

FUND RULES 2007

BR 11 / 2007

INVESTMENT FUNDS ACT 2006

2006 : 37

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In exercise of the powers conferred upon it by section 37 of the Investment Funds Act 2006, the Authority makes the following Rules:

Citation

1 These Rules may be cited as the Fund Rules 2007.

Application

2 These Rules shall apply to all authorised investment funds classified as Standard Funds under the Investment Funds Act 2006.

Custodian to be licensed by Authority

3 Except where the administrator of a fund is carrying on fund administration business in Bermuda, the custodian of the fund must be a person licensed by the Authority under the Banks and Deposit Companies Act 1999, the Trusts (Regulation of Trust Business) Act 2001 or the Investment Business Act 2003.

Availability of constitution

4 (1) The operator of a fund shall make available for the inspection of participants and potential participants copies of the fund's constitution.

(2) Copies may be inspected without charge at the registered or principal office of the fund in Bermuda or at the office in Bermuda of at least one of the service providers.

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(3) Copies shall be made available to participants or potential participants who request it on payment of any reasonable costs associated with the making and distribution of such copies.

Publication of prices

5 The issue and redemption prices for units of a fund shall be published or otherwise made available without charge at the registered or principal office of the fund in Bermuda or at the office in Bermuda of at least one of the service providers.

Financial reports

6 (1) The operator of a fund shall as soon as practicable after the end of the financial year of the fund, prepare a financial report containing audited financial statements of the fund.

(2) Such report shall be distributed or otherwise made available to all participants in the fund without charge.

Financial statements

7 Financial statements of a fund shall be prepared in accordance with any one of the following standards or principles —

- (a) International Financial Reporting Standards (IFRS);
- (b) generally accepted accounting principles ('GAAP') in Bermuda, Canada, the United Kingdom or the United States of America ; or
- (c) such other GAAP as the Authority may recognise.

Audit

8 The audit of the financial statements of a fund shall be conducted in accordance with any one of the following standards —

- (a) International Standards on Auditing (ISA);
- (b) generally accepted auditing standards ('GAAS') in Bermuda, Canada, the United Kingdom or the United States of America; or
- (c) such other GAAS as the Authority may recognise.

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Made this 7th day of March 2007

Alan Richardson
Chairman
Bermuda Monetary Authority

Cheryl-Ann Lister
Chief Executive Officer
Bermuda Monetary Authority