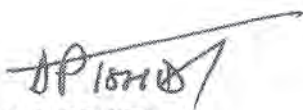


BOARD NOTICE 39 OF 2016**FINANCIAL SERVICES BOARD****COLLECTIVE INVESTMENT SCHEMES CONTROL ACT, 2002****EXEMPTION OF A MANAGER OF A COLLECTIVE INVESTMENT SCHEME IN
SECURITIES FROM CERTAIN PROVISIONS OF BOARD NOTICE 90 OF 2014 AND
SUSPENSION OF CERTAIN PROVISIONS OF THE DEED**

I, Dube Tshidi, Registrar of Collective Investment Schemes ("the Registrar"), hereby-

- (a) in terms of section 22(a) of the Collective Investment Schemes Control Act, 2002 (Act No. 45 of 2002 ("**the Act**")), exempt a manager administering a collective investment scheme in securities under the Act from compliance with the provisions of paragraphs 8(1), 8(2), 8(3) and 8(4) of Board Notice 90 of 2014 ("**the Notice**") published in *Government Gazette* No. 37895 of 8 August 2014; and
- (b) in terms of section 97(3)(a)(ii) of the Act, suspend certain provisions of the Deed establishing a retention portfolio,

as set out in the Schedule.



D P TSHIDI

REGISTRAR OF COLLECTIVE INVESTMENT SCHEMES

SCHEDULE

1. Exemption of Manager

(1) The exemption contemplated in paragraph (a) of this Notice applies to a manager administering a money market portfolio that holds debt instruments issued by the African Bank Limited (Under Curatorship) ("**ABL**") in a money market portfolio or a money market retention portfolio and at the date on which a newly formed bank replacing ABL ("**Good Bank**") implements the issue of debt instruments to replace the existing ABL debt instruments ("**replacement instruments**").

(2) A manager is exempted from paragraph 8(1) of the Notice in respect of the replacement instruments and the manager's decision to either hold or sell these replacement instruments must be done in the best interest of investors, subject to paragraph 2(a) of Schedule 1 to the Act.

(3) A manager is exempted from compliance with paragraph 8(4) of the Notice in respect of the replacement instruments issued by Good Bank in lieu of the written down debt of ABL, provided-

- (a) these replacement instruments continue to be valued at nil with no maturity date; and
- (b) any monies received in lieu thereof shall be treated as income on date of actual receipt.

(4) A manager may exclude the replacement instruments from the calculations in respect of the requirements set out in paragraphs 8(2) and 8(3) of the Notice.

2. Suspension of certain provisions of Deed

(1) The following provisions of the Deed establishing a retention portfolio to hold ABL debt instruments are suspended:

- (a) The provision which states or provision which similarly states:

"Holding the non-equity securities and money market instruments issued by ABL until such time as they are capable of being sold in the market or otherwise liquidated, traded or exchanged for other money market instruments at equal value". In this paragraph, only the provision "until such time as they are capable of being sold in the market or otherwise liquidated, traded or exchanged for other money market instruments at equal value", is suspended.

(b) The provision which states or provision which similarly states:

"Ensuring that the assets are realised as soon as commercially practicable after they become liquid, and thereafter paying any investors who have requested a redemption of their participatory interests, at such dates as are determined at the discretion of the manager (which dates such shall not be unreasonably delayed)."

(c) The provision which states or provision which similarly states:

"The manager undertakes to ensure that the assets are realised as soon as they become liquid, tradeable, or redeemable."

(2) A Deed whose provisions have been suspended as contemplated in sub paragraph 2(1) of this Notice must be amended to include a provision which empowers a manager to, in the best interest of investors, apply discretion on when to realise assets that become liquid, tradeable or redeemable.

(3) A manager must comply with the requirements set out in subparagraph 2(2) within 30 days from the effective date of this Notice.

3. **Period of validity of suspension**

The exemption and suspension contemplated in this Notice remain operative until a date on which the exemption or suspension is withdrawn, or a date on which the Registrar determines further conditions to replace these conditions.

4. **Effective date**

This Notice takes effect on 4 April 2016.