement of costs by the mutual fund to the management company and to the depositary should be disclosed in fund rules, the prospectus and simplified prospectus. If there is any condition on minimum investment, it should also be disclosed in fund rules and prospectus.

SOUTH AFRICA

CIS's may be structured as a trust or open-ended investment company. Depending on the scheme structure, an independent trustee or custodian must be appointed to represent the NO. Information regarding all fees and minimum investment amounts must be disclosed in all marketing material of each portfolio.

THAILAND

The SEC collects mutual fund information for public disclosure on a regular basis. Presentation of such information is made in the form of a comparative table containing key information of each fund, which includes investment policy and fees and expenses of the fund, etc. Investors can easily access this table through SEC web site

TUNISIA

CMF collects every three months data regarding management fees. This information is made available to the public through the financial statements of CIS. The prospectus distributed to the public on the occasion of the first issue of CIS units to the public contains the necessary information about the minimum investment required to buy CIS units. The CIS are compelled to inform the CMF and the public if they change the amount of the minimum investment required to buy CIS units.

TURKEY

Although the regulator does not regularly collect data regarding management fees the regulatory framework specifically require the disclosure of this information to the public. Offering documents, or other publicly available information include fees and charges in relation to the CIS.

VENEZUELA

The regulator requires data of management fees but does not require minimum investment to buy CIS units. It is decided by the Board. The information is available in the financial statement, quarterly

III.1 Fees and cost structure - Can CIS apply back-end loads/contingent deferred sales charges (charges that apply if the investor sell or redeem shares during the first several years after purchase)? If so, to whom would it be paid?

JURISDICTION	Charges?		Fund	to whom?	
	Y	N		Mgm	Company
ALGERIA					
BAHAMAS	X				
BAHRAIN	X		X		
BARBADOS	X		X		X
BRAZIL	X				
BULGARIA	X				
CHINA	X		X		
CHINESE TAIPEI	X		X		
COLOMBIA	X				
COSTA RICA	X				
CZECH					
REPUBLIC	X		X		
EGYPT	X				
MACEDONIA	X				X
HONDURAS	X		X		
HUNGARY	X		X		
INDIA	X		X		
INDONESIA	X				X
ISRAEL	X				
KENYA	X				
KOREA	X		X		X
LITHUANIA	X				X
MALAYSIA	X		X		
MALTA	X				X
MAURITIUS		X			
MONTENEGRO		X			
MOROCCO					
NIGERIA					
OMAN		X			
PAKISTAN	X		X		
PANAMA	X				X
PERU	X				
POLAND	X				X
ROMANIA	X				
SLOVAKIA	X				
SLOVENIA	X				X
SOUTH AFRICA	X				
THAILAND	X				
TUNISIA	X		X		
TURKEY	X		X		
UGANDA					
VENEZUELA					
VIETNAM		X			

III.1 Fees and cost structure - Can CIS apply back-end loads/contingent deferred sales charges (charges that apply if the investor sell or redeem shares during the first several years after purchase)? If so, to whom would it be paid? – Commentaries and observations

BAHAMAS

This is normally provided for in the Constitutive and/or Offering Documents.

BAHRAIN

Yes, the scheme can apply such charges provided that they are approved by the Agency (Article 18 of circular OG/318/95), and disclosed in the prospectus to investors (Article 8 (a) of circular BC/05/2002). These charges are payable to the scheme.

BARBADOS

Fees are paid to the Company or to the Mutual Fund

BRAZIL

Yes. CVM regulation does not specify to whom charges will be paid

BULGARIA

Such possibility is provided for under Art.193, Para.3 of the POSA.

CHINA

Yes, such fees should be incorporated into the fund assets with no less than 25% of total back-end loads.

CHINESE TAIPEI

Yes, investors may be charged back-end loads/contingent deferred sales fee as long as it is specified in the prospectus, and such fee should be paid to the fund.

COLOMBIA

Voluntary pension funds generally have a back-end load of up to 0 year 1%. Fondos comunales especiales and Fondos de Valores can have but for much shorter periods (30 days up to 180 days). The contract or prospectus defines to whom it would be paid. In some cases it goes to the fund and in other cases it goes to the manager of the CIS

COSTA RICA

Article 68 of the Ley Reguladora del Mercado de Valores No. 7732, (Regulatory law for the stock market) indicates that the investment companies may only charge a commission for the administration of investment funds. This commission should be indicated in the prospectus and may be collected from the net asset value or the yield of the fund, or both. In addition, the investment companies may charge investors a fee for depositing and withdrawing from the fund, in proportion to the amount deposited or withdrawn. As in the previous case, this should also be indicated in the fund prospectus. The Ley Reguladora del Mercado de Valores No. 7732, (Regulatory law for the stock market) can be accessed in the following address: <http://www.sugeval.fi.cr/ing/Law%207732.doc>

CZECH REPUBLIC

There are no specific rules on this type of redemption fees

EGYPT

Yes, for each mutual fund the management contract of the fund should include the cases and procedures of redeeming investment certificates (Articles 159 and 167 item 3 of the Executive Regulations).

HONDURAS

Yes. To each CSI

HUNGARY

The application of back-end loads/contingent deferred sales charges is not prohibited by law in case of purchase of large amount of investment units and their redemption within a short time (usually 30 days). In our current practice, the fund is entitled for these charges

INDIA

Indian Mutual Funds are permitted to charge Exit Loads (back end loads) / CDSCs. All loads including CDSC for each scheme is maintained in a separate account and may be utilized towards meeting the selling and distribution expenses. Any surplus in this account may be credited to the scheme whenever felt appropriate by the AMC.

INDONESIA

Yes. It is payable to CIS manager.

ISRAEL

The funds are permitted to do so but they don't actually apply it.

KENYA

Yes. There are various charges depending on how long one holds the units, and the frequency of redemption. Most of these charges are treated as administrative costs.

KOREA

There are 2 types of charges when investors sell or redeem shares. One is a back-end load sales charge and the other is a redemption fee. Back-end load sales charge belongs to selling company and redemption fee belongs to CIS.

LITHUANIA

CIS may apply back-end loads (amount equivalent to redemption costs), if that is provided for in the instruments of incorporation. The price of investment units or shares may be reduced only provided such costs did not result in the reduction of NAV and the sale price was not increased due to that. The fee is paid to the agent and shall be disclosed in the simplified prospectus.

MACEDONIA

The fund's Charter may provide that the incorporation expenses be reimbursed to the company by being included in the sale price of the stocks of the fund

MALAYSIA

Yes, the CIS can apply back end loads or exit fees. Exit charges can operate as a flat fee or on a sliding scale and can be triggered at different intervals. It is usually paid to the management company but for some guaranteed closed end funds it is usually a penalty in the form of a tiered repurchase charge that is usually meted to the Fund.

MALTA

Back end loads and contingent deferred sales charges are generally payable either to the manager or to the investment firm which executes the transaction.

MAURITIUS

No contingent deferred sale charges exist in Mauritius. There are normally only exit fees.

PANAMA

Yes. The sum will pay to the investment management company.

PERU

In the case of MUTUAL FUNDS (open-end funds), the CIS' administrator is required to redeem shares at any time. In such a case, investors must pay a redemption fee previously established in the "Reglamento de Participacion". In the case of INVESTMENT FUNDS (close-end funds), CIS' shares are not subject to redemptions. The number of shares is fixed until the fund's liquidation. Only under certain circumstances investors may redeem their shares exercising their "separation prerogative". Investors may exercise their separation prerogative when the General Assembly decides to change the "Reglamento de Participacion" in aspects related to the investment policies, expenses applicable to the fund, indebtedness limits, etc.

POLAND

Articles of investment funds determine maximum fee and method of payment. Charges for sold and redeemed shares usually appear as a fee counted in percent of paid assets. In Poland it is between 0% and 5,5%. Charges are paid to investment fund companies.

ROMANIA

Regulation no. 3/2003 regarding the operation and functioning of the asset management companies, open-end investment funds, investment companies and depositories establishes the minimum content of the prospectus. In accordance with the requirements of the prospectus, CIS have the obligation to specify the level of the charges for purchase and redemption. The level of these charges is established by the asset management company and they are paid to the asset management company but they are belonging to the fund. Draft Regulation on the authorization and functioning of the asset management companies, open-end funds and depositories provides that the redemption charge will belong to the fund and the purchase charge will belong to the asset management company whether specified in the prospectus.

SLOVAKIA

The Act allows for using back-end loads, however these are not usually applied for by the CIS in common practice.

SLOVENIA

Yes, mutual funds are allowed to apply charges that apply, if the investor requires the fund to redeem investor's investment coupons (units). These charges are paid directly to the management company.

SOUTH AFRICA

YES. As part of the manager's charge, a manager may levy an exit charge. This must be authorized by the supplemental deed that establishes a portfolio. This charge is normally levied on a sliding scale, i.e. the longer an investor remains in a portfolio, the lower this charge.

THAILAND

Back-end fees are usually charged, as operational costs of the AMC, directly to the investors upon their redemption. Contingent deferred sales charges or exit fees, on the other hand, are charged only by certain types of fund as a compensation for the exit prior to the date specified in the prospectus, which may affect the other unit holders. All fees and charges are, however, subject to full disclosure in the mutual fund prospectus

TUNISIA

Presently, investors do not pay any charges when they sell or redeem shares to the CIS units. But, some newly filed and authorized CIS during this year provide for the payment of selling or redeeming charges. The charges are to be paid to the CIS (portfolio).

TURKEY

Yes under the provisions of Article 37 of Communiqué on Principles Regarding Mutual Funds if such a provision exists in the internal statute and if the rules had been already set, in funds other than money market funds, commission may be applicable in redemption of participation certificates by the fund to the investors, in accordance with the period of keeping the participation certificates. The collected commission amount shall be recorded as revenues to the fund.

UGANDA

The law is silent on this. However, the proposed amendments to the regulations will permit this.

III.2 CIS classification – Types of funds - Are CIS classified by the regulator through the enforcement of portfolio composition and/or investment restriction rules?

JURISDICTION	Classification by regulator	
	Y	N
ALGERIA		
BAHAMAS		X
BAHRAIN	X	
BARBADOS		X
BRAZIL	X	
BULGARIA		
CHINA	X	
CHINESE TAIPEI	X	
COLOMBIA		X
COSTA RICA	X	
CZECH REPUBLIC		X
EGYPT		
MACEDONIA		X
HONDURAS	X	
HUNGARY	X	
INDIA	X	
INDONESIA	X	
ISRAEL		
KENYA	X	
KOREA	X	
LITHUANIA		X
MALAYSIA	X	
MALTA		X
MAURITIUS		X
MONTENEGRO	X	
MOROCCO	X	
NIGERIA		X
OMAN	X	
PAKISTAN		X
PANAMA	X	
PERU		X
POLAND	X	
ROMANIA		X
RUSSIA		
SLOVAKIA	X	
SLOVENIA	X	
SOUTH AFRICA		X
THAILAND	X	
TUNISIA	X	
TURKEY	X	
UGANDA	X	
VENEZUELA	X	
VIETNAM	X	

III.2 CIS classification – Types of funds - Are CIS classified by the regulator through the enforcement of portfolio composition and/or investment restriction rules? – Commentaries and observations

BRAZIL

CVM issued rules recently concerning the classification of CIS on the basis of investment portfolio composition and has imposed certain investment restrictions for each class. The main imposition is that each class shall have a well-defined risk factor, being it the interest rate, exchange rate, inflation rate or stock index, except for the Multi-market class that can have several risk factors. The classes allowed are: Money Market (short-term), Referenced (follows an index), Fixed Income, Equity, Currencies, Sovereign Debt and Multi-market

BAHRAIN

Classified by portfolio composition.

BULGARIA

As of the end of year 2004, there are two functioning investment companies that only invest in bonds, and the other seven belong to the Mixed Type, i.e. these invest not only in shares of public companies, but also in debt instruments.

CHINESE TAIPEI

Yes, CIS are classified by the FSC.

COLOMBIA

Currently the regulators do not have a classification, mainly because the great majority of funds were fixed income. However due to the more or less recent creation of new classes of funds we are currently working in a classification that will help investors compare funds among the same class.

COSTA RICA

According to article 80 of the Law No. 7732, the fund can be classified in the following types of investment funds: a) Open investment funds: those which patrimony is variable and unlimited; the shares held by the public are redeemable directly by the fund and its duration period is indefinite. In these cases, the shares could not be subject to operations different from reimbursement operations. b) Close investment funds: those which patrimony is fix; the share participations held by the public are not redeemable directly by the fund, except in those circumstances and procedures included in this legislation. c) Close or open financial investment funds: are those having the totality of their assets invested on securities or in other financial instruments representative of financial assets. d) Close or open non-financial investment funds: those which main objective is the investment on non-financial assets. e) Fund of funds: those which assets are invested, exclusively, on shares or certificates of participation of other investment funds. The Superintendencia will issue, according to by-laws, the operating conditions for these funds, the type of fund on which they can invest, as well as the diversification norms, the appraisal and imputation of commissions and the expenses of funds on which investments are made. Likewise, it could issue norms on any other situation which has not been contemplated on this legislation regarding to fund of funds. The Superintendencia may establish and regulate other kinds of investment funds. Financial investments funds have been classified by Costa Rican investors in four categories: Money Market, Income and Growth Bond Funds, and Equity Funds. Non financial funds type are classified into two categories: Real Estate Investment Funds and Securitization Investment Funds (these funds invest in securitized-mortgages or another kind of securitized-assets)

CZECH REPUBLIC

No, the CSC does not apply its own rules for classification of funds. Domestic funds (99%) apply for portfolio composition- based classification the rules set by self-regulatory organization of domestic management companies (UNIS) and the CSC accepts these rules.

HONDURAS

They are classified in both. There is a regulation which specifies the type of classification every portfolio is in, usually there classified by equities, bonds and money market.

HUNGARY

The CMA defines several main categories, such as securities- or real estate funds. When investing in securities, there may be special funds, investment funds investing in other funds, investment funds investing in derivative instruments and index-driven investment funds

INDIA

Mutual Funds schemes are mainly classified on the basis of portfolio composition. Further under normal circumstances at least 65% of the value of total assets of the scheme shall be invested in the indicated type of security / industry.

INDONESIA

Yes. This is regulated in Bapepam's Rule Number IV.C.3

ISRAEL

The funds are permitted to do so but they don't actually apply it.

KENYA

It is classified through investment restriction rules/guidelines.

LITHUANIA

The regulator has not implemented any rules concerning the classification of CIS on the basis of investment portfolio composition or the imposed investment restrictions. As of end of 2003 there were only two investment funds operational which, according to the established practice, may be classified as equity fund (93,5% of NAV invested into equity securities) and the money market fund (65,2 %of NAV invested into money market instruments).

MACEDONIA

There are legal restrictions of the portfolio composition, but the CIS are not classified nor by its enforcement or its investment rules.

MALAYSIA

Yes, CIS are classified by the SC through enforcement of portfolio composition and or investment restriction rules. For instance bond funds, money market funds, capital guaranteed, capital protected funds, index funds and balanced funds have characteristics and restrictions peculiar to these type of funds

MALTA

The MFSA does not classify funds depending on their portfolio composition or investment restrictions. Funds are rather classified depending on whether they target retail investors, experienced investors or qualified investors. ... The MFSA requires that all locally based CISs adhere with the investment restrictions listed in their Offering Memorandum/Prospectus. ... CISs which target experienced or qualifying investors are not subject to any investment restrictions.

MAURITIUS

Not currently, but forthcoming in new legislation.

MONTENEGRO

CIS are classified as investment fund and mutual funds. Investment funds must invest 20% of their assets locally. Mutual funds have no restrictions regarding investments. Both types can invest in real estate.

NIGERIA

No. As at present the fund managers of Unit trust schemes in Nigeria state portfolio composition of the fund in the prospectus and the trust deed.

OMAN

The CIS entities are allowed to invest in Marketable Securities. CIS entities are classified through the enforcement of portfolio composition

PERU

CIS under regulation and supervision of CONASEV are classified into two major groups: MUTUAL FUNDS (open-end funds) and INVESTMENT FUNDS (close-end funds). In the first case, they are only permitted to invest in financial instruments and financial operations. In the latter case, they may invest in financial instruments, financial operations and other assets.

ROMANIA

For the undertaking for collective investment funds in securities, neither the actual regulations nor the draft regulations contain provisions related to its classifications.

SLOVAKIA

Regarding the portfolio composition, it depends on the fund rules approved by the Slovak FMA, that shall comprise for the related management company obligatory rules on investment policy and in such a way is determined also the requested portfolio composition. In relation to the classification on the base of investment restriction rules, the law on collective investment distinguishes between three main categories, namely: open-ended funds, closed ended funds and special funds. The legislation that should capture the collective investment business in real estates and so-called fund of funds is now in the state of preparation.

SLOVENIA

All CIS - mutual funds in Slovenia should be in line with the UCITS Directive, which means that they should respect relatively rigorous investment restrictions. CIS are classified by the regulator on the basis of their investment policy. Main factor of classification is predominant investment orientation (equity, bond, money market, balanced, fund of funds, specific regional or sectoral funds).

SOUTH AFRICA

NOT by the regulator but by the industry body, the Association of Collective Investments ("ACI"). The classification is done in line with the ACI's Code of Practice for Fund Classification.

THAILAND

Yes, mutual funds are classified by their investment policies and portfolio composition. For each type of fund, the SEC prescribes only the general requirement for portfolio composition, allowing the AMC flexibility to manage the fund under different market conditions. For

example, the equity fund shall normally invest at least 65% of its NAV in equities. However, if the equity market turns sour and such proportion cannot be maintained, the AMC can adjust the proportion but is required to notify the unit holders of the adjustment periodically.

TUNISIA

CIS are now classified through the enforcement of portfolio composition rules.

TURKEY

Mutual funds can be established under certain types, which are determined in relation to portfolio limitations outlined in the Article 5 of Communiqué on Principles Regarding Mutual Funds. The only condition is that the type of the fund to be specified in the internal statute of the fund.

VENEZUELA

They are classified through enforcement of portfolio composition

VIETNAM

Yes, CIS classified by the regulator through investment restriction rules.

III.2 CIS classification – Types of funds - Are CIS classified by the regulator through the enforcement of portfolio composition and/or investment restriction rules? - The most common classifications include Equity, Bond, Money Market, and Balanced or Mixed. If this classification is adopted locally, please fill in the following table, showing their percentage in relation to the total number of funds operating.

JURISDICTION	TYPE OF FUNDS				
	Equity	Bond	Money Market	Balanced/Mixed	Other
ALGERIA					
BAHAMAS					
BAHRAIN	60,0%	2,5%	2,5%	5,0%	30,0%
BARBADOS				100,0%	
BRAZIL					
BULGARIA		22,2%		77,8%	
CHINA	66,5%	18,0%	6,8%	5,6%	3,1%
CHINESE TAIPEI	51,0%	23,0%	0,0%	19,0%	0,0%
COLOMBIA					
COSTA RICA	2,0%	56,0%	33,0%		9,0%
CZECH REPUBLIC	14,0%	22,0%	14,0%	44,0%	6,0%
EGYPT			7,7%	92,3%	
MACEDONIA					
HONDURAS	5,0%	40,0%	50,0%	0,0%	5,0%
HUNGARY	20,0%	16,0%	15,0%	9,0%	40,0%
INDIA	41,0%	37,7%	14,3%	7,0%	
INDONESIA	8,9%	57,4%	11,9%	21,9%	0,0%
ISRAEL	40,0%	37,0%	20,0%	2,0%	1,0%
KENYA	36,0%	37,9%	20,5%		5,7%
KOREA	9,0%	32,2%	5,5%	37,0%	16,3%
LITHUANIA	50,0%		50,0%		
MALAYSIA	56,8%	15,4%	2,6%	17,6%	7,7%
MALTA	39,0%	31,0%	16,0%	12,0%	2,0%
MAURITIUS	9,0%			91,0%	
MONTENEGRO					
MOROCCO	5,0%	91,0%		4,0%	
NIGERIA					
OMAN	20,0%			80,0%	
PAKISTAN	46,0%	15,5%	26,7%	11,1%	
PANAMA	53,8%	46,2%			
PERU		44,8%	27,6%	17,2%	10,3%
POLAND	7,3%	23,8%	17,2%	49,9%	1,8%
ROMANIA	15,0%	30,0%	5,0%	35,0%	15,0%
SLOVAKIA	35,7%	22,2%	9,0%	27,1%	6,0%
SLOVENIA	60,6%	13,6%	1,5%	21,2%	3,0%
SOUTH AFRICA	31,0%	21,0%	35,0%	13,0%	
THAILAND	33,7%	25,5%	1,5%	36,8%	2,1%
TUNISIA		50,0%		50,0%	
TURKEY	16,6%	13,7%	17,3%	47,3%	5,1%
UGANDA					
VENEZUELA	18,0%	27,0%		22,0%	33,0%
VIETNAM					

III.2 CIS classification – Types of funds - Are there capital guaranteed funds, Exchange Traded Funds and any other different types of funds?

JURISDICTION	Other Funds?	
	Y	N
ALGERIA		
BAHAMAS	X	
BAHRAIN	X	
BARBADOS		X
BRAZIL	X	
BULGARIA		
CHINA	X	
CHINESE TAIPEI	X	
COLOMBIA		X
COSTA RICA		X
CZECH REPUBLIC	X	
EGYPT		X
MACEDONIA		X
HONDURAS		X
HUNGARY	X	
INDIA		X
INDONESIA		X
ISRAEL		
KENYA		X
KOREA	X	
LITHUANIA		X
MALAYSIA	X	
MALTA	X	
MAURITIUS		X
MONGOLIA		
MONTENEGRO		X
MOROCCO	X	
NIGERIA		
OMAN	X	
PAKISTAN	X	
PANAMA		X
PERU	X	
POLAND		X
ROMANIA	X	
SLOVAKIA		X
SLOVENIA	X	
SOUTH AFRICA	X	
THAILAND	X	
TUNISIA		X
TURKEY		X
UGANDA		X
VENEZUELA		X
VIETNAM		X

III.2 CIS classification – Types of funds - Are there capital guaranteed funds, Exchange Traded Funds and any other different types of funds? – Commentaries and observations

BAHRAIN

There are capital guaranteed funds registered with the Agency, but none of the Agency's funds is an exchange-traded fund (Although the regulation does not restrict the establishment of such funds). There are other types of classifications depending on the type of investments like real estate funds and private equity funds.

BARBADOS

There are no capital guaranteed or open ended Exchange Traded Funds in Barbados. However there is a closed end real estate fund which trades on the local stock exchange. Other types of Mutual Funds available in Barbados are Pension, Fund of Funds and Property Funds.

BRAZIL

Yes. There are many Capital Guaranteed funds and one Exchange Traded Fund operating.

BULGARIA

Investment companies of the closed-end type; their shares are traded on a regulated market /compulsorily/; the possibility for secondary trading exists.

CHINA

Yes, there are capital guaranteed funds, ETF and listed open-ended funds in China now, but not available by the end of 2003.

CHINESE TAIPEI

Yes, as of May 2005, except Bond, Equity and Balanced funds, there are also Fund of funds, ETF, Guaranteed funds, and Index funds in Taiwan.

COLOMBIA

Capital guaranteed funds: No they do not exist in Colombia. In Colombian legislation a fund manager is forbidden to "promise" a certain return. This has not allowed the development of this type of funds. · ETFs: No they do not exist in Colombia.

COSTA RICA

A new regulation establishes capital guaranteed funds and specialized funds for development of real estate projects. This regulation is expected to be approved during the first semester of 2006.

CZECH REPUBLIC

Yes, there are currently 3 capital guaranteed domestic funds and many foreign guaranteed funds operating in the Czech market. Only two open-end funds are exchange traded which is residuum from the past. The other funds are currently not interested in trading the fund shares on the stock exchange, however this possibility is not limited

HUNGARY

Yes, there are capital- and yield guaranteed funds, but there are no Exchange Traded Funds. (Please, see the response to the previous question.)

INDIA

SEBI is not in favor of the concept of "Capital Guaranteed / protected funds" wherein guarantee provided by a third - party. However, SEBI has been considering the concept of

"Capital Protected Schemes" wherein the capital is protected by a structured portfolio. As the structure of investment in such schemes is devised by the AMC, the structure shall be rated by SEBI registered credit rating agencies. Necessary regulatory amendments are needed to implement the above concept. ETFs have been permitted in India and such schemes have been floated by our fund houses. Apart from the normal schemes, Fund of Funds schemes, arbitrage funds are floated by Indian Mutual Funds.

INDONESIA

No. But we are now proposing rule on Capital Protected Fund, Guaranteed Fund and Index Fund. We are also conducting study of Exchange Traded Fund.

KOREA

There are no capital guaranteed funds, but Exchange Trade Funds are available. In addition, there are Derivatives funds, Real-estate funds, FoFs, special asset funds, etc.

MALAYSIA

Yes, there are capital guaranteed funds, Islamic or syariah funds, bond funds, umbrella funds, equity and bond fund and fixed income funds. There are no exchange traded funds as yet.

MALTA

Presently there is one licensed capital guaranteed fund and 6 licensed capital protected funds. There is also one exchange traded fund.

MOROCCO

There is only one guaranteed capital fund (at certain conditions) and a few other funds.

OMAN

Yes there is one capital guaranteed fund.

PAKISTAN

There is only one Capital Guaranteed Fund.

PERU

There is one capital guaranteed fund operating in the Peruvian public securities market. There are not Exchange Traded Funds operating in our market.

ROMANIA

On the Romanian territory are operating Exchange Traded Funds.

SLOVAKIA

There are no capital guaranteed funds in Slovakia at the moment. Exchange traded funds are in general the funds of closed-ended type.

SLOVENIA

Only Exchange Traded Funds - mutual funds with transferable investment coupons.

SOUTH AFRICA

NO capital guaranteed funds. YES Exchange traded funds, fund of funds, feeder funds.

TUNISIA

Our present classification of CIS units does not include any capital guarantee funds, exchanged traded funds or any other types of funds.

VIETNAM

We have only closed-end funds.

III.2 CIS classification – Types of funds - Can CIS offer more than one class of shares/units? For example, there may be a fund that offers "Class A" and "Class B" shares. Each class will invest in the same "pool" (or investment portfolio) of securities and will have the same investment objectives and policies. But each class will have different shareholder services and/or distribution arrangements with different fees and expenses.

JURISDICTION	More than one class?	
	Y	N
ALGERIA		
BAHAMAS	X	
BAHRAIN	X	
BARBADOS	X	
BRAZIL		X
BULGARIA		X
CHINA		X
CHINESE TAIPEI	X	
COLOMBIA		X
COSTA RICA	X	
CZECH REPUBLIC		X
EGYPT		X
MACEDONIA		X
HONDURAS		X
HUNGARY	X	
INDIA	X	
INDONESIA		X
ISRAEL		X
KENYA	X	
KOREA	X	
LITHUANIA	X	
MALAWI		
MALAYSIA	X	
MALTA	X	
MAURITIUS	X	
MONTENEGRO		X
MOROCCO		X
NIGERIA		X
OMAN		X
PAKISTAN	X	
PANAMA	X	
PERU	X	
POLAND	X	
ROMANIA		X
SLOVAKIA		X
SLOVENIA		X
SOUTH AFRICA	X	
THAILAND	X	
TUNISIA		X
TURKEY		X
UGANDA	X	
VENEZUELA		X
VIETNAM		X

III.2 CIS classification – Types of funds - Can CIS offer more than one class of shares/units? For example, there may be a fund that offers "Class A" and "Class B" shares. Each class will invest in the same "pool" (or investment portfolio) of securities and will have the same investment objectives and policies. But each class will have different shareholder services and/or distribution arrangements with different fees and expenses. – Observations and commentaries.

BAHRAIN

Yes, the scheme can have more than one class, provided that the prospectus contains information as to the name and distinguishing characteristics of each class (Article 5 (a, iii) of circular BC/05/2002)

BRAZIL

No, more than one class of units is not allowed to open-end funds.

BULGARIA

At this stage, only the foreign CIS may offer a different class of shares, depending on the investment portfolio. Correspondingly, the fees may also be different. For investment companies regulated as joint-stock companies, the possibility to offer different classes of shares, to have different investment portfolios respectively, is not provided for under the law. This is yet to be an object matter of subsequent legislative amendments.

CHINESE TAIPEI

At present, no such fund has been issued. Regulation in this field is silence

COSTA RICA

Costa Rican investment funds may offer different kind of shares or certificates of participation; they should differ on sales or administration fees. Each class invests in the same pool of securities and has same shareholder services.

HONDURAS

There is no investment in shares.

HUNGARY

All investment units/certificates issued under the name of an investment fund must be of the same face value and must have the same rights attached. The series of investment units/certificates under the name of the same investment fund may vary from each other in the following respects: a) the amount of commissions, and all fees and expenses charged to the investment fund; b) the face value of the investment units, the currency of the issue; c) the method of the issuance, the issue and place of issue, the minimum of the offered amount /volume; d) the rules concerning the assessment and payment of capital increments and dividends

INDIA

Indian Mutual Funds offer different options for the investors to choose under the same portfolio having same investment objective and policies. For instance, there may be Growth and Dividend options in a scheme that comprises the same portfolio. Similarly, Dividend option may have sub-options like Dividend re-investment or Dividend pay-out option. Further schemes may have different plans like retail, institutional plans having same investment objective and policies but different expense structure.

INDONESIA

There is explicit rule on this and there is no such practice in Indonesian market.

ISRAEL

No, the mutual funds can not offer more than one class of shares/units.

KENYA

Such that the rights of each class if they vary should be disclosed and conversions procedures where necessary and the fund manager allocates the available income to the shares of each class in issue taking account of the provision of its incorporation documents relating to the proportion of available income attributable to each class in the case of an umbrella scheme, at year end. The various classes are clearly provided in the trust deed.

LITHUANIA

Yes. Although currently there are no CIS issuing multi-class units (shares).

MALAYSIA

There are currently no restrictions on CIS offering more than one class of shares/units. However there has not been any such funds in the industry.

MALTA

CISs can have more than one class of shares. A number of locally based funds have established distributor/ accumulator classes (which invest in the same pool of assets and have the same investment objectives and policies). In practice the Fund will have two classes one offering distribution shares and the other capital appreciation/ growth shares.

MAURITIUS

Yes, for Global Funds

MOROCCO

Les OPCVM offrent tous une seule et unique classe de parts ou d'actions.

NIGERIA

We do not have a unit trust scheme that offers more than one class of shares\units in Nigeria at present.

OMAN

No the units issued by CIS entities do not offer units which rank different to any other units issued.

PAKISTAN

Yes, the classification is based on sales load charged to different classes of investors.

PANAMA

Generally, CIS offer two classes of shares. "Class A" and Class B. Each class invest in the same pool (or investment portfolio) of securities and will have the same investment objectives and policies. The only difference is that share s "Class B" have the right of vote. Shares "Class A" do not have the right to vote.

PERU

Yes. According to the Investment Funds Act. The administrator may issue shares grouped in classes with different prerogatives. All of the shares of one class will have the same prerogatives. All of the shares of an investment fund have the same face value, maturity and give right to one vote, even though they are of different class. The creation of classes will be determined in the “Reglamento de Participacion” or by agreement of the General Assembly. It is important to mention that in the case of mutual funds, it is not possible for the management company to issue shares grouped in different classes for the same mutual fund.

ROMANIA

In Romania, CIS are offering a single type of units, registered and dematerialized which confer to their holders equal rights. (Art. 89, Capital Market Law)

OMAN

No the units issued by CIS entities do not offer units which rank different to any other units issued.

SLOVENIA

No, different classes of units within single mutual fund are not allowed.

THAILAND

SEC regulations do not prohibit mutual funds from offering classes of unit. However, the mutual fund with different classes of unit will be required to demonstrate this feature in the mutual fund scheme and prospectus, so that the provision will be enforceable under the law. The requirement is aimed at ring-fencing the mutual fund assets of each class from liabilities of the others. Presently, the launch of classes of unit practically limits to certain types of fund such as the mutual fund for resolving financial institution problems.

TUNISIA

Each CIS unit offers the same class of shares.

III.3 Management company - Number of investment management companies registered and in operation - Is there a minimum capital requirement for the management company? How much? - Is there a minimum investment requirement that the management company must invest in the funds it manages? Alternatively, is there a restriction on investments by the management company and its employees in the funds they manage?

JURISDICTION	investment management companies registered	Minimum capital requirement?		How much?	minimum investment requirement?		restriction on investments?	
		Y	N		Y	N	Y	N
BAHRAIN	34	X		BD 250,000				X
BRAZIL	461		X			X		X
BULGARIA	9	X		BGN 100,000		X	X	
BAHAMAS	61	X		US\$ 500,000				
CHINA	45	X		100 million RMB		X		
CHINESE TAIPEI	45	X		NT\$300 million		X	X	
COLOMBIA	5	X		MM COL\$900 US\$323.950		X	X	
COSTA RICA	18			₡30,000,000		X	X	
CZECH REPUBLIC	9	X		125000		X		X
EGYPT	22	X		1 million pounds			X	
MACEDONIA	0	X		250000				
HONDURAS	0	X		USD 54000		X		X
HUNGARY	23	X		100 million forints				
INDIA	39	X		Rs. 10 Crores	X			
INDONESIA	100		X			X		X
ISRAEL	41	X		USD 160000		X	X	
KENYA	14	X		Kshs 10 million		X		
KOREA	45	X		KRW 10 billion		X	X	
LITHUANIA	9	X		US\$150,000		X		X
MALAYSIA	36	X		RM 10million		X		X
MALTA	7	X		125000		X		
MAURITIUS	15	X		Rs 500,000		X		
MONTENEGRO	6	X		EUR 125,000			X	
MOROCCO	12	X		300,000 DH		X		X
NIGERIA	19	X		N40 million	X			X
OMAN	5	X		1000000 Omani Rials	X			
PAKISTAN	18	X		Rs. 30 million	X			
PANAMA	12	X		US\$150,000		X	X	
PERU	10	X		S/. 750,000		X		X
POLAND	20	X		125000		X		
ROMANIA	15	X		125000		X		X
SLOVAKIA	10	X		1000000				
SLOVENIA	15	X		250000		X		X
SOUTH AFRICA	29	X		R600000	X			X
THAILAND	17	X		100 million bath		X	X	
TUNISIA	3			100,000 TND		X		X
TURKEY	20	X		US\$660,000		X	X	
UGANDA	1	X		200 million Uganda Shillings		X		X
VENEZUELA	20	X		20,000 unidades tributarias			X	
VIETNAM	2	X		US\$ 350,000,00		X	X	

III.3 Management Company - Number of investment management companies registered and in operation - Is there a minimum capital requirement for the management company? How much? - Is there a minimum investment requirement that the management company must invest in the funds it manages? Alternatively, is there a restriction on investments by the management company and its employees in the funds they manage? – **Comments and observations.**

BAHRAIN

All commercial banks, investment banks, and offshore banking units licensed by the BMA can perform investment management activities within their banking license. Moreover, Banks and financial institutions residing outside Bahrain, which are licensed to perform fund management activities by their regulatory authorities, also manage funds established in Bahrain. As of December 2005, 13 local banks 21 foreign institutions were involved in fund management activities

On 30th April 2006, the BMA introduced a new Rulebook called investment Business License (Volume 4). It includes special categories for asset management (Category 1) and fund management (Category 2).

Yes, for Category 1 licensees (which will cover asset management) it is BD1 million, for Category 2 (fund management) it is BD1 million and if the licensee does not want to carry out custody, then the capital requirement will be BD250,000 only.

There is no minimum investment requirement by the management companies. Also, there is no restrictions on the amount the management company or its employees can invest in the fund, given that they meet their license requirement on the maximum % of capital exposure to one asset class (the amount of investment by the fund management company is considered on a case-by-case basis)

BRAZIL

There is neither minimum investment requirement nor restrictions on investment by the management company and its employees in a CIS they manage. The management company and its employees are not allowed however to vote at the CIS' assemblies.

BULGARIA

Pursuant to the POSA, the members of a managing or control body of a management company, the members of a managing body or other persons respectively, who exercise managing or controlling functions at the investment company, may not invest the investment company's funds in securities issued by them themselves or by persons related to them. The members of a managing or control body of an investment company or of a management company, as well as persons related to them, may not be a party under transactions concluded with the investment company, except for where they act in their capacity of its shareholders.

BAHAMAS

Yes. Investment management companies are licensed as investment fund administrators under the following categories with the stated capital requirements: Unrestricted investment fund administrator - US\$500,000 or US\$150,000 plus indemnity insurance of US\$1,000,000. Restricted investment fund administrator - US\$500,000 or US\$150,000 plus indemnity insurance of US\$1,000,000. Unrestricted investment fund administrator - US\$500,000 or US\$150,000 plus indemnity insurance of US\$1,000,000.

CHINESE TAIPEI

Yes, there is. The minimum capital requirement for the management company is NT\$300,000,000.

COLOMBIA

Yes, the management firm can not buy from or sell to the funds it manages.

COSTA RICA

Law No. 7732, article 66 states: Investment companies must have a minimum capital, subscribed and initially paid in cash, of thirty million colones (¢30,000,000), an amount that may be adjusted periodically by the Superintendencia. This amount is adjusted by the Consumer Price Index, for 2005 the minimum capital was sixty three million colones (¢63,000,000, approximately US\$127,000). Law 7732, article 71 states: The management company may not invest its capital in the funds administer by itself. Additionally, the investment funds may not invest in securities that the management company issued. Article 72 states: Members, directors and employees of an investment company, and its economic interest group, can not purchase nor sell securities to the funds.

CZECH REPUBLIC

No, (there isn't restrictions on investments by the management company and its employees in the funds they manage) provided there are sufficient arrangements with the management company so that market timing practices are impossible by these transactions.

EGYPT

Yes, the paid up cash capital should not be less than one million pounds. (Article 164, item #1 of the Executive Regulations).

MACEDONIA

If the company is incorporated for management of several funds, the base capital shall be enlarged for the amount in denar counter value of approx. 125.000 Euros for each following fund

HONDURAS

L1,000,000.00 which is approximately US\$54,000

HUNGARY

The minimum amount of subscribed capital prescribed for the investment fund management company is one hundred million forints. If the private pension fund assets managed by an investment management company is two billion forints or more, its equity capital must be at least two hundred and fifty million forints plus one per cent of the sum that is in excess of the managed two billion forints of private pension fund assets. If the equity capital of the investment fund management company is at least one billion forints, any increment in the managed private pension fund assets shall not be compensated by increasing its own funds. If the amount of assets managed by the management company of a European investment fund is 60 billion forints or more, its own funds shall be at least one hundred million forints plus 0.02 per cent of the amount in excess of the said threshold of 60 billion forints of the net value of the assets of the funds it manages. If the own funds of the management company is 2.5 billion forints or more its equity capital need not be further increased.

INDIA

Yes. The AMC shall not invest in any of the schemes unless full disclosure of its intention to invest has been made in the offer document and that the AMC shall not charge any management fee for its investment. Also, SEBI has prescribed certain guidelines for investment / trading in securities by employees of Asset Management Companies and Mutual Fund Trustee Companies. The Guidelines contain provisions for obtaining prior approval for

transactions by Access Persons, reporting requirements and review by the Boards of Asset Management Companies and Trustee Companies.

ISRAEL

Yes, the minimum capital required as equity is USD 160,000.

KENYA

Yes. The Regulator has specific financial requirements with regard to paid up capital for investment managers i.e.; a) Paid up share capital of not less than Kshs 10 million (US\$ 0.13 million). b) The level of shareholders funds shall not be below Kshs 10 million at any time during the license period. c) The minimum paid up share capital shall be unimpaired and shall not be advanced to directors or associates of the investment adviser or fund manager. d) The working capital shall not be below 20% of the prescribed minimum shareholders funds. e) Unsecured advances, loans and other amounts to directors or associates shall in aggregate not exceed 10% of prescribed shareholders funds at any time. f) The ratio of bank overdraft to the paid capital shall not exceed 20% at any time. No, the legal framework is only specific on the share capital of the fund manager and silent on it investing in CIS.

KOREA

Management companies are prohibited to invest in investment securities including the funds they manage. However, when incorporating an investment company, investment company can subscribe its own securities as an incorporator. And employees of the management companies are not restricted to invest in the funds they manage, but they are prohibited from performing any transaction by using the undisclosed information on the indirect investment fund or allowing any other person to use such undisclosed information.

LITHUANIA

Neither initial nor the authorized capital of a management company may be lower than 150,000 Euros. In case the value of the investment portfolios managed by the management company exceeds 250,000 Euros, the management company shall increase the own capital by the amount which shall be not less than 0,02 % of the amount in excess of the value of the managed investment portfolios. In case the value of the investment portfolio is increasing such ratio of the managed and the own capital shall be maintained stable to the extent the value of the own capital reaches 10,000,000 Euros. No minimum investment requirement in respect of a management company has been established, and no restrictions have been stipulated on investment by the management company and its employees into CIS

MALAYSIA

There is no minimum investment requirement that the management company must invest in the funds it manages. Although there is no law or restrictions on investments by management companies and its employees in the funds they manage, this would very much depend on the policies by each company. RM 10million - minimum shareholders funds

MONTENEGRO

125.000 € if company manages a single fund, plus 75.000 € for each additional fund. Overall rule is that a single entity can own a maximum of a 5% of a fund, which applies to management company and its employees as well.

MOROCCO

Par ailleurs, aucune restriction légale ou réglementaire n'est applicable à la société de gestion ni aux membres du personnel concernant l'investissement dans les fonds gérés. Cependant, tout gestionnaire et gérant qui souscrit aux OPCVM dont il assure la gestion doit consigner

lesdites souscriptions de manière chronologique dans un registre spécialement ouvert à cet effet (article 5 de la circulaire relative aux règles de bonne conduite applicables aux OPCVM).

NIGERIA

Yes. It is N40 million (about \$303,000).

OMAN

Yes 1000,000 Omani Rials.

PAKISTAN

Yes, an investment advisor shall hold or beneficially own equity securities of a closed end fund of an amount which is neither less than ten percent nor more than twenty percent of the paid up value of such securities.

PANAMA

No, there is not a minimum investment requirement that the management company must invest in the funds it manages. The funds are invested accordingly to the terms and conditions agreed with the mutual fund or client. Nevertheless, the management company, employees, shareholders and related party should not individually or in group control more than 40% of the shares issued and outstanding.

PERU

There are six (06) SOCIEDADES ADMINISTRADORAS DE FONDOS (SAF) that may manage mutual funds and investment funds. There are three (03) SOCIEDADES ADMINISTRADORAS DE FONDOS DE INVERSION (SAFI) that may only manage investment funds and there are one (01) SOCIEDAD ADMINISTRADORA DE FONDOS MUTUOS (SAFM) that may only manage mutual funds.

Yes. The minimum paid-in capital requirement for management companies is S/. 750 000 (approximately US\$ 325 000).

Only in the case of investment funds management companies, there is an upper limit to the minimum capital requirement of S/. 3 500 000 (approximately US\$ 1 million).

There is not any minimum investment requirement for the management company in the funds it manages.

Regarding restrictions on investments by the management company and its employees in the funds they manage, it should be indicated that any investor (including the management company and its employees) is subject to a 10% restriction. An investor shall not have an individual participation greater than 10% of the fund value. Likewise, an investor and its economic group shall not have a joint participation greater than 30% of the fund value.

POLAND

There is no minimum investment requirement that the management company must invest in the funds it manages. However, the Act on investment funds specifies that net assets of investment fund should not be lower than PLN 2,5 million. In case when its assets value is below mentioned level, the management company may acquire participation units in the fund in order to increase the value of its assets to the required level.

ROMANIA

The minimum initial capital of an asset management company is established by the Capital Market Law. According to the provisions of this law, the initial capital, determined in accordance with C.N.V.M. regulations, is at least the ROL equivalent of 125,000 euro, calculated at the reference rate announced by the National Bank of Romania. This level of the initial capital is expected to be reached until 2006, through a gradual procedure set out by the

Capital Market Law. According to this procedure, the initial capital will be at least the ROL equivalent of 50,000 euro in 2004, 90,000 in 2005 and 125,000 euro in 2006.

SOUTH AFRICA

Basic capital which must be the greater of R600 000 or the equivalent of 13 weeks' of fixed cost; plus seed capital of R 1 million for each portfolio. This amount can be reduced by ten per cent for every R 1 million invested, other than the manager itself; plus position risk capital as follows: ten per cent invested in each money market portfolio; 15 per cent invested in each income portfolio; 25 per cent invested in all other portfolios.

THAILAND

Generally, the AMC is not allowed to invest in the fund it manages except in the absolutely necessary case, e.g. when there is such a large redemption that the mutual fund cannot practically dispose the assets of the fund to meet the obligation to pay the unit holders (the so-called fund manager box), or any other cases where it is necessary to preserve the benefits of the unit holders. In addition, the AMC must comply with the proprietary trading rules to ensure optimized benefits to the fund and to prevent conflicts of interest, which may arise.

TUNISIA

In Tunisia, the CIS can be managed by investment management companies, banks or brokers. The majority of CIS are managed by brokers. The minimum capital required for the investment management company is 100 000 TND. There aren't any provisions regarding a minimum investment requirement that the management company must invest in the funds it manages as well as there aren't any provisions concerning any restriction of investment imposed on the management company and its employees in the fund they manage. There aren't any provisions concerning any requirement for CIS to appoint independent members or trustees to the board. Some of the responsibilities of members of the board are legally defined by laws such as commercial companies law and the CIS code which clearly defines the board duties and obligations. The board is legally compelled to dissolve the CIS when the capital falls under one million Tunisian dinars on more than 90 consecutive days. The board is responsible for the drawing up of the CIS financial statements under its supervision.

TURKEY

There is a restriction on investments. Management Company cannot invest in the fund it manages. 845.000 New Turkish Lira (Roughly US\$660.000)

VENEZUELA

The management company and its employees can not invest in mutual fund; , each unidade tributaria is equal to Bs. 29.400

VIETNAM

Yes, there are restrictions on investments by management companies but there is restriction on investments by its employees.

III.3 Management Company - Is there any requirement for CIS to appoint independent members or trustees to the board? Is the authority and responsibility of each board member and executive clearly defined and disclosed to the public?

JURISDICTION	requirement to appoint independent board?		authority of board members disclosed?	
	Y	N	Y	N
ALGERIA				
BAHAMAS				
BAHRAIN	X		X	
BARBADOS		X		X
BRAZIL		X	X	
BULGARIA	X		X	
CHINA	X			
CHINESE TAIPEI		X		
COLOMBIA		X	X	
COSTA RICA	X		X	
CZECH REPUBLIC		X	X	
EGYPT			X	
MACEDONIA	X		X	
HONDURAS		X		
HUNGARY		X		
INDIA	X		X	
INDONESIA		X		
ISRAEL				
KENYA	X		X	
KOREA			X	
LITHUANIA	X		X	
MALAYSIA	X		X	
MALTA	X			X
MAURITIUS	X		X	
MONTENEGRO	X			
MOROCCO	X		X	
NIGERIA	X		X	
OMAN		X		
PAKISTAN	X		X	
PANAMA	X		X	
PERU		X	X	
POLAND	X		X	
ROMANIA			X	
SLOVAKIA		X	X	
SLOVENIA		X	X	
SOUTH AFRICA		X		X
THAILAND	X			
TUNISIA				
TURKEY		X		
UGANDA		X	X	
VENEZUELA	X		X	
VIETNAM	X		X	

III.3 Management Company - Is there any requirement for CIS to appoint independent members or trustees to the board? Is the authority and responsibility of each board member and executive clearly defined and disclosed to the public? – **Commentaries and observations**

BAHRAIN

Yes, the Board members should be independent, unless otherwise permitted by the BMA (Article 3(d) of circular OG/365/92). Their authority and responsibility should be disclosed in the prospectus of the fund (Article 2.6 of circular BC/05/2002)

BRAZIL

The majority of the investment funds in Brazil follows a contractual model (civil contract) and therefore do not have supervisory boards. For the investment funds established under the corporate model, the Brazilian corporate Law clearly defines the role of the board and its members. As to the matter of independence, there would only be the necessity of appointing independent members to the board if the CIS chooses to be listed in the especial levels of corporate governance of the Brazilian Stock Exchange (Novo Mercado - Bovespa).

CHINESE TAIPEI

No, there is no such mentioned requirement. Alternatively, the capital of a SITE may invest in securities investment trust funds within the 30% max purchasing amount limit of SITE's net asset, and the purchase amount of each fund may not exceed 5% of SITE's net asset. In SITE's employees purchasing situation, there is a 1-month min. holding period limitation and a SITE should keep the relevant record and report it to the Securities Investment Trust and Consulting Association of the R.O.C. ("the SITCA") before the 10th day next month collectedly.

COLOMBIA

In general, given that the funds are contractual and are not companies they do not have trustees to the board. However, Fondos de Valores and Fondos de Inversión have investment committees that until now have been formed only by employees of the firm. However the Securities Superintendence is currently changing the regulation to allow independent members. The responsibilities of the investment committee are clearly defined in the prospectus of each fund.

COSTA RICA

The Reglamento General sobre Sociedades Administradoras y Fondos de Inversión (Regulation of management companies and investment funds), issued by the Superintendency, indicates that the investment committee has to be constituted by people with experience in investments, at least one of them has to be independent of the management company and its financial or economic group. The name of the members of the investment committee should be disclosed to the public in the prospectus. Changes of committee members should be communicated by material information/news.

CZECH REPUBLIC

The fund prospectus must contain the list of board members and executives and their position within the management company (investment fund).

EGYPT

Yes, according to article 169 item 3 of the Executive Regulations, which illustrates the activities prohibited by the investment manager.

HUNGARY

1) There is not any requirement for CIS to appoint independent members or trustees to the board. 2) The executive officers of the investment fund management companies, those of their employees engaged in the decision-making and execution process in connection with investments, and persons employed by investment fund management companies under any other form of employment relationship may not, whether by contract of employment or under some other form of legal relationship, be in the employment of a) a custodian; b) a contractor involved in the implementation of investment-related decisions, such as an investment service provider, real estate appraiser, real estate broker, or another investment fund management company, or c) the client of the investment fund management company, who is engaged in a field directly associated with investment fund management. (2) Any person who falls within the scope of incompatibility as defined above must forthwith notify the HFSA, and shall terminate the grounds of incompatibility without delay.

INDIA

Yes. The SEBI (Mutual Funds) Regulations stipulate that at least two third of the total number of Directors of a Trustee Company shall be independent. Rights and obligations of the trustees have been prescribed in the Regulations.

ISRAEL

The fund manager's board includes at least two external directors (independents). In addition, each fund has also a fund (see answer II above). The faith obligations of the external directors are regulated in legislation.

KENYA

Yes, The regulations provides for the appointment of directors in case of Investment Company and trustee in case of unit trust and their authority and responsibility are clearly stated.

KOREA

Yes, the board members should meet certain qualifications such as not having been sentenced to imprisonment without prison labor or a heavier punishment, or having been sentenced to a fine or a heavier punishment in accordance with finance-related Acts and etc. Is the authority and responsibility of each board member and executive clearly defined and disclosed to the public? It is defined in investment prospectus and disclosed to the public.

MALAYSIA

It is mandatory for the CIS to have a trustee for the fund and to have at least one third independent members in the Board of Directors.

The authority and responsibility of each board member and executive is included in a generalised manner in the prospectus relating to each fund where it relates to the management company.

MAURITIUS

trustees must be independent

MONTENEGRO

Fund's shareholders appoint members of Supervisory board. Authority and responsibility of the board is regulated by the law and fund's charter.

NIGERIA

Yes, in Nigeria the fund manager is required to appoint the parties to the scheme, including trustees. The duties of each party are clearly stated in prospectus.

PAKISTAN

Yes, a closed end fund (Investment Company) can not appoint fifty percent or more directors who represent interest of investment advisor.

PANAMA

The Board of Directors have to be form by a minimum of three members. One third of the members of the Board of Directors or its equivalent, must be independent professional and honorable business man. At least one third of the board members must have knowledge and experience in subjects related to the securities market or financial matters. A corporate person can not be a member of the Board of Directors. In addition, they must adopt and comply why a Code Conduct and the management company will have to provide to its clients all the information that they have and while taking inform investment decisions.

PERU

No, there is not any requirement for CIS to appoint independent members or trustees to the board.

Although, the authority and responsibility of each board member and executive are not established in CONASEV regulations, they are clearly defined in the management company's bylaw and, therefore, it is available to investors in the Public Registry of this National Commission.

POLAND

There are very severe requirements concerning the above mentioned issues (in compliance with the UCITS Directive). Other specific requirements result from the fact that an entity is admitted to public trading.

ROMANIA

Undertaking for collective investment established on the basis of a civil contract will not have any management body (Trust Council or Board of Directors)

Undertaking for collective investment established as joint stock companies will have a Board of Directors, whose responsibilities are established within the instruments of incorporation, which is public.

SLOVENIA

No. CIS - mutual funds has no board of directors, there are only pool of assets. Mutual funds are managed by the management company. Names and positions of executive board members and supervisory board members are disclosed in fund prospectus.

SOUTH AFRICA

NO. However, in line with prevailing Corporate Governance requirements managers do appoint independent directors. Furthermore, each scheme must appoint an independent trustee or custodian.

THAILAND

The legal form of mutual funds in Thailand is a juristic person rather than a trust. In this connection, when the AMC set up a fund, it is required that the fund assets be kept separately under custody of a mutual fund supervisor (performing the role equivalent to that of a trustee) for safekeeping purpose. The mutual fund supervisor also has the power and duty to make sure that the AMC strictly complies with the approved mutual fund scheme.

TUNISIA

There aren't any provisions concerning any requirement for CIS to appoint independent members or trustees to the board. Some of the responsibilities of members of the board are legally defined by laws such as commercial company law and the CIS code which clearly defines the board duties and obligations. The board is legally compelled to dissolve the CIS when the capital falls under one million Tunisian dinars on more than 90 consecutive days. The board is responsible for the drawing up of the CIS financial statements under its supervision.

TURKEY

Under existing regulations of mutual funds and pension funds the founder of the fund appoints a board, consisting of at least three individuals in charge of operations of the fund and at least one auditor for each fund it establishes. Members of the board or auditors can be appointed from outside. But there is no obligation for independence.

Only the Article 18 and 39 of Communiqué on Principles Regarding Real Estate Investment Trusts includes provisions on the requirement for independent members of board of directors (1/3th of them must be independent). For the other types of CIS there is no such requirement.

UGANDA

The authority and responsibilities of the various operators i.e Manager, Authorized Corporate Director, Turstee/ Depositary

VENEZUELA

The members of the board must be independent, by law. The responsibility is determined in its constitution document. The authority and responsibility of each member and executive is clearly defined and disclosed to the public in the prospectus.

VIETNAM

Yes. The authority and responsibility of each board member and management company are clearly defined and disclosed to the public.

III.4 Third party supervision - Are the shares of CIS dematerialized or are they physically traded? Could CIS select one of these alternatives? Who is responsible for keeping and checking the shareholders' records of CIS units/shares?

JURISDICTION	Shares dematerialized	Shares physically traded	Could CIS select one alternative?		Who is Responsible?
			Y	N	
ALGERIA					
BAHAMAS	Y	Y	X		The Registrar and Transfer Agent
BAHRAIN	Y	Y	X		The Registrar
BARBADOS	Y			X	Central Securities Depository
BRAZIL	Y			X	Management companies
BULGARIA	Y			X	The Central Depository
CHINA	Y			X	Custodian
CHINESE TAIPEI	Y	Y	X		Central Depositor / Management company
COLOMBIA	Y	Y		X	
COSTA RICA	Y	Y	X		Custodian
CZECH REPUBLIC	Y		X		Securities Center
EGYPT				X	Investment manager
MACEDONIA	Y			X	Management companies
HONDURAS		Y	X		
HUNGARY	Y			X	
INDIA	Y	Y		X	The Registrar and Share Transfer Agent
INDONESIA	Y		X		Custodian Bank
ISRAEL	Y				Tel Aviv Stock Exchange Clearing House
KENYA		Y		X	Fund manager / regulator
KOREA	Y	Y			Selling companies
LITHUANIA	Y			X	A depository
MALAYSIA	Y			X	Management companies
MALTA	Y			X	Registrar/Manager or the Company Secretary
MAURITIUS		Y		X	The Central Depository & Settlement Co. Ltd
MONTENEGRO	Y			X	Central depository Agency
MOROCCO	Y			X	Clearing House
NIGERIA					Registrar
OMAN	Y				Depository
PAKISTAN	Y	Y	X		Management companies
PANAMA	Y			X	Management companies
PERU		Y		X	Clearing House
POLAND	Y			X	The investment fund manager
ROMANIA	Y			X	Asset management companies
SLOVAKIA	Y	Y	X		Management Companies
SLOVENIA	Y	Y		X	Management Companies / Custodian / Clearing
SOUTH AFRICA					
THAILAND	Y	Y		X	
TUNISIA	Y			X	Fund manager / custodian
TURKEY					
UGANDA					The Trustee/Depository
VENEZUELA		Y		X	Management Companies
VIETNAM	Y		X		Custodian Bank and CSD

III.4 Third party supervision - Are the shares of CIS dematerialized or are they physically traded? Could CIS select one of these alternatives? Who is responsible for keeping and checking the shareholders' records of CIS units/shares? – **Commentaries and observations.**

BAHRAIN

The scheme can choose any of the two methods, and the “Registrar” shall maintain the shareholders' records (Article 26 of circular OG/318/95)

CHINA

The shares of CIS are dematerialized. CIS can not select. Custodian is responsible for keeping and checking the shareholders' records of CIS units/shares.

CHINESE TAIPEI

Units of funds may be traded by ways of book-entry system or physical settlement. Physical trades can be converted into book-entry trades by requests from investors; however, a book-entry trade can't be changed to physical trade conversely. It may be the central depositor's or SITE's responsibilities, depending on the individual cases, to keep and check the investors' records of fund units.

COLOMBIA

o Fondos de Valroes and Fondos de Inversión are clasifies in three types of funds: Open-end funds, Step funds and Closed-end funds. The units of the Step funds and Closed-end funds must be (obligatory) dematerialized. The open-end funds are physically traded. o Fondos comunes are equivalent to open-end and are physically traded

COSTA RICA

CIS shares should be issued either physical or dematerialized. According to the Reglamento de la Actividad de Custodia (Custody Regulation), the responsible for keeping and checking the shareholders' records of CIS is the custodian.

CZECH REPUBLIC

Currently the Securities Center or management company if it is licensed to keep the part of Securities Center records concerning the units of managed funds. However in the near future the double tier securities registration will be launched with creation of Central Securities Depository

EGYPT

The shares of CIS are not dematerialized. Only those who are closed-ended and traded in the stock exchange are dematerialized. The Investment Manager shall keep independent and separate accounts for each Fund under his management and maintain books and records necessary for the conduct of business in addition to any other books and records determined by the Authority. He shall provide the Authority with the documents and information it may request. (Article 170 of the Executive Regulations).

HONDURAS

Physically traded Yes, they can be both but in Honduras the most common method to use is the physical one

HUNGARY

The investment units can solely be issued in dematerialized form.

INDIA

Units of Mutual Funds can be held either in electronic form (Dematerialized form) or in physical form at the choice of the investor. The Registrar and Share Transfer Agent (R&TA), a SEBI registered intermediary, appointed by the Asset Management Company shall be responsible for keeping and checking the unitholders' records.

INDONESIA

Units of Mutual Funds can be held either in electronic form (Dematerialized form) or in physical form at the choice of the investor. The Registrar and Share Transfer Agent (R&TA), a SEBI registered intermediary, appointed by the Asset Management Company shall be responsible for keeping and checking the unitholders' records.

ISRAEL

The fund units are not physically traded. They are a listing in the Tel Aviv Stock Exchange clearing house. Also, the fund manger does the units recordings in its books

KENYA

The CIS units are held physically and are not traded except a repurchase by the fund manager and for unit trust by the trustee as may be directed by the fund manager. The fund manager ensures records are proper and the regulator through routine inspections ensures records are in order.

KOREA

The shares of CIS can be dematerialized. However when the beneficiary asks the shares to be delivered, the shares should be physically delivered to the beneficiary. Selling companies are responsible for keeping and checking the shareholders' records.

MONTENEGRO

All securities in Montenegro are dematerialized, including CIS shares, and records are kept by the independent body, Central Depository Agency.

NIGERIA

The Registrar is responsible for keeping and checking the shareholders records of units.

OMAN

Yes the Units are dematerialized. The Depository has the records which is also available with the fund, who is responsible of keeping such records.

PANAMA

Shares of CIS are dematerialized. CIS cannot select alternatives. Management companies are keeping and checking the share holders records of CIS units/shares. The National Securities Commission regulates Management Company.

PERU

In the case of registered mutual funds, they are physically traded. However, each company manages a clearing and settlement system for their managed funds' shares.

In the case of the eight registered investment funds, shares are dematerialized in CAVALI (the only Clearing and Settlement Housing operating in the Peruvian securities market) and all of their shares are listed in the Lima Stock Exchange.

SLOVENIA

They are dematerialized only when there are traded on the stock exchange. When they are materialized Management Company is responsible for keeping and checking the shareholders' records of CIS units/shares, when they are dematerialized also custodian and Clearing and Settlement Company are involved.

SOUTH AFRICA

NO. Participatory interests (units) in a CIS are bought and sold directly through the manager and its agents. There is an obligation on the manager of a CIS to buy back any investment offered to it

THAILAND

It depends on the type of fund, whether it be closed- or open-end. The closed-end funds are typically traded on the Stock Exchange of Thailand, for which its subsidiary, Thailand Securities Depository Co., Ltd. (TSD), is responsible for record keeping for the unit holders. The open-end funds are usually purchased or redeemed through the AMC or its selling agents and the registrar of fund is normally the AMC itself.

TUNISIA

By virtue of law, shares of CIS are dematerialized and CIS are legally bound to this sole alternative. Either the manager or the custodian is responsible for keeping and checking shareholders records of CIS units/shares. The CIS has the ability to choose either the manager or the custodian to perform the records keeping and checking.

VENEZUELA

In the mutual fund the shares are not dematerialized and the responsible for keeping and checking the shareholders records of CIS units/shares is the Management Company

VIETNAM

The shares of CIS are dematerialized. Yes, it is optional but scripless preferred. The custodian bank and CSD.

III.4 Third party supervision - Independence requirement: Is the custodian required to be independent of the management company?

JURISDICTION	Independent?	
	Y	N
ALGERIA		
BAHAMAS	X	
BAHRAIN	X	
BERMUDA	X	
BRAZIL		X
BULGARIA	X	
CHINA	X	
CHINESE TAIPEI	X	
COLOMBIA		X
COSTA RICA		X
CZECH REPUBLIC	X	
EGYPT	X	
MACEDONIA	X	
HONDURAS		X
HUNGARY	X	
INDIA	X	
INDONESIA	X	
ISRAEL	X	
KENYA	X	
KOREA	X	
LITHUANIA	X	
MALAYSIA		X
MALTA	X	
MAURITIUS	X	
MONTENEGRO		
MOROCCO	X	
NIGERIA		
OMAN	X	
PAKISTAN	X	
PANAMA		X
PERU		X
POLAND	X	
ROMANIA	X	
SLOVAKIA	X	
SLOVENIA	X	
SOUTH AFRICA	X	
THAILAND	X	
TUNISIA	X	
TURKEY		X
UGANDA	X	
VENEZUELA	X	
VIETNAM	X	

III.4 Third party supervision - Independence requirement: Is the custodian required to be independent of the management company? – **Commentaries and observations**

BAHRAIN

As per Article 3d (i) of circular OG/356/92, parties involved in the management or operation of the fund must be independent from each other.

BRAZIL

No, the depository may belong to the same financial conglomerate.

BULGARIA

Pursuant to Art.173, Para.3 of the POSA, “the custodian may not be one and the same person....”

CHINESE TAIPEI

Yes, the custodian is required to be independent of the management company (SITE)

COLOMBIA

No custodian is required. All types of management firm do themselves the custody. Regulation does request that funds use central depositories

COSTA RICA

No, in Costa Rica the custodian could be related to the management company.

CZECH REPUBLIC

Only a domestic bank or foreign bank subsidiary with the depository license granted in the Czech Republic can act as the depository (custodian) for the domestic funds, therefore it must be physically separated apart from the management company. However it is possible that the depository belongs to the same financial group of the management company. I.e. the bank one part of which is the depository department is the owner of the management company

EGYPT

Yes, all the securities held by the Fund shall be deposited in one of the banks which are under the supervision of the Central Bank of Egypt. Such a custodian bank shall not own or hold shares in the company of the Fund, or the company which is managing its investments. The Fund shall provide the Authority with a statement identifying such securities, on the form prepared by the Authority's Board, and verified by the custodian bank. (according to article 38 of the Capital Market Law).

HONDURAS

Meanwhile it doesn't exist an institution that acts as custodian, the management company can be the custodian of the funds, but when the custodian exists it will be the only responsible,

HUNGARY

Yes. The investment fund management company shall commission custodial services for the fund it manages exclusively from a credit institution. The custodian shall provide its services solely in view of the benefit of the investors, independent of any outside influence.

INDIA

The Regulations prescribe that no custodian in which the sponsor or its associates hold 50% or more of the voting rights of the share capital of the custodian or where 50% or more of the directors of the custodian represent the interest of the sponsor or its associates shall act as

custodian for a mutual fund constituted by the same sponsor or any of its associate or subsidiary company. Thus, independence of the Custodian has been stipulated in the regulations.

ISRAEL

Absolutely, there must be a total independence of the trustee who gets the fund assets, and the fund manager. The custodian of the fund's assets can be a related party to the fund manager.

KENYA

Yes, and no person can be appointed a custodian of a collective investment scheme unless such person is a bank or financial institution approved for that purpose by the regulator.

KOREA

Yes. An investment company shall entrust any asset custody company with the custody and management of the investment company property. In this case, the asset custody company shall not be any corporate director of the relevant investment company or any affiliate of the relevant investment company.

MACEDONIA

According to the present legislation (MLIF and its regulations), the custodian functions to CIS are performed by the chosen depositary bank

PANAMA

Partially. Only 20% of the board of directors of the custodian must be independent of the management company

PERU

No. Custodians are not required to be independent of the management company. In fact, all but one are related to the 10 management companies operating nowadays in the public securities market.

ROMANIA

The asset management company and the depositary shall act independently and exclusively in the interest of the unit holders.

SOUTH AFRICA

YES. Legislation further prescribes who may operate as a trustee.

THAILAND

Yes, the mutual fund supervisor must be independent from the AMC i.e., no shareholding in the AMC more than 5% of its total outstanding shares, no common shareholding of the two entities more than 10% of the total outstanding shares, and no person empowered in the mutual fund supervisor becoming a director of the AMC.

TUNISIA

The custodian is required to be independent of the management company. The board of directors of the CIS must not include a director who is also responsible of the management of the custodian.

TURKEY

We do not have a separate body to serve as custodian for CIS other than pension funds. ISE Settlement and Custody Bank function as the custodian of pension funds

III.4 Third party supervision - Custodian or trustee role: Is the custodian/trustee required to supervise the manager's compliance with the investment policy adopted by the fund?

JURISDICTION	Supervise?	
	Y	N
ALGERIA		
BAHAMAS		X
BAHRAIN	X	
BARBADOS		X
BRAZIL	X	
BULGARIA		
CHINA		X
CHINESE TAIPEI	X	
COLOMBIA		
COSTA RICA	X	
CZECH REPUBLIC	X	
EGYPT		X
MACEDONIA	X	
HONDURAS		X
HUNGARY	X	
INDIA		X
INDONESIA	X	
ISRAEL	X	
KENYA	X	
KOREA	X	
LITHUANIA	X	
MALAYSIA	X	
MALTA	X	
MAURITIUS	X	
MONTENEGRO		
MOROCCO	X	
NIGERIA	X	
OMAN		X
PAKISTAN	X	
PANAMA		X
PERU		X
POLAND	X	
ROMANIA	X	
SLOVAKIA	X	
SLOVENIA	X	
SOUTH AFRICA	X	
THAILAND	X	
TUNISIA	X	
TURKEY	X	
UGANDA	X	
VENEZUELA		X
VIETNAM	X	

III.4 Third party supervision - Custodian or trustee role: Is the custodian/trustee required to supervise the manager's compliance with the investment policy adopted by the fund? – Commentaries and observations

BAHRAIN

Yes, the custodian is required to do so, and to report to the BMA in case of any breach to the investment policy.

BARBADOS

The law is silent on this issue.

BRAZIL

Yes. The investment funds in Brazil follow a contractual model (as mentioned before they could follow a corporate model but so far most have chosen not to do so) and the custodian is entrusted with making sure that the orders given to it by the fund do come from authorized personnel and that they comply with the CIS' investment policy.

BULGARIA

Pursuant to Art.173, Para.6, Item 4 of the POSA, “to dispose of”
Supervises the net value: Art.194, Para.4: “the issue value and the buy-back price....”

CHINESE TAIPEI

Yes, the custodian is required to supervise the manager's compliance with the investment policy adopted by the fund.

COLOMBIA

No independent custodian exists

COSTA RICA

Article 8 of the Reglamento de la Actividad de Custodia (Custody Regulation) indicates that the custodian will be able to offer the service of enforcement control of the investment policy.

EGYPT

No, the custodian is only responsible for depositing cash money of the fund and the securities it holds (according to article 38 of the Capital Market Law and article 141 item 4 of the Executive Regulations).

HONDURAS

No, the body responsible to supervise the manager's compliance is the management company.

HUNGARY

The custodian must reject any instruction of the investment fund management company that is in violation of the law and/or the fund's operating regulations, and shall demand the investment fund management company to restore the legitimacy of operations. If the investment fund management company fails to make all efforts necessary to restore compliance with legal regulation and with the fund's operating regulations, the custodian shall forthwith notify the HFSA. Additionally, the custodian monitors the investment fund management company's compliance with investment regulations laid down in legal regulation and the fund's operating regulations;

INDIA

The Custodian has been responsible only for holding the securities of the Mutual Fund and has not been vested with any supervisory role. However, the Trustees have been vested with extensive responsibilities to supervise the operations of the Asset Management Company and report to SEBI periodically.

KENYA

Yes, the trustee ensures that CIS is managed by the fund manager in accordance with the agreement of service with fund manager, the information memorandum and other rules of CIS. The trustee cannot delegate to the fund manager any function of oversight in respect of the fund manager or any function of custody of the CIS portfolio.

KOREA

Yes. A custodian or trustee company of CIS shall confirm whether operational instructions given by any asset management company are in violation of the Acts, the terms and conditions of trust and if any violation is confirmed, ask the relevant asset management company to withdraw, change or correct such operational instructions.

LITHUANIA

A depositary must act in the interests of participants of a collective investment undertaking and carry out instructions of the management company or ICVC, where they do not contradict the law and the instruments of incorporation.

A depositary must inform the Securities Commission and the supervisory board or the board of the management company or ICVC about all the violations of the law and the instruments of incorporation which it has noted.

MALTA

The current Investment Services Guidelines provide that the custodian must supervise the operation of a CIS in relation to which it acts as custodian to ensure that the Manager and the directors of the Scheme comply with the investment restrictions⁵.

PERU

No, the custodian/trustee is not required to supervise the manager's compliance with the investment policy adopted by the fund. It is CONASEV who is in charge of this supervision.

SLOVAKIA

The depositary executes instructions of the management company that are in compliance with the "CIS Act" and with the Fund Rules, ensures during transactions, with the asset in the mutual fund, that counter value will be transferred in favour of the asset in the mutual fund on a principle of payment versus delivery, if it is not excluded by the nature of the deal or by business practises differently, within periods usual on regulated market where the deal is carried out and in case of deals concluded outside of the regulated market, within contractually agreed periods that are usual for the relevant type of deals. It is also entitle to, control observation of rules of limitation and spreading or risks. The depositary also controls whether the amount of assets acquired in the asset in the mutual fund or sold from the asset in the mutual fund is determined in compliance with the "CIS Act" and the Fund Rules.

SOUTH AFRICA

In terms of current legislation, the trustee must ensure that the Manager administers the CIS in accordance with all investment limits and the provisions of the deed and legislation, including

the investment policy. The trustee must further submit a report to that effect to the regulator and the Manager.

TUNISIA

Since 2001, the custodian is entrusted with the duty to supervise the manager's compliance with the investment policy adopted by the fund.

TURKEY

Article 29/d, (g) and (i) of Communiqué on Principles Regarding Pension Funds introduces some control functions to the custodian. According to these provisions custodian has the obligations for the control of the fund portfolio management within the framework of principles set by the Board, control of payment and banking transactions to be made from the account of the fund, and ensuring that the company and the portfolio management company monitor the information regarding the fund and providing the necessary reports in electronic format.

VENEZUELA

No, it is not required, it is supervise by the regulator

III.5 Delegation of duties to third parties (outsourcing) - Can the regulator hold the management company responsible for the actions or omissions of any third party who provides services to the CIS?

JURISDICTION	Responsible?	
	Y	N
ALGERIA		
BAHAMAS	X	
BAHREIN	X	
BARBADOS		X
BRAZIL	X	
BULGARIA		
CHINA		X
CHINESE TAIPEI	X	
COLOMBIA	X	
COSTA RICA	X	
CZECH REPUBLIC	X	
EGYPT	X	
MACEDONIA	X	
HONDURAS	X	
HUNGARY	X	
INDIA	X	
INDONESIA	X	
ISRAEL	X	
KENYA	X	
KOREA		X
LITHUANIA	X	
MALAYSIA	X	
MALTA		X
MAURITIUS	X	
MONTENEGRO	X	
MOROCCO	X	
NIGERIA		X
OMAN	X	
PAKISTAN	X	
PANAMA	X	
PERU	X	
POLAND	X	
ROMANIA	X	
SLOVAKIA	X	
SLOVENIA	X	
SOUTH AFRICA	X	
THAILAND	X	
TUNISIA	X	
TURKEY	X	
UGANDA	X	
VENEZUELA	X	
VIETNAM	X	

III.5 Delegation of duties to third parties (outsourcing) - Can the regulator hold the management company responsible for the actions or omissions of any third party who provides services to the CIS? – Commentaries and observations

BAHRAIN

Each party appointed by the fund (manager, custodian, administrator, ...etc.) is responsible for his own duties. However, if that party delegates part of its responsibilities to other entities, it should remain responsible for their actions (Article 10 of circular OG/318/95).

BARBADOS

The law requires that all service providers are to be registered with the regulator and therefore such persons should be accountable and therefore held responsible.

BRAZIL

Delegation of functions to third-parties requires a written contract that includes clauses that determine the solidary responsibility between management and third-party for damages caused conduct contrary to the law, the funds By-laws and CVM regulations.

BULGARIA

Substitution is not allowed /Art.12of the Ordinance on the Requirements to the Activities of Management Companies/.

CHINESE TAIPEI

As stipulating in the Securities Investment Trust and Consulting Act, a SITE shall act as a good administrator and exercise its fiduciary duty based on principles of good faith and credit. Any violation of the provision that caused by the actions or omissions of any third party who provides services to the CIS managed by a SITE will result in punishment to a SITE accordingly.

COLOMBIA

Management companies cannot delegate any of its duties. They are always responsible

COSTA RICA

Law 7732, article 73 states: Investment companies shall be held responsible for applying the investment policies indicated in the prospectus for the funds they administer; observance of these is obligatory. Investment companies shall be held corporately responsible to their investors for damages and losses caused by their directors, employees or people contracted to render services to the fund, resulting from carrying out or the failure to carry out actions that are prohibited or required by the prospectus or by the Law.

CZECH REPUBLIC

Yes, even in case of delegation the responsibility remains with the management company

EGYPT

The investment manager holds the responsibility of conducting any third party according to article 168 of the Executive Regulations stating that if an investment Fund is licensed to conduct other business not related to securities in accordance with the provisions of Article (140) of these regulations, the Investment Manager may, after the Authority's approval, assign the management of such business to a specialized entity. The Investment Manager shall be held responsible for such entity.

HONDURAS

YES, the management company is the only responsible.

HUNGARY

The investment fund management company shall be subject to full and unlimited liability for the investment fund management services provided by third parties. Any clause or stipulation to the contrary shall be null and void.

INDIA

Yes. The Regulations cast the responsibility on the Asset Management Company for the commissions and omissions, inter alia, by the persons whose services have been procured

KENYA

Regulations provides that the fund manager cannot contract any advisory management services on behalf of a CIS without prior written approval of the trustees or the board of directors, and the fund manager shall remain liable for any act or omission of the sub-contracted fund manager.

KOREA

No, it is regulated by the Commercial Law.

MALTA

The MFSA cannot hold the manager of a CIS responsible for the actions or omissions of a third party that provides services to the CIS. However, para. 1.1 of Section 1 of Part D of the current Investment Services Guidelines provides that where the manager has delegated or outsourced any of its responsibilities to third parties, the management company remains responsible for any functions so delegated/ outsourced.

MONTENEGRO

The management company is responsible for all services provided to the CIS, regardless of delegation of duties.

PERU

Yes. The management company is responsible for all of the actions or omissions of any third party who provides services to the CIS it manages.

SOUTH AFRICA

YES. Legislation prescribes that the Manager remains responsible for all actions of third parties to which any service is outsourced.

TUNISIA

The CMF can hold the management company responsible for the actions or omissions of any third party who provides services to the CIS.

TURKEY

From the articles referred the ones that are related to CIS other than pension funds mostly cover the general functions like portfolio management that the CIS can outsource under a written agreement and the consultancy services. In addition to cases given above we can also mention the sale and purchases of participation certificates by intermediary institutions under the provisions of Article 39 of Communiqué on Principles Regarding Mutual Funds as a case in which the delegation is allowed. However whether further delegation is allowed or not is not stated in these regulations. What we generally infer from these regulations is that there is

no legal barrier for further delegation. In practice we allow for further delegation of portfolio management activity without transferring the responsibility of the portfolio manager on portfolio management and the main responsibility of founder about fund management. For pension funds further delegation is allowed in Article 19 of Communiqué on Principles Regarding Pension Funds. This article clearly states that after taking approval of the pension company portfolio manager can delegate its authority to another company. In the same article it is also stated that the responsibility of the portfolio manager couldn't be transferred to the new company together with such delegation. The important point to reemphasize here is the responsibility of the founder about fund management and the supervision of fund management under the provisions in Article 37 of the Law. Although there is no legal barrier for further delegation of authority on portfolio management, there are restrictive provisions on the delegation of main responsibility of the founder. That means even though the portfolio management authority is delegated to another portfolio manager by the initial portfolio manager of the fund; the founder of the fund will still carry the main legal responsibility against fund investors. Additionally the founder will have to continue performing supervision activities about the management of the fund. Thus although there is no explicit provisions on further delegation the issue cannot be considered as unregulated.

VENEZUELA

The regulator takes different actions in order to avoid omissions or other actions of the management company or any third party who provides services to the CIS. In this case the management company is responsible and will be sanctioned by the regulator

VIETNAM

Yes, if the management company is the delegator.

III.5 Delegation of duties to third parties (outsourcing) - Is cross-border outsourcing of management activities allowed?

JURISDICTION	Cross-border?	
	Y	N
ALGERIA		
BAHAMAS	X	
BAHRAIN	X	
BARBADOS	X	
BRAZIL		X
BULGARIA		
CHINA		X
CHINESE TAIPEI		X
COLOMBIA		X
COSTA RICA	X	
CZECH REPUBLIC	X	
EGYPT		X
MACEDONIA	X	
HONDURAS	X	
HUNGARY	X	
INDIA	X	
INDONESIA		X
ISRAEL	X	
KENYA		X
KOREA	X	
LITHUANIA	X	
MALAYSIA	X	
MALTA	X	
MAURITIUS		X
MONTENEGRO	X	
MOROCCO		X
NIGERIA	X	
OMAN		X
PAKISTAN		X
PANAMA	X	
PERU	X	
POLAND	X	
ROMANIA	X	
SLOVAKIA	X	
SLOVENIA	X	
SOUTH AFRICA	X	
THAILAND	X	
TUNISIA		
TURKEY		X
UGANDA	X	
VENEZUELA		X
VIETNAM		X

III.5 Delegation of duties to third parties (outsourcing) - Is cross-border outsourcing of management activities allowed? – Commentaries and observations

BAHRAIN

Yes, subject to binding agreement between the manager and the service provider.

COSTA RICA

The management company can hire the advising services from a foreign organization, however, the Costa Rican management company has always the responsibility of its fund.

HUNGARY

Yes, in case of UCITS

INDIA

The Regulations do not prohibit cross-border outsourcing of management activities. However, as replied to the previous question, the AMC is responsible for the commissions and omissions committed by the persons whose services have been procured by it.

KOREA

Yes. For specific conditions, cross-border outsourcing is allowed.

LITHUANIA

Delegation of a number of management functions shall be permitted only where:

- 1) this will not obstruct effectiveness of supervision over the management company or the investment company with variable capital and will not violate the interests of investors;
- 2) the Securities Commission has concluded an agreement on information exchange with the supervisory authority of a respective non-EU State, in which the management company, to which a number of functions have been delegated, is licensed;
- 3) measures exist enabling the heads of the management company or the investment company with variable capital to monitor at any time the activity of the company to which the mandate is given;
- 4) the management company or the investment company with variable capital may give additional instructions to the company to which the mandate is given or to revoke the authorization whenever it is necessary for the protection of interests of the collective investment undertaking's participants;
- 5) a company to which the mandate is given shall have the qualifications prescribed by the Securities Commission and shall be prepared to perform the indicated functions;
- 6) the prospectus of the management company or the investment company with variable capital shall indicate what functions may be delegated.

MALTA

A locally based manager may outsource management activities to entities not registered in Malta. However, the manager must ensure on an ongoing basis that the outsourced function is carried out at a proper standard. The manager must also ensure that the entity or person supplying the service ("the service provider") is competent and financially sound.

The manager must be able to demonstrate that it has taken proper steps to verify this and that it also has procedures in place for assessing the service provider's performance on an on-going basis. Additionally, the manager must be able to satisfy the MFSA – if called

NIGERIA

Yes, in schemes that are traded internationally.

PANAMA

Yes, but the subcontract is partial and the management company is compelled to assume the principal responsibility for the administration.

PANAMA

under the condition of the UCITS Directive

PERU

Cross-border outsourcing of management activities is not prohibited in our country. Only in the case of mutual funds, management companies are required to hire local custodians.

SOUTH AFRICA

YES. However, to outsource activities the manager is not divested from its responsibilities

TURKEY

Currently the answer is no for cross-border outsourcing directly. However the management company of the CIS can take the services of foreign management companies for foreign securities in their portfolio.

Additionally we have an active working group for the revision of the Law for the compliance of current CIS regulations to the European Union regulations. New regulations may bring about a new framework for service providers of CIS.

UGANDA

Not specifically restricted

III.5 Delegation of duties to third parties (outsourcing) - How are CIS units most commonly distributed? For instance, are CIS units distributed mostly through commercial banks, independent distributors, investment consultants, or brokers?

JURISDICTION	How are CIS units most commonly distributed?			
	banks	distributors	consultants	brokers
BAHAMAS	Y	Y	Y	Y
BAHRAIN	Y			
BARBADOS	Y	Y	Y	Y
BRAZIL	Y			
BULGARIA	Y			
CHINA	Y	Y	Y	Y
CHINESE TAIPEI	Y			Y
COLOMBIA	Y	Y	Y	Y
COSTA RICA	Y			Y
CZECH REPUBLIC	Y			
EGYPT	Y			
MACEDONIA				
HONDURAS				
HUNGARY				Y
INDIA	Y			
INDONESIA	Y			
ISRAEL	Y			
KENYA	Y			
KOREA	Y			
LITHUANIA	Y			Y
MALAYSIA	Y		Y	
MALTA	Y			
MAURITIUS				
MONTENEGRO				
MOROCCO	Y			
NIGERIA				
OMAN	Y	Y	Y	Y
PAKISTAN	Y	Y	Y	Y
PANAMA				
PERU	Y			
POLAND	Y			Y
ROMANIA	Y	Y	Y	
SLOVAKIA	Y			Y
SLOVENIA	Y			Y
SOUTH AFRICA	Y	Y	Y	Y
THAILAND	Y			Y
TUNISIA	Y			Y
TURKEY				
UGANDA		Y		
VENEZUELA	Y			
VIETNAM	Y	Y	Y	Y

III.5 Delegation of duties to third parties (outsourcing) - How are CIS units most commonly distributed? For instance, are CIS units distributed mostly through commercial banks, independent distributors, investment consultants, or brokers? – Commentaries and observations

BAHAMAS

The promoter normally undertakes distribution through a variety of means including those listed

BAHRAIN

Usually through commercial banks for retail investors, and investment banks and Offshore banking units for institutions and high net worth individuals.

BULGARIA

As of the present moment, the shares of foreign CIS are distributed through banks. Investment companies' shares are sold and bought back by a management company at a counter. These may be secondarily traded on the Bulgarian Stock Exchange - Sofia.

CHINA

CIS units are distributed mostly through commercial banks, brokers, investment consultants, etc.

CHINESE TAIPEI

Funds are mostly distributed through commercial banks, brokers or direct sales by the SITE.

COSTA RICA

In Costa Rica the most commonly distribution practice is through brokers, commercial banks and the same management company.

CZECH REPUBLIC

Collective Investment industry is currently governed by the Act No. 189/2004 Coll. on Collective Investment and the Decrees issued by Czech Securities Commission. According to the legislation we recognize corporate form of fund- "investment fund" and non-corporate form "mutual fund".

EGYPT

Mostly through banks especially for open-ended mutual funds.

HONDURAS

no intermediary

HUNGARY

The sale of investment units shall be mediated by a broker/dealer between the investors and the investment fund management company A broker/dealer may employ agents for selling investment units. The broker/dealer shall be subject to full and unlimited liability for the services provided by its agents.

INDIA

25 - 30% of sales is done through banks. Balance done through distribution houses and individual agents.

INDONESIA

Mainly through commercial banks.

ISRAEL

The mutual funds' units are most commonly (in more than 90% of the cases) distributed through commercial banks.

KENYA

The CIS units are normally distributed through the fund manager and banks are now emerging as distribution agents.

KOREA

CIS units are distributed mostly through the selling companies such as commercial banks and securities companies.

MACEDONIA

We have no experience in this matter (see II.1)

MALAYSIA

For instance, CIS units are distributed through the following distribution channels:

- By the unit trust management company;
 - Individual tied agents of the unit trust management company; and
 - Institutional Unit Trust Agents which comprise banks and securities firms that are registered with the Federation of Malaysian Unit Trust Managers.
- (Lately, online trading has been allowed for unit trust transactions)
-

MALTA

In the majority of cases, units in CISs are distributed via commercial banks. Locally based investment consultants and brokers are also active in the distribution of units in CISs.

MAURITIUS

Most commonly through management companies but also through commercial banks and brokers

MONTENEGRO

Individual investors.

NIGERIA

no intermediary

OMAN

All of the above

PAKISTAN

All modes of distributions are allowed however, the most common mode of distribution is through Asset Management Company's own counters.

PANAMA

Banking groups through their investment on brokerage firms.

PERU

CIS units may be distributed through commercial banks, market intermediaries and independent distributors.

In the case of mutual funds, they are commonly distributed through commercial banks. And, in the case of investment funds, they are commonly distributed through independent distributors.

ROMANIA

CIS units are distributed through distributors that can be financial investment services companies (securities intermediaries), banks or asset management companies

SLOVENIA

All distribution channels are used, however the mostly common practice is through commercial banks and broker- dealers.

SOUTH AFRICA

Participatory interests (units) are primarily distributed through banks, brokers, independent distributors and investment consultants.

THAILAND

Investment units of open-end funds are mostly distributed through the AMC and the commercial banks, the latter of which must be qualified and obtain a limited brokerage, dealing, and underwriting license (limited BDU license in mutual fund) and must comply with all stipulated sale conduct and best practices.

TUNISIA

The CIS units are commonly distributed through banks and brokers.

TURKEY

Under the provisions of Article 37 and 39 of Communiqué on Principles Regarding Mutual Funds, participation certificates can be sold and bought only by the founder of the mutual fund and the intermediary institutions with whom an intermediation agreement has been signed.

On the other hand, for investment companies, real estate investment trusts, and venture capital investment trusts the shares are traded on the Istanbul Stock Exchange and investors can invest in them through intermediary institutions.

VIETNAM

CIS units are distributed through commercial banks, independent distributors, investment consultants, brokers and are mostly distributed by the manager itself.

III.6 Supervision of other Institutional Investors - If, in your jurisdiction, there is an agency specifically responsible for the supervision and regulation of CIS, is there an overlap of functions with agencies responsible for provident funds and insurance companies? Is there an overlap of supervision functions with the local central bank?

JURISDICTION	Agency for CIS		provident funds	OVERLAP	
	Y	N		insurance companies	central bank
ALGERIA					
BAHAMAS					
BAHRAIN	X				
BARBADOS		X		Y	Y
BRAZIL	X				
BULGARIA					
CHINA					
CHINESE TAIPEI	X				
COLOMBIA		X	Y	Y	Y
COSTA RICA	X				
CZECH REPUBLIC					Y
EGYPT	X				
MACEDONIA	X				
HONDURAS					
HUNGARY					
INDIA	X				
INDONESIA	X				
ISRAEL	X				
KENYA	X				
KOREA					
LITHUANIA	X		Y	Y	
MALAYSIA	X			Y	Y
MALTA	X		Y	Y	
MAURITIUS	X		Y	Y	
MONTENEGRO					
MOROCCO	X				
NIGERIA	X				
OMAN					
PAKISTAN	X				
PANAMA	X		Y	Y	
PERU	X				
POLAND	X		Y	Y	
ROMANIA	X				
SLOVAKIA					
SLOVENIA					
SOUTH AFRICA	X				
THAILAND	X				
TUNISIA	X				
TURKEY		X	Y	Y	
UGANDA	X				
VENEZUELA	X				
VIETNAM	X				

III.6 Supervision of other Institutional Investors - If, in your jurisdiction, there is an agency specifically responsible for the supervision and regulation of CIS, is there an overlap of functions with agencies responsible for provident funds and insurance companies? Is there an overlap of supervision functions with the local central bank? – Commentaries and observations

BAHAMAS

Regulators coordinate their activities to minimize overlap.

BAHRAIN

The Bahrain Monetary Agency is the sole regulator of the financial sector in Bahrain, including insurance companies. Hence, no overlap of functions exists.

Regarding pension and provision funds, no private pension funds exist. However, there are two independent governmental entities responsible for the pension fund, one for the government employees (The Pension Fund Commission) and one for the private sector employees (General Organization for Social Insurance).

BARBADOS

Yes there is an overlap of functions for insurance companies and for the local central bank. Insurance companies are regulated by the Office of the Supervisor of Insurance, Insurance companies that operate mutual funds are also regulated (the mutual funds aspects) by the Securities Commission. In addition, Mutual Funds form part of the business of Offshore Banks; these Offshore Banks are regulated by the Central Bank of Barbados and the Mutual Fund Business by the Commission.

CHINA

No overlap of supervision for provident fund (pension fund) and insurance companies. But the Central Bank also supervises the foreign currency operation by CIS.

COLOMBIA

Supervision and regulation of CIS: There are two entities: The securities Superintendence and the banking Superintendence. The banking Superintendence is responsible for regulating and supervising provident funds and insurance companies.

COSTA RICA

The CIS are regulated by the Superintendencia General de Valores-SUGEVAL (Superintendency of securities). Pension funds are regulated by the Superintendencia de Pensiones-SUPEN (Superintendency of pensions or retirement funds). In our country there is only one public insurance company, it is a monopoly. It is a responsibility of the Consejo Nacional de Supervisión del Sistema Financiero-CONASSIF (National Supervision Council of the Financial System) to coordinate the supervision functions of each Superintendency. The president of the Central Bank of Costa Rica (BCCR) is member of CONASSIF.

CZECH REPUBLIC

Currently there is slight overlap in supervision of pension funds with Ministry of Finance (division of responsibilities) and overlap in supervision of depositories with the Czech National Bank

EGYPT

The Capital Market Authority is the agency responsible for the supervision and regulation of CIS. Funds of banks and insurance companies should get an approval of the competent

agencies as stated in article 172 of the Executive Regulations. Thus, there is no overlap of supervision functions.

HONDURAS

The regulatory body supervises both provident funds and insurance company so there is no overlap of functions.

HUNGARY

The investment fund management companies and investment funds in Hungary are supervised by the HFSA.

INDIA

Mutual Funds are regulated by SEBI. The functions of different agencies have been clearly earmarked. Thus no jurisdictional overlaps have been observed.

INDONESIA

There is no overlap function with other agencies. Bapepam is responsible for overseeing CIS, Directorate General of Financial Institution of the Ministry of Finance for overseeing pension funds, and Bank Indonesia as the central bank for overseeing banking operation.

ISRAEL

The Capital Markets Division in the Ministry of Finance supervises the insurance companies, pension funds and provident funds. The supervision is done starting in the licensing stage, through the fluent regulating and ending in the enforcement activities. There is no overlap of supervision functions with the Israel Central Bank regarding the bodies which are supervised by the Capital Market Division. Though the provident funds are held mostly by the banks, the banks do not have the authority to supervise them.

KENYA

Yes, the features of schemes under capital markets, pension and insurance sectors are similar although under independent regulators. There is overlap requiring some understanding among these regulators or consolidation of the regulatory framework.

LITHUANIA

Lithuanian Securities Commission is an exclusive regulatory and supervisory institution of the UCITS. Pension funds are being supervised by two different regulators depending on the type of company: life assurance companies operating so called II pillar pension funds (funds where part of the state social insurance tariff is being accumulated) are supervised by Insurance Supervisory Commission (ISC), while asset management companies operating II pillar pension funds and III pillar pension funds (only asset management companies may operate III pillar pension funds – where personal saving are accumulated on voluntary basis) are being supervised by the Lithuanian Securities Commission (LSC). In respect of II pillar pension fund operators both regulators exercise equal supervisory powers, but functions do not overlap. Insurance companies are supervised only by ISC.

The supervision functions with the Central Bank do not overlap. LSC, ISC and Central Bank have concluded a trilateral agreement on co-operation and exchange of information.

MACEDONIA

In Republic of Macedonia there are several supervisory authorities for separate capital market segments, as follows:

- MSEC for securities market (including takeovers) and investment funds;
 - Agency for Supervision of Fully Funded Pension Insurance for private pension schemes;
-

- Ministry of finance for insurance companies and
- Central Bank for banks and saving houses.

There is a certain overlap of supervisory functions among all supervisory authorities.

MALAYSIA

The overlap of functions is only in the case of foreign investments where the central bank Bank Negara Malaysia (BNM) is responsible for the outflows out of the country by any particular unit trust management company which must adhere to the restriction or limit imposed by BNM aside from following the investable universe as allowed by the SC.

The BNM in regulating the insurance industry is solely responsible for regulating investment linked products issued by the insurance companies.

MALTA

The Malta Financial Services Authority is a single regulator responsible for the supervision of:

1. Investment Services Business (including fund management and custody)
2. Collective Investment Schemes
3. Insurance principals, agents (and sub-agents) and brokers
4. credit and financial institutions
5. pension funds

The MFSA is also the Listing Authority. Presently there is no overlap of supervisory functions with the Central bank of Malta.

MONTENEGRO

There are no privately owned pension funds. So far insurance companies were not investing in securities.

NIGERIA

There is no overlap of functions between the agencies

OMAN

All of the above

PAKISTAN

The CIS are regulated by the Specialised Companies Division of the Securities and Exchange Commission, thus there is no other agency responsible for regulating the CIS.

Since CIS and the Insurance Companies are regulated by the Securities and Exchange Commission, there is no overlapping of functions with the Central Bank or any other body. Presently the provident funds are not supervised directly by any regulator.

PANAMA

The National Securities Commission regulates CIS and Pension Funds. There is not an overlap of functions with the agency responsible for insurance company. The Republic of Panama does not have central bank.

PERU

No. CIS are only regulated and supervised by this National Commission. In case a commercial bank decides to manage a CIS, it must constitute a subsidiary as a SOCIEDAD ADMINISTRADORA DE FONDOS (SAF), SOCIEDAD ADMINISTRADORA DE FONDOS DE INVERSION (SAFI) or SOCIEDAD ADMINISTRADORA DE FONDOS MUTUOS (SAFM).

POLAND

The Polish Securities and Exchange Commission is responsible for supervision of CIS. Pension funds and insurance companies are supervised by The Insurance and Pension Funds Supervisory Commission. There is no overlap of the PSEC's supervision functions neither with the IPFSC nor with the National Bank of Poland. It should be stressed however that according to the Polish legislation pension funds and insurance companies are not qualified as CIS.

ROMANIA

The Romanian National Securities Commission is the authority responsible for the regulation and supervision of the financial instruments markets, with their specific institutions and operations, as well as of collective investment undertakings. The authority over Romanian financial field is divided between various institutions. The insurance sector is under the supervision of the Insurance Supervision Commission and the category of pension funds will be under the jurisdiction of a distinct authority that is going to be set up.

SOUTH AFRICA

NO - provident funds and insurance companies are also supervised by the FSB.

THAILAND

In Thailand, the Securities and Exchange Commission (SEC) has been appointed the registrar as well as the supervisor of the provident funds. In this regard, the Finance Minister has the power to give the SEC policy direction for supervisory purposes. Insurance business, on the other hand, is under supervision of the Department of Insurance, Ministry of Commerce. In certain cases, e.g., the launch of some investment products such as unit-links, there arise a few areas of overlapping functions, e.g., the oversight of selling agents (of life insurance policies and of mutual funds). The authorities concerned would cooperate and work closely to come up with the clear delineation of functions and help each other in their respective supervisory responsibilities.

TUNISIA

In Tunisia, the insurance activity and the banking activity are each regulated and supervised by a specific regulator. At present, there isn't an overlap of functions between CMF and the insurance sector regulator.

TURKEY

The Board is responsible for the supervision and regulation of CIS other than insurance companies. Insurance companies are subject to the supervision and regulation of the Undersecretariat of Treasury. Additionally, the Undersecretariat of Treasury regulates pension companies while pension funds are supervised and regulated by the Board. There is no overlap of functions with other regulatory bodies for CIS.

UGANDA

There is a separate regulator for Insurance companies. The pensions sector is not regulated.

VENEZUELA

There is not overlap of functions

III.6 Supervision of other Institutional Investors – Total portfolio value - PENSION AND PROVIDENT FUNDS

JURISDICTION	1999		2001		2003	
	local currency 1.000.000	US dollars 1.000.000	local currency 1.000.000	US dollars 1.000.000	local currency 1.000.000	US dollars 1.000.000
ALGERIA						
BAHAMAS	730,70	730,70	766,80	766,80	832,50	832,50
BAHRAIN						
BARBADOS						
BRAZIL					198.052,43	68.549,23
BULGARIA					238,92	154,28
CHINA			80.500,00	9.700,00	132.500,00	16.000,00
CHINESE TAIPEI	130.093,34	3.779,79	163.753,95	4.757,79	229.994,93	6.682,38
COLOMBIA			15.378.546,59	5.535,42	23.080.904,00	8.307,83
COSTA RICA	32.136,00	159,00	179.258,00	633,00	506.402,00	1.211,00
CZECH REPUBLIC	41.565,80	1.620,25	57.568,17	2.244,02	82.066,00	3.198,96
EGYPT						
MACEDONIA						
HONDURAS			6.717,48	382,98	8.667,60	494,16
HUNGARY	190.000,00	847,00	321.000,00	1.430,00	435.000,00	1.938,00
INDIA	46.240,00	1.013,81	81.110,00	1.778,33	122.670,00	2.689,54
INDONESIA						
ISRAEL	64.000,00		70.000,00		75.000,00	
KENYA			44.700,00	590,00	39.530,00	520,00
KOREA						
LITHUANIA						
MALAYSIA						
MALTA						
MAURITIUS			3.477,00	119,00	4.528,00	175,00
MONTENEGRO						
MOROCCO	60.658,00	6.017,00	71.277,00	6.615,00	74.253,00	8.486,00
NIGERIA						
OMAN						
PAKISTAN						
PANAMA	11,70	11,70	21,60	21,60	34,40	34,40
PERU	8.895,80	2.536,60	12.930,00	3.751,50	22.055,30	6.345,00
POLAND			19.288,88	5.156,77	30.487,51	8.150,65
ROMANIA						
SLOVAKIA						
SLOVENIA			1.317,00	6,96	12.228,73	64,58
SOUTH AFRICA	644.000,00	105.300,00	836.000,00	97.200,00	909.000,00	120.200,00
THAILAND	295.578,10	7.459,90	381.686,00	9.633,20	525.722,80	13.268,50
TUNISIA						
TURKEY					42.370.000,00	30,40
UGANDA						
VENEZUELA						
VIETNAM						

III.6 Supervision of other Institutional Investors – Total portfolio value - INSURANCE COMPANIES

JURISDICTION	1999		2001		2003	
	local currency 1.000.000	US dollars 1.000.000	local currency 1.000.000	US dollars 1.000.000	local currency 1.000.000	US dollars 1.000.000
ALGERIA						
BAHAMAS	582,5	582,5	722,6	722,6	774,2	774,2
BAHRAIN	78,00	206,00	84,00	224,00	104,00	276,00
BARBADOS						
BRAZIL	26.464,15	9.019,94	42.273,65	13.515,03	61.756,96	21.375,11
BULGARIA	309,79	159,12	478,2	215,48	666,009	430,08
CHINA						
CHINESE TAIPEI						
COLOMBIA	2.791.129,99	1.004,65	4.134.714,64	1.488,27	6.018.041,16	2.166,16
COSTA RICA						
CZECH REPUBLIC	174506,9161	6802,32775	214967,9249	8379,50904	261050,342	10175,8144
EGYPT	39,61	11,31	13,52	3,47	17,04	2,84
MACEDONIA						
HONDURAS	774,54	441,46	1.466,4	83,6	2.139,81	122
HUNGARY	632.000	2.815	818.000	3.646	1.058.000	4716
INDIA	1.463.636,5	32.090,25	2.732.410,9	59.908,15	3.869.297,4	84.840,99
INDONESIA						
ISRAEL	16.000		19.000		22.000	
KENYA	21.000	280	23.200	310	29.200	380
KOREA						
LITHUANIA	591,28	214,23	738,37	267,52	1.110,64	402,4
MALAYSIA						
MALTA	73,94	179,30	124,16	274,71	213,29	621,09
MAURITIUS			10375	355	13711	529
MONTENEGRO						
MOROCCO	43380	4303	50420	4361	56608	6469
NIGERIA						
OMAN						
PAKISTAN	11.803,925	206,00	14.908,15	260,18	18.421,963	321,50
PANAMA						
PERU	2.850,20	812,70	3.876,20	1.124,70	5.589,20	1.607,90
POLAND	33.415,72	8.933,49	48.430,81	12.947,68	65.662,24	17.554,4
ROMANIA	4.273.287	278,7	10.141.940	349	24.524.892	738,7
SLOVAKIA	40.138,62	949,67	55.137,127	1.137,62	75.987,29	2.308,24
SLOVENIA	211.481,812	1.116,78	285.775,25	1.509,163	442.757,5	2.338,18
SOUTH AFRICA	693.700	113.500	789.800	91.800	867.500	114.700
THAILAND	68.766,6	1.735,6	70.431,2	1.777,6	119.462,3	3.015
TUNISIA						
TURKEY						
UGANDA						
VENEZUELA						
VIETNAM						

III.7 Other - Do CIS pay registration/filing fees to the supervisory and/or regulatory agency?
If so, how often? On what basis?

JURISDICTION	Registration fees		How often?	What basis?
	Y	N		
ALGERIA				
BAHAMAS	X		annually	
BAHRAIN		X		
BARBADOS	X		annually	
BRUNEI	X		quarterly	
BULGARIA	X		annually	
CHINA		X		
CHINESE TAIPEI		X		
COLOMBIA				
COSTA RICA		X		
CZECH REPUBLIC	X		once	
EGYPT	X			
MACEDONIA	X			
HONDURAS	X		twice a year	
HUNGARY	X		quarterly	average of NAV
INDIA	X		once	fixed
INDONESIA		X		
ISRAEL	X		annually	
KENYA	X		annually	
KOREA		X		
LITHUANIA		X		
MALAYSIA	X		once	
MALTA	X		annually	
MAURITIUS		X		
MONTENEGRO	X		annually	NAV
MOROCCO	X		quarterly	NAV
NIGERIA	X		biannually	
OMAN	X		once	
PAKISTAN	X		annual	
PANAMA	X		annual	
PERU	X		monthly	NAV
POLAND	X		once	
ROMANIA	X			CNVM Statute
SLOVAKIA	X		annually	
SLOVENIA	X		annually	NAV
SOUTH AFRICA	X		continuously	
THAILAND	X			
TUNISIA	X		monthly	
TURKEY	X		quarterly	
UGANDA	X		annually	
VENEZUELA	X		once	
VIETNAM		X		

III.7 Other - Do CIS pay registration/filing fees to the supervisory and/or regulatory agency? If so, how often? On what basis? – **Commentaries and observations**

BAHAMAS

There are application fees and annual licence fees. On what basis? These are statute based.

BAHRAIN

Only funds sponsored and managed by financial institutions located outside Bahrain pay an annual fee of BD 2000 per fund (circular OG/121/99).

BRAZIL

CIS pay a fee to the supervisory authority – CVM every three months. The value paid depends on the NAV. A larger NAV implies a larger fee up to a cap value of 10.800 reais (approximately 4.000 USD).

BULGARIA

Pursuant to the POSA, in order to perform activities as an investment company, it is necessary to preliminary obtain a permit /licence/ issued by the FSC, and a fee is due for this. Furthermore, the investment companies and the foreign CIS are obliged to pay a fee to the FSC for the approval of the prospectus for public offering of the shares, their stakes respectively, as well as annual fees for exercising overall financial supervision, which fees are specified under the Tariff-Attachment to Art.27, Para.2 of the Financial Supervision Commission Act.

CHINESE TAIPEI

CIS don't need to pay registration/filing fees to the FSC.

COSTA RICA

The CIS do not pay any registration/filing fees. However, all financial entities supervised by the Superintendency of securities (SUGEVAL), the Superintendency of pensions/retirement funds (SUPEN) and the Superintendency of financial institutions (SUGEF) should contribute with 20% of the budget of the Costa Rican financial supervisory system. The amount is annually distributed according to the income of each company based on audit financial statements.

CZECH REPUBLIC

Yes, such administrative fee is charged once for the approval procedure before the fund starts its marketing. There are no other following regular “registration” fees except of the fees for approval of the directors, for approval of the changes to the prospectus etc

EGYPT

CIS pay licensing fees according to article 134 of the Executive Regulations and articles 72 & 73 of the Capital Market Law state other types of fees.

HONDURAS

Each semester The contribution is a percentage of the total net assets.

HUNGARY

The single amount of HUF 500,000,- at the creation of the CIS. Continuous supervisory fee: the basis of the fee calculation is the quarterly mathematical average of the net asset value of the fund. In case of those funds, which issued two or more series of investment units and any of these fully reinvest the capital increment of the series, when calculating the fee basis, the

net asset value of an investment unit defined for the non-reinvesting series is to be multiplied with the total number of investment units of the fund. The thus computed quarterly average of the net asset value forms the fee basis. In case of investment funds the amount of supervisory fee is 0,075% of the calculated fee basis.

INDIA

The Sponsor, at the time of applying for registration as a Mutual Fund has to pay a filing fee of Rs. 25,000. Mutual Funds to pay a registration fee of Rs. 25 crores at the time of registration. Besides, AMCs to pay Rs. 25,000 for every scheme offer document filed with SEBI for observation.

ISRAEL

Yes, the fund manager pays the ISA for each fund that it manages an annual fee of between USD 3500 to USD 11000, as a function of the value of the assets that are managed by the fund. In addition, there are mensual fees in a rate of 0.03% from the value of the surplus units that were created during the month. Another kind of fee is a USD 850 fee, which is paid when an application for prospectus permit is done.

KENYA

Yes. The CIS pays an application fee of Kshs 2,500 (US \$33) an approval fee (renewable annually) of Kshs 150,000 (about US \$2000) to the regulator. The application is paid on first application only and approval fee is paid annually (i.e. renewal fee), and the rates are fixed.

LITHUANIA

These fees are payable to the municipality budget.

MACEDONIA

According to the MLIF and MSEC' Tariff Book, the following fees are charged by the MSEC:

- fee for granting approval for establishing a Fund Management Company, in the amount of 1% of the founding capital of the Company;
- fee for granting approval for establishing an Open-ended Fund, in the amount of 0.5% of the Open-ended Fund founding capital;
- fee for granting approval for establishing a Closed-end Fund, in the amount of 0.5% of the Closed-end Fund founding capital;
- fee for granting approval for selecting a Depository Bank, in the amount of 25.000,00 denars (approx. 400 Euros).

MALAYSIA

Yes CIS pays regulatory and filing or rather lodgment fees and this is outlined in the regulations on fees. This is usually on per fund basis and for submission of prospectus(including supplementary) for approval, registration of prospectus, lodgment of prospectus, submission of deed, registration of deed, and lodging of documents whether it be unit trust fund returns for each fund or lodging of other documents such as interim and annual reports and others.

MONTENEGRO

CIS pays filling fees to the regulatory agency yearly on the basis of yearly net asset value. The fee is paid by the management company, not by the fund.

NIGERIA

Yes. Renewal of registration is done every two years. A specific amount is paid by the company and its sponsored individuals.

OMAN

Yes once during the offer. 0.3% of the offer subject to a minimum of 3000 OR and a maximum of 7000 OR.

PERU

Each CIS pays fees to CONASEV on a monthly basis. The fee is calculated by applying a rate of 0.0035% to the net equity of the fund.

POLAND

The Act of Investment Funds states that fees are charged only once for issue of the decision (while registering the fund).

ROMANIA

CIS should pay a registration fee as fix amount to the supervisory authority that has to be presented together with the request for authorization. Also, there is a filing fee as percent of the net asset value. These fees are requested on the basis of the CNVM Statute and are established by CNVM Regulation.

SLOVENIA

Yes, they pay registration fee to the SMA. Registration fee is paid prior the issue of the license. Annually CIS should pay the SMA also the fee for the supervision. The amount of the annual fee depends of the amount of CIS net asset value. Respective fees are paid on the basis of the law and SMA's tariff.

SOUTH AFRICA

YES. A application fee is paid for the registration schemes and portfolios. Additional fees are payable for various matters such as establishment of new portfolios, changes to investment policy, changes in shareholding, registration as trustee, amendment to a deed, approval for foreign scheme to market its products locally, to name a few.

THAILAND

The SEC charges approval fee on each mutual fund scheme (fixed amount of 25,000 Baht per application) and registration fee for the money registered to constitute the fund (the amount charged depends on the size of the fund registered). Such fees can be treated as mutual fund expenses, if disclosed in the prospectus.

TUNISIA

When opening their capital to the public, CIS pay the following fees to the CMF. 1/ A commission on prospectus: 750 TND 2/ A commission on new issues: 0,2% of the total amount of the issue/capital CIS also pay monthly fees to the CMF = 0,1% of the annual net assets; 0.1%/12 of the net assets of the end of each month. If the CIS isn't yet open to the public or is in a liquidation period, it doesn't pay any fees to CMF.

TURKEY

Yes all types of CIS other than pension funds pays % 0.2 registration fee to the Board over the nominal amount of the shares that are being registered at the time of initial registration. For the pension funds the rate of registration fee is determined as % 0.1.

At the end of each quarter after initial registration mutual funds and pension funds pay additional registration fee at the same rates over the difference between the market price and the nominal value of the shares sold. To avoid multiple fees we have a calculation technique that takes into account only the first sale of share.

UGANDA

Application Fees and annual license renewal fees by the management company.

VENEZUELA

By law, the management companies of mutual funds pay 60 Unidades Tributarias, the distributed of mutual funds shares pay 100 Unidades Tributarias, the mutual funds pay 100 unidades tributarias for registration, they do not pay annual contribution, the management companies and distributed companies pay annual contribution of 100 Unidades Tributarias, each Unidad Tributaria is equal to Bs. 29.400

III.7 Other - Are there any registration exemptions for CIS? If so, please describe.

JURISDICTION	Registration exemption	
	Y	N
ALGERIA		
BAHAMAS	X	
BAHRAIN	X	
BARBADOS		X
BRAZIL		X
BULGARIA		
CHINA		X
CHINESE TAIPEI		X
COLOMBIA		
COSTA RICA		X
CZECH REPUBLIC	X	
EGYPT		X
MACEDONIA		X
HONDURAS		
HUNGARY		X
INDIA		X
INDONESIA		X
ISRAEL		X
KENYA		X
KOREA		X
LITHUANIA		X
MALAYSIA	X	
MALTA	X	
MAURITIUS		X
MONTENEGRO		X
MOROCCO		X
NIGERIA		X
OMAN		X
PAKISTAN		X
PANAMA	X	
PERU		X
POLAND		X
ROMANIA		X
SLOVAKIA	X	
SLOVENIA		X
SOUTH AFRICA		X
THAILAND		X
TUNISIA		
TURKEY		X
UGANDA		X
VENEZUELA		X
VIETNAM		X

III.7 Other - Are there any registration exemptions for CIS? If so, please describe. –
Commentaries and observations

BAHAMAS

Closed end funds are currently exempted from regulation by law but may opt to be licensed.

BAHRAIN

No, all funds must be registered with the BMA (Article 1 (a) of circular OG/56/92)

CZECH REPUBLIC

There are basically four types of fund registration: a. approval of domestic UCITS fund creating; b. approval of domestic special fund creating; c. approval of foreign fund marketing in the Czech Republic; d. notification of foreign UCITS for marketing in the Czech Republic. If there is a foreign fund wishing to market its units not to the public it does not need the CSC approval and it is not subject to the CSC supervision.

MALTA

The Investment Services Act (Exemption) Regulations list down a number of CISs which are exempt from the requirement of a CIS License in terms of Article 4 of the Investment Services Act, 1994. These include:

- a. a CIS involving participants, each of which carries on a business other than that which constitutes an investment service and enters into the arrangement for commercial purposes related to that business;
- b. a CIS which operates according to the principle of risk spreading or in respect of which the contributions of the participants and the profits or income out of which payments are to be made to them are pooled, but only if the general purpose of the scheme is commercial and not for investment purposes;
- c. a CIS approved by the MFSA operated by a company for its own employees, former employees and their dependents, or for employees, former employees, or their dependents, of companies in the same group, in instruments issued by a company or companies within that group and any other instruments as may be approved by the MFSA.

Private Schemes⁷ are also exempt from the requirement of a CIS License. These schemes are required to apply for a recognition certificate in terms of the Investment Services Act (Recognition of Private Collective Investment Schemes) Regulations. Schemes established/registered outside Malta which qualify as UCITS in terms of the UCITS Directive and which are marketed in Malta are exempt for the requirement of a CIS Licence⁸.

PANAMA

There are exemptions for registration of CIS

- a) The Saving System and Pension Funds Capitalization are exemptions for registration in the National Securities Commission.
- b) CIS that contain 20 investors or less.
- c) Other CIS that the National Securities Commission considers convenient to exclude of the law.

PERU

There is not any registration exemptions for public CIS. Only in case of private CIS, they shall not be required to register in the Public Registry of CONASEV.

SLOVAKIA

The registration exemption concerns subjects doing collective investment business within the territory of the Slovak Republic on the basis of the right to establishment or under the freedom

to provide services, including direct public offer of unit certificates. However, the host member state should be informed about so-called passported subjects, before starting their business, by the related home member state (where the subject is officially registered within the EEA). In case of fund distribution, the home member state is informed directly by the relevant subject. Whole above mentioned process is labeled as so-called “notification process”.

III.7 Other - Are there any forms of fiscal benefits granted to certain types of funds? In other words, are there any tax incentives for (CIS and) CIS participants/holders? If so, please describe.

JURISDICTION	Fiscal benefits	
	Y	N
ALGERIA		
BAHAMAS		
BAHRAIN	X	
BARBADOS	X	
BRAZIL	X	
BULGARIA	X	
CHINA	X	
CHINESE TAIPEI		X
COLOMBIA		
COSTA RICA		X
CZECH REPUBLIC	X	
EGYPT	X	
MACEDONIA		X
HONDURAS	X	
HUNGARY		X
INDIA	X	
INDONESIA	X	
ISRAEL		X
KENYA	X	
KOREA	X	
LITHUANIA	X	
MALAYSIA	X	
MALTA	X	
MAURITIUS	X	
MONTENEGRO		X
MOROCCO	X	
NIGERIA		X
OMAN	X	
PAKISTAN	X	
PANAMA	X	
PERU		X
POLAND	X	
ROMANIA	X	
SLOVAKIA	X	
SLOVENIA		X
SOUTH AFRICA	X	
THAILAND	X	
TUNISIA	X	
TURKEY	X	
UGANDA		X
VENEZUELA	X	
VIETNAM	X	

III.7 Other - Are there any forms of fiscal benefits granted to certain types of funds? In other words, are there any tax incentives for (CIS and) CIS participants/holders? If so, please describe. – Commentaries and observations

BAHRAIN

There are no taxes levied on income, capital gain, sales, estates, interest, dividends, or fees of mutual funds, or the financial institutions operating these funds.

BARBADOS

1. In calculating the taxable income for an income year of an individual, there shall be deducted from the assessable income of that individual amounts invested in mutual funds, up to a total in respect of all such investments, of an amount not exceeding \$10,000.00

2. However, if a person withdraws any investment from a mutual fund within 5 years of making such an investment the amount so withdrawn from the fund shall be brought back into charge to tax in the year in which the withdrawal was made

3. In calculating the assessable income of a mutual fund for an income year, there shall be deducted such part of its assessable income for that income year as is designated by the mutual fund in respect of the particular units, shares or other equity interests in the firm owned by a unit holder or other investor

4. Annual bonus payments payable to employees by a company that is not offering shares to those employees, that are converted into bonds, debentures or stock of the Government of Barbados or in mutual funds within a period of 4 months from the date on which payment of the annual bonus becomes due and that are equal to not more than 75% of the value of the bonus payable to each employee up to a limit in respect of each employee of Bds\$7,500.00

BRAZIL

CIS don't pay taxes on capital gains of the assets invested. The taxes are charged from the CIS participants/holders' gains. The participants of CIS that invest at least 67% in stocks are granted a 15% tax rate while the participants of other CIS are granted certain fiscal benefits in order to promote long-term investment. The tax rate decreases for longer-term investment, CIS investors pay a range of 22.5 to 15 % of capital gain depending of how long they stay in the fund. In order to be taxed at 15%, two conditions must be met: the investor must remain in the fund for over two years and the portfolio duration of the fund has to be greater than one year.

BULGARIA

Any profit, resulting from transactions in shares of an investment company, stakes of funds respectively, made on a regulated securities market, is exempted from taxation. Under the Corporate Income Tax Act, Art.62a /1/, the investment companies, having obtained a permit for performing activities as an investment company under the procedure established by the POSA, shall not be levied corporate tax upon for that part of their profit, resulting from trading securities.

CHINA

There are some fiscal benefits such as exemption of business tax and income tax. For example, business tax and income tax of capital gains of open-ended fund management companies were exempted temporarily by the end of 2003; income tax of bid-ask spreads of fund units obtained by individual investors were exempted temporarily.

CHINESE TAIPEI

No, there are no forms of fiscal benefits granted to certain types of funds

COSTA RICA

Law 7732, article 100 states: Investment funds yields coming from the acquisition of securities that are already subject to the one only tax on interests as referred to in article 23 of Law 7092, will be exempted of any other tribute different from the tax on available income, as established in the same aforementioned law. Yields accrued by investment funds coming from securities or other acquired assets and which are not subject to the one only tax on interest mentioned above, and any capital gains generated by the transference for assets of the fund, will be subject to an only and definitive tax, at a rate of five percent (5%). The taxable base will be the total amount of the income or credited yields by the investment fund. The taxes described before, will be paid monthly by the fund according to the following rules: a) A tax affidavit must be submitted within the first ten working days following that one on which the yields were generated or the capital gains were taxed, period on which both tax obligations must be paid. b) These taxes must be administrated by the Dirección General de Tributación Directa (tax collection authority) c) The investment funds will be exempt from transference taxes applicable to the acquisition or sale of assets. d) The yields, dividends and capital gains generated by shares of investment funds will be exempt from any tax.

CZECH REPUBLIC

All the domestic funds are subject to the same tax regime- corporate tax 5%, no capital income tax for natural personalities provided the period between purchase and sale of the unit/share exceeds 6 months.

EGYPT

Return of CIS are exempted from tax on companies profits (Article 14 of the Capital Market Law).

HONDURAS

Yes there are benefits for both participants and holders. For the participants it is deductible to the tax on the rent and the holders do not pay this tax at all.

INDIA

As per the current tax provisions, the income of Registered Mutual Funds is exempt from Income Tax. Income received by a unit-holder of an equity oriented scheme has been exempt from Income Tax. Through Finance Bill, 2006 the benefit has been extended to debt-oriented schemes of Mutual Funds also. Also while, long term capital gain on sale of units is exempt from Income Tax, short term capital gain is taxable in the hands of the unit holders.

INDONESIA

Yes. There is no tax on coupon interest received by CIS that is less than 5 years of establishment.

KENYA

Yes. The following policy incentives are currently in place for Collective Investment Schemes: Income accruing to registered collective investment schemes is tax-free; collective investment schemes set up by employers on behalf of employees to invest in listed shares, is exempt from income tax.

KOREA

Real estate funds are given tax incentives and long-term funds that satisfy some specific conditions are given tax incentives until the end of year 2005.

LITHUANIA

Investment fund didn't pay any fiscal benefits. CIS participants have pay a tax of 15 % of capital gain (of the accelerated value of units (shares) at their redemption), where such units are sold or otherwise transferred to the ownership earlier than within 366 days from their acquisition, in an opposite case, i.e., where such transfer takes place later than 366 days from the acquisition, - no fee is charged.

MALAYSIA

For unit trust interest income is not taxed at the fund level.

MAURITIUS

Fiscal benefits are granted to the public and there are tax incentives for the CIS and the CIS participants / holders. They obtain 40% tax deductions.

MOROCCO

Les OPCVM bénéficient d'un régime d'imposition très favorable car ils sont exonérés de :

- L'impôt des patentes ;
 - L'impôt sur les sociétés et de participation à la solidarité nationale, pour les bénéfices réalisés dans le cadre de son objet légal ;
 - Droits d'enregistrement et le timbre dus sur les actes relatifs aux variations du capital et aux modifications des statuts ou des règlements de gestion.
- (Article 106 du dahir relatif aux OPCVM).

La fiscalité relative aux actionnaires est également très incitative. En effet, les actionnaires ou porteurs de parts des OPCVM résidents au Maroc bénéficient d'un taux de l'impôt général sur revenu (IGR) de 10% pour les profits net résultant de cession d'actions ou de parts d'OPCVM des fonds actions et de 15% pour les fonds diversifiés, par rapport à 20% pour les fonds obligataires.

Ils bénéficient aussi de l'exonération de l'IGR sur :

- Les profits nets réalisés jusqu'en décembre 2005, au titre des cessions d'actions ou parts d'OPCVM dont l'actif est investi en permanence à hauteur d'au moins 85% d'actions cotées en bourse des valeurs du Maroc
- Les profits ou fraction des profits correspondant au montant des cessions réalisées au cours d'une année civile, n'excédant pas le seuil de 20.000 DH.
- La donation des obligations effectuée entre ascendants, entre époux et entre frères et sœurs.

Finalement, les profits de cession d'actions ou parts d'OPCVM réalisés par des personnes non-résidentes ne sont pas imposables.

OMAN

Since 1993 all CIS entities have been exempt from corporate Taxes

PAKISTAN

Yes CIS is exempt from payment of income tax if it distributes 90% of profit to the unit/ share/ certificate holders.

PANAMA

The shareholders of funds do not pay taxes. However, the funds must be registered in the National Securities Commission and local stock exchange

PERU

There are not “specific fiscal benefits” granted to certain types of funds. In turn, there are “general fiscal benefits” granted to all market participants who invest in securities issued by public offering or traded in the stock exchange.

POLAND

Profit of investment funds irrespective the type of a fund, is exempted from corporate income tax. However the holder’s are subject to personal income tax in flate-rate form (19%). Investment fund companies provide also additional services such as for example, participation in profitable programs of systematic save, individual pension accounts (there is a limit of savings per a year – this year it amounts to PLN 3500), occupational pension programs (in case of these services there are tax incentives) .

ROMANIA

In accordance with the fiscal code, the income obtained after transferring the propriety right over the units of the open end investment firms, calculated as a positive difference between the redemption price and the subscription price is imposed by a quote of 1% and the amounts obtained as a result of holding units in the closed end investment firms are imposed by a quote of 10% of their amount.

SLOVAK REPUBLIC

According to the Law No. 595/2003 Coll. on income-tax:

Expenses in amount not exceeding USD 400, spent in connection with the purchase of unit certificates, are deductible from the basis of taxation.

The income, from repurchase or cession of unit certificates, to the fivefold of minimum living costs is considered as tax free.

SLOVENIA

No. Fiscal benefits are granted only to the investors into pension funds.

SOUTH AFRICA

YES. All portfolios of a CIS are exempted from paying tax in the portfolio. Investors only pay tax on interest that is paid out to them but not on dividends. In addition, CIS's are exempted from paying capital gains tax. This tax is payable by investors on realisation of their investments.

THAILAND

The benefits arising from investment of the mutual fund whether in the form of interests, dividends, profits and capital gains are all exempted from tax.

TUNISIA

Concerning the tax incentives, the dividends and capital gains are tax free.

TURKEY

Mutual funds can be established in 2 types. Stating in their internal statutes, funds permanently investing at least 25% of monthly average weighted portfolio value in stocks of corporations established in Turkey, including those that shall be privatized, are called as Type A, and others as Type B.

Both types of mutual funds are exempted from corporate tax. Additionally while type B funds have to pay % 10 income taxes, type A mutual funds are exempted from income tax until the end of year 2005. The earnings of fund investor are not subject to income tax if the investor is a natural person but are subject to corporate tax if it is a corporate body.

There are also some tax incentives for pension funds. The investors of pension funds can deduct the certain amount of their contributions to the fund from the total amount of their taxable income. Besides, the pension funds are exempted from corporate tax. There is also % 25-exemption from withholding tax for the earnings of the fund investors if they reach the retirement age of 56 and make contributions to the fund for at least 10 years.

UGANDA

No fiscal benefits currently, however, proposals have been made to the Ministry of Finance to have the fund exempted from income tax.

VENEZUELA

The mutual fund do not pay income tax

VIETNAM

CIS is tax exempted; earning distribution to investors is taxed at investor level.

III.7 Other - Does your jurisdiction enforce control of capital flows in and out of the country?
 If so, how do they affect local investment funds and foreign investors?

JURISDICTION	Control of capital flows?	
	Y	N
ALGERIA		
BAHAMAS	X	
BAHRAIN		X
BARBADOS	X	
BRAZIL		X
BULGARIA		
CHINA	X	
CHINESE TAIPEI		X
COLOMBIA		
COSTA RICA		X
CZECH REPUBLIC	X	
EGYPT		X
MACEDONIA (Former Yugoslav Republic of)	X	
HONDURAS	X	
HUNGARY		X
INDIA		X
INDONESIA	X	
ISRAEL		X
KENYA		X
KOREA	X	
LITHUANIA		X
MALAYSIA	X	
MALTA		X
MAURITIUS (Republic of)		X
MONTENEGRO		X
MOROCCO	X	
NIGERIA		
OMAN		X
PAKISTAN		
PANAMA		X
PERU		X
POLAND		X
ROMANIA		X
SLOVAKIA		X
SLOVENIA	X	
SOUTH AFRICA		X
THAILAND	X	
TUNISIA		
TURKEY		X
UGANDA		X
VENEZUELA	X	
VIETNAM		X

III.7 Other - Does your jurisdiction enforce control of capital flows in and out of the country? If so, how do they affect local investment funds and foreign investors? - Commentaries and observations

BAHAMAS

See the Exchange Control Act, 1952 and the Exchange Control Regulations, 1956 The Regulations provide, inter alia, that all investments by non-Bahamians in the domestic economy be approved and the resultant currency flows be recorded; that all Bahamian companies (except International Business Companies) in which non-Bahamians hold an interest be designated resident or non-resident, depending on where they will operate; that all settlements and trusts be designated for Exchange Control purposes; that, in general, appropriate residential status for individuals, firms, organizations, etc. vis-a-vis Exchange Control be conferred. They also provide for specific guidelines affecting residents who emigrate.

BAHRAIN

There are no restrictions on the flow of funds in and out of Bahrain.

BRAZIL

There's no control of capital flows in Brazil. There is however the necessity of keeping records of capital in and out of the country with CVM and/or the Brazilian Central Bank.

BULGARIA

The above does not fall within the powers of the FSC. For the purposes of the balance of payment and the statistics, it is the Bulgarian National Bank that exercises control over the capital flows.

CHINA

Yes, there is capital control in China. Foreign investors can invest in China's A shares market only through the QFII scheme.

CHINESE TAIPEI

Our jurisdiction doesn't enforce control of capital flows in and out of the country. It is the function of the Central Bank.

COSTA RICA

Costa Rica doesn't have any constraint to capital flows in and out of the country. The Central Bank of Costa Rica (BCCR) is the authority that establishes the monetary and foreign exchange policies.

CZECH REPUBLIC

There are still some restrictions on real estate acquisitions by foreign residents, nevertheless this does not affect local fund industry

EGYPT

Foreign investors in Egypt enjoy full market accessibility. There are no restrictions on capital mobility or convertibility. Foreigners operate in the Egyptian market under the same non-discriminated legal and administrative treatment of national firms.

HONDURAS

YES It does not affect at all, because we don't have foreign investor.

INDIA

The Reserve Bank of India (the Central Bank of our country) has granted general permission to domestic mutual funds to issue units to Non Resident Indians and Persons of Indian Origin. Also through the Finance Bill, 2006, the government has further removed certain restrictions in Mutual Funds investing in foreign securities. It has allowed Mutual Funds to invest in Equities of companies in those countries that have full convertibility. The subject matter has been discussed in detail in reply to the subsequent question.

KENYA

No, there are no restrictions on capital flows. Except portfolio investment in listed securities where: The Capital Markets (Foreign Investors) Regulations, 2002 provide that every listed company is to reserve 25% of its share capital for investment by domestic investors; The other 75% of the share capital has been defined as a "free float" and is available for investment by East Africans, foreign investors as well as domestic investors without any limitation, except as provided under the Capital Markets (Take over and Mergers) Regulations, 2002.

KOREA

Yes, The capital flows of country are regulated by the Foreign Exchange Transactions Act. Certain transactions of funds in and out of the country must be permitted or reported.

MACEDONIA

Macedonian Foreign Exchange Law regulates current and capital transactions and their execution in form of payments and transfers among residents and non-residents, among residents if using foreign means of payment or if the subject of operations are foreign means of payment and unilateral transfers of funds from or in the Republic of Macedonia which do not represent transactions among residents and non-residents; and foreign exchange supervision and control.

Part of this Law regulates securities transactions, as follows:

-Issuance and introduction of domestic securities abroad, stating that residents may register each transaction of issuance and introduction of domestic securities abroad in advance at the MSEC; the residents may issue and introduce securities and unit certificates abroad from the resident investment funds, upon prior approval granted by the MSEC; the MSEC informs the Ministry of Finance on the granted approval stipulated above; the requirement for obtaining an approval from the MSEC shall not pertain to cases when the authorized banks trade with financial derivatives abroad.

-Investments of residents in securities abroad, stating that residents may subscribe, pay and trade in securities abroad solely through authorized participant in the securities market (hereinafter referred to as authorized participant); the authorized participant regularly submits reports to the National Bank of the Republic of Macedonia on all residents' investments in securities abroad, as well as the modifications in these investments, including their sale; the residents, other than authorized banks, may not purchase securities abroad; the authorized banks may purchase and sell securities abroad on their behalf and for their account; this right refers to securities issued or guaranteed by Governments of member states of the OECD or by international financial institutions and also refers to other securities with investment rating assessed by at least one top international investment-rating agency.

-The investment rating criteria shall be prescribed by the National Bank of the Republic of Macedonia, stating that notwithstanding stated above, the investment funds registered in the Republic of Macedonia may purchase own unit certificates abroad, if in compliance with the regulation that stipulate the operations of the investment funds.

-Issuance and introduction of foreign currency securities in the Republic of Macedonia, stating that the issuance and introduction of foreign currency securities in the Republic of Macedonia shall be permitted only with approval by the MSEC; no issuance and introduction

of foreign debt securities with more than three-year maturity in the Republic of Macedonia is permitted.

-Investments of non-residents in securities in the Republic of Macedonia, stated that non-residents may subscribe, pay and trade in securities in the Republic of Macedonia solely through authorized participants; the authorized participant regularly submits reports to the National Bank of the Republic of Macedonia on all investments of non-residents in securities in the Republic of Macedonia, as well as modification in such investments, including their sale.

-Investment Funds Operations stated that provisions of this Law stated above shall be applied for transactions abroad made with unit certificates of the investment funds that are residents, as well as those articles of this Law that will apply for transactions abroad made with unit certificates of investment funds that are non-residents.

MALAYSIA

The Malaysian jurisdiction enforces capital flows out of the country and there are limits to be adhered to.

PERU

Yes, but only in the case of Pension Funds. They have an upper limit of 10.5% for foreign investments. This limitation certainly affects Pension Funds performance as long as there is a deficit of outstanding securities in our local market. An, therefore, it affects securities prices and their respective market rates.

In the case of CIS supervised by CONASEV, there are not controls of capital flows in and out of the country.

SLOVENIA

Yes, our jurisdiction enforce control of capital flows in and out of the country. They do not affect local investment funds and foreign investors.

SOUTH AFRICA

NO. This function is performed by the central bank. There is a limit on the amount a CIS may invest offshore

THAILAND

The Bank of Thailand (BOT) is the authority who controls capital inflows and outflows. The control inevitably affects domestic investment funds as it limits the opportunity to diversify in the overseas markets. However, during the last few years, the Bank of Thailand started to relax the strict control and gradually allowed more chance for domestic funds to invest abroad, though a maximum amount of outflows in this regard is still prescribed by the BOT.

There are however no restrictions on capital flows for foreign investors.
from income tax.

VENEZUELA

In Venezuela there is exchange control, however the mutual funds are not affected; the government office exchange gives foreign currency in order to pay dividends and capital to foreign investors

VIETNAM

There is no control on capital flow in and out of the country (after paying taxes) in our jurisdiction.

III.7 Other - Are there any restrictions on CIS investing abroad?

JURISDICTION	Restrictions on investment abroad?	
	Y	N
ALGERIA		
BAHAMAS		
BAHRAIN		X
BARBADOS	X	
BRAZIL	X	
BULGARIA	X	
CHINA	X	
CHINESE TAIPEI	X	
COLOMBIA		
COSTA RICA		
CZECH REPUBLIC	X	
EGYPT		X
MACEDONIA	X	
HONDURAS		
HUNGARY		X
INDIA	X	
INDONESIA	X	
ISRAEL		X
KENYA	X	
KOREA		X
LITHUANIA		X
MALAYSIA		X
MALTA		X
MAURITIUS	X	
MONTENEGRO		
MOROCCO		X
NIGERIA		X
OMAN	X	
PAKISTAN		
PANAMA		X
PERU		X
POLAND		X
ROMANIA	X	
SLOVAKIA		X
SLOVENIA		X
SOUTH AFRICA	X	
THAILAND	X	
TUNISIA	X	
TURKEY	X	
UGANDA	X	
VENEZUELA	X	
VIETNAM	X	

III.7 Other - Are there any restrictions on CIS investing abroad? – Commentaries and observations

BARBADOS

Exchange Control Permission must be sought from the Central Bank of Barbados

BRAZIL

Yes. CIS investment abroad is restricted to two classes: Equity e Sovereign Debt. Equity funds may purchase shares from companies registered in MERCOSUR member countries and also American Depositary Receipts from Brazilian companies. Sovereign Debt funds are allowed to invest only in Brazilian Government bonds issue internationally and Brazilian private company bonds issued internationally.

BULGARIA

Pursuant to the POSA and the acts required for its implementation, the Deputy Chairman, Director of Investment Supervision Division, shall specify the foreign regulated markets, the international organizations, the rating agencies and the investment rating's minimum level, and may restrict the investments of the investment company to separate market segments and companies, traded on regulated markets abroad. For the above purpose, a list is published on the FSC's website, which is subject to periodic updating.

CHINESE TAIPEI

Yes, CIS investing abroad cannot invest in securities issued by corporations in China or red chips in Hong Kong. They could only invest in stocks, DR, ETF, and CIS traded at foreign securities central exchange market, NASDAQ, AIM, JASDAQ and KOSDAQ, bonds guaranteed or issued by government or institutions and met certain credit rating, or offshore CIS approved by the FSC.

COSTA RICA

Costa Rican regulation requires securities from abroad to have a rating by a nationally recognized statistical rating organization (NRSRO) in the US and a daily price to mark-to-market the fund's portfolio. Rating is no required for stocks. Each CIS should define the specific securities and issuers in the investment policies of the prospectus.

CZECH REPUBLIC

There are some restrictions on securities exchanges in the world the fund can use for trading which prohibits the fund to invest in certain securities not quoted on these stock exchanges.

EGYPT

Foreign investors in Egypt enjoy full market accessibility. There are no restrictions on capital mobility or convertibility. Foreigners operate in the Egyptian market under the same non-discriminated legal and administrative treatment of national firms.

INDIA

As per extant guidelines, Mutual Funds can invest in foreign securities for a minimum of USD 5 million and a maximum of USD 50 million. The limit for the Mutual Funds Industry as a whole is capped at USD 1 billion. Further, Indian Mutual Funds can invest upto 10% of their net assets as on January 31st in listed overseas companies that have at least 10% shareholding in an Indian company listed on a recognized stock exchange in India. However, this provision has since been relaxed in through Finance Bill 2006 and also the overall Mutual Fund Industry limit of investment has also been increased to USD 2 billion.

INDONESIA

Yes. Maximum amount is 15% of the total NAV of the CIS.

KENYA

The CIS regulations limits investments of a collective investment scheme portfolio to 10% on offshore investments

KOREA

Restrictions on CIS investing abroad are the same to those are applied to domestic investment.

MACEDONIA

Along with the answer to the previous question, on the basis of the Foreign Exchange Law, the MSEC enacted a Regulation on Receipt of Approval for Issuance and Introduction of Securities and Unit Certificates in the Resident Investment Funds Abroad.

According to this Regulation, the issuance and introduction of the securities and unit certificates in the resident investment funds abroad shall mean commencement of the securities trading abroad; the securities and unit certificates in the resident investment funds may be issued and introduced abroad only by the issuer of those securities; in order to receive approval for issuance and introduction of securities and unit certificates in the resident investment funds abroad, the issuer of securities and unit certificates in the resident investment funds abroad shall submit a request to the MSEC; the MSEC may reject the request for giving approval if, on the basis of previously received opinion by the Ministry of Finance of the Republic of Macedonia, the large outflow of securities and unit certificates in the resident investment funds, issued and introduced abroad may threaten the stability of the markets of capital or of money in the Republic of Macedonia, or if the issuer has intention to issue and introduce securities and unit certificates in the resident investment funds abroad contrary to the provisions of the Foreign Exchange Law or other acts; and other obligation for the issuer.

MALAYSIA

In so far as the Securities Commission is concerned, there are no restrictions in terms of limits on investments abroad but there may be restrictions as to the type and the jurisdiction involved.

MONTENEGRO

Investment funds can invest 80% of their assets abroad. There are no restrictions on investing abroad for mutual funds.

PERU

There is not any restrictions on CIS investing abroad in CONASEV regulations. However, the tax treatment might be a structural limitation to foreign investments development.

ROMANIA

In accordance with the article 101, alinea (1) of the Law no. 297/2004 on capital market, the undertaking for collective investment funds in securities may invest in financial instruments both in Romania and member and non member states, on condition that these shall be included in the fund rules and the instrument of incorporations of the investment firms, shall be approved by CNVM, and the non-member states where the investment are carried out shall present enough guarantees and similar legislation to the member states

SLOVENIA

No, there are no restrictions, but those deriving from the UCITS Directive. CIS are allowed to invest up to 100% on all regulated markets of OECD, EEA, FIBV and some other foreign regulated markets. In all other regulated markets only investments up to 10% of the CIS assets, are allowed.

SOUTH AFRICA

YES. A CIS may only invest 20% of its assets under management offshore.

THAILAND

Overseas investments are limited to investment-grade sovereign, quasi-sovereign, supranational and securities in the recognized markets or whose respective securities regulators are members of the IOSCO or World Federation of Exchanges.

TUNISIA

For the time being, the CIS cannot invest abroad. Their entire portfolio is composed of local shares or bonds. The restriction stands in the convertibility of the Tunisian Dinar. In fact our currency is not totally convertible.

TURKEY

Mutual funds cannot invest in shares of foreign investment trusts and foreign mutual funds. They can invest in foreign public and private fixed income securities and foreign equities within the portfolio limitations provisioned in their internal statutes

UGANDA

15% of the value of the fund

VENEZUELA

It depends of the kind of fund, the denominated foreign currency can invest 70% of its capital and the others 30% of their capital, they can also invest the 100% of their capital in central bank and public bonds. The mutual funds can invest the 40% of its capital in international money market,

VIETNAM

CISs are not allowed yet to invest abroad.

III.7 Other - Are there any restrictions on foreign CIS distribution in the jurisdiction?

JURISDICTION	Restrictions	
	Y	N
ALGERIA		
BAHAMAS		
BAHRAIN		X
BARBADOS	X	
BRAZIL	X	
BULGARIA	X	
CHINA	X	
CHINESE TAIPEI	X	
COLOMBIA		
COSTA RICA	X	
CZECH REPUBLIC	X	
EGYPT		X
MACEDONIA	X	
HONDURAS		
HUNGARY		X
INDIA	X	
INDONESIA		X
ISRAEL	X	
KENYA	X	
KOREA	X	
LITHUANIA	X	
MALAYSIA	X	
MALTA	X	
MAURITIUS		X
MONTENEGRO		X
MOROCCO		X
NIGERIA		X
OMAN		X
PAKISTAN		X
PANAMA		X
PERU	X	
POLAND	X	
ROMANIA	X	
SLOVAKIA	X	
SLOVENIA	X	
SOUTH AFRICA	X	
THAILAND	X	
TUNISIA		X
TURKEY	X	
UGANDA	X	
VENEZUELA	X	
VIETNAM	X	

III.7 Other - Are there any restrictions on foreign CIS distribution in the jurisdiction? –
Commentaries and observations

BAHRAIN

They have to be registered for distribution with the BMA. Also, the distributor must be a bank licensed by the BMA. (Article 43 of circular OG/318/95)

BARBADOS

Offshore entities are not allowed to carry out business with residents and as such an offshore mutual fund cannot offer the fund to residents

BULGARIA

Distribution of shares of foreign CIS is allowed upon approval of the prospectus under the procedure prescribed by the POSA and the acts for its implementation

CHINESE TAIPEI

At present in Taiwan foreign CIS shall not be publicly offered. The FSC is drafting the "Regulation Governing Offshore Funds" to ease the limitation.

COSTA RICA

Foreign CIS should: a. Be authorized to make public offering by any regulator member of IOSCO. b. Have similar investment and leverage policies than US Rules, European Union Regulation or Costa Rican Regulation. c. Have at least US\$ 20 million in net asset value. d. Have at least 1 year of operation. e. Have a management company with at least 3 years of experience in managing funds. f. Have an independent custodian. g. Have a transfer agent in Costa Rica or another country.

CZECH REPUBLIC

Each foreign fund has to appoint a bank domiciled in the Czech Republic (or a foreign bank subsidiary) for purpose of securities issue and redemption intermediation and financial settlement of these transactions. The fund units/shares can be distributed only by means of registered investment intermediaries

EGYPT

Foreign investors in Egypt enjoy full market accessibility. There are no restrictions on capital mobility or convertibility. Foreigners operate in the Egyptian market under the same non-discriminated legal and administrative treatment of national firms.

HUNGARY

There are not any restrictions, but separate rules of law deals with the distribution of investment units of investment funds established in the European Union and that of other foreign securities.

INDIA

Indian investors have been allowed by Reserve Bank of India to invest in overseas securities upto USD 25,000/-. In a jurisdiction where investors are allowed to invest freely overseas, no restrictions have been imposed on foreign CIS distribution.

INDONESIA

No. But the CIS must be registered with Bapepam first before distributed.

ISRAEL

Yes. Foreign funds can be offered provided that the Israeli law applies on the applicant. The ISA is promoting these days a legislation initiative according to which there would be an exception to this rule as far as to funds' managers which are supervised by regulators outside Israel (certain regulators).

KENYA

Yes, unless the regulator has approved such securities and have to be marketed by a licensed intermediary.

KOREA

Any person who intends to sell indirect investment securities in the Republic of Korea that are issued in any foreign country shall make a report to the Financial Supervisory Commission.

LITHUANIA

A management company or an investment company with variable capital authorized in a foreign state and wishing to market investment units or shares in the Republic of Lithuania must notify of that the Securities Commission.

A management company or an investment company with variable capital may launch marketing of investment units or shares two months after the notification, unless during that time the Securities Commission decides that the arrangements made for the marketing of investment units or shares do not comply with the statutory provisions effective in the Republic of Lithuania or measures are not taken to ensure proper payments for investment units or shares being redeemed or proper communication of information.

The supervision of a management company or an investment company with variable capital authorized in a non-EU State, furthermore must comply with the requirements of the European Union law and Securities Commission has concluded with the foreign supervisory authority an agreement ensuring a proper supervision of activity and communication of information.

MACEDONIA

On the basis of the Foreign Exchange Law, the MSEC enacted a Regulation on Receipt of Approval for Issuance and Introduction of Foreign Securities in the Republic of Macedonia.

According to this Regulation, the issuance and introduction of foreign securities in the Republic of Macedonia shall mean commencement of securities trading; in order to receive approval for issuance and introduction of foreign securities in the Republic of Macedonia, the issuer of foreign securities in the Republic of Macedonia shall submit a request to the MSEC; the MSEC shall not issue an approval if, on the basis of the opinion received from the Ministry of Finance of the Republic of Macedonia, it concludes that the issuance and introduction of the securities may result in outflow of capital from the Republic of Macedonia, contrary to the provisions of the Foreign Exchange Law.

MALAYSIA

There are restrictions on foreign CIS and they must obtain the approval of the SC here in Malaysia before issuing or offering units for sale here in Malaysia.

MALTA

CISs which are registered outside Malta and qualify as UCITS in terms of the UCITS Directive may be freely marketed in Malta⁹;

Foreign CISs which do not qualify as UCITS and would like to apply for a listing on the MSE must apply for a CIS license in terms of Article 4 of the Investment Services Act, 1994 (in order to be in apposition to market their units in Malta).

CISs which do not qualify as UCITS and which do not want to apply for a listing on the

MSE may market their units in Malta subject to adherence to the conditions listed in SLC 5.32 of Part C I of the current Investment Services Guidelines requiring primarily the appointment of a local licensed representative.

MONTENEGRO

All foreign companies must register locally to be recognized as legal bodies. On the other hand, there is no legal restriction for individual entities to purchase foreign CIS units/shares.

PAKISTAN

Foreign CIS have to first comply with local laws

PERU

If it is a private distribution, it is out of the scope of CONASEV as long as there is not public interest. However, if it is a public foreign CIS –open-end fund (mutual fund) or close-end fund (investment fund)– distribution, the CIS and the management company must be previously registered in the Public Registry of CONASEV and comply with all the requirements established by this National Commission.

POLAND

All CIS have to be registered in Poland i.e. obtain a permit of the PSEC (apart from CIS from EU Member States which may provide services in Poland on the basis of single passport principle).

ROMANIA

For the UCITS from non-Member States the existence of a co-operation agreement between C.N.V.M. and the competent authority of the home country is required. (Articles 43 and 112, the capital Market Law).

SLOVAKIA

According to the Law No. 595/2003 Coll. on income-tax:

Expenses in amount not exceeding USD 400, spent in connection with the purchase of unit certificates, are deductible from the basis of taxation.

The income, from repurchase or cession of unit certificates, to the fivefold of minimum living costs is considered as tax free.

SLOVENIA

For UCITS funds from other EU member states, there is a notification procedure according to UCITS Directive. Other CIS are allowed to be distributed only, if the management company that manages those funds, prior to the beginning of the distribution, establishes a branch on the territory of Slovenia. For the establishment of foreign branch authorization of the SMA is needed.

SOUTH AFRICA

YES. A foreign CIS may not market or solicit its product locally without approval by the regulator. Such approval will only be granted if the CIS is from a regulatory environment at least of the same standard as that of South Africa and that the products offered, are not more risky than local products.

THAILAND

Any foreign CIS operator wishing to distribute CIS in Thailand is required to obtain a L-BDU license and the AMC of such CIS or its investment advisor should be based in the jurisdiction

which already has a bilateral agreement of cross boarder investment with Thailand. However, there is yet no foreign CIS distributed in Thailand presently.

TUNISIA

Residents cannot buy foreign CIS units/shares.

TURKEY

We have a Communiqué on Principles Regarding Registration with the Board and Sale of Foreign Mutual Funds to regulate foreign CIS distribution in the jurisdiction. According to Article 4 of this Communiqué the sales of fund units through public offering or without public offering in Turkey shall be subject to the provisions of the Communiqué. The sale covers the sale of fund units at a certain price; promotion through mail or any other means of communication, one to one or collectively, and all activities aimed at contacting investors, in order for marketing the units. Units of the fund cannot be sold without registering with the Board. Only the funds complying with this regulation can be registered with the Board.

UGANDA

Must seek approval

VENEZUELA

There is any, but there is not any foreign distribution in Venezuela

VIETNAM

There is no restriction on foreign CIS distribution in our jurisdiction because foreign CIS distribution is not allowed

III.8 Future Mandates - Standing Committee 5 has decided to set up a database of topics of interest to CIS in our markets. It is hoped that this information can serve as a guide in the selection of future mandates. In line with this objective, we are asking members to list up to three topics of importance to your jurisdiction whose inclusion would be appropriate.

ALGERIA

BAHAMAS

1. Treatment of master-feeder funds 2. Filing requirements for financial statements of fund of funds 3. Regulation of parties related to funds - which parties should be licensed?

BAHRAIN

BARBADOS

1. Prospectus requirements for Mutual Funds; 2. Method of Valuation of Mutual Funds; 3. Procedure for voluntary winding up of a Mutual Fund.

BRAZIL

1. Minimum Standards on custody; 2. Minimum standards on CIS distribution; 3. Minimum standards on CIS Management

BULGARIA

1. Investment companies and contractual funds' portfolio evaluation rules, as well as net asset value determination rules; 2. Rules for effecting transactions in derivatives and risk hedging; 3. Rules for internal persons' personal transactions.

CHINA

1. Cross-border recognition and trading of CIS

CHINESE TAIPEI

1. Improve the management of bond funds; 2. Regulation of offshore funds; 3. Regulation of purchasing and redemption of funds

COLOMBIA

1. Main issues that supervisors are supervising; 2. New types of funds; 3. New standards requested to fund managers and funds

COSTA RICA

1. Venture Capital Funds and Hedge Funds. 2. Risk Management. 3. Corporate Governance.

CZECH REPUBLIC

1. List of recognized markets for purpose of fund investment

EGYPT

HONDURAS

1. Government debt; 2. Disclosure of issuers information; 3. Investors education

HUNGARY

1. Cross-border marketing/selling of investment units; 2. Calculation of net asset value; 3. Supervisory methodology

INDIA

INDONESIA

1. Portfolio valuation; 2. Surveillance program; 3. Enforcement

ISRAEL

1. Public offerings of foreign mutual funds; 2. Introduction of new financial instruments and activities; 3. Standardization of the classification of funds in order to provide the public with important outlined information about the funds

KENYA

1. Issuance and Regulation of global unit trust funds, regulatory challenges 2. Clear distinction of Mutual Funds from Unit Trusts and other forms of CIS in terms of structure, obligations and regulatory framework. 3. Listing and trading of CIS units on a stock exchange, framework and regulatory challenges

KOREA

LITHUANIA

1. About peculiarities of the activity of foreign investments funds; 2. Tax regimes (in respect of UCITS and participants) in the EU Member States; 3. The terms for using derivative instruments and Repurchase transactions in EU States.

MACEDONIA

MALAYSIA

1. soft commissioning; 2. performance fees for unit trust funds; and 3. shareholders activism.

MALTA

MAURITIUS

1. Regulation of foreign CIS; 2. Domiciled CIS investing abroad; 3. Evaluation of the performance of CIS Managers

MONTENEGRO

1. Private pension funds regulation 2. Move from closed-ended funds towards open-end funds
3. Risk management in CIS

MOROCCO

1. Evaluation des OPCVM; 2. Habilitation des membres; 3. Fonds dédiés.

NIGERIA

OMAN

PAKISTAN

1. Growth of stock markets and growth in CIS; 2. Portfolio Composition and rules governing CIS in off shore markets; 3. Portfolio composition and regulations governing Real Estate Investment Fund.

PANAMA

PERU

1. Alternative criteria for valuing illiquid assets;
 2. Supervision of CIS' foreign investments (cooperation among Securities Commissions).
 3. Bad practices and conflict of interests.
-

POLAND

ROMANIA

1. Non-harmonized UCITS; 2. Models of evaluation of the financial derivatives instruments in a CIS portfolio.
-

SLOVAK REPUBLIC

SLOVENIA

SOUTH AFRICA

1. Investment in unlisted instruments, especially derivative instruments; 2. Use of credit ratings to establish acceptability of investments; 3. Regulation of hedge funds and hedge fund managers
-

THAILAND

1. Supervision of CIS with investment portfolio in derivatives; 2. Regulatory standards on fees and expenses of CIS; 3. Innovative CIS products and regulatory issues
-

TUNISIA

1. The yield/return 2. The amount of net assets 3. the composition of the portfolio
-

TURKEY

1. Fund governance; 2. Taxation of CIS; 3. Risk based supervision
-

UGANDA

1. Accounting Standards; 2. Investor Protection; 3. Approval of Foreign Schemes
-

VENEZUELA

1. Class of persons that invest in CIS, education, wages, etc.; 2. location; 3. relation to the banks
-

VIETNAM

1. CIS accounting; 2. Conflict of interests in CIS management and governance; 3. Fund Managers' best practices (to protect fund investor interests)
-