


**BOARD NOTICE 40 OF 2014****FINANCIAL SERVICES BOARD****COLLECTIVE INVESTMENT SCHEMES CONTROL ACT, 2002****EXEMPTION OF MANAGERS OF COLLECTIVE INVESTMENT SCHEMES IN  
PROPERTY FROM CERTAIN PROVISIONS OF COLLECTIVE INVESTMENT  
SCHEMES CONTROL ACT, 2002**

Under section 22(a) of the Collective Investment Schemes Control Act, 2002 (Act No. 45 of 2002), I, Dube P Tshidi, Registrar of Collective Investment Schemes, hereby exempt managers of collective investment schemes in property from the provisions of section 102(3), (4) and (5) of the Act to the extent and subject to the conditions set out in the Schedule.



D P TSHIDI

**REGISTRAR OF COLLECTIVE INVESTMENT SCHEMES**

**SCHEDULE****1. Definitions**

In this Schedule, “the Act” means the Collective Investment Schemes Control Act, 2002 (Act No. 45 of 2002), any word or expression to which meaning is assigned in the Act shall have that meaning, and unless the context otherwise indicates-

“JSE Listings Requirements” means the listings requirements as issued and amended from time to time by the JSE Limited;

“manager” means a manager of a scheme;

“REIT” means a corporate real estate investment trust;

“**scheme**” means a collective investment scheme in property.

## **2. Objective of exemption**

(1) The objective of the exemption is to exempt a manager that converts a scheme into a REIT in terms of the JSE Listing Requirements from the provisions of section 102(3), (4) and (5) of the Act to the extent necessary to give effect to the conversion.

(2) Section 102(3) requires a manager, upon the winding up of a portfolio and under the control and supervision of the trustee or custodian, to realise all the assets of the portfolio

(3) The exemption facilitates the process of the conversion of a scheme into a REIT by exempting a manager from the requirement to realise and distribute the assets of the scheme as required by section 102(3) of the Act.

(4) The exemption is only applicable to a scheme which is to be converted into a REIT in accordance with the JSE Listings Requirements.

(5) The registrar is satisfied that this Exemption is in the public interest.

## **3. The extent of the exemption**

(1) A manager of a scheme which is to be converted into a REIT is exempted from the provisions of section 102(3), (4) and (5) of the Act to the extent that the manager will not be required to realise the assets of the scheme by way of a conversion of the assets into cash.

(2) Despite the provisions of section 102(3), a manager of a scheme will be permitted under the control and supervision of the trustee or custodian to dispose of the assets in another manner other than through the conversion of the assets to cash, having regard to the interests of investors.

## **4. Conditions of the exemption**

The following conditions apply to the exemption-

- (a) the manager must hold a meeting of all investors on giving 21 days

- written notice of such meeting.
- (b) the meeting of investors must resolve to approve the conversion of the scheme and to wind up the portfolio.
  - (c) the investors must approve the costs of the conversion and resolve to bear liability for the costs occasioned by the conversion of the scheme to a REIT.

**4. Period for which the exemption will be valid**

This exemption remains operative until the date on which the exemption is withdrawn or on the date on which a collective investment scheme in property has been finally wound up.

**5. Commencement**

This exemption comes into operation on the date of publication of this Notice.