

CLASS MODIFICATION NOTICE

To	Domestic Fund Managers of Exempt Funds
Regulated Activity	Managing a Collective Investment Scheme

THE ASTANA FINANCIAL SERVICES AUTHORITY (AFSA) HEREBY GIVES NOTICE THAT:

To develop and enhance the asset management framework and to expand the distribution channels of Units of Exempt Funds registered in the AIFC, the AIFC Acts in the left-hand column of the Table A are modified to the extent shown in the right hand column of the Table A and the right hand column of the Table A applies to Domestic Fund Managers of Exempt Funds that intend to have Units admitted to trading on an Authorised Investment Exchange, **under certain conditions set by this notice**. In this table, underlining indicates new text and striking through indicates deleted text, otherwise the AIFC Act remains unaltered.

Table A - Modified AIFC Acts

AIFC Act	Modified text
AIFC Financial Services Framework Regulations, Section 62 (c)(i)	<p>62. Prohibition – Admission to trading</p> <p>A Person may not have Securities or Units in a Listed Fund admitted to trading on an Authorised Investment Exchange unless:</p> <p>(a) such Investments have been admitted to the Official List maintained by the Authorised Investment Exchange; and</p> <p>(b) in relation to Securities, a Prospectus in relation to the relevant Securities containing the information prescribed for this purpose by the AFSA has been approved by the Authorised Investment Exchange; and</p> <p>(c) in relation to Units in Listed Funds other than Overseas Listed Funds:</p> <p>(i) the Fund is a Non-Exempt Fund <u>or an Exempt Fund</u> under the AIFC Collective Investment Scheme Rules; and</p> <p>(ii) there are Offering Materials in relation to the relevant Units and the Authorised Investment Exchange has satisfied itself that such Offering Materials satisfies the requirements in AIFC Collective Investment Scheme Rules.</p> <p>Guidance: Units in a Listed Fund</p> <p>For the avoidance of doubt, a Prospectus is not required in relation to Units in a Listed Fund. The requirements in relation to Offering Materials, which apply to Units in a Listed Fund (other than</p>

	Overseas Listed Funds), are set out in the CIS. The requirements in relation to Offering Materials for Overseas Listed Funds will be regulated according to the Business Rules.
AIFC Market Rules, Rule 7.1.2.	<p>7.1.2 – Conditions for admission of Units to trading</p> <p>An Authorised Investment Exchange may not admit Units to trading unless:</p> <p>(a) the Units have been admitted to the Official List maintained by the Authorised Investment Exchange in accordance with section 66 of the Framework Regulations; and</p> <p>(b) in relation to Units of Listed Funds other than Overseas Listed Funds:</p> <p>(i) the Fund is a Non-Exempt Fund or an <u>Exempt Fund</u> registered under the AIFC Collective Investment Scheme Rules; and</p> <p>(ii) there are Offering Materials in relation to the relevant Units and the Authorised Investment Exchange has satisfied itself that such Offering Materials satisfies the requirements in the AIFC Collective Investment Scheme Rules.</p> <p>Guidance: Listing Exempt Funds</p> <p>Exempt Funds may be admitted to the Official List, but not to trading, as they can only be offered on a private placement basis to certain investors.</p>
AIFC Collective Investment Scheme Rules, Rule 2.2 (a)	<p>2.2. Exempt Funds and Non-Exempt Funds</p> <p>(a) An Exempt Fund is a Collective Investment Scheme the Units of which are Offered in the AIFC only by way of a private placement <u>or by being admitted to trading on an Authorised Investment Exchange:</u></p> <p>(i) to Persons who are Professional Clients; and</p> <p>(ii) in minimum subscription amounts of US\$ 50,000.</p>
AIFC Collective Investment Scheme Rules, Rule 4.2.(a)	<p>4.2. Application for registration</p> <p>(a) The following entities must apply to the AFSA to register the following types of Fund:</p> <p>(i) a Domestic Fund Manager that intends to manage a Non-Exempt Fund;</p> <p>(ii) a Centre Participant that wishes to market a Non-Exempt Fund in the AIFC; and</p> <p>(iii) a Foreign Fund Manager that intends to manage an Exempt Fund;</p> <p>(iv) <u>a Domestic Fund Manager that intends to manage an Exempt Fund and to have Units admitted to trading on an Authorised Investment Exchange.</u></p>

CONDITION

1. Domestic Fund Manager of Exempt Funds the Units of which are admitted to trading on an Authorised Investment Exchange should obtain written approval from AFSA to seek to have Units admitted to trading on an Authorised Investment Exchange.
2. Domestic Fund Manager of Exempt Funds the Units of which are admitted to trading on an Authorised Investment Exchange should provide a monthly report to the AFSA on the Units admitted.
3. Domestic Fund Manager of Exempt Funds the Units of which are admitted to trading on an Authorised Investment Exchange may outsource its functions or activities to comply with Chapters 2, 3, 4, 8 and 9 of AIFC Conduct of Business Rules to appointed Authorised Investment Exchanges' Members. The Members of Authorised Investment Exchange, admitted in accordance with Rule 2.6.1.(1)(a) of AIFC Authorised Market Institutions Rules, distributing Units of Exempt Funds under this Class Modification will be responsible for compliance with Chapters 2, 3, 4, 8, and 9 of AIFC Conduct of Business Rules in respect of distributed Units.

EFFECTIVE PERIOD

This notice comes into effect on the date of issue and remains effective until further Notice.

INTERPRETATION

Defined terms are identified in this notice by the capitalisation of the initial letter of a word or of each word in a phrase and are defined in the AIFC Glossary. Unless the context otherwise requires, where capitalisation of the initial letter is not used, an expression has its natural meaning.

THIS NOTICE IS ISSUED PURSUANT TO SECTION 9 OF THE FINANCIAL SERVICES FRAMEWORK REGULATIONS BY THE ASTANA FINANCIAL SERVICES AUTHORITY.