

# **Collective Investment Schemes in Emerging Markets - Update of Database**



**OICU-IOSCO**

**A Report of the Emerging Markets Committee of the  
International Organization of Securities Commissions**

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## 1. Introduction

In October 2003 at its meeting in Seoul, the IOSCO Emerging Markets Committee (EMC) mandated EMC Working Group on Investment Management (WG5) to carry out a mandate on the state of the Collective Investment Schemes (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. 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.

A questionnaire was drawn up and distributed at the EMC meeting in Egypt, December 2004. It was completed by 42 jurisdictions and a final report, based on the data collected in the questionnaire, was presented to EMC and approved for publication by the group at the Hong Kong meeting, in June 2006. The results achieved play an invaluable role in helping understand the state of the CIS industry among the EMC jurisdictions and in providing the group with a basis for planning future areas of study. This report is now published at the IOSCO's website in the public documents area<sup>1</sup>.

At the Hong Kong meeting, in June 2006, the group also decided on updating the database of the survey to include data for 2005 in a first effort to maintain a permanent database on CIS in the EMC jurisdictions. A total of 33 updated questionnaires were sent back, 4 of these from jurisdictions that had not previously participated in the survey. This brings the total number of participant jurisdictions to 46, as listed below<sup>2</sup>.

#	Jurisdiction	#	Jurisdiction	#	Jurisdiction
1	Algeria	17	Hungary	33	Pakistan
2	Argentina	18	India	34	Panama
3	Bahamas	19	Indonesia	35	Peru
4	Bahrain	20	Israel	36	Poland
5	Barbados	21	Kazakhstan	37	Romania
6	Bosnia and Herzegovina	22	Kenya	38	Slovakia
7	Brazil	23	Korea	39	Slovenia
8	Bulgaria	24	Lithuania	40	South Africa
9	Chile	25	Macedonia	41	Thailand
10	China	26	Malaysia	42	Tunisia
11	Chinese Taipei	27	Malta	43	Turkey
12	Colombia	28	Mauritius	44	Uganda
13	Costa Rica	29	Montenegro	45	Venezuela
14	Czech Republic	30	Morocco	46	Vietnam
15	Egypt	31	Nigeria		
16	Honduras	32	Oman		

<sup>1</sup> <http://www.iosco.org/library/pubdocs/pdf/IOSCOPD222.pdf>

<sup>2</sup> The list of jurisdictions that have answered to the update questionnaire can be found in the annex 1.

This report consolidates the answers found in the completed questionnaires returned by EMC members and ought to be used alongside the original report, already mentioned.

It should be borne in mind that the purpose of this report is solely to present the data gathered in the update survey to permit that further analysis be made by those interested in it. It was opted not to do this kind of analysis here. Also, 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.

## 2. Figures and Facts

The responses to this survey cover 46 jurisdictions, or 57,5% of the EMC membership<sup>3</sup>. To the updated questionnaire 33 jurisdictions responded. These jurisdictions account for approximately 86% of total EMC GDP<sup>4</sup>. The responses were well divided over all continents, as shown in the table below.

Continent	Participants
Africa	10
America	11
Asia/Oceania	13
Europe	12
TOTAL	46

The Net Asset Value (NAV) of the CIS in the participant jurisdictions reached over 910 billion US dollars in 2005, the number of funds<sup>5</sup> was 16,334 and the number of accounts and/or shareholders<sup>6</sup> was 51,275,520. Considering the data from the original survey<sup>7</sup>, these numbers would indicate a compound annual growth rate (CAGR) of about 10% in NAV between 1999 and 2005.

As to the type of CIS in which the NAV is invested, 63% of it is in Bond Funds, 18% in Equity Funds, and 19% in other types of funds. This distribution is similar to the one observed for 2003, mentioned in the report of the original survey: 71% in bond funds, 17% in equity funds, and 11% in other types of funds.

With regard to the state of the financial markets in the jurisdictions under study it can be concluded that within the EMC members there is still considerable concentration in terms of the size of the capital markets. The top five jurisdictions in terms of market capitalisation account for roughly 60% of the total market capitalisation of the group. The tables below show the top five in 2005 Market Capitalisation, Market Capitalization/GDP, and the top five growers between 1999 and 2005<sup>8</sup>.

Top 5 in MktCap 2005		Top 5 in MktCap/GDP 2005		Top 5 in CAGR of MktCap 1999-2005	
Jurisdiction	MktCap (millions of USD)	Jurisdiction	MktCap/GDP (%)	Jurisdiction	CAGR of MktCap (%)
Korea	704,500	Romania	394%	Thailand	262%
South Africa	569,206	Barbados	383%	Romania	143%
India	545,798	South Africa	237%	Bulgaria	52%
Chinese Taipei	521,430	Malaysia	141%	Barbados	34%
China	401,860	Argentina	139%	Colombia	30%

<sup>3</sup> 80 member jurisdictions according to the IOSCO website in 12<sup>th</sup> March 2007.

<sup>4</sup> Calculated using data from the World Bank Data Query ([www.worldbank.org](http://www.worldbank.org)).

<sup>5</sup> In this report we use the terms "Investment Funds" or "Funds" and "Collective Investment Schemes" or "CIS" as synonyms.

<sup>6</sup> In the questionnaire it was asked for the number of "accounts or shareholders". This data, therefore, is not quite trustworthy, as the question itself was ambiguous.

<sup>7</sup> In this case it should be borne in mind that the samples are actually different, as not all jurisdictions have answered to the update questionnaire.

<sup>8</sup> Considering data informed in the original survey.

The CIS industry also continues to show a strong concentration in EMC countries. In 2005 the leading three jurisdictions in terms of NAV of CIS (Brazil, Korea, and South Africa) accounted for approximately 69,6% of the sample's total NAV. This figure is approximately the same as in 2003, perhaps indicating that even though the concentration is still high it may be stabilizing . It is worth remembering also that in 1999 the top three jurisdictions accounted for close to 84%. The concentration of the industry may be noticed also by analysing the NAV of the top quarter of the sample<sup>9</sup>. These jurisdictions account for approximately 90% of the NAV of the sample.

The tables below show the top five jurisdictions in terms of size of fund industry (NAV), CIS assets as a percentage of GDP and growth of CIS NAV.

Top 5 in NAV 2005		Top 5 in NAV/GDP 2005		Top 5 in CAGR of NAV 1999-2005	
Jurisdiction	NAV (millions of USD)	Jurisdiction	NAV/GDP (%)	Jurisdiction	CAGR of NAV (%)
Brazil	321,019	Brazil	40%	India	81%
Korea	213,085	Korea	27%	Slovakia	63%
South Africa	62,059	South Africa	26%	Colombia	56%
China	58,133	Israel	22%	Turkey	47%
Chinese Taipei	57,776	Malaysia	20%	China	45%

The existence of funds of funds was mentioned by only 13 jurisdictions, the total NAV of these funds was approximately US\$ 205 billion.

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<sup>9</sup> As 33 jurisdictions have replied to the update questionnaire this would mean the top 8 jurisdictions in terms of NAV.

### **3. Conclusions and Further Development**

It is expected that the data gathered in this survey will be the second step towards a continuously updated database of figures and facts related to CIS in the EMC jurisdictions. Even though many of the participants in the original survey did not send their update questionnaire, the number of jurisdictions that did so shows that a significant number of EMC members do care for the idea of maintaining a database on CIS among the group. It is suggested to the group that efforts be made in order to create a permanent way of updating this data. To this end it would be helpful that the way of receiving the update numbers be more or less automated to simplify the processing of the data. Also, it should be made clear to the respondents the format in which the numbers should be given, as in many cases the numbers presented in millions were not likely to be so, and in others a great confusion with the use of dots and commas has happened. This kind of problem is to be expected, as the respondents are from such varied origins and in their majority do not have English as their mother tongue. The solution must be presented promptly, however, to avoid the building of a huge but unreliable database.

## **Annex 1 – List of Participants**

Jurisdictions that have responded to the update questionnaire:

1. Argentina
2. Bahamas
3. Barbados
4. Bosnia and Herzegovina
5. Brazil
6. Bulgaria
7. Chile
8. China
9. Chinese Taipei
10. Colombia
11. Costa Rica
12. Czech Republic
13. Hungary
14. India
15. Israel
16. Kazakhstan
17. Korea
18. Lithuania
19. Malaysia
20. Mauritius
21. Montenegro
22. Morocco
23. Oman
24. Pakistan
25. Panama
26. Peru
27. Romania
28. Slovakia
29. Slovenia
30. South Africa
31. Thailand
32. Tunisia
33. Turkey



## Annex 2 – Responses to the Update Questionnaire

These are the full answers given by the participants. Whenever the question was not important for the understanding of the answer it was not reproduced to save space. For some of the jurisdictions data is presented for 1999 to 2005, in some cases that happened because they did not participate in the original survey, but in others data was just sent again and is therefore repeated.

### ARGENTINA

II. *Mutual Fund Act (Ley N° 24.083), Executive Order (Decree N°174/93) and COMISION NACIONAL DE VALORES regulations, constitute the legal and regulatory framework of Mutual Fund industry un Argentina. Mutual Funds are not legal entities by themselves. In this sense, Mutual Funds and their offering documents are created by two independent entities: FUND MANAGEMENT CORPORATIONS and CUSTODIANS COMPANIES. According to legal framework, both are unlimited and jointly responsible for any violation of mutual fund regulation. This structure applies both for open-end and closed-end funds. Both fund management corporations and custodians companies are incorporated. Fund assets are legally separated from both fund management corporations and custodians companies. Fund management corporations specific duties and responsibilities are: manage mutual fund's portfolios, act on behalf mutual fund investors so as to protect their rights. Custodians companies specific duties are: sale and accept redemption of fund shares, oversee fund management corporations activities' in relation to the purchase and trading of fund assets, safekeeping and custody fund assets and keep shareholders' register. All mutual Funds offering document must include: investment objectives and general investment policy, limits to management fees and compensation, procedures to vote proxies, procedure to redeem shares, and whether specific time or limitation apply, procedure in case of mutual fund liquidation, limits to charges for purchasing and redeeming shares. Local CIS follow a Contractual Model.*

#### II.1

Investment Schemes – Type December 2000	Number of funds in operation	Number of shareholders accounts	Net Assets in Local Currency	Net Assets (in millions of USD)	Net Assets (percent of GDP)
Bond (interest bearing) and Money Market Funds A	45	88.517	1.930.873.410	1.930.873.410	0.68%
Equity Funds B	207	154.736	5.481.740.432	5.481.740.432	1.93%
Other (eg. Mixed) C	–	–	–	–	–
<b>Total – Funds</b>	<b>252</b>	<b>243.253</b>	<b>7.412.613.842</b>	<b>7.412.613.842</b>	<b>2.61%</b>
FUND of FUNDS	N/A	N/A	N/A	N/A	N/A
Total - Funds of funds	–	–	–	–	–
FOREIGN	N/A	N/A	N/A	N/A	N/A
Foreign schemes/portfolio permitted D	–	–	–	–	–
December 2001					
<b>A</b>	<b>43</b>	<b>67.041</b>	<b>900.155.696</b>	<b>900.155.696</b>	<b>0.33%</b>
<b>B</b>	<b>190</b>	<b>360.194</b>	<b>2.847.590.304</b>	<b>2.847.590.304</b>	<b>1.05%</b>
C	–	–	–	–	–
<b>Total – Funds</b>	<b>233</b>	<b>427.235</b>	<b>3.747.746.000</b>	<b>3.747.746.000</b>	<b>1.38%</b>
FUND of FUNDS	N/A	N/A	N/A	N/A	N/A
Total - Funds of funds	–	–	–	–	–
FOREIGN	N/A	N/A	N/A	N/A	N/A
D	–	–	–	–	–
December 2003					
A	46	46.830	1.686.643.876	573.688.393,2	0.45%
B	137	52.792	3.991.037.703	1.357.495.817	–
C	–	–	–	–	–
<b>Total – Funds</b>	<b>183</b>	<b>99.622</b>	<b>5.677.681.579</b>	<b>1.931.184.210</b>	<b>1.51%</b>
FUND of FUNDS	N/A	N/A	N/A	N/A	N/A
Total - Funds of funds	–	–	–	–	–
FOREIGN	N/A	N/A	N/A	N/A	N/A
D	–	–	–	–	–
December 2005					
A	23	110.507	7.505.752.038	2.501.917.346	1.41%
B	172	59.728	3.480.211.301	1.160.070.434	0.65%
C	–	–	–	–	–
<b>Total – Funds</b>	<b>195</b>	<b>170.235</b>	<b>10.985.963.340</b>	<b>3.661.987.780</b>	<b>2.06%</b>
FUND of FUNDS	N/A	N/A	N/A	N/A	N/A
Total - Funds of funds	–	–	–	–	–
FOREIGN	N/A	N/A	N/A	N/A	N/A
D	–	–	–	–	–

II.2 Fund Management companies file weekly portfolio composition reports with COMISIÓN NACIONAL DE VALORES for every fund under management. There is specific regulation mandating the public disclosure of a brief of the portfolio composition in a weekly basis. According to Mutual Fund Act (Section 27) the disclosure of the following topics is compulsory: a) on a daily basis: the value and total number of issued shares, net underwriting and redemption at the closing of the daily operations; b) on a weekly basis: a brief of the portfolio composition; c) on a quarterly basis: the income statement; and d) annually: the balance sheet and income statement in constant value currency, and the detail of the assets making up the fund.

Portfolio Composition	1999	2001	2003	2005
Equities	189.674.206	115.481.661	643.007.358	1.880.780.270
Locally traded government bonds	1.982.231.100	917.035.563		
Externally traded government bonds	—	—	—	—
Corporate bonds	59.958.568	329.903.182	63.666.976	663.563.274
Bank deposits (time deposits)	1.456.307.979	951.306.140	1.055.445.044	1.085.335.756
Money-market instruments	—	—	—	—
Other	—	—	—	—

#### Outstanding government debt (locally traded and sovereign external debt)

12/1999 276.173.000.000 (in local currency) 276.173.000.000 (in US dollars)  
 12/2001 263.997.000.000 (in local currency) 263.997.000.000 (in US dollars)  
 12/2003 256.023.000.000 (in local currency) 87.082.653.061 (in US dollars)  
 12/2005 304.815.000.000 (in local currency) 101.605.000.000 (in US dollars)

#### II.3 Public companies

December /1999: 91; December /2001: 87; December /2003: 83; December /2005: 104

#### Stock market capitalization

December/1999 83.879.018.178 (in local currency); 83.879.018.178 (in US dollars)  
 December /2001 191.099.086.997 (in local currency); 191.099.086.99 (in US dollars)  
 December /2003 542.388.222.596 (in local currency); 184.485.789.999 (in US dollars)  
 December /2005 771.321.256.563 (in local currency); 254.561.470.813 (in US dollars)

#### II.2 Total population of the country: 36.260.130

Source: INDEC "Censo Nacional de Población, Hogares y Viviendas 2001"  
 Gross Domestic Product per capita (GDP per capita, please inform date)  
 177.422.666.700 (in US dollars)

#### III.1

COMISIÓN NACIONAL DE VALORES regulations provide for the collecting data regarding management fees. Minimum investment required to buy CIS units, are not regulated. If adopted, it must be included in the offering document, available to the public.

#### Can CIS apply back-end loads/contingent deferred sales charges?

This topic is not regulated. However, CIS are able to apply charges if the investor sell or redeem shares during the first several years after purchase, but if adopted, it must be included in the offering document, available to the public. In this case, charges will be paid to the Fund Management Company.

#### III.2 CIS classification – Types of funds

CIS are classified by the COMISION NACIONAL DE VALORES through the enforcement of portfolio composition and/or investment restriction rules: COMISIÓN NACIONAL DE VALORES regulations have a general clasification of mutal open funds that invest their net assets:

More than a 50% in assets valued at market prices.

More or equal than 50% in assets valued takin account the interest rate of the instruments.

#### Type of funds Equity 91.19% Money Market 8.81%

There are no capital guaranteed funds and no Exchange Traded Funds.

#### Can CIS offer more than one class of shares/units?

Yes. CIS can offer more than one class of shares/units. A CIS can 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.

#### III.3

Number of investment management companies registered and in operation: 38

#### Minimum capital requirement?

According to Mutual Fund Act fund management corporations have to have a minimum stockholders' equity of US dollars \$ 50,000. In addition, this requirement is incremented in 25% for each additional fund managed.

Minimum investment requirement? Restriction on investments by the management company and its employees?

According to Mutual Fund Act fund management corporations cannot invest in any security issued by them or by the custodian, including CDs. In addition, there is a limit of 2% of total portfolio to invest in securities issued by fund management corporation or custodian's parent or holding company. No limit exists for subsidiaries and affiliates. Fund management corporations' directors, managers, employees and members of the internal oversight board cannot –under any circumstances- be appointed in any custodian's body. Furthermore, fund management corporation's offices have to be different and independent from custodian's. Mutual fund's direction and administration have to be held by an incorporated company with the sole purpose of acting as fund management corporation, or by a financial institution authorised by the Argentine Central Bank. In addition, requirements applies to be licensed as fund management corporation or as custodian companies.

#### Indication and responsibility of members of the board

First of all, it is worth mentioning again that CIS are not legal entities by themselves. As regards this question, Mutual Fund Act states that fund management corporation's directors, managers, legal representatives and members of the internal oversight board cannot have a seat in any custodian company's body. However, no provision exists in relation to the obligation to appoint independent directors, understood as outside directors (i.e. that are not employees of the corporation). Within fund management corporation's organisation, members of the internal oversight board have, as part of their responsibilities, to oversee the board of directors and review financial information. In addition, fund management corporations' internal oversight boards have additional responsibilities stated in Mutual Fund Act, which are:

- to certify fund's financial statements.
- oversee portfolio situation on a continuous basis.
- report any potential breaches to COMISION NACIONAL DE VALORES.

Furthermore, as any incorporated entity, both management corporation and custodian company have to have external auditors for reviewing their financial statements.

### III.4

CIS shares should be dematerialized.

According to Mutual Fund Act a mutual fund is managed by a fund management corporation and its assets have to be guard by a custodian company. Both the manager corporation and the custodian company have to be incorporated under the law of Argentina, or be a financial institution authorised by the Argentine Central Bank.

Custodian companies have to oversee fund management corporation's conduct regarding the purchase and trading of fund assets .

### III.5

Fund management corporations can hire services of external investment advisors when the mutual fund's characteristics or investment policy required so. In addition, they can delegate mutual fund shares issuance and sale activities providing that custodian agrees. However, in any case and under no circumstances neither fund management corporations nor custodians companies legal responsibility can be discharged. For this reason, this option has seldom being implemented by mutual funds.

It is permitted under the terms and conditions stated in the management and investment policy. However, as responsibility and liability cannot be delegated nor discharge (i.e. is always of fund management corporation and custodian) delegation has seldom been used by fund management corporations.

Mutual fund's direction and administration have to be held by an incorporated company with the sole purpose of acting as fund management corporation, or by a financial institution authorised by the Argentine Central Bank. In addition, requirements applies to be licensed as fund management corporation or as custodian company.

### III.6

COMISION NACIONAL DE VALORES is responsible for the enforcement and registration of fund management corporations and custodians companies. In addition, CNV is empowered to enact any complementary regulation. CNV performs regular on-site inspections on fund management corporations' offices and other persons related to them (e.g. those that sale fund shares). Both investment and custodian companies have to file annual financial statements with auditor's report, which are reviewed by CNV.

#### Pension and Provident Funds - Total portfolio value:

December 1999	16.787.099,00(in local currency); 16.787.099,00(in US dollars)
December 2001	20.786.257,00(in local currency); 20.786.257,00 (in US dollars)
December 2003	46.885.173,00 (in local currency); 16.001.765,53(in US dollars)
December 2005	67.920.000,00(in local currency); 22.415.841,58(in US dollars)

#### Insurance companies - Total portfolio value:

December 1999	6.007.849.199 (in local currency); 6.007.849.199 (in US dollars)
December 2001	8.042.289.299 (in local currency); 8.042.289.299 (in US dollars)
December 2003	13.754.319.589 (in local currency); 4.678.339.993 (in US dollars)
December 2005	408.237.804 (in local currency); 136.079.268 (in US dollars)

### III.7

CIS have to pay the registration of a new mutual fund and then they have to continued paying once a year. The amount is 4200\$.

No. There are no registration exemptions for CIS.

No. There are nor forms of fiscal benefits granted to certain types of funds neither tax incentives for (CIS and) CIS participants/holders.

ARGENTINA enforces control of capital flows in and out of the country. Local investment funds, local and foreign investors must accomplish with Executive Order (Decree N° 616/05) and completent regulations.

Yes. There are restrictions on CIS investing abroad. CIS can invest abroad no more than TWENTY FIVE PERCENT (25%) of their assets. At least SEVENTY FIVE PERCENT (75%) of their assets must be invested in assets issued and traded within the Argentine Republic.

Yes. There are restrictions on foreign CIS distribution in Argentine Republic jurisdiction. All foreign CIS must be registered at COMISION NACIONAL DE VALORES in order to make public offer of their shares or units.

### III.8

1. If Funds Management Corporations are able to develop others activities besides portfolio management.

2. Minimum standards on CIS distribution.

3. If regulations in each country allow local Funds to invest in Open and/or End Funds registered in another jurisdiction, at least a certain percent of total assets.

## BAHAMAS

### II.1 December 2005

Investment Schemes - Type	Number of funds in operation	Number of shareholders or accounts	Net Assets in Local Currency	Net Assets (in millions of USD)	Net Assets (percent of GDP)
Bond and Money Market Funds	51		7,828.27	7,867.41	1.33
Equity Funds	209		90,627.21	91,080.34	15.44
Other (eg. Mixed)	306		4,0681.15	40,884.56	6.93
<b>Total - Funds</b>	<b>566</b>		<b>139,36.63</b>	<b>139,832.31</b>	<b>23.7</b>
FUND of FUNDS					
<b>Total - Funds of funds</b>	<b>133</b>		<b>38,815.88</b>	<b>39,009.96</b>	<b>6.61</b>
FOREIGN					

### II.2

Government debt

12/2005 \$2,731.9(B) (in local currency) \$2,745.56 (in US dollars)

### II.3

Public companies December 2005 19

Stock market capitalization:

December/2005 \$2.6(B) (in local currency) \$2.613(B) (in US dollars)

Population of the country: 324,959 (Provisional projected estimate for December 2005)

GDP per capita for 2005 \$18,159 (in US dollars)

### III.2 CIS classification – Types of funds

Equity 30%; Bond 7%; Money market 2%; Balanced/Mixed 19%; Other 42%

### III.3

Number of investment management companies: 59

### III.6

Pension and Provident Funds - Total portfolio value:

December 2005 \$881.04Million (in local currency)\$885.45Million(in US dollars)

Insurance companies - Total portfolio value:

December 2005 \$972.6Million (estimate) (in local currency) \$977.46Million(in US dollars)

## BARBADOS

### II.1

December 2005

Investment Schemes - Type	Number of funds in operation	Number of shareholders or accounts	Net Assets in Local Currency	Net Assets (in millions of USD)	Net Assets (percent of GDP)
Bond and Money Market Funds					
Equity Funds					
Other (eg. Mixed)	12	26,543	\$519,844,085.00	259,922,042.50	10.2%
<b>Total - Funds</b>	<b>12</b>	<b>26,543</b>	<b>\$519,844,085.00</b>	<b>259,922,042.50</b>	<b>10.2%</b>
FUND of FUNDS					
Total - Funds of funds					
FOREIGN	1	171	14,594,651	\$29,189,301	

#### Government debt

12/2005 \$4,912.9 billion (in local currency) \$2,456.45 billion in US dollars)

#### II.3

Public companies December /2005 26

Stock market capitalization December/2005 22,784.89 million (in local currency) \$11,392.45 million (in US dollars)

#### II.2

Population: 267,782 at last census May 2000

GDP per capita for 2005 \$9,200 (in US dollars)

#### III.2

Balanced/Mixed 100%

#### III.3

Number of investment management companies registered and in operation: 0

### BOSNIA AND HERZEGOVINA

#### II.

The only representatives of collective investment schemes in the Federation of Bosnia and Herzegovina are investment funds established by the transformation of privatization investment funds. Those are closed-end investment funds that have the status and organizational form of a joint stock company, and therefore possess the classical corporate management bodies – the general assembly, supervisory board and the director. The fund property (investments) is managed by fund management companies, on the basis of the management contracts.

#### II.1

Investment Schemes – Type December 2001	Number of funds in operation	Number of shareholders or accounts	Net Assets in Local Currency	Net Assets (in millions of USD)	Net Assets (percent of GDP)
Equity	11	404.387	N/A	N/A	N/A
<b>Total – Funds</b>	<b>11</b>	<b>404.387</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
December 2003					
Equity	11	363.441	1.190.265.145	760,55	8,93%
<b>Total – Funds</b>	<b>11</b>	<b>363.441</b>	<b>1.190.265.145</b>	<b>760,55</b>	<b>8,93%</b>
December 2005					
B	11	269.027	1.036.357.251	625,06	6,58%
<b>Total – Funds</b>	<b>11</b>	<b>269.027</b>	<b>1.036.357.251</b>	<b>625,06</b>	<b>6,58%</b>

#### II.2

The data on portfolio structure are delivered to the Commission on a regular basis, monthly, while the same data is published on web sites of fund management companies quarterly.

#### Portfolio composition

2001 Equities 54% Other 46% 2003 Equities 100% 2005 Equities 100%

Government debt There are no state bonds issued.

#### II.3

Public companies

December /2003 282 December /2005 463

Stock market capitalization:

December /2003 762.128.430 (in local currency) 486.983.022 (in US dollars)

December /2005 6.469.641.420 (in local currency) 3.902.075.645 (in US dollars)

## II.2

Population 4,498,976 (July 2006 est.)

GDP per capita \$6,800 (2005 est)

## III.1

*The Commission receives, on a regular basis, reports on the fees and expenses related to fund management. These data may be found in the quarterly, semiannual and annual reports of funds and fund management companies.*

## III.2

*Funds are not classified through the regulation of the Commission, but by the law and the nature of the market material. Funds may only invest in domestic securities, and only shares are present in the domestic market.*

*Type of funds Equity 100%*

Are there capital guaranteed funds, Exchange Traded Funds and any other different types of funds?

*No.*

Can CIS offer more than one class of shares/units?

*No.*

## III.3

Number of investment management companies registered and in operation: 11

Minimum capital requirement for the management company *Yes, 1.000.000 KM – 603.136 \$*

*On the occasion of establishing funds, fund management companies were obliged to invest 10% of their capital in fund shares, while in further activities, they have the obligation to charge 10% of the managerial fee in fund shares.*

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?

*Yes, considering that these are closed-end funds, a supervisory board is appointed, with the duties and responsibilities prescribed by the law.*

## III.4

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?

*They are dematerialized, pursuant to law (there are no alternatives), and the data is kept by the Central Registry.*

Independence requirement: Is the custodian required to be independent of the management company?

*Yes, but the use a custodian is not required.*

Custodian or trustee role: Is the custodian/trustee required to supervise the manager's compliance with the investment policy adopted by the fund?

*No.*

## III.5

Can the regulator hold the management company responsible for the actions or omissions of any third party who provides services to the CIS?

*Yes.*

Is cross-border outsourcing of management activities allowed?

*Yes, in case that the manager settles the work and legal status in Bosnia and Herzegovina.*

## III.7

*Fund management companies paid their fees related to incorporation licenses, and the fund management license (once) and pay the supervision fee based on the fund net asset value on a regular basis (monthly).*

Are there any registration exemptions for CIS? If so, please describe.

*No.*

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.

*No, but there is no dividend or capital gain tax in place.*

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?

*Capital flow into the country is not limited, and the capital flow out of the country is limited by the foreign currency limits for nationals.*

Are there any restrictions on CIS investing abroad?

*Fund may not invest funds outside Bosnia and Herzegovina.*

Are there any restrictions on foreign CIS distribution in the jurisdiction?

*No.*

## BRAZIL

### II. December 2005

Investment Schemes - Type	Number of funds in operation	Number of shareholders or accounts	Net Assets in Local Currency	Net Assets (in millions of USD)	Net Assets (percent of GDP)
A	1,201	358,310	554,437,775,321.23	236,868.36	28.61%
B	484	1,905,816	50,923,511,916.28	21,755.68	2.63%
C	1,211	69,528	146,048,257,318.41	62,395.12	7.54%
<b>Total - Funds</b>	<b>2,896</b>	<b>2,333,654</b>	<b>751,409,544,555.92</b>	<b>321,019.16</b>	<b>38.78%</b>
<b>FUND of FUNDS</b>					
A	744	5,335,857	315,889,587,105.88	134,955.18	16.30%
B	118	2,188,285	3,160,755,219.95	1,350.35	0.16%
C	1,871	194,572	119,563,293,375.88	51,080.14	6.17%
<b>Total - Funds of funds</b>	<b>2,733</b>	<b>7,718,714</b>	<b>438,613,635,701.71</b>	<b>187,385.67</b>	<b>22.64%</b>

GDP 2005 R\$1,937,598,291,000.00 R\$/US\$ (30/12/2005) = 2.3407

### II.2

Portfolio Composition (percent of total net assets)	2005
Equities	7.44%
Locally traded government bonds	62.68%
Externally traded government bonds	
Corporate bonds	3.58%
Bank deposits (time deposits)	10.49%
Money-market instruments	10.87%
Other	4.95%

### Government debt

12/2005 664.223.617.300,00 (in local currency) 283.771.357.842,00 (in US dollars)

### II.3

Public companies December /2005 343

Stock market capitalization: December 2005 1,128,491,757.96 (in local currency) 482,117,211.93 (in US dollars)

### II.2

Total population of the country: 184.184.264 – july/2005

### III.2

Equity 16.54%, Bond 32.22%, Money Market 1.69%, Balanced or Mixed 36.95%, Other 12.60%

### III.3

Number of investment management companies registered and in operation: 1501

## BULGARIA

### II.1 December 2005

Investment Schemes - Type	Number of funds in operation	Number of shareholders or accounts	Net Assets in Local Currency (in million lv.)	Net Assets (in millions of USD)	Net Assets (percent of GDP)
A	6	N/A	34.47	20.79	0.08
B	8	N/A	27.46	16.56	0.07
C	11	N/A	32.14	19.39	0.08
<b>Total - Funds</b>	<b>25</b>	<b>N/A</b>	<b>94.07</b>	<b>56.80</b>	<b>0.22</b>
<b>FOREIGN</b>					
Foreign schemes/portfolio permitted	29	N/A	51.47	30.44	0.12

The exchange rate between Bulgarian lev and US dollar as of end 2005 is 1/0.603173

### II.2

Portfolio Composition (percent of total net assets)	2005
Equities	28.77%
Locally traded government bonds	8.68%
Externally traded government bonds	0.77%
Corporate bonds	24.53%
Bank deposits (time deposits)	22.99%
Money-market instruments	1.19%
Other	13.07%

## Government debt

Internal debt 12/2005 2 782,4 (in million lv.) 1,6783 (in millions of US dollars)

External debt 12/2005 5,148 (in million lv.) 3,105 (in millions of US dollars)

## II.3

Public companies December /2005 321

Stock market capitalization: December/2005 8,434 (in million lv.) 5,087 (in millions of US dollars)

## II.2

Total population of the country: 7 718 750 (as of end 2005)

GDP per capita for 2005 25,301 (in millions of US dollars)

## III.2

Equity 32%, Bond 24%, Money Market 0%, Balanced or Mixed 44%

## III.3

Number of investment management companies registered and in operation: 13

## III.6

Pension and Provident Funds - Total portfolio value:

December 2005 1,112 mln. lv. (in million lv.) 670.80 (in millions of US dollars)

Insurance companies - Total portfolio value:

December 2005 1,069 mln. lv. (in million lv.) 644.91 (in millions of US dollars)

## CHILE

### II.

In Chile mutual funds operate through a general funds administrator that must be registered with the SVS. Mutual funds follow a contractual model.

### II.1

Investment Schemes – Type December 1999	Number of funds in operation	Number of shareholders or accounts	Net Assets in Local Currency	Net Assets (in millions of USD)	Net Assets (percent of GDP)
A		177.304	1.671.118 MM	3.171 MM	5%
B		37.249	253.556 mm	481 MM	1%
C					
<b>Total - Funds</b>	<b>115</b>	<b>214.553</b>	<b>1.924.673 mm</b>	<b>3.625 MM</b>	<b>6%</b>
December 2001					
A		259.106	2.799.207 MM	4.266 MM	5%
B		60.584	369.586 MM	563 MM	1%
C					
<b>Total – Funds</b>	<b>177</b>	<b>319.690</b>	<b>2.558.911 MM</b>	<b>4.830 MM</b>	<b>6%</b>
December 2003					
A		315.102	4.422.765 MM	7.371 MM	9%
B		122.988	2.199.002 MM	3.665 MM	3%
C					
<b>Total – Funds</b>	<b>201</b>	<b>438.090</b>	<b>6.621.767 MM</b>	<b>11.036 MM</b>	<b>12%</b>
December 2005					
A		444.920	5.190.836 mm	13.575 mm	11%
B		210.951	1.787.154 mm	3.476 mm	3%
C					
<b>Total - Funds</b>	<b>311</b>	<b>655.875</b>	<b>6.977.991 mm</b>	<b>17.052 mm</b>	<b>14%</b>

### II.2

Portfolio Composition 2005

Equities 16% Locally traded gov bonds 7% Externally traded gov bonds 0.5% Corporate bonds 6% Bank deposits (time deposits) 64% Money-market instruments 1% Other 5.5%

Government debt 12/2005 20.553.512 MM (in local currency) 10.283 MM (in US dollars)

### II.3

Public companies December /1999 316; December /2001 296; December /2003 277; December /2005 257

Total stock market capitalization:

December/1999 36.146.192 (in local currency at fixed prices - 2003) 68.499 (in US dollars)

December /2001 37.229.104 (in local currency at fixed prices - 2003) 56.734 (in US dollars)



December /2003 34.272.000 (in local currency) 85.534 (in US dollars)  
December /2005 69.867.000 (in local currency) 135.873 (in US dollars)

## II.2

Population 16 MM (jun 06) GDP per capita) for 2005 7.089 (in US dollars)

## III.1

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?

YES. WEBSITE

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?

YES, but only after months not years. There are payable to the manger itself.

## III.2

Type of funds

Equity 10%Bond Money 10% Market Balanced/Mixed 30% Other 20%

There are capital guaranteed 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.

YES

## III.3

Number of investment management companies registered and in operation: 21

Is there a minimum capital requirement for the management company? How much? \$225,000 US\$

There are specific standards designed to restrict self-dealing between a fund and its affiliates or employees. These include limits on concentration of fund assets in a single company and general prohibitions on investing in affiliate companies or engaging in business transactions with fund executives.

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?

Chilean law does not require that mutual funds have a board of directors to oversee the activities of the fund administrator and portfolio manager. Closed-end funds do have an investors group with some oversight responsibilities.

## III.4

CIS shares are dematerialized and the manager is responsible for keeping and cheking shareholders records

Independence requirement: Is the custodian required to be independent of the management company?

NO

Custodian or trustee role: Is the custodian/trustee required to supervise the manager's compliance with the investment policy adopted by the fund?

N/A No such figure of custodian in Chile

## III.5

Can the regulator hold the management company responsible for the actions or omissions of any third party who provides services to the CIS? YES

Is cross-border outsourcing of management activities allowed? YES

How are CIS units most commonly distributed? For instance, are CIS units distributed mostly through commercial banks, independent distributors, investment consultants, or brokers? Commercial banks and self distribution mainly

## III.6

Pension and Provident Funds - Total portfolio value:

December 1999 18,287,971 MM (in local currency at fixed prices - 2003) 34.656 MM (in US dollars)

December 2001 23,219,637 MM (in local currency at fixed prices - 2003) 35.385 MM (in US dollars)

December 2003 29,526,830 MM (in local currency) 49.259 MM (in US dollars)

December 2005 (in local currency) 74.756 MM (in US dollars)

Insurance companies - Total portfolio value:

December 1999 5,829,502 MM (in local currency at fixed prices - 2003) 11.047 MM (in US dollars)

December 2001 8,117,194 MM (in local currency at fixed prices - 2003) 12.370 MM (in US dollars)

December 2003 8,727,555 MM (in local currency) 14.560 MM (in US dollars)

December 2005 12,289,105 MM (in local currency) 23.899 MM (in US dollars)

### III.7

Do CIS pay registration/filing fees to the supervisory and/or regulatory agency? If so, how often? On what basis? *NO*

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? *NO*

Are there any restrictions on CIS investing abroad? *Yes, minimum credit ratings and regulatory capacity in host country.*

Are there any restrictions on foreign CIS distribution in the jurisdiction? *Yes, public offer is forbidden unless funds are registered under the foreign securities law.*

### III.8 Future Mandates

1. *Fees and commissions*

2. *Control of conflict of interests*

3. *Periodic Information to unit holders*

## CHINA

### II.1

Investment Schemes - Type	Number of funds in operation	Net Assets in Local Currency	Net Assets (in millions of USD)	Net Assets (percent of GDP)
A	41	211.76 billion RMB	26239.78	1.16%
B	151	226.38 billion RMB	28052.17	1.24%
C	26	31.00 billion RMB	3841.64	0.17%
Total - Funds	218	469.14 billion RMB	58133.59	2.56%

### II.2 Portfolio composition 2005

*Equities 38.64% Locally traded government bonds 31.13% Corporate bonds 16.32% Bank deposits (time deposits) 13.75%*

#### Government debt

*12/2005 2,877.4 billion RMB (in local currency) 368.9 billion US\$ (in US dollars)*

### II.3

Public companies *December /2005 1,381*

Total stock market capitalization:

*December/2005 3,243.03 billion RMB (in local currency) 401.86 billion US\$ (in US dollars)*

### II.2

Total population of the country: *1,299.88 million (2004)*

GDP per capita for 2005 *1,747.53 US\$ (in US dollars)*

### III.2

*Equity 69.27%, Bond 6.88%, Money Market 11.93%, and Balanced or Mixed 11.93%*

### III.3

Number of investment management companies registered and in operation: *53*

### III.6

Pension and Provident Funds - Total portfolio value:

*December 2005 211.79 billion RMB (in local currency) 27.15 billion RMB (in US dollars)*

Insurance companies - Total portfolio value:

*December 2005 1522.6 billion RMB (in local currency) 195.2 billion US\$ (in US dollars)*

## TAIWAN

### II.

*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, and the fund asset must be safekeeping by a custodian. The CIS's custodian handles the custody, disposition, and collections and payments of the CIS according to the instructions of SITE, and must monitor the SITE's management to the CIS in accordance with the securities investment trust contract or related regulations.*

### II.1

Investment Schemes - Type December 1999	Number of funds in operation	Number of shareholders or accounts	Net Assets in Local Currency	Net Assets (in millions of USD)	Net Assets (percent of GDP)
A	52	56,978	633,611,857,457	19,200	6.82
B	178	1,254,338	400,499,624,303	12,136	4.31

C	6	47,289	24,933,154,591	756	0.27
Total - Funds	236	1,358,605	1,059,044,636,351	32,092	11.40
Foreign schemes/portfolio permitted	396	N/A	N/A	N/A	N/A
December 2001					
A	77	108,336	1,426,035,593,697	43,213	15
B	221	1,741,192	321,257,801,421	9,735	3.38
C	28	97,802	30,316,133,763	919	0.32
Total – Funds	326	1,947,330	1,777,609,528,881	53,867	18.70
Foreign schemes/portfolio permitted	564	N/A	N/A	N/A	N/A
December 2003					
A	105	159,421	2,145,582,624,593	65,018	21.77
B	244	1,546,377	342,438,364,506	10,377	3.47
C	68	130,289	178,826,587,359	5,419	1.81
Total – Funds	417	1,836,087	2,666,847,576,458	80,820	27.06
FUND of FUNDS					
C	6	10,450	11,975,500,967	363	0.12
Total - Funds of funds	6	10,450	11,975,500,967	363	0.12
Foreign schemes/portfolio permitted	797	N/A	N/A	N/A	N/A
December 2005					
A	106	108,514	1,334,593,806,733	39,278	12.93
B	244	1,197,099	370,798,548,800	10,913	3.59
C	152	178,285	257,725,269,679	7,585	2.49
Total – Funds	502	1,483,898	1,963,117,625,212	57,776	19.02
FUND of FUNDS					
C	43	44,742	81,187,638,540	2,389	0.78
Total - Funds of funds	43	44,742	81,187,638,540	2,389	0.78
FOREIGN					
Foreign schemes/portfolio permitted	855	N/A	N/A	N/A	N/A

## II.2

The SITE must report the portfolio composition of public securities investment trust funds to the Securities Investment Trust & Consulting Association (SITCA) of the R.O.C. Then, the SITCA will disclose that information on its website within the 30 days of the end of each quarter.

## II.3 Number of public companies listed in the local stock market

December /1999 726 December /2001 917 December /2003 1,092 December /2005 1,194

Total stock market capitalization:

December/1999 13,271.96 Billion (in local currency) 408.37 Billion (in US dollars)

December /2001 11,659.79 Billion (in local currency) 358.76 Billion (in US dollars)

December /2003 14,069.88 Billion (in local currency) 432.92 Billion (in US dollars)

December /2005 16,946.32 Billion (in local currency) 521.43 Billion (in US dollars)

II.2 Total population of the country: 22,770,383 persons (at the end of Year 2005)

GDP per capita US \$15,676 (Year 2005)

## III.1

Yes, information of management fees is collected monthly and available to the public through SITCA's website and fund prospectuses. With regard to the minimum investment required to buy CIS units, such information should be disclosed on the CIS's fund prospectus.

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 distributors.

## III.2

Yes, CIS are classified by the FSC.

Type of Funds	% as of Dec./1999	% as of Dec./2001	% as of Dec./2003	% as of Dec./2005
Equity	75	68	59	49
Bond	22	23	25	21
Money Market	0	0	0	0
Balanced/Mixed	3	9	14	19
Other	0	0	2	11

*Yes, up to Dec. 2005, except Bond, Equity and Balanced funds, there are also Fund of funds, ETF, Guaranteed funds, Index funds and Asset Securitization funds (invest in REITs) in Taiwan.*

*Can CIS offer more than one class of shares/units? Yes, There were two CIS offering both "Class A" and "Class B" shares by the end of 2005.*

### III.3

*Number of investment management companies registered and in operation: 45*

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

*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?*

*No, there is no such aforementioned requirement. Alternatively, the capital of a SITE may invest in securities investment trust funds within the 30% limit of SITE's net asset, and the purchase amount of each fund may not exceed 5% of SITE's net asset. As to SITE's employees purchasing situation, there is a 1-month min. holding period requirement 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") within ten days of the end of each month.*

*CISs in Taiwan are based on a contractual model, so there is no any requirement for CISs to appoint independent members or trustees to the board.*

### III.4

*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 investors' requests. 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.*

*Is the custodian required to be independent of the management company? Yes, the custodian is required to be independent of the management company (SITE).*

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

### III.5

*According to 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 the SITE accordingly.*

*Is cross-border outsourcing of management activities allowed?*

*No, but foreign advisers for consulting is allowed.*

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

### III.6

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

### III.7 Other

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

*No, there are no any registration exemptions for CIS.*

*No, there are no any forms of fiscal benefits granted to certain types of funds.*

*Our jurisdiction doesn't enforce control of capital flows in and out of the country. It is the function of the Central Bank.*

*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.*

*To engage in distribution in Taiwan, the foreign CIS must follow the "Regulations Governing Offshore Funds", regulating the requirements and qualifications of foreign management companies and supervising the investment policies of the CIS.*

### III.8

*1. Improve the management of bond fund.*

*2. Regulation of distributors of fund.*

*3. Research on the new directives issued in 2002 by EU.*

## COLOMBIA

### II.

*Entendiendo la definición de Corporate Model (Modelo Corporativo), como aquel en el que los fondos son personas jurídicas independientes para actuar por sí mismas y en las cuales la vinculación de los afiliados a los fondos se realiza de forma diferente a un contrato, en contraposición con el modelo contractual; es importante anotar que el modelo de gobierno que se sigue por parte de la Superintendencia Financiera de Colombia es el de tipo Contractual, toda vez que en lo no previsto en la normatividad, las normas que regulan las relaciones entre los inversionistas y la Sociedad Administradora es, dependiendo del tipo de carteras colectivas, un contrato de suscripción de derechos, para el caso de los fondos de valores y de inversión, y un reglamento para el caso de los fondos fiduciarios, los dos previamente aprobados por la Superintendencia Financiera de Colombia. Ahora bien, es necesario precisar que las carteras colectivas no son personas jurídicas, por lo que su representación está en cabeza de las sociedad administradora, la cual, es un ente sometido a supervisión de la Superintendencia Financiera de Colombia.*

Adicionalmente, las carteras colectivas, de acuerdo con la regulación, son de cuatro tipos: fondos comunes ordinarios, fondos comunes especiales, fondos de valores y fondos de inversión, diferenciados por la sociedad administradora: una sociedad fiduciaria en el caso de los dos primeros, y una sociedad comisionista de bolsa para los fondos de valores, así como una sociedad administradora de inversión para los fondos de inversión. Tratándose de fondos comunes de inversión, estos pueden ser de dos clases: ordinarios o especiales, dependiendo del régimen de inversiones, por cuanto frente a los primeros, será responsabilidad de las sociedades fiduciarias adoptar las metodologías y procedimientos necesarios para el análisis y manejo seguro y eficiente del riesgo de las inversiones que realicen con los recursos de dichos fondos, mientras que para el caso de los fondos de comunes especiales su política de inversión se establece en el reglamento previamente aprobado por la Superintendencia Financiera. La Superintendencia Financiera de Colombia señalará los principios y criterios generales que las sociedades fiduciarias deben adoptar para evaluar adecuadamente los riesgos implícitos en tales operaciones (Circular Externa 046 de 2004). Las sociedades fiduciarias que no observen los citados principios y criterios deberán someterse al régimen de inversiones que mediante normas de carácter general señale la Superintendencia Financiera de Colombia (E.O.S.F. y Título Quinto de la Circular Externa 007 de 1996). En el segundo caso, esto es, para los fondos comunes especiales si bien deben adoptar criterios para evaluar adecuadamente los riesgos implícitos en tales operaciones (Circular Externa 046 de 2004), su régimen de inversiones es el que señalen en el reglamento correspondiente. Los fondos de valores, por su parte, son administrados por sociedades comisionistas de bolsa y los fondos de inversión por Sociedades Administradora de Inversión. Estos fondos, de conformidad con el 68 de la Ley 964 de 2005 no hacen parte de los bienes de las entidades que los originen o administren y constituyen un patrimonio independiente y separado. Los mismos, pueden ser de tres clases: a) Abiertos: en los cuales la redención de las participaciones puede hacerse en cualquier momento; b) Escalonados: la redención de las participaciones se realiza de conformidad con los plazos establecidos contractualmente; c) Cerrados: cuyas redenciones se realizan únicamente al final del plazo de duración del fondo; pueden ser de capital privado, dependiendo de su política de inversión. Así las cosas para el caso de los fondos comunes ordinarios y especiales, fondos de valores y fondos de inversión, se trata de contratos mercantiles, celebrados entre inversionistas y personas con objeto social exclusivo, en virtud de los cuales se hace la entrega de recursos destinados a una finalidad específica. Por lo anterior, carecen de personería jurídica. Es de anotar que hay un tipo de fondo que se dedica a realizar inversiones exclusivamente en activos inmobiliarios, que se encuentra regulado en el Decreto 1877 de 2004, y destina preponderantemente los recursos a la adquisición de inmuebles. Todos los fondos se dirigen al público en general, no obstante la sociedad administradora cuenta con la facultad de reservarse el derecho de admisión.

## II.1

December 2001					
FUNDS					
Investment Schemes-type *	Number of funds in operation	Number of shareholders or accounts	Net Asset in Local Currency ( Millions) Fix Prices 2003	Net Assets (in millions of USD)	Net Assets (percent of GDP)
Bond (Interest bearing)	138	141.275	7.486.475	3.268	3,5%
Other ( Mixed)	5	4.210	20.471	9	0,0%
Equity funds	-	-	-	-	0,0%
<b>Total -Funds</b>	<b>143</b>	<b>145.485</b>	<b>7.506.946</b>	<b>3.276</b>	<b>3,5%</b>
<b>FOREIGN</b>					
Foreign Schemes	127		844.681	369	0,4%
<b>TOTAL</b>	<b>270</b>	<b>145.485</b>	<b>8.351.627</b>	<b>3.645</b>	<b>3,9%</b>
* No incluye Bank Deposits. Incluye Fondos Comunes Ordinarios, Fondos Comunes Especiales, Fondos de Valores, Fondos de Inversión, Fondos Mutuos de Inversión y Fondos de Capital Extranjero.					
December 2003					
FUNDS					
Investment Schemes-type *	Number of funds in operation	Number of shareholders or accounts	Net Asset in Local Currency ( Millions) Fix Prices 2003	Net Assets (in millions of USD)	Net Assets (percent of GDP)
Bond (Interest bearing)	157	110.220	7.225.912	2.601	3,2%
Other ( Mixed)	22	27.885	218.910	79	0,1%
Equity funds	8	19.673	126.630	46	0,1%
<b>Total -Funds</b>	<b>187</b>	<b>157.778</b>	<b>7.571.452</b>	<b>2.725</b>	<b>3,3%</b>
<b>FOREIGN</b>					
Foreign Schemes	98		751.178	270	0,3%
<b>TOTAL</b>	<b>285</b>	<b>157.778</b>	<b>8.322.630</b>	<b>2.996</b>	<b>3,6%</b>
* No incluye Bank Deposits. Incluye Fondos Comunes Ordinarios, Fondos Comunes Especiales, Fondos de Valores, Fondos de Inversión, Fondos Mutuos de Inversión y Fondos de Capital Extranjero.					
December 2005					
FUNDS					
Investment Schemes-type *	Number of funds in operation	Number of shareholders or accounts	Net Asset in Local Currency ( Millions) Fix Prices 2003	Net Assets (in millions of USD)	Net Assets (percent of GDP)
Bond (Interest bearing)	156	122.618	10.451.318	4.575	4,1%
Other ( Mixed)	17	31.923	294.526	129	0,1%
Equity funds	17	33.158	540.060	236	0,2%
<b>Total -Funds</b>	<b>190</b>	<b>187.699</b>	<b>11.285.903</b>	<b>4.941</b>	<b>4,4%</b>
<b>FOREIGN</b>					
Foreign Schemes	119		4.148.592	1.816	1,6%
<b>TOTAL</b>	<b>309</b>	<b>187.699</b>	<b>15.434.495</b>	<b>6.757</b>	<b>6,0%</b>
* No incluye Bank Deposits. Incluye Fondos Comunes Ordinarios, Fondos Comunes Especiales, Fondos de Valores, Fondos de Inversión, Fondos Mutuos de Inversión y Fondos de Capital Extranjero.					

## II.2

En efecto, las sociedades administradoras de fondos de valores y de inversión deben remitir con corte diario, para cada uno de los fondos que administren, la información relacionada con los títulos que componen cada portafolio junto con sus estados financieros.

La información a reportar es la siguiente:

1. La relacionada con los títulos que componen el portafolio de cada fondo, incluyendo los compromisos futuros de compra y venta, valor de la unidad, valor del fondo, número de suscriptores y número unidades, observando especificaciones técnicas, frecuencias y horarios de transmisión previamente establecidas.

2. La correspondiente a los estados financieros de cada fondo, de conformidad con lo establecido el Plan Único de Cuentas (PUC), de acuerdo con las instrucciones de carácter técnico establecidas.

En cuanto a los fondos comunes de inversión (Fondos Comunes Ordinarios y Fondos Comunes Especiales) las sociedades fiduciarias se encuentran obligadas a reportar información de manera diaria, semanal, mensual y semestral:

1. Información diaria: Estados Financieros, valor del fondo, valor de la unidad, rentabilidad, número de encargos fiduciarios vigentes

2. Información semanal: movimiento diario de compras y ventas, recursos interbancarios vendidos y pactos de reventa, recursos interbancarios comprados y pactos de recompra, derechos y obligaciones de los contratos a término y de futuros para proveer cobertura, derechos en compromisos de compra y venta, obligaciones en compromisos de compra y venta, operaciones carrusel

3. Información mensual: posición diaria de inversiones de alta liquidez, composición del portafolio

4. Información semestral: rendición de cuentas en formatos preimpresos. Las sociedades fiduciarias deberán rendir cuentas, de acuerdo con las normas legales sobre el tema de fiducia, en razón a ser un negocio de confianza, poniendo de presente al inversionista la gestión realizada con sus inversiones.

Ahora bien, para los fondos de valores y de inversión se publica de manera diaria en la página Web de esta Superintendencia, el valor de la unidad, el valor neto del fondo, el número de suscriptores y el número de unidades del fondo.

Así mismo, en el caso de los fondos comunes de inversión (FCO y FCE) esta Superintendencia publica en su página de Internet, de manera semanal, el valor de la unidad, el valor neto del fondo, el número de encargos y la rentabilidad del fondo a 30 y a 180 días.

Portfolio Composition (percent of total net asset)			
	2001	2003	2005
Equities	10,7%	9,9%	25,0%
Local traded government bonds	20,4%	23,6%	20,1%
Externally traded government bonds	3,5%	1,0%	0,2%
Corporate Bonds	44,7%	27,7%	22,3%
Bank deposits (deposits time) *	0,4%	0,6%	2,6%
Money market instruments	0,0%	0,3%	3,1%
Other	20,4%	36,9%	26,8%
<b>Total</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>

\* Son las cuentas de ahorro de los Fondos de valores y de los Fondos Mutuos de Inversión

Government debt

12/1999 Moneda Local: COP\$ 53.999 (miles de millones) Dólares: USD\$ 28.818.371.518,38

12/2001 Moneda Local: COP\$ 87.855 (miles de millones) Dólares: USD\$ 38.083.575.360,87

12/2003 Moneda Local: COP\$ 119.117 (miles de millones) Dólares: USD\$ 42.442.500.579

12/2005 Moneda Local: COP\$ 125.383 (miles de millones) Dólares: USD\$ 55.037.201.237,85

### II.3

Number of public companies listed in the local stock market:

December /1999 230 December /2001 121 December /2003 108 December /2005 98

Total stock market capitalization:

Diciembre/1999 Moneda Local n.d. Dólares US\$9.611.000.00 (Tasa de cambio COP\$1873,77/US\$)

Diciembre/2001 Moneda Local COP\$ 30.307.821.849,00 Dólares US\$13.137.900,15 (Tasa de cambio COP\$2.291,18/US\$)

Diciembre/2003 Moneda Local COP\$39.692.749.080.931,00 Dólares US\$14.142.897.536,45 (Tasa de cambio COP\$2.778,21/US\$)

Diciembre/2005 Moneda Local COP\$ 115.471.608.591.782,00 Dólares US\$50.686.623.329,81 (Tasa de cambio COP\$2.284,22/US\$)

### II.2 National Statistics Data

Población Total del País: 41.242.948 (May/2006) PIB per cápita: USD\$ 2.665,00 (Dic/2005)

### III.1

En cuanto a la información referente a las comisiones de administración, la Superintendencia Financiera de Colombia exige, a los fondos de valores e inversión y a los fondos comunes, la creación y actualización de la llamada "Ficha Técnica", la cual debe ser publicada de manera mensual por las sociedades comisionistas de bolsa, administradoras de inversión o sociedades fiduciarias, según sea el caso, a través de su sitio web, dentro de los cinco días siguientes al vencimiento de cada mes. Esta ficha contiene la información básica del fondo incluyendo su política de inversión, revelación sobre cobro de comisiones y gastos, evolución del valor de la unidad, composición del portafolio, rentabilidad comparada e información sobre administradores y revisoría fiscal.

Adicionalmente, en los reglamentos se incluye la obligación para la sociedad administradora de remitir un "Estado de Cuenta" a los suscriptores, con corte mensual, la cual incluirá como mínimo, la identificación del inversionista, dirección registrada para el envío de correspondencia y ciudad, fecha de corte del estado de cuenta, adiciones y retiros efectuados por el inversionista, valor de la retención en la fuente si fuera el caso, monto de la comisión fiduciaria efectivamente cobrada, expresada en términos porcentuales, indicando la base de cálculo de la misma, número de unidades o porcentajes de participación a favor del inversionista a la fecha de corte, valor de la unidad a la fecha de corte si éste fuere el sistema de valuación utilizado, saldo disponible (valor de la inversión), resumen de la composición de los activos que conforman el fondo y resultados del fondo durante el respectivo período.

En cuanto a las inversiones mínimas requeridas para convertirse en suscriptor de determinada cartera colectiva tan sólo en el caso de los fondos comunes ordinarios, el Estatuto Orgánico del Sistema Financiero establece que en el contrato se debe señalar, que el monto mínimo de vinculación al fondo no podrá ser inferior a COP\$ 200.000.

De otro lado, para los fondos de valores y de inversión se exige un monto mínimo para iniciar operaciones, equivalentes a cien (100) salarios mínimos legales mensuales vigentes, que para este año sería la suma de COP\$ 40.800.000. Es importante anotar que en los portafolios de inversión se permite que, en los reglamentos, se establezca un monto mínimo de ingreso al fondo.

En los procesos de supervisión que desarrolla esta Superintendencia se incluye la revisión de las comisiones publicadas, así como el cumplimiento de los montos mínimos de ingreso.

Respecto a la posibilidad de redimir los derechos por parte de los suscriptores conviene precisar que las participaciones de los inversionistas en los fondos abiertos están representadas en certificados de inversión que no son negociables, de los cuales se puede realizar la cesión de conformidad con las normas generales para la cesión de negocios jurídicos, no obstante los derechos se pueden redimir en cualquier momento sin lugar a penalización alguna. Los derechos en fondos cerrados y escalonados, al estar representados en valores, pueden ser negociados en mercado secundario a través de sistemas de negociación. En este caso, los derechos sólo podrán ser redimidos dependiendo de las reglas ya enunciadas al tratar la clasificación (pregunta No. 1). Para los fondos comunes de inversión las participaciones son cesibles siempre que dicha circunstancia se exprese en el reglamento. Adicionalmente, la redención de recursos podrá efectuarse según las reglas establecidas en el reglamento, en el cual se podrán especificar sanciones por el retiro de recursos antes del vencimiento de los plazos establecidos en el mismo, los cuales harán parte de los recursos del fondo y estarán a cargo del inversionista. Es de anotar que para los fondos abiertos de valores y de inversión, se consagra, en la legislación, la posibilidad que se pacte en el contrato una permanencia mínima, caso en el cual se generan sanciones por retiro de recursos antes del vencimiento de los plazos señalados en el contrato de suscripción de derechos, los cuales harán parte de los recursos del fondo, los cuales serán a cargo del inversionista.

### III.2

Las clasificaciones de los fondos, de acuerdo con la normatividad son:

De acuerdo con la Resolución 400/95, los fondos de valores e inversión se identifican así:

1. Según lo previsto en el respectivo contrato de suscripción de derechos, respecto de la redención de los derechos de los suscriptores, los fondos se denominarán fondos abiertos, escalonados o cerrados (Pregunta 1).
  2. Ahora bien, según la naturaleza de los rendimientos de las inversiones previstas en el respectivo contrato de suscripción de derechos, los fondos se denominarán fondos de títulos de contenido crediticio, fondos de títulos participativos o fondos de títulos mixtos.
    - 2.1. La denominación "fondo de títulos de contenido crediticio" se aplicará cuando se prevea que el respectivo portafolio de inversiones solo podrá estar conformado con títulos de contenido crediticio.
    - 2.2. La denominación "fondo de títulos participativos" se aplicará cuando se prevea que el respectivo portafolio de inversiones estará conformado principalmente con títulos participativos.
    - 2.3. La denominación "fondo de títulos mixtos" se aplicará cuando se prevea que el respectivo portafolio de inversiones podrá conformarse, indistintamente, con títulos de contenido crediticio y títulos participativos. En todo caso, la inversión en títulos participativos no podrá ser inferior al cinco por ciento (5%) del valor del portafolio.
  3. Según lo indicado en el respectivo contrato de suscripción de derechos sobre el plazo promedio ponderado admisible para la redención de los títulos que componen su portafolio, valorados a precios de mercado, los fondos se denominarán fondos de corto plazo, fondos de mediano plazo o fondos de largo plazo.
    - 3.1. La denominación "fondo de corto plazo" se aplicará cuando se prevea que el respectivo portafolio estará compuesto por títulos, valorados a precios de mercado, con un plazo promedio ponderado de hasta un año.
    - 3.2. La denominación "fondo de mediano plazo" se aplicará cuando se prevea que el respectivo portafolio estará compuesto por títulos, valorados a precios de mercado, con un plazo promedio ponderado de uno hasta cinco años.
    - 3.3. La denominación "fondo de largo plazo" se aplicará cuando se prevea que el respectivo portafolio estará compuesto por títulos, valorados a precios de mercado, con un plazo promedio ponderado mayor de cinco años, o por acciones.
- En cuanto a los fondos fiduciarios diferentes a los de seguridad social, estos se clasifican en fondos comunes ordinarios y fondos comunes especiales, tal y como se describió en la pregunta 1, y de acuerdo con el Estatuto orgánico del Sistema Financiero.

A pesar de que la ley no contempla la clasificación sugerida, la costumbre permite establecer esta clasificación para las carteras colectivas, toda vez que la información presentada en los Balances permite definir esta tipificación. No obstante, vale la pena aclarar que no es esta la clasificación regular o permanente que se aplica.

En Colombia no existen los Fondos con Capital Garantizado, toda vez que la Ley prohíbe a las entidades administradoras garantizar cualquier resultado, pues de acuerdo a la doctrina legal colombiana, sus obligaciones son de medio y no de resultado. Ahora bien, en cuanto a los ETF's, si bien en Colombia es permitido que los fondos realicen inversiones en índices, todos los portafolios de inversión deben circunscribir su operación al sistema de unidades y no al de acciones, por tanto esta figura no se encuentran contemplada en la legislación colombiana. Lo anterior sin perjuicio de los títulos emitidos por fondos escalonados y cerrados, los cuales deben estar inscritos en una bolsa de valores.

Adicionalmente, el sistema colombiano contempla la existencia de otro tipo de portafolios de inversión:

- a. Portafolios de valores de terceros. "Se entiende que una sociedad comisionista administra un portafolio cuando recibe dinero o títulos de un tercero con la finalidad de conformar o administrar a su criterio, pero con respeto a los objetivos y lineamientos dispuestos por el cliente, un portafolio de valores" Res 400 art. 2.2.8.3.
- b. Fondos mutuos de inversión. Los fondos mutuos de inversión son aquellos fondos con personería jurídica, constituidos con aportes de los trabajadores y contribución de las empresas. En el acuerdo mutuo se determinará, de manera general, el monto de la contribución que la empresa se obliga a entregar al fondo en beneficio exclusivo de los trabajadores que participen en el mismo, contribución que será equivalente cincuenta por ciento (50%) de los aportes legales voluntarios. Decreto 1705 de 1985.
- c. Fondos de inversión de capital extranjero. Se entiende por fondo de inversión de capital extranjero, el patrimonio organizado bajo cualquier modalidad, en Colombia o en el extranjero, con recursos aportados por una o más entidades o personas naturales o jurídicas extranjeras, con el propósito de realizar inversiones en el mercado de valores. Dec. 2080/00 art. 27

Dependiendo del reglamento existe la posibilidad de que algunos fondos cuenten con unidades diferenciadas, dependiendo del tipo de inversión, cobro de la comisión o fecha de retorno de la inversión.

### III.3

Entendiendo el concepto de Management Company como aquellas sociedades que administran portafolios de inversión, tenemos:

Number of investment management companies registered and in operation: 55

Sociedades Fiduciarias: 27 Sociedades Administradoras de inversión: 4 Sociedades Comisionistas de Bolsa. 24

Si existen requisitos mínimos de capital para las sociedades administradoras así:



1. Sociedades Comisionistas de Bolsa: COP\$ 866.000.000
2. Sociedades Fiduciarias: COP\$ 4.309.000.000
3. Sociedades Administradoras de Inversión: COP\$ 1.860.000.000

Es importante anotar que para el caso de los fondos de valores y de inversión existe la prohibición de invertir en los fondos que administre, salvo que en el contrato de suscripción de derechos y en el prospecto de inversión se establezca que la respectiva sociedad se obligará a suscribir un porcentaje determinado de las unidades, que no podrá variar desde la constitución hasta la liquidación del fondo, y que no pasará en ningún caso del 20% de las unidades colocadas en el público. Para el caso de las sociedades fiduciarias, no existe prohibición expresa, sin embargo se establece que la sociedad administradora no puede actuar como contraparte de los fondos que administra. Ahora bien para el caso de los fondos de valores y de inversión existe prohibición para vender, directa o indirectamente, títulos o valores, activos o derechos económicos del fondo a los socios, accionistas, representantes legales o empleados de la sociedad administradora o a sus cónyuges, compañeros permanentes, parientes dentro del segundo grado de consanguinidad, segundo de afinidad y único civil o a sociedades en que éstos sean beneficiarios reales del veinticinco por ciento o más del capital social.

Igualmente, está prohibido para el caso de los fondos de valores y de inversión, comprar, directa o indirectamente, para el fondo valores o títulos, activos o derechos económicos, que pertenezcan a los socios, accionistas, representantes legales o empleados de la sociedad administradora o a sus cónyuges, compañeros permanentes, parientes dentro del segundo grado de consanguinidad, segundo de afinidad y único civil o a sociedades en que éstos sean beneficiarios reales del veinticinco por ciento o más del capital social. En el caso de los fondos comunes de inversión los directivos o administradores de la sociedad, bien sea en su calidad de principales o suplentes, así como los revisores fiscales independientemente de su calidad de principales o suplentes, así como los socios accionistas de la misma sociedad titulares por sí o por interpuesta persona de una participación igual o superior al diez por ciento (10%) del capital social no podrán ser deudores del fondo en operaciones e crédito.

Ahora bien, en Colombia se exige la existencia de miembros independientes, para el comité de análisis de inversiones al cual corresponde el estudio de las inversiones que deba desarrollar el fondo de conformidad con su política de inversión y su perfil general de riesgo, así como de los emisores de los títulos o valores en lo que se decida invertir, entre otras, dicho comité es obligatorio para los Fondos de Valores y de inversión, y deberá estar conformado, por una tercera parte de miembros externos. No se exige en la normatividad que los datos de estos integrantes deban darse a conocer al público

#### III.4

Partiendo de la base que los únicos fondos que pueden emitir títulos son los fondos escalonados y los cerrados, es importante señalar que no existe obligación de carácter legal para que estos títulos circulen de manera desmaterializada. Ahora bien, será el tenedor del título el responsable de la guarda de los mismos, pues no existe en la legislación colombiana la obligación de que estos títulos sean depositados en una entidad de depósito.

Independence requirement: Is the custodian required to be independent of the management company?

En Colombia no existe las funciones desarrolladas por un Custodio como se conoce en el ámbito internacional, la realizan diferentes entidades, tal es el caso de los depósitos de valores quienes tienen funciones de guarda y administración de valores, así como la anotación en cuenta y el registro de los títulos sin embargo, en el momento cursa un proyecto de cambio de normatividad para las CIS, en el cual se contempla el establecimiento de la figura del custodio, que complementa las funciones antes descritas.

Como se señaló en la pregunta anterior las funciones del custodio las desarrollan otras entidades. En Colombia, actualmente, el organismo encargado de supervisar el cumplimiento de la política de inversión por parte de las CIS, además de los órganos internos de la sociedad como la Junta Directiva y especialmente el comité de análisis de inversiones, es la Superintendencia Financiera de Colombia.

#### III.5

Entendiendo management company como carteras colectivas con personería jurídica propia, es necesario señalar que esta figura no opera en Colombia.

Entendiendo la figura del Outsourcing como la delegación para la realización de la actividad de administración del portafolio de una CIS en un tercero extranjero, en Colombia es permitido este tipo de delegación, siempre y en todo caso, que no se haga una delegación de responsabilidad por parte de la sociedad administradora. Ahora bien, no se contempla en la normatividad la posibilidad de realizar labores de outsourcing de administración de las carteras colectivas fuera de la jurisdicción colombiana. Adicionalmente, debe entenderse que la delegación a que se hace referencia no podrá ser de toda la actividad de administración de los portafolios de inversión.

La comercialización de los fondos, se efectúa directamente por la sociedad administradora la cual podrá emplear contratos de uso de red de oficinas, entendidos como la posibilidad de utilizar la red de atención de entidades vigiladas por la Superintendencia Financiera de Colombia para la promoción de los fondos bajo la responsabilidad de la sociedad administradora. Para el caso de los fondos de valores, las sociedades comisionistas de bolsa, se encuentran facultadas para hacer uso del contrato de correspondencia local en los términos de la Resolución 400 de 1995.

#### III.6

La Supervisión de los portafolios de inversión está en cabeza del Superintendente delegado para Emisores, Portafolios de inversión y otros agentes, no obstante y en razón a que la nueva organización de la Superintendencia Financiera en una supervisión por riesgos, se necesita de la cooperación de otras dependencias de la mencionada entidad.

Convergencia de Funciones

Delegatura Para Pensiones, Cesantías Y Fiduciarias

En cuanto a las competencias que en coordinación realiza la Delegatura Para Pensiones, Cesantías Y Fiduciarias con otras Delegaturas, en la medida en que se requiere de información necesaria para realizar la supervisión de los portafolios de inversión, se pueden señalar las siguientes:

Con la Delegatura para Emisores, Portafolio de Inversión y Otros Agentes

- *Al supervisar que las inversiones de los fondos de pensiones sean admisibles, se requiere información de Emisores con relación a la inscripción de los títulos en el Registro Nacional de Valores e Intermediarios, así como de los sistemas electrónicos transaccionales a través de los cuales se deben realizar las negociaciones.*
- *Al verificar la inversión de recursos de los fondos de pensiones de igual forma necesitamos información por parte de Emisores, en cuanto a la aprobación del Código de Buen Gobierno.  
Con la Delegatura para Riesgos de Mercado e Integridad*
- *Con base en la valoración efectuada por la Dirección de Riesgo de Mercado, esta Delegatura verifica la contabilización de la misma y los límites de inversión. De otra parte, la información correspondiente a la valoración es indispensable para el cálculo de la rentabilidad de los fondos que se calcula en la Dirección de Ahorro Individual y Prima Media.*
- *Así mismo, existe coordinación entre las funciones realizadas por la Dirección de Conductas y la Dirección de Ahorro Individual y Prima Media, para efectuar un seguimiento a las operaciones de negociación, con el fin de verificar que las mismas se realicen bajo las sanas prácticas del mercado y no den lugar a conflictos de interés.  
Con la Delegatura para Riesgo Operativo*
- *A partir de la supervisión efectuada a los diferentes procesos de las administradoras de los fondos de pensiones, en forma conjunta se efectúa un seguimiento a los hallazgos indicados en los informes correspondientes a las visitas de inspección.  
Con la Delegatura para Riesgo de Conglomerados y Gobierno Corporativo*
- *No debe perderse de vista que todas las administradoras de fondos de pensiones pertenecen a conglomerados que manejan otros recursos de terceros. De ahí la necesidad de supervisar coordinadamente.*
- *En cuanto a la información correspondiente a los portafolios de inversión, se consolida para efectuar la supervisión de conglomerados y conjuntamente efectuar seguimiento en caso de presentarse un riesgo inherente a los mismos.*
- *En cuanto a las normas de buen gobierno, existe una relación de funciones en la medida en que esta Delegatura efectúa un seguimiento al cumplimiento de dichas normas.  
Con la Delegatura para Intermediarios de Valores y Otros Agentes*
- *La información pertinente a la autorización de custodios es necesaria para esta Delegatura en la medida que se supervisa el cumplimiento del requisito de custodia de títulos.*
- *Igualmente no debe perderse de vista que las operaciones que se hagan con fondos de pensiones o cesantías y con los portafolios de la seguridad social deben realizarse a través de mercados transaccionales.*

Pension and Provident Funds - Total portfolio value:

*Diciembre/1999 Moneda Local COP\$ 6.022.189,3 (millones de pesos) Dólares US\$3.213,9 millones de dólares (Tasa de cambio COP\$1873,77/US\$)*

*Diciembre/2001 Moneda Local COP\$ 13.337.643,4 (millones de pesos) Dólares US\$ 5.781,6 millones de dólares (Tasa de cambio COP\$2.291,18/US\$)*

*Diciembre/2003 Moneda Local COP\$ 23.612.765,6 (millones de pesos) Dólares US\$ 8.413,4 millones de dólares (Tasa de cambio COP\$2.778,21/US\$)*

*Diciembre/2005 Moneda Local COP\$ 42.783.261,4 (millones de pesos) Dólares US\$ 18.779,8 millones de dólares (Tasa de cambio COP\$2.284,22/US\$)*

Insurance companies - Total portfolio value:

*Diciembre/1999 Moneda Local COP\$ 1.879.403 (millones de pesos) Dólares US\$1.003,01 millones de dólares (Tasa de cambio COP\$1873,77/US\$)*

*Diciembre/2001 Moneda Local COP\$ 3.674.171 (millones de pesos) Dólares US\$ 1.592,69 millones de dólares (Tasa de cambio COP\$2.291,18/US\$)*

*Diciembre/2003 Moneda Local COP\$ 6.101.478 (millones de pesos) Dólares US\$ 2.174,01 millones de dólares (Tasa de cambio COP\$2.778,21/US\$)*

*Diciembre/2005 Moneda Local COP\$ 9.440.397 (millones de pesos) Dólares US\$ 4.143,89 millones de dólares (Tasa de cambio COP\$2.284,22/US\$)*

### III.7

*Las sociedades administradoras de los fondos, comisionistas de bolsa y sociedades administradoras de inversión, para los fondos de valores y de inversión, respectivamente, y las sociedades fiduciarias para los fondos comunes ordinarios y especiales, pagan una cuota anual a la Superintendencia Financiera de Colombia, la base del cobro será el patrimonio de la sociedad.*

Are there any registration exemptions for CIS? If so, please describe.

*No existen este tipo de exenciones.*

*En Colombia, las carteras colectivas diferentes a las de seguridad social, no son contribuyentes del impuesto de Renta y Complementarios, no obstante no son exentos de los demás impuestos, esto es, cuatro por mil (gravamen a movimientos financieros) e IVA calculado como el 16% sobre las operaciones que llevan a cabo en Bolsa. El ingreso que recibe el inversionista es considerado como ganancia de capital y por tanto es objeto de un descuento como anticipo al impuesto de renta (retención en la fuente) que asciende al 7% del ingreso. Este porcentaje es retenido por la Sociedad Administradora y trasladado a la Dirección de Impuestos y Aduanas Nacionales, quién a su vez, descuenta del posterior pago por impuesto de renta por parte del inversionista, esta misma suma. En resumen, la retención realizada por la Sociedad Administradora tiene carácter de Liberatoria. De otro lado, el impuesto de renta para el inversionista es de tipo variable y se establece con base en una tabla previamente estructurada por el Gobierno Nacional a través del Ministerio de Hacienda y Crédito Público. De manera general la inversión en acciones inscritas en el Registro Nacional de Valores y Emisores genera una exención tributaria, ya que todas las utilidades que se generen en compra y venta de estos valores, cuentan con la exención del impuesto de renta.*

*En el decreto 2080 de 2000, se establecen las normas de inversión extranjera en Colombia, En el mencionado cuerpo normativo se establecen las normas para que los fondos de capital extranjero puedan cumplir su actividad en el país, de tal suerte que en cumplimiento de los requisitos allí establecidos se permite esta clase de inversiones. Las restricciones son de índole cambiario y tributario y su cumplimiento está a cargo del Banco de la República. La llegada de estos capitales no afecta directamente a las CIS nacionales, pero pueden verse beneficiadas de la liquidez que estos vehículos le imprimen al mercado de valores. Ahora bien, recientemente, se levantó la restricción que existía respecto a la permanencia mínima de un año, para inversiones realizadas en*

los fondos de capital extranjero.

Are there any restrictions on CIS investing abroad?

*Dentro de la normatividad colombiana existen normas para los fondos de valores y de inversión en este sentido, permitiendo la conformación de fondos cerrados cuyo portafolio se estructure, de manera exclusiva, con alguna o algunas de las siguientes inversiones:*

1. Valores emitidos por entidades bancarias del exterior.
  2. Bonos del sector real emitidos por empresas extranjeras cuyas acciones aparezcan inscritas en bolsas de valores internacionlmente reconocidas.
  3. Bonos emitidos por organismos multilaterales de crédito, gobiernos extranjeros o entidades públicas con garantía de su gobierno.
  4. Participaciones en fondos mutuos, fondos de inversión o fondos de índices extranjeros, siempre que, en los dos primeros casos, el administrador, sumando los activos manejados por sus filiales, tengan al menos sesenta (60) millardos de dólares de los Estados Unidos de América, o su equivalente en otras divisas, bajo su administración.
  5. Divisas, con las limitaciones establecidas en el régimen cambiario, en cuanto al pago de la redención de suscripciones.
- De igual manera, podrán conformarse fondos escalonados con un grado considerado como de inversión por una sociedad calificadora internacionalmente reconocida. Los administradores de los fondos proporcionarán al suscriptor o partícipe del respectivo fondo cerrado o escalonado, toda la información pertinente en lo que se refiere a la composición del portafolio, plazos, duraciones, manejo de riesgos y demás factores relevantes para la evaluación de cada fondo mutuo o fondo de inversión internacional en que se invierta. Así mismo, deberán indicar las medidas que adoptarán para garantizar que se dispondrá en forma oportuna del precio diario de las participaciones en los fondos del exterior, para efectos de la determinación del valor de la unidad del fondo. Adicionalmente, podrán conformarse fondos abiertos que estructuren su portafolio, de manera exclusiva, con los activos de que tratan los numerales 1 y 4 antes señalados, siempre que la respectiva inversión se realice en fondos del exterior abiertos, si del numeral 4 se trata. En tales eventos, dichos fondos podrán mantener recursos disponibles para la atención de requerimientos de liquidez. Las inversiones en divisas, sólo podrán hacer parte del portafolio del respectivo fondo hasta por un plazo máximo de 5 años. En el caso de los fondos administrados por sociedades fiduciarias, es posible que los Fondos Comunes Especiales inviertan en activos del exterior, incluso existe una subdivisión en los fondos conocidos como fondos comunes especiales en moneda extranjera.*

Are there any restrictions on foreign CIS distribution in the jurisdiction?

*Los fondos institucionales una vez se radiquen los siguientes documentos en la Superintendencia Financiera pueden iniciar operaciones:*

*\* El número de identificación tributaria (NIT)*

*\* Formato electrónico o documento, expedidos por el administrador internacional o quien haga sus veces, en el que consten los países en los cuales el fondo desarrolla actividades de inversión, la entidad que ejerce vigilancia y control sobre el administrador internacional si es del caso,*

*\* Copia del contrato de administración y representación legal del fondo, suscrito entre éste y el administrador local.*

*\* Información que identifique los inversionistas y la trayectoria de dicho administrador.*

*Para los fondos individuales, se exige el envío de los anteriores documentos con 5 días a la fecha de iniciación de operaciones y adicionalmente, se les exige certificar la trayectoria de los inversionistas y del administrador.*

### III.8

1. Hedge Funds

2. Money Market Funds

3. Fondos Garantizados.

## COSTA RICA

### II.

*The investment funds (collective investment scheme) in Costa Rica follow the contractual model. In this case the investors buy unit shares in a portfolio of diversified securities. The funds do not have legal existence by itself and its owners are the investor. The funds are managed by the management companies. There are open and closed funds. Management companies, which may be domestic corporations or branches of foreign corporations, must comply with the Ley Reguladora del Mercado de Valores (Law 7732, Securities Market Regulatory Law), and the Costa Rican Code of Commerce. Also they must comply with Reglamento General sobre Sociedades Administradoras y Fondos de Inversión (Regulation of the management companies and investment funds.) Investment funds must invest in accordance with the investment policies established in the prospectus, and the rules defined by the Law 7732 and the regulations issued by the Superintendencia General de Valores. The management company is responsible for acting on behalf of share-holders and thus their duty is, to conduct all the necessary transactions to invest funds in accordance with criteria of both, due diligence and professional competence.*

#### II.1

Investment Schemes – Type December 1999	Number of funds in operation	Number of shareholders or accounts	Net Assets in Local Currency (in millions of CRC¢)	Net Assets (in millions of USD)	Net Assets (percent of GDP)
A	82	14.681	81.777	405	2,56%
B	2	222	3.301	7	0,04%
C	2	121	9.297	22	0.14%
<b>Total - Funds</b>	<b>86</b>	<b>15.024</b>	<b>94.375</b>	<b>434</b>	<b>2,74%</b>
December 2001					
A	121	36.548	424.605	1.499	9,14%
B	3	324	2.529	9	0,05%

C	8	1.033	31.362	111	0,68%
<b>Total – Funds</b>	<b>132</b>	<b>37.905</b>	<b>458.496</b>	<b>1.619</b>	<b>9,87%</b>
<b>December 2003</b>					
A	131	64.930	1.105.298	2.644	15,12%
B	3	198	1.672	4	0,02%
C	10	2.199	98.658	236	1,35%
<b>Total – Funds</b>	<b>144</b>	<b>67.327</b>	<b>1.205.628</b>	<b>2.884</b>	<b>16,49%</b>
<b>FOREIGN</b>					
Foreign schemes/portfolio permitted	1	n.a.	n.a.	n.a.	n.a.
<b>December 2005</b>					
A	118	27.417	445.363	899	4,63%
B	2	71	788	1	0,01%
C	11	3.515	175.254	354	1,82%
<b>Total – Funds</b>	<b>131</b>	<b>31.003</b>	<b>621.407</b>	<b>1.255</b>	<b>6,46%</b>
<b>FOREIGN</b>					
Foreign schemes/portfolio permitted	5	n.a.	n.a.	n.a.	n.a.

## II.2

Management companies have to send SUGEVAL a portfolio composition report every fifteen days at month. Such report may be requested by SUGEVAL at any time. These reports are disclosure to the public. Anyone can request them to SUGEVAL's Information Center.

Portfolio Composition (percent of total net assets)	1999	2001	2003	2005
Equities	1.3%	0.7%	0.4%	0.5%
Locally traded government bonds	72.8%	86.4%	88.0%	76.1%
Externally traded government bonds	5.0%	2.0%	1.9%	11.3%
Corporate bonds	21.0%	11.0%	9.7%	12.2%
Bank deposits (time deposits)	n.a.	n.a.	n.a.	n.a.
Money-market instruments	n.a.	n.a.	n.a.	n.a.
Other	n.a.	n.a.	n.a.	n.a.

### Government debt

12/1999 1.098.311 (in local currency at fixed prices in millions - 2003) 5.433 (in millions US dollars)  
12/2001 2.144.037 (in local currency at fixed prices in millions - 2003) 7.568 (in millions US dollars)  
12/2003 3.836.465 (in local currency in millions) 9.177 (in millions US dollars)  
12/2005 4.799.408 (in local currency in millions) 9.683 (in millions US dollars)

## II.3

December /1999 26 December /2001 25 December /2003 20 December /2005 20

Total stock market capitalization:

December/1999 52.843 (in local currency at fixed prices in millions - 2003) 261 (in millions US dollars)  
December/2001 99.837 (in local currency at fixed prices in millions - 2003) 352 (in millions US dollars)  
December /2003 250.583 (in local currency in millions) 599 (in millions US dollars)  
December /2005 351.278 (in local currency in millions – 2005) 709 (in millions US dollars)

## II.2

Total population of the country: 4.266.185 (2005) GDP per capita for 2003 4.552 (US dollars)

## III.1

SUGEVAL collects data about fees. This information is available to the public. Anyone can request it to SUGEVAL's Information Center or by visiting its website (<http://www.sugeval.fi.cr/esp/mercado/actfondos.html>).

Article 68 of The Ley Reguladora del Mercado de Valores No. 7732, (<http://www.sugeval.fi.cr/ing/Law%207732.doc>) indicates that investment companies may only charge a fee for managing investment funds. This fee must be indicated in the prospectus and may be collected from the net asset value or the yield of the fund, or both. In addition, investment companies may charge investors front-end and a back-end fee. Also, this must be disclosed in the fund prospectus. Article 61 of the recently new regulation, requires growth and income funds to establish a compensation of 5% yearly when the investor require its money before the fixed term (90 days since the investment order).

## III.2

Are CIS classified by the regulator through the enforcement of portfolio composition and/or investment restriction rules?

According to article 80 of the Law 7732, the fund can be classified in the following types of investment funds:

- Open-end investment funds: No cap on assets. Shares held by the public are redeemable directly by the fund. These shares are not tradable.
- Closed-end investment funds: There is a cap on assets set by the fund managers. Shares are traded and may be reclaimed under special circumstances.
- Non-financial investment funds: Their main objective is to invest on non-financial assets, such as real estate.

- d) *Funds of funds: They mainly invest on other fund. The Superintendencia could 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 Funds, and Equity Funds. There are two types of no financial funds: Real Estate Investment Funds and Securitization Investment Funds (these funds invest in securitized-mortgages or other kinds of securitized-assets)*

*Number of funds operating*

Type of Funds	% 1999	% 2001	% 2003	% 2005
Equity	2%	2%	2%	2%
Bond	46%	55%	60%	56%
Money Market	50%	37%	30%	33%
Balanced/Mixed	-	-	-	-
Other				
Real Estate	2%	6%	7%	8%
Securitization	-	-	1%	1%

*Percentage in relation to net asset value*

Type of Funds	% 1999	% 2001	% 2003	% 2005
Equity	1.7%	0.6%	0.2%	0.1%
Bond	49.0%	44.1%	77.2%	29.3%
Money Market	44.4%	48.6%	14.5%	39.5%
Balanced/Mixed	-	-	-	-
Other				
Real Estate	4.9%	6.8%	7.9%	30.6%
Securitization	-	-	0.3%	0,5%

Are there capital guaranteed funds, Exchange Traded Funds and any other different types of funds?

*They are allowed, but none such fund has registered locally for primary distribution. There are several foreign exchange trades funds registered for secondary market.*

Can CIS offer more than one class of shares/units?

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

### III.3

Number of investment management companies registered and in operation: 18

Is there a minimum capital requirement for the management company? How much?

*Law 7732, article 66: Investment companies must have a minimum capital, subscribed and initially paid in cash, of sixty thousand dollars (US\$60.000), an amount that may be adjusted periodically by the Superintendency. This amount is adjusted by the Costa Rican Consumer Price Index, for 2006 the minimum capital is one hundred thirty eight thousand five hundred dollars (US\$138.500)*

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?

*Law 7732, article 71: A managing company can not invest in its own funds. Additionally, investment funds can not invest in securities issued by the management company. Article 72: Members, directors and employees of an investment company, and its economic interest group can not purchase nor sell securities to the funds. 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? The Reglamento General sobre Sociedades Administradoras y Fondos de Inversión (Managing Companies and Investment Funds Regulation), issued by Superintendencia, requires that at least one of the members of the investment committee 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. The changes in the members should be communicated by material information.*

### III.4

*CIS shares may be issued in physical form or dematerialized. The custodians are responsible for keeping and tracking shareholders' records of CIS according to the Reglamento de la Actividad de Custodia (Custody Regulation). <http://www.sugeval.fi.cr/esp/marcojuri/norvigente/mercados/CUS/custodia.doc>.*

*In Costa Rica the custodian could be related party to the management company.*

*Reglamento de la Actividad de Custodia (Custody Regulation), article 8: the custodian may be able to offer the service of compliance of the investment policy.*

### III.5

*Law 7732, article 73: Management companies shall be held responsible for applying the investment policies indicated in the prospectus for their funds. Management companies shall be held corporately responsible to their investors for damages and losses caused by their directors, employees or people hired to render services to the fund, as a consequence of their failure to fulfill their duties required by the prospectus or the Law.*

*The management company can hire the advice services from a foreign organization. But the Costa Rican management company always bears the responsibility for its fund.*

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

### III.6

The CIS are regulated by the Superintendency of Securities (SUGEVAL). The pension funds are regulated by the Superintendency of Pension (SUPEN). In our country there is only one insurance company, it is a state monopoly. The coordination of supervision functions of each Superintendency is responsibility of the Consejo Nacional de Supervisión del Sistema Financiero-CONASSIF (National Supervision Council of the Financial System). One member of the CONASSIF is the president of the Central Bank of Costa Rica (BCCR).

Pension and Provident Funds - Total portfolio value:

December 1999 32.136 (in local currency at fixed prices in millions - 2003) 159 (in millions US dollars)

December 2001 179.258 (in local currency at fixed prices in millions - 2003) 633 (in millions US dollars)

December 2003 506.402 (in local currency in millions - 2003) 1.211 (in millions US dollars)

December 2005 1.210.377 (in local currency in millions - 2005) 2.442 (in millions US dollars)

### III.7

The CIS don't pay any registration/filing fees. But, all financial companies regulated by the Superintendency of Securities (SUGEVAL), the Superintendency of Pension (SUPEN) and the Superintendency of Financial Institutions (SUGEF) must contribute 20% of the budget of the Costa Rican Supervisory System. The amount is annually distributed according to income of each company.

Are there any registration exemptions for CIS? If so, please describe.

No, there are not any.

Costa Rica doesn't have any constraints on 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 rate policies.

Are there any restrictions on CIS investing abroad?

The CIS can invest in securities from abroad if these securities 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. These securities must be negotiated in an organized market.

Are there any restrictions on foreign CIS distribution in the jurisdiction?

Foreign CIS must:

- 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 year of experience in managing funds.
- f. Have an independent custodian
- g. Have a transfer agent in Costa Rica or another country.

### III.8

- Venture Capital Funds and Hedge Funds.
- Risk Management.
- Corporate Governance.

## CZECH REPUBLIC

### II.1 December 2005

Investment Schemes Type	Number of funds in operation	Number of shareholder's accounts	Net Assets in Local Currency (in millions of CZK)	Net Assets (in millions of USD)	Net Assets (percent of GDP)
A	20	594 830	104 883	4 266	3,52
B	9	124 251	7 760	316	0,26
C	21	654 141	23 767	967	0,80
Total - Funds	50	1 373 222	136 410	5 549	4,58
FUND of FUNDS					
Total - Funds of funds	15	127 847	6 330	257	0,21
FOREIGN					
Foreign schemes/portfolio permitted	1 038	n.a.	n.a.	n.a.	n.a.

### II.3

Number of public companies listed in the local stock market:

December 2005: 39 (sources: Prague Stock Exchange)

Total stock market capitalization:

December 2005: CZK 1 330 813 000 000 (in local currency, sources: Prague Stock Exchange) USD 54 124 920 000 (in USD)

### II.2

Population: 10 234 092 (the end of December 2005, sources: Czech Statistical Office) GDP per capita for 2005: USD 11 835 (sources: Czech Statistical Office)

### III.2

Equity 14%, Bond 19%, Money Market 12%, Balanced or Mixed 32%, Other 23%

### III.3

Number of investment management companies registered and in operation: 9

### III.6

Pension and Provident Funds - Total portfolio value:

December 2005 CZK 123 416 667 000 (in local currency) USD 5 019 386 164 (in US dollars)

Insurance companies - Total portfolio value:

December 2005 CZK 320 111 000 000 (in local currency) 13 018 993 005 (in US dollars)

## HUNGARY

### II.1 December 2005

Investment Schemes Type	Number of funds in operation	Number of shareholders or accounts	Net Assets in Local Currency	Net Assets (in millions of USD)	Net Assets (percent of GDP)
A	55		1 148 211 million HUF	5 376	5,14%
B	33		163 207 million HUF	764	0,73%
C	82		565 393 million HUF	2 647	2,54%
<b>Total - Funds</b>	<b>170</b>		<b>1 876 811 million HUF</b>	<b>8 787</b>	<b>8,43%</b>
<b>FUND of FUNDS</b>					
A	2		525 million HUF	2	0,00%
B	6		36 913 million HUF	173	0,17%
C	17		131 139	614	0,59%
<b>Total - Funds of funds</b>	<b>25</b>		<b>168 577 million HUF</b>	<b>789</b>	<b>0,76%</b>
<b>FOREIGN</b>					
Foreign schemes/portfolio permitted	69		N.A.		

### II.2

Equities 8,33%, Locally traded government bonds 40,4%, Externally traded government bonds 0,48%, Corporate bonds 5,93%, Bank deposits (time deposits) 34,00%, Other 0,11%

Government debt

12/2005: 12 765.6 billion HUF 59.77 billion USD

### II.3

Number of public companies listed in the local stock market: December /2005: 44

Total stock market capitalization: December/2005: 4 832 billion HUF 22.62 billion USD

### II.2

Total population of the country: 10.076 million as of 1<sup>st</sup> January, 2006 GDP per capita for 2005: 10 340 USD

### III.2

Equity 19,41%, Bond 16,47%, Money Market 15,88%, Balanced or Mixed 8,82% Other 39,42%

### III.3

Number of investment management companies registered and in operation: 23

### III.6

Pension and Provident Funds - Total portfolio value:

December 2005: 1 899 billion HUF 8.89 billion USD

Insurance companies - Total portfolio value:

December 2005: 1 513 billion HUF 7.08 billion USD

## INDIA

### II.

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.

### II.1

Investment Schemes Type December 1999	Number of funds in operation	Number of shareholders or accounts	Net Assets in Local Currency (in Rs million)	Net Assets (in millions of USD)	Net Assets (percent of GDP)*
A	127		43050	943.87	0.222
B	164		9190	201.49	0.047
C	21		3590	78.71	0.0180
Total - Funds	312	N.A.	55830	1224.07	0.288
FUND of FUNDS	Not permitted				
Total - Funds of funds					
FOREIGN					
Foreign schemes/portfolio permitted					
December 2001					
A	203		702067.60	15392.84	3.09
B	178		136187	2985.90	0.599
C	36		179963.40	3945.70	0.792
Total - Funds	417	30.80 million	1018218	22324.44	4.481
FUND of FUNDS	Not permitted				
December 2003					
A	193		1098787.60	24090.93	3.981
B	166		248311.70	5444.24	0.899
C	40		53846.10	1180.58	0.195
Total - Funds	399	15.90 million	1400945.40	30715.75	5.075
December 2005					
A	269	2,991,737	1213441.9	26604.73	3.44
B	212	12,672,618	710712.80	15582.39	2.01
C	36	1,612,708	68327.90	1498.09	0.19
Total - Funds	517	17,277,603	1992482.60	43685.21	5.64
FUND of FUNDS	12	41683	10236.40	224.43	0.03
Total - Funds of funds	12	41683	10236.40	224.43	0.03

\*GDP for financial year (April - March)

For the above tables, the exchange rate as on Dec 31, 2003 has been considered which is Rs 45.61=1USD

## II.2

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.

### Government debt

12/1999 4,301,160 (in Rs million as on March 2000) 94,303 million USD (in US dollars)

12/2001 6,126,940 (in Rs million as on March 2002) 134333.26 million USD (in US dollars)

12/2003 7,874,050 (in Rs million as on March 2004) 172638.67 million USD (in US dollars)

12/2005 9,737,310 (in Rs million as on March 2004) 213490.6 million USD (in US dollars)

## II.3

### Public companies

December /1999 7,845 December /2001 5,795 December /2003 5,644 December /2005 4763

### Stock market capitalization:

December/1999 Rs 8,033,530 (in Rs million at fixed prices - 2003) 176,135.28 million USD (in US dollars)

December /2001 Rs 5,323,290 (in Rs million at fixed prices - 2003) 116,713.22 million USD (in US dollars)

December /2003 Rs 12,733,610 (in Rs million) 279,184.61 million USD (in US dollars)

December /2005 Rs 24,893,850 (in Rs million) 545,798.0 million USD (in US dollars)

## II.2

Population 1107 million (as on March 2006)

GDP per capita for 2003 563.97 USD (as on March 2004) 699.40 USD (as on March 2006)

## III.1

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.

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.

## III.2

Are CIS classified by the regulator through the enforcement of portfolio composition and/or investment restriction rules?



*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.*

*Type of funds (% of total number of funds (as on Dec'05))*

*Equity 41, Bond 37.72, Money Market 14.32, and Balanced or Mixed 6.96.*

*SEBI is not in favour of the concept of "Capital Guaranteed / protected funds" wherein guarantee is provided by a third - party. However, SEBI has recently introduced the concept of Capital Protection oriented scheme wherein the capital is protected by having a structured portfolio ensuring protection of capital. As the structure of investment in such schemes is devised by the AMC, the structure shall be rated by SEBI registered credit rating agencies. Exchange Traded Funds have been permitted in India and such schemes have been floated by the fund houses. Apart from the normal schemes, Fund of Funds schemes, arbitrage funds are floated by Indian Mutual Funds.*

*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.*

### III.3

*Investment management companies: As on December 2005, 39 mutual funds registered out of which 29 are active.*

*Minimum capital requirement for the management company? How much?*

*Yes, the Asset Management Company shall have a minimum net worth of Rs. 10 Crores.*

*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?*

*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.*

*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.*

### III.4

*Units of Mutual Funds can be held either in electronic form (Dematerialised 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.*

*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.*

*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.*

### III.5

*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.*

*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.*

*How are CIS units most commonly distributed?*

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

### III.6

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

*Pension and Provident Funds - Total portfolio value:*

*December 1999 Rs 539,320 (in Rs million as on March 2000, at fixed prices - 2003) 11824.6 million USD (in US dollars)*

*December 2001 Rs 466,260 (in Rs million as on March 2002, at fixed prices - 2003) 10222.7 million USD (in US dollars)*

*December 2003 Rs 516,550 (in Rs million as on March 2004) 11325.30 million USD (in US dollars)*

*December 2005 Rs 559,250 (in Rs million as on March 2005) 12261.50 million USD (in US dollars)*

*Insurance companies - Total portfolio value:*

*December 1999 1,463,636.50 (in Rs million as on March 2000, at fixed prices - 2003) 32090.25 million USD (in US dollars)*

*December 2001 2,732,410.90 (in Rs million as on March 2002, at fixed prices - 2003) 59908.15 million USD (in US dollars)*

*December 2003 3,869,297.40 (in Rs million as on March 2004) 84840.99 million USD (in US dollars)*

*December 2005 4,483,573.30 (in Rs million as on March 2006) 98302.40 million USD (in US dollars)*

### III.7

*The Sponsor, at the time of applying for setting up a Mutual Fund has to pay a filing fee of Rs. 100,000. Subsequently, the Fund has to pay a registration fee of Rs 5 million at the time of registration. Further, the AMCs have to pay to SEBI, annual fees for*

every financial year from the year following the date of registration as under:

Net Assets as on 31 <sup>st</sup> March	Service Fee payable
Upto Rs 5000 million.	Rs 0.25 million
Above Rs. 5000 million and up to Rs. 10,000 million.	Rs. 0.35 million
Above Rs. 10,000 million and up to Rs. 30,000 million.	Rs. 0.45 million
Above Rs. 30,000 million and up to Rs. 50,000million.	Rs. 0.55 million
Above Rs. 50,000 million and up to Rs. 100,000 million	Rs. 0.65 million
Above Rs. 100,000 million	Rs. 0.75 million

Besides, the AMC's are required to pay a minimum filing fee as under, alongwith every scheme offer document filed with SEBI: 0.03% of the amount raised in the new fund offer, subject to a minimum of Rs 100,000.

Are there any registration exemptions for CIS? If so, please describe.  
Nil

Are there any forms of fiscal benefits granted to certain types of funds?

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.

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.

As per extant guidelines, Mutual Funds can invest in ADRs/GDRs issued by Indian companies, equity of overseas companies listed on recognized stock exchanges overseas, foreign debt securities in the countries with fully convertible currencies - short term as well as long term debt instruments with highest rating (foreign currency credit rating) by accredited/registered credit rating agencies, say A-1/AAA by Standard & Poor, P-1/AAA by Moody's, F1/AAA by Fitch IBCA, etc, government securities where the countries are AAA rated, units/securities issued by overseas mutual funds or unit trusts which invest in the aforesaid securities or are rated as mentioned above and are registered with overseas regulators. The above investment shall be within overall limit of US\$2 bn. with a sub-ceiling for individual mutual funds which should not exceed 10% of the net assets managed by them as on March 31 of each relevant year, subject to a maximum of US \$100 mn. per mutual fund. Further, Indian Mutual Funds can invest in overseas Exchange Traded fund (ETFs) ETFs within overall limit of US\$ 1 bn. with a sub-ceiling for individual mutual fund which should not exceed 10% of the net assets managed by them as on March 31 of each relevant year, subject to a maximum of US \$50 mn. per mutual fund.

Indian investors have been allowed by Reserve Bank of India to invest in overseas securities upto USD 25,000/-. However, domestic and overseas mutual funds or entities are not allowed to market overseas products to Indian residents under this scheme.

### III.8

1. Better distribution model for CIS
2. How to achieve more retail participation in the CIS
3. Simplification of Offer Document of a CIS

## ISRAEL

### II.1 December 2005

Investment Schemes – Type December 2005	Number of funds in operation	Number of shareholders or accounts	Net Assets in Local Currency (in millions of NIS)	Net Assets (in millions of USD)	Net Assets (percent of GDP)
A	380		85449.3	18563.8	
B	362		19390.9	4212.7	
C	176		19999.2	4344.8	
Total - Funds	918		124839.4	27121.3	

### II.2 Portfolio Composition (percent of total net assets) 2005

Equities 10.5 Locally traded government bonds 53.5 Corporate bonds 12.2 Bank deposits (time deposits) 17.8 Other foreign securities 6

Government debt

12/2005 552.7 (in billions of NIS) 120.15 (in billions of US dollars)

### II.3

Number of public companies listed in the local stock market: December /2005 584

Total stock market capitalization: December/2005 560 (in billions of NIS) 121.7 (in billions of US dollars)

### II.2

Total population of the country: 7,037,500 (as for May 31, 2006)

GDP per capita for 2005 - 18,672 (in US dollars)

### III.2 CIS classification – Types of funds

Equity 39.4%, Bond 22.8%, Money Market 18.6%, and Balanced or Mixed 19.2%

### III.3

Number of investment management companies registered and in operation: 40

### III.6

Pension and Provident Funds - Total portfolio value:

December 2005 426 (in billions of NIS) 94 (in billions of US dollars)

Insurance companies - Total portfolio value:

December 2005 183 (in billions of NIS) 40 (in billions of US dollars)

## KAZAKHSTAN

### II.1 December 2005

Investment Schemes Type	Number of funds in operation	Number of shareholders or accounts	Net Assets in Local Currency (in millions of KZT)	Net Assets (in millions of USD)	Net Assets (percent of GDP)
A	–	–	–	–	–
B	–	–	–	–	–
C	50	N/a	27 809	207,9	0,37
Total - Funds	50	N/a	27 809	207,9	0,37

### II.2 Portfolio Composition (percent of total net assets) 2005

Equities 27,53, Locally traded government bonds 0,05, Externally traded government bonds 1,41, Corporate bonds 19,68, Bank deposits (time deposits) 9,01, Money-market instruments 0,00, Other 40,80

### Government debt

12/2005 435 millions of KZT 3,3 millions of USD

### II.3

Number of public companies listed in the local stock market: December /2005 96

Total stock market capitalization:

December/2005 2 610 336 millions of KZT 19 513,6 millions of USD

### II.2

Total population of the country: as of 01.01.2006 -15,2 mln.

GDP per capita for 2005 55,7 billions of USD

### III.2 CIS classification – Types of funds

Balanced or Mixed 100%.

### III.3

Number of investment management companies registered and in operation (01/01/2006): 28

### III.6

Pension and Provident Funds - Total portfolio value:

December 2005 634 942 millions of KZT 4 746,5 millions of USD

Insurance companies - Total portfolio value:

December 2005 55 192 millions of KZT 412,6 millions of USD

## KOREA

### II.

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 Model), and is classified into 7 types\*, depending on the objects of the operation of the indirect investment property.

\* Securities indirect investment fund, Derivative indirect investment fund, Real estate indirect investment fund, Actual indirect investment fund, Short-term financial indirect investment fund(MMF fund), Re-indirect investment fund, Other indirect investment funds prescribed by the Presidential Decree

#### (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 after 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.

### II.1 December 2005

Investment Schemes Type	Number of funds in operation	Number of shareholders or accounts	Net Assets in Local Currency	Net Assets (in millions of USD)	Net Assets (percent of GDP)
-------------------------	------------------------------	------------------------------------	------------------------------	---------------------------------	-----------------------------

A	2,486	3,172,329	118,715,478,547,937	117,192,022,259	14.7
B	682	4,989,418	32,217,536,123,147	31,804,083,044	4.0
C	4,193	1,350,626	64,922,427,465,754	64,089,266,995	8.0
Total - Funds	7,361	9,512,373	215,855,482,136,838	213,085,372,297	26.8
FUND of FUNDS					
Total - Funds of funds	124	132,834	4,144,191,528,402	4,091,008,419	0.5
FOREIGN					
Foreign schemes/portfolio permitted	78	37,084	2,502,019,665,522	2,469,910,825	0.3

## II.2 Portfolio composition

Equities 19.3, government bonds 4.9, Corporate bonds 5.5, Bank deposits (time deposits) 7.4, Other 62.9

Government debt

12/2005 248 trillion (in local currency) 245 billion (in US dollars)

## II.3

### 1) Stock Market

Number of public companies listed in the local stock market: December /2005 702

Total stock market capitalization: December/2005 KRW 655.1 trillion (in local currency) USD 635.7 billion (in US dollars)

### 2) Kosdaq Market

Number of public companies listed in the local stock market: December /2005 931

Total stock market capitalization: December/2005 KRW 70.9 trillion (in local currency) USD 68.8 billion (in US dollars)

## II.2 National Statistics Data:

Population of the country: 48.1 million (July, 2004) GDP per capita for 2005 17,422 (in US dollars)

## III.2 CIS classification – Types of funds

Equity 9.3% , Bond 28.8%, Money Market 4.9%, Balanced or Mixed 37.1, Other 19.9%

## III.3

Number of investment management companies registered and in operation: 46

## LITHUANIA

### II.1 December 2005

Investment Schemes Type	Number of funds in operation	Number of shareholders accounts	Net Assets in Local Currency (million LTL)	Net Assets (in millions of USD)*	Net Assets (percent of GDP)
A	5	421	49,7	17,1	0,07
B	10	7578	313,5	107,7	0,44
C	2	4	4,7	1,6	0,01
Total – Funds	17	8003	367,9	126,4	0,51
FUND of FUNDS					
A					
B	2	1220	27,4	9,4	0,04
C					
Total - Funds of funds	2	1220	27,4	9,4	0,04
FOREIGN					
Foreign schemes/portfolio permitted	29	3490	116	39,9	0,06

\* – official exchange rate was 2,9102 on 31 December 2005

## II.2 Portfolio composition

Equities 70, Locally traded government bonds 2.7, Externally traded government bonds 0,1, Corporate bonds 8,5, Bank deposits (time deposits) 3, Money-market instruments 0.1, Other 15,6

Government debt

12/2005 11,2 million LTL (in local currency) 3,8 million \$ (in US dollars)

## II.3

Number of public companies listed in the local stock market: December /2005 43

Total stock market capitalization:

December /2005 23952,7 million LTL (in local currency) 823,1 million \$ (in US dollars)

## II.2

Total population of the country: 3,394 million (01-06-2006)

GDP per capita, please inform date 24,4 million \$ (in US dollars)

## III.2 Types of funds

Equity 52.6%, Bond 15.9%, Money Market 10.5%, Balanced or Mixed 10.5%, Other 10.5%

### III.3

Number of investment management companies registered and in operation: 9 (31-12-2005)

### III.6

Pension and Provident Funds - Total portfolio value:

December 2005 68,7 million LTL (in local currency) 23,6 million \$ (in US dollars)

Insurance companies - Total portfolio value:

December 2005 1446,5 million LTL (in local currency) 497 million \$ (in US dollars)

## MALAYSIA

### II.

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. It follows a contractual model.

#### II.1

Investment Schemes Type	Number of funds in operation	Number of accounts	Net Assets in Local Currency (RM million)	Net Assets (in millions of USD*)	Net Assets (percent of GDP)
December 1999					
Balanced Funds	14	166,539	1,912.82	503	
Bond Funds	6	17,729	357.10	94	
Equity Funds	78	8,702,383	40,523.45	10,664	
Fixed Income Funds	1	190	2.77	0.73	
Money Market Funds	2	23,241	217.14	57.1	
<b>Total - Funds</b>	<b>101</b>	<b>8,910,082</b>	<b>43,013.28</b>	<b>11,319</b>	
Foreign schemes/portfolio permitted	Investment in foreign market = RM 114.35 Million				
December 2001					
Balanced Funds	23	220,096	2,657.06	699.23	
Bond Funds	13	32,976	1,950.56	513.3	
Equity Funds	106	9,713,410	42,335.57	11,140.94	
Fixed Income Funds	4	755	182.75	48.1	
Money Market Funds	2	22,751	214.18	56.4	
<b>Total - Funds</b>	<b>148</b>	<b>9,989,988</b>	<b>47,340.12</b>	<b>12,457.97</b>	
Foreign schemes/portfolio permitted	Investment in foreign market = RM 74.48 Million				
December 2003					
Balanced Funds	37	242,211	4,402.36	1,158.52	
Bond Funds	31	168,167	5,262.03	1,384.7	
Equity Funds	130	9,875,216	59,083.23	15,548.2	
Fixed Income Funds	8	7,824	766.94	201.8	
Money Market Funds	5	4,696	390.92	102.88	
Guaranteed Fund	3	214	266.86	70.2	
<b>Total - Funds</b>	<b>214</b>	<b>10,298,328</b>	<b>70,172.34</b>	<b>18,466.4</b>	
Foreign schemes/portfolio permitted	Investment in foreign market = RM 108.19 Million				
December 2005					
Balanced Funds	51	361,120	5,233.43	1,384.69	
Bond Funds	50	213,589	9,502.07	2,514.11	
Equity Funds	177	10,239,650	76,230.02	20,169.34	
Equity and Bond Fund	1	1,313	133.23	35.25	
Equity and Fixed Income Funds	2	3,633	94.11	24.90	
Equity and Money Market Fund	1	149	93.35	24.70	
Feeder Fund	1	39	105.75	27.98	
Fixed Income Funds	22	31,824	4,685.09	1,239.61	
Money Market Funds	5	4,036	628.01	166.16	
Guaranteed Fund	13	5,322	1,779.84	470.92	
<b>Total - Funds</b>	<b>323</b>	<b>10,860,675</b>	<b>98,484.9</b>	<b>26,057.65</b>	
Foreign schemes/portfolio permitted	Investment in foreign market = RM 2,058.90 Million				

### III.1.

The SC collects data regarding the portfolio composition for compliance review in relation to investment limits prescribed under the Guidelines on Unit Trust Funds. This is currently forwarded by the unit trust management companies monthly to the SC on per

fund basis vide the prescribed unit trust fund forms. 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. The SC has also embarked on this exercise where it is making available the fund's deeds, prospectuses and annual reports online to the public on condition the person registers as a member with the SC library. The documentation is also available for non-members viewing at the SC library. 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. The said disclosure must meet the requirements in the Guidelines. If such disclosure such as newsletters or fact sheets are made to the public it may fall within the ambit of a promotional material and is subject to the requirements of the Guidelines on Unit Trust Advertisements & Promotional Materials.

### II.3

Number of public companies listed in the local stock market:

December /1999 757 December /2001 812 December /2003 906 December /2005 1021

Total stock market capitalization:

December/1999	586 billion	(in local currency at fixed prices - 2003)	154 billion	(in US dollars)
December /2001	478 billion	(in local currency at fixed prices - 2003)	125 billion	(in US dollars)
December /2003	639 billion	(in local currency)	168 billion	(in US dollars)
December /2005	695 billion	(in local currency)	183 billion	(in US dollars)

### II.2

Population: 25.99 million 31/1/2005 GDP per capita for 2003 4,141 (in US dollars)

### III.1

The SC collects data regarding the management fees and minimum investment required to buy CIS units in the following situations:  
\*when the unit trust management company decides to launch a new Fund and submits a proposal for approval;

When the unit trust management company submits the offer document or prospectus for registration which is upon approval when the unit trust management company renews the prospectus yearly which is an offer document for the public

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.

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 most guaranteed closed end funds it is usually a penalty in the form of a tiered repurchase charge that is usually paid to the Fund.

### III.2

Yes, CIS are classified by the SC through enforcement of portfolio composition and or investment restriction rules. For instance bond funds, fixed income funds, money market funds, capital guaranteed, capital protected funds, index funds, balanced funds, feeder funds, fund of funds, real estate investment trusts, closed end funds and exchange traded funds and structured product funds have characteristics and restrictions peculiar to these type of funds.

Type of Funds	% As at 31 Dec 2005
Balanced	15.79
Bond	15.48
Equity	54.80
Equity and Bond	0.31
Equity & Fixed Income	0.62
Equity & Money Market	0.31
Feeder	0.31
Fixed Income	6.81
Money Market	1.55
Guaranteed	4.02
Total	100

Yes, there are capital guaranteed funds, exchange traded funds, real estate investment trusts, Islamic or syariah funds, umbrella funds and feeder funds.

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.

### III.3

Investment management companies: 36 approved unit trust management companies as at 31 December 2005

Is there a minimum capital requirement for the management company? RM10million at all times - minimum shareholders funds

The management company or its nominees should not hold any units in the fund other than when complying with repurchase requests and/or in creating new units to meet anticipated request for units by investors subject to a maximum of 3 million units or 10% of the units in circulation. The employees would have their own company policies to adhere to with respect to investments in the fund.

It is mandatory for the CIS to have a trustee for the fund and to have at least one third independent members on 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. The covenants in the deed cover some of the responsibilities of the management company.

### III.4

*The shares of CIS, could be traded through an exchange such as the listed Real Estate Investment Trusts or exchange traded funds or it could be unitized and traded (as in sale or purchase) with the management company through its channels. Both are generally scripless. The Manager is the Registrar and keeps the Register of Unitholders. The responsibility is on the management company to ensure that it undertakes to keep and maintain an up to date register of unitholders and to make that register available for inspection, free of charge to any unitholder at any time during ordinary business hours of the management company. The Register could be the subject of an audit by the internal auditor or the SC depending on the scope of the audit.*

Independence requirement: Is the custodian required to be independent of the management company?

*No. Appointment of trustee is subject to SC's approval. Trustee would undertake custodial functions also Pursuant to the Guidelines on allowing a person to be appointed or to act as trustee under section 99(1) of the SCA, related party trustees are allowed which impliedly means related party custodians are also allowed provided the requirements are met. Usually the Trustee is also the custodian, so if the trustee is a related party of the unit trust management company this independence does not arise. The custodianship is a delegable function of the trustee and the trustee may delegate to any person the function of the custody of the assets of the fund provided it retains control of the assets of the fund at all times. There have been instances where the custodianship is delegated to a related party of the trustee within the group and this could be independent of the unit trust management company.*

*The Trustee of the Fund is required to supervise the manager's compliance with the investment policy adopted by the Fund*

### III.5

Can the regulator hold the management company responsible for the actions or omissions of any third party who provides services to the CIS? *Yes, they can hold the management company responsible if the function was delegated by the management company to the delegate.*

Is cross-border outsourcing of management activities allowed?

*There is no prohibition in the Guidelines on Unit Trust Funds on this and there have been instances of foreign investment management being outsourced to a foreign fund manager. However there would be policy considerations such that intermediation must be between a licensed fund manager within Malaysia and a foreign fund manager if the fund management functions are delegated. Outsourcing of the back office functions to third parties are regulated by the Guidelines on Outsourcing of Back Office Functions For Capital Market Intermediaries. Outsourcing of the middle office functions to third parties are limited to only those within the group of companies and in the case of internal audit to an external third party according to the Guidelines on Performance of Supervisory Functions at Group Level for Capital Market Intermediaries. Middle office functions include compliance, risk management and internal audit.*

*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 and unit trust management companies that are registered with the Federation of Malaysian Unit Trust Managers. And*
- Online by unit trust management companies*

### III.6

*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 investible 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.*

*No registration exemptions for CIS.*

### III.7

*Yes CIS pays regulatory and filing or rather lodgement 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 registration of prospectus, lodgement of prospectus, submission of deed for approval, 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. There are also filing fees for approval of establishment of new funds, approval of investment committee members, directors, approval for increase in fund sizes, and variations /exemptions from the Guidelines, approval of delegates not licensed by the SC and others.*

*No registration exemptions for CIS.*

Are there any forms of fiscal benefits granted to certain types of funds?

*For unit trust interest income is not taxed at the fund level. Tax transparency for REITs makes a REITs a "pass through" investment vehicle, where a substantial portion(for eg at least 90%) of income generated by the fund is paid out as distributions to investors. Investors would then be individually taxed on the distributions received.*

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?

*To give greater flexibility for overseas investment, changes have been made to the thresholds for investment abroad by Bank Negara Malaysia, including extension of credit facilities to non-residents and placement of funds by residents. **The threshold for investing abroad funds attributed to residents by a unit trust company was increased to 30%, of the Net Asset Value of all resident funds managed by the unit trust company.***

*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 recognized exchanges abroad including the jurisdictions in which the CIS invests in.*

There are restrictions on foreign CIS and they must obtain the approval of the SC here in Malaysia and satisfy the provisions in the Securities Commission Act and relevant Guidelines in terms of approval of management company, trustee before issuing or offering units for sale here in Malaysia.

### III.8

- (1) sales charges and fees - is it too high
- (2) Liberalisation of foreign ownership of UT fund managers
- (3) Mutual recognition for CIS products.

## MAURITIUS

### II.

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

#### II.1

Investment Schemes – Type December 1999	Number of funds in operation	Number of shareholders or accounts	Net Assets in Local Currency (Rs m)	Net Assets (in millions of USD)	Net Assets (percent of GDP)
A					
B	1	n/a	20	0.79	0.019%
C	17	n/a	9,412	371	8.76%
<b>Total - Funds</b>	<b>21</b>	<b>n/a</b>	<b>9,432</b>	<b>372</b>	<b>8.78%</b>
FOREIGN					
Foreign schemes/portfolio permitted	164	n/a		6,600	156%
December 2001					
A					
B	1	n/a	29	1	0.022%
C	25	n/a	10,374	354	7.85%
<b>Total – Funds</b>	<b>26</b>	<b>n/a</b>	<b>10,403</b>	<b>355</b>	<b>7.87%</b>
FOREIGN					
Foreign schemes/portfolio permitted	245	n/a		6,700	148%
December 2003					
A	0				
B	2	n/a	33	1.26	0.021%
C	28	n/a	13,584	525	8.64%
<b>Total – Funds</b>	<b>30</b>	<b>n/a</b>	<b>13,617</b>	<b>526</b>	<b>8.66%</b>
FOREIGN					
Foreign schemes/portfolio permitted	280	n/a		9,270	153%
December 2005					
A					
B	5	30	946	31.73	0.508%
C	24	35,670*	13,636	457.15	7.32%
<b>Total – Funds</b>	<b>29</b>	<b>35,700*</b>	<b>14,582</b>	<b>488.88</b>	<b>7.82%</b>
FOREIGN					
Foreign schemes/portfolio permitted	359	n/a	797,864	26,750	428.020%

#### II.2

Does the regulator collect data regarding portfolio composition of registered managed investment companies, mutual funds and/or unit trusts? If so, how often? Is there disclosure to the public on a regular basis?

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

*Please note that the following figures exclude those for investment schemes listed on the SEM.*

Portfolio Composition (percent of total net assets)	1999	2001	2003	2005 *
Equities	77%	75%	60%	67%
Locally traded government bonds	1%	1%	2%	5%
Externally traded government bonds	0%	0%	0%	0%
Corporate bonds	2%	1%	3%	1%
Bank deposits (time deposits)	7%	11%	13%	10%
Money-market instruments	1%	3%	7%	2%
Other	12%	9%	15%	14%

\* Total is less than 100 % because current liabilities is positive for one fund.



Government debt				
12/2001	Rs 75,707 m	(in local currency)	USD 2,988 m	(in US dollars)
12/2003	Rs 93,034 m	(in local currency)	USD 3,593 m	(in US dollars)
12/2005	Rs 109,726 m	(in local currency)	USD 3,679	(in US dollars)

### II.3

Number of public companies listed in the local stock market:

December /1999 43 December /2001 40 December /2003 39 December /2005 43

Total stock market capitalization:

December/1999	Rs 54,164 m	(in local currency)	USD 2,137 m	(in US dollars)
December /2001	Rs 37,458	(in local currency)	USD 1,281 m	(in US dollars)
December /2003	Rs 51,230 m	(in local currency)	USD 1,979 m	(in US dollars)
December /2005	Rs 80,038 m	(in local currency)	USD 2,683 m	(in US dollars)

### II.2

Population 1,248,592 as at 31 Dec 2005 GDP per capita for 2005: USD 5,026 at market prices (in US dollars)

### III.1

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?

No

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?

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

### III.2

Are CIS classified by the regulator through the enforcement of portfolio composition and/or investment restriction rules?

Not currently, but forthcoming in new legislation.

Types of funds Equity 23%, Balanced or Mixed 77%.

Are there capital guaranteed funds, Exchange Traded Funds and any other different types of funds?

No.

Can CIS offer more than one class of shares/units?

Yes, for Global Funds.

### III.3

Investment management companies registered and in operation: 19 as at 30 June 2006

Is there a minimum capital requirement for the management company? How much? Yes. Rs 500,000

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?

No

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?

Yes, trustees must be independent. Yes, by the trustee.

### III.4

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?

Yes, the shares of CIS are physically traded. Closed-end funds traded on the Exchange are dematerialised. No. The Central Depository & Settlement Co. Ltd.

Is the custodian required to be independent of the management company?

Yes.

Custodian or trustee role: Is the custodian/trustee required to supervise the manager's compliance with the investment policy adopted by the fund?

Yes.

### III.5

Can the regulator hold the management company responsible for the actions or omissions of any third party who provides services to the CIS?

Yes.

Is cross-border outsourcing of management activities allowed?

Not yet.

How are CIS units most commonly distributed? For instance, are CIS units distributed mostly through commercial banks, independent distributors, investment consultants, or brokers?

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

### III.6

The FSC being the sole regulator for Non-Bank Financial Institutions supervises and regulates pension funds and insurance companies. There is no overlap of supervision functions with the local central bank for these entities.

Pension and Provident Funds - Total portfolio value: (Superannuation Funds)

December 2001 Rs 3,477 m (in local currency) USD 119 m (in US dollars)  
 December 2003 Rs 4,528 m (in local currency) USD 175 m (in US dollars)  
 December 2005 Rs 2,548 m (in local currency) USD 85 m (in US dollars)

Insurance companies - Total portfolio value: (Insured Pension Schemes)

December 2001 Rs 10,375 m (in local currency) USD 355 m (in US dollars)  
 December 2003 Rs 13,711 m (in local currency) USD 529 m (in US dollars)  
 December 2005 Rs 12,143 m (in local currency) USD 407 m (in US dollars)

### III.7

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

No.

Are there any registration exemptions for CIS? If so, please describe.

No.

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.

*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.*

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?

No.

Are there any restrictions on CIS investing abroad?

Yes.

Are there any restrictions on foreign CIS distribution in the jurisdiction?

*No, but they have to be registered.*

### III.8

1. Regulation of foreign CIS
2. Domiciled CIS investing abroad
3. Evaluation of the performance of CIS Managers

## MONTENEGRO

### II.

*In accordance with the Law on Investment Funds ("Official Gazette of the Republic of Montenegro, No.49/04") the Managing Company is shareholding company or a limited liability company founded for purpose of establishing and managing the Investment Fund and cannot perform another activity. The Investment Fund, is according to Law, a shareholding company founded for public collection of assets and investment of the collected assets into securities, monetary deposits and real estates in compliance with this Law. So, CIS in the Republic of Montenegro follow a corporate model.*

#### II.1

Investment Schemes – Type	Number of funds in operation	Number of shareholders or accounts	Net Assets in Local Currency	Net Assets (in millions of USD)	Net Assets (percent of GDP)
December 2003					
A	/	/	/	/	/
B	/	/	/	/	/
C	6	224.426	104.473.888,12 €	\$108.652.843,64	7,51%
Total – Funds	6	224.426	104.473.888,12 €	\$108.652.843,64	7,51%
December 2005					
A					
B					
C	6	142.621	151.320.542,14 €	127.782.934,4 \$	7.83 %
Total – Funds	6	142.621	151.320.542,14 €	127.782.934,4 \$	7.83 %

#### II.2

*The Securities Commission as a regulator of managing companies and investment funds collects data regarding portfolio composition of investment funds. In accordance with the Article 2 of Rules on Contents and Publication of Reports on Business of Management Companies and Investment Funds (Official Gazette No.68/04) management company is obliged to prepare and publish annual and interim report on business operations of the management company and investment fund it manages.*

*The paragraph 2 of this Rules prescribes that annual, and interim report on business of management company and investment fund is prepared and published by the management company, the contents of the same in accordance with the obligatory elements established by the Annex 1, 2, and 3, which are consisting part of these Rules. Interim report on business of investment fund and Management Company is being prepared for the periods January/March, January-June, January-September and January-December of the current year. The Article 4 of this Rules prescribes that management company is obliged to submit the annual report of the management company and investment fund to the Securities Commission the latest 4 months after the end of the business year, and to submit interim reports of the management company and investment fund to the Commission at the latest 30 days after the expiry of the period the report refers to.*

*There is a disclosure to the public on a regular basis. The management company is obliged to publish the information and data out of annual, and interim report of the investment fund at least in a daily newspaper, which is distributed throughout the territory of the Republic of Montenegro, not later than four months after the end of business year.*

*Article 2 of the Rules on Holding a Cash by Investment funds (Official Gazette No.68/04) the management company is obliged to submit to the Commission, in a paper and electronic form, a monthly report on acquiring, holding and using of the cash assets of the investment fund the latest within five days after the expiration date of the reporting month.*

Article 18 of the Rules on Calculation Methodology of Net Asset Value of Investment Funds (Official Gazette No.68/04) prescribes that a management company is obliged to publish determined monthly and annual net asset values of the fund and net values of shares of the fund, in the two days following their approval by a Supervisory Board of the fund, at least in one daily newspapers circulating in the territory of the Republic of Montenegro.

Portfolio composition data is available

2003 Equities 100%

2005 Equities 93.52% Locally traded government bonds 1.94% Bank deposits 4.54%

Government debt

12/2003 638,6 milion Eur (in local currency) (in US dollars)

12/2005 700,4 milion Eur (in local currency) (in US dollars)

II.3

Public companies listed in the local stock market:

December /2003 376 December /2005 417

Total stock market capitalization:

December /2003 212.000.000 € (in local currency) 220.557.636 (in US dollars)

December /2005 1.103.000.000 € (in local currency) 931.509.163 (in US dollars)

II.2

Population of the country: 620.145 for 2003 GDP per capita 1.867 € for 2003.

III.1

According to the Article 4 of the Law on Investment funds the compensation for Investment Fund management is set by the Contract on Management while the overall annual compensation amount cannot exceed 3% of the annual value of the Fund assets.

The publication of the minimum management fees is publicized in the annual, and interim report on business of management company that, according to the Rules must include:

- 1.1. Total amount of the fees for the reporting period
- 1.2. Ratio of the total amount of the fees to the average net asset value of the investment fund (%)
- 1.3. Amount of the fees paid in cash, and
- 1.4. Total amount of debt based on calculated but not collected fees;

The back-end loads/contingent deferred sales charges could not be applied.

III.2

The CIS are classified by the Law on Investment fund that prescribes three different forms of investment funds: investment fund, privatization investment funds and mutual investment funds. The Mutual Investment Fund may invest the assets collected in compliance with the Law into securities, cash deposits and real estates without limitations stipulated under Articles 55 and 56 of this Law and in compliance with the set investment policy. So, investing of Mutual Investment Fund is not subject to the limitation imposed for other types of investment funds that prescribes that: The Investment Fund shall be obliged to invest minimum 20% of its assets in the Republic. (Article 55) and The Investment Fund must not invest into: other Investment Funds; the Managing Company; depository bank; authorized participant on the securities market performing broker activities in trading securities from the Investment Fund portfolio on behalf of the Managing Company; legal entities that are the owners of more than 10% of shares of the Managing Company that manages the Investment Fund. (Article 56);

Balanced/Mixed 100%

Are there capital guaranteed funds, Exchange Traded Funds and any other different types of funds?

All investment fund in Montenegro are organized as a joint stock companies whose shares are traded at the Stock Exchange, as a shares of any other joint stock companies without any restrictions.

Can CIS offer more than one class of shares/units?

No, investment funds operate as any other form of joint stock company.

III.3

Number of investment management companies registered and in operation: 6 (six)

The minimum capital requirement is set by the Law on Investment funds that in article 10 prescribes that the cash amount of the initial capital of the Managing Company that manages only one Investment Fund cannot be lower than EUR 125,000. If the Managing Company manages more Investment Funds, cash part of the initial capital must be increased for EUR 75,000 prior to the submission of application for managing each following Investment Fund.

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?

There is no minimum investment requirement for management company to invest in fund it manages, and no restrictions on investment by the management company to the fund it manages. But, according to the article 56 of the Law on Investment fund, investment company must not invest in other investment Funds, i.e investment funds it is not managing.

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?

Investment Fund bodies are the General Meeting of Shareholders and Supervisory Board. The criteria for selection of the members of the Supervisory Board are prescribed by the article 39 paragraph 3 that states: Members of the Investment Fund Supervisory Board cannot be: 1) members of bodies or employees in a legal entity that is the founder of the Managing Company or private individuals founders of the Managing Company; 2) members of bodies or employees in the managing company, depository bank, Central Depository Agency, broker, dealer or auditor as well as members of their families (spouse, parents, children, brothers and

sisters); 3) high officials and officials in state bodies and organizations; 4) persons convicted of criminal acts against payment system operations, commercial activities and against official duty. The authority and responsibility of a Supervisory Board Members are clearly stated in the Law and Bylaws of the Investment fund. By the Law, Supervisory Board performs following activities: sign contract on Managing Company management and provide that provisions of the contract are fully observed; adopt annual program of the Investment Fund investment policy; convene Investment Fund shareholders General Meeting in case when the General Meeting is not convened by the Managing Company; provide opinion to the General Meeting with regard to the election of the depository bank and Investment Fund auditor; establish report on Investment Fund operations; establish final annual financial statement of the Investment Fund and provide its audit by the appointed auditor; control and approve calculation of net value of the Investment Fund assets; control calculation and approve payment of compensation to the Managing Company in compliance with regulations and management contract as well as the fee to depository bank, Central Depository Bank, broker or dealer, auditor, Commission and other expenses of the Investment Fund. Decide on other issues necessary for continuous operations of the Investment Fund in compliance with the Fund By-law.

#### III.4 Third party supervision

The shares of CIS dematerialized and traded in electronic form as shares of every other joint stock company in accordance with the provision of article 3 of the Law on Securities ("Official gazette of the Republic of Montenegro" No 59/00, 28/06); So, the CIS could not select an alternative to electronic trading and dematerialization is necessary in accordance with the provision of the Law on Securities. The Central Depository Agency, according to the article 87 of the Law on Securities keeps the register of a dematerialised securities. According to this provision dematerialized securities exist in electronic form in the computer system of the Central Depository Agency.

Independence requirement: Is the custodian required to be independent of the management company?

There is no custodian and a Law a depository bank The Managing Company is obliged to sign an contract with the bank licensed by the Central Bank of Montenegro that authorizes the bank to perform activities related to cash operations of the Investment Fund (hereinafter: depository bank).

There is no custodian according to the Law.

#### III.5

The regulator is responsible for the any action or omissions of any third party who provides services to the CIS, since these actions are equaled to the actions of a management company itself.

Is cross-border outsourcing of management activities allowed?

The management activities must not be delegated to any third party. The Managing Company and the Investment Fund signs the Contract on Management that regulates mutual rights and duties. According to the Contract on Management the Managing Company is obliged to, on behalf of and for the account of the Investment Fund, manage the assets of the Fund in compliance with this Law and the Investment Fund is obliged to pay a fee for those tasks.

The CIS units are distributed through the stock exchange and broker – dilers.

#### III.6

The supervision over foundation and operations of managing companies and Investment Funds is performed by the Securities Commission. The Securities Commission is the sole authority responsible for supervising the performance of CIS in accordance with the article 6 of the Law on Investment Funds ("Official Gazette of the Republic of Montenegro, No. 49/04"). There is no overlapping of authority between Securities Commission and any other government body or organization of the Republic of Montenegro regarding supervision of capital market.

#### III.7

According to the Securities Commission Rules on the amount of fees paid to Securities Commission ("Official Gazette of the Republic of Montenegro, No. 73/04, 27/05, 65/05, 80/05"), for realization and control of annual report the management company is obliged to pay a fee in total amount of 6.000 EUR. The fee for supervision and control of all forms of investment fund, the management company that manages the investment fund is obliged to pay a fee in amount of 0,25% of year net asset value of investment fund.

There are no registration exemptions.

There are no fiscal benefits granted to the holders of the stocks of CIS, since they enjoy the same fiscal status as any other holders of securities.

There are no control or any other restrictions of capital flows in and out of Republic of Montenegro according to the Law on foreign current and capital transactions ("Official Gazette of the Republic of Montenegro, No. 45/05").

The only restriction for CIS to invest abroad are imposed by the Article 55 of the Law on Investment funds that prescribes that the investment fund is obliged to invest minimum 20% of its assets in the Republic.

Foreign CIS can not be traded at the Stock exchange of Montenegro, but the citizens of Montenegro are allowed to freely sell and buy foreign CIS shares abroad. The Rules that shall regulate trading with the foreign stocks in Montenegro are to be adopted in the near future.

#### III.8

1. Transforming of closed type investment fund to opened investment funds.
2. The control and supervision of pension funds

#### MOROCCO

#### II.1.

Investment Schemes Type December 2005	Number of funds in operation	Number of shareholders or accounts	Net Assets in Local Currency	Net Assets (in millions of USD)	Net Assets (percent of GDP)
A	105	12 934	77 838	8 415	16,88%
B	45	12 453	4 567	494	0,99%
C	35	2 503	4 069	440	0,88%
<b>Total - Funds</b>	<b>185</b>	<b>27 890</b>	<b>86 474</b>	<b>9 349</b>	<b>18,75%</b>
<b>FUND of FUNDS</b>					
A					
B					
C	2	216	38	4	0,01%
<b>Total - Funds of funds</b>	<b>2</b>	<b>216</b>	<b>38</b>	<b>4</b>	<b>0,01%</b>

## II.2

Portfolio Composition (percent of total net assets)	2005
Equities	7,31 %
Bonds	79,86 %
CIS units	0,97 %
Other Assets	11,85%
<b>Total</b>	<b>100 %</b>

government debt

12/2005 327 400 000 000 DH (in local currency) 35 394 594 595 USD (in US dollars) (1 USD = 9,25 DH)

## II.3

Number of public companies listed in the local stock market: December /2005 54 sociétés

Stock market capitalization: December/2005 252 326 320 000 DH (in local currency) 35 394 594 595 USD (in US dollars)

## II.4

population of the country: 29 891 708 (September 2004) GDP per capita for 2005 1 668 USD par habitant (in US dollars).

## III.2

Equity 24,32 %, Bond 56,76 %, and Balanced or Mixed 18,92 %.

## III.3

Number of investment management companies registered and in operation: 11 sociétés

## III.6

Pension and Provident Funds - Total portfolio value:

December 2005 84 241 000 000 DH (in local currency) 9 107 135 135 USD (in US dollars)

Insurance companies - Total portfolio value:

December 2005 84 945 360 000 DH (in local currency) 9 183 282 162 USD (in US dollars)

## OMAN

### II.1

Investment Schemes Type December 2005	Number of funds in operation	Number of shareholders or accounts	Net Assets in Local Currency	Net Assets (in millions of USD)	Net Assets (percent of GDP)
A	N/A	N/A	N/A	N/A	N/A
B	7	1790 (12,323000)units	37338250	96706067.5	0.316
C	N/A	N/A	N/A	N/A	N/A
<b>Total - Funds</b>	<b>7</b>	<b>1790 (12,323000)units</b>	<b>37338250</b>	<b>96706067.5</b>	<b>0.316</b>

## II.2

Equity 100%

## II.3

Public companies: December /2005 125

Total stock market capitalization:

December/2005 3,465,976,815 Omani Rials (in local currency) 8977 million (in US dollars)

## II.2

Population 2,508,000 2005 GDP per capita for 2005 12,204 (in US dollars)

## III.2

Equity 100%

## III.3

Number of investment management companies registered and in operation: 7

III.6

Insurance companies - Total portfolio value:

December 2005 208.41 million (in local currency) 539.79 million (in US dollars)

PAKISTAN

II.

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 s 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.

II.1

Investment Schemes - Type	Number of funds in operation	Number of shareholders or accounts	Net Assets in Local Currency Million Rs.	Net Assets (in millions of USD)	Net Assets (percent of GDP)
A	01	100	358.28	6.604	0.0112
B	19	66,898	1,997.6	36.82	0.0628
C	21	126,369	15,492.6	285.57	0.487
<b>Total – Funds</b>	<b>41</b>		<b>17,848.48</b>	<b>329</b>	<b>0.56</b>
<b>JUNE 2001</b>					
A	1	405	749.297	11.24	0.0208
B	19	59,701	1,910.98	28.67	0.0532
C	20	117,373	18,139.37	272.158	0.5046
<b>Total – Funds</b>	<b>40</b>		<b>20,799.64</b>	<b>312.07</b>	<b>0.57</b>
<b>JUNE 2003</b>					
A	06	7,205	6,500.29	112.2	0.1638
B	21	46,475	8,016.33	138.45	0.2012
C	18	98,110	35,974.02	621.13	0.9028
<b>Total – Funds</b>	<b>45</b>		<b>50,490.64</b>	<b>872.03</b>	<b>1.267</b>
<b>JUNE 2004</b>					
A	06	N/A	9,369.11		
B	20	N/A	80,325.73		
C	5	N/A	8,898.58		
<b>Total – Funds</b>	<b>31</b>		<b>98,593.42</b>		
<b>JUNE 2005</b>					
A	06	N/A	12,586.47		
B	22	N/A	97,364.90		
C	8	N/A	14,338.19		
<b>Total – Funds</b>	<b>36</b>		<b>124,289.56</b>		
<b>FUND of FUNDS</b>					
A	0	0	0	0	0
B	1	0	526.58	0	0
C	0	0	0	0	0
<b>Total - Funds of funds</b>	<b>1</b>	<b>0</b>	<b>526.58</b>	<b>0</b>	<b>0</b>
<b>FOREIGN</b>					
Foreign schemes/portfolio permitted	0	0	0	0	0

II.2

Does the regulator collect data regarding portfolio composition of registered managed investment companies, mutual funds and/or unit trusts? If so, how often? Is there disclosure to the public on a regular basis?

Answer: 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.

Portfolio Composition (percent of total net assets)	1999	2001	2003
Equities	101.29	102.95	93.171
Locally traded government bonds	0	0	1.45
Externally traded government bonds	0	0	0
Corporate bonds	2.34	0.575	3.805
Bank deposits (time deposits)	7.24	5.543	2.902
Money-market instruments	0.336	1.6346	5.9317
Other	0.026	0.02	0.0049514

government debt

\*06/2000 2,192,094 m (in local currency at fixed prices - 2003) 37,860 m (in US dollars)  
 \*06/2001 2,151,506 (in local currency at fixed prices - 2003) 37,159 m (in US dollars)  
 \*06/2003 2,053,945 (in local currency) 35,474 m (in US dollars)

### II.3

Number of public companies listed in the local stock market:

December /1999 773 December /2001 747 December /2003 701

Total stock market capitalization:

December/1999 361,300 m (in local currency at fixed prices - 2003) 6,709,378 m (in US dollars)

December /2001 296,143.67 m (in local currency at fixed prices - 2003) 5,168.3 m (in US dollars)

December /2003 951,446.5 m (in local currency) 16,604.65 (in US dollars)

### II.2

population of the country: 153,039,000 Per capita income for 2003 582 (in US dollars)

### 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?

*Answer: 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.*

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?

*Answer: Yes, the CIS do apply back end loads on redemption of units, irrespective of the period after which they are redeemed. These charges are payable to the fund manager.*

### III.2

Are CIS classified by the regulator through the enforcement of portfolio composition and/or investment restriction rules?

*Answer: The regulator has not classified CIS. However, respective management companies themselves classify CIS on the basis of portfolio which is disclosed in the relevant company's documents.*

*Equity 46%, Bond 15.5%, Equity and Money Market 26.66%, and Balanced or Mixed 11.11*

Are there capital guaranteed funds, Exchange Traded Funds and any other different types of funds?

*Answer: There is only one Capital Guaranteed Fund.*

Can CIS offer more than one class of shares/units?

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

### III.3

Number of investment management companies registered and in operation: 34 (August 2006)

Is there a minimum capital requirement for the management company? How much?

*Answer: Yes, Rs. 30 million is the minimum capital requirement for a management company of a Collective Investment Scheme.*

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?

*Answer: 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.*

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?

*Answer: Yes, a closed end fund (Investment Company) can not appoint fifty percent or more directors who represent interest of investment advisor. The duties of the board are collectively defined through the Code of Corporate Governance. Companies are required to have separate Company Secretary, Chief Executive Officer and Chief Financial Officer. The Code of Corporate Governance encourages representation of independent non-executive directors on board, including those representing minority interests.*

### III.4

*The shares/ certificates / units can be in physical as well as dematerialised form. The management company is responsible for keeping the record. However, the assets of the company are kept in the custody of trustee/ custodian.*

*Yes the custodian is required to be independent of the management company.*

*Trustee is required to report on management of affairs of the fund on annual basis. Trustee and custodian are also obliged to intimate any violation by management company to the regulatory authority.*

### III.5

Can the regulator hold the management company responsible for the actions or omissions of any third party who provides services to the CIS?

*Answer: Yes, the management company can be held responsible for the actions and omissions of all persons or agents to whom it may delegate the performance of its functions as its Investment Advisor / Asset Manager as if they were its own acts or omissions.*

Is cross-border outsourcing of management activities allowed?

*Answer: No, such outsourcing is not allowed.*

How are CIS units most commonly distributed? For instance, are CIS units distributed mostly through commercial banks, independent distributors, investment consultants, or brokers?

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

### III.

*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.*

Insurance companies - Total portfolio value:  
 December 1999 Rs. 11,803,925,000 (in local currency at fixed prices - 2003) 206,002,181 (in US dollars)  
 December 2001 Rs. 14,908,153,000 (in local currency at fixed prices - 2003) 260,177,190 (in US dollars)  
 December 2003 Rs. 18,421,963,000 (in local currency) 321,500,227 (in US dollars)

### III.7

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

*Answer: Yes CIS pays authorisation / registration and annual fee to the regulator. The fee is paid on the basis of net assets of CIS.*

Are there any registration exemptions for CIS? If so, please describe.

*Answer: No registration exemption does not exist for any CIS, all CIS are required to be registered with the regulatory body (SECP).*

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.

*Yes CIS is exempt from payment of income tax if it distributes 90% of profit to the unit/ share/ certificate holders.*

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?

*Answer: Capital flows are regulated by the State Bank of Pakistan. The State Bank has recently allowed mutual to invest abroad.*

Are there any restrictions on CIS investing abroad?

*Answer: This aspect is regulated by State Bank of Pakistan.*

Are there any restrictions on foreign CIS distribution in the jurisdiction?

*Answer: Foreign CIS has to first comply with local laws.*

### III.8

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

### II.1. December 2005

Investment Schemes Type	Number of funds in operation	Number of shareholders or accounts	Net Assets in Local Currency	Net Assets (in millions of USD)	Net Assets (percent of GDP)
A	9	3,722	483	483	3.5
B	6	117	41	41	0.3
C	0	0	0	0	0
<b>Total – Funds</b>	<b>15</b>	<b>3,839</b>	<b>524</b>	<b>524</b>	<b>3.8</b>
<b>FUND of FUNDS</b>					
A	0	0	0	0	0
B	1	46	3	3	0
C	0	0	0	0	0
<b>Total - Funds of funds</b>	<b>1</b>	<b>46</b>	<b>3</b>	<b>3</b>	<b>0</b>
<b>FOREIGN</b>					
Foreign schemes/portfolio permitted	3	1247	141	141	1

### II.2 Portfolio composition 2005

Equities 6.1, Locally traded government bonds 1.1 Externally traded government bonds 0 Corporate bonds 73 Bank deposits (time deposits) 1.7 Money-market instruments 3.6 Other 18.3

Government debt

12/2005 6 (in local currency) 6 (in US dollars)

### II.3

Public companies: December /2005 85

Total stock market capitalization:

December/2005 5,731.6 millions (in local currency) 5,731.6 millions (in US dollars)

### II.2

Total population of the country: 3,218,186 March, 2006 GDP per capita) for 2005 4,331 (in US dollars)

### III.2 Types of funds

Equity 37.50%, Bond 56.25% , Money Market 6.25%

### III.3

Number of investment management companies registered and in operation: 8

### III.6

Pension and Provident Funds - Total portfolio value:

December 2005 241,504,468 (in local currency) 241,504,468 (in US dollars)



## PERU

II.1 December 2005

Investment Schemes-Type	Number of funds		Number of Shareholders or accounts		Net Assets in Local Currency (in millions of S/.)		Net Assets (in millions of USD)		Net Assets (percent of GDP)	
	Open-end Funds	Close-end Funds	Open-end Funds	Close-end Funds	Open-end Funds	Close-end Funds	Open-end Funds	Close-end Funds	Open-end Funds	Close-end Funds
Bond(interest bearing) and Money Market Funds	18	5	111 758	145	6 632.56	218.66	1 936.93	63.86	2.44%	0.08%
Equity Funds										
Other(e.g. Mixed)	6	1	3 108	15	196.758	286.21	57.46	83.58	0.07%	0.11%
Estructurados	1		581		18.839		5.50		0.01%	
Real Estate Funds		2		38		97.95		28.60		0.04%
SME Funds										
<b>Total -Funds</b>	<b>25</b>	<b>8</b>	<b>115 447</b>	<b>198</b>	<b>6 848.16</b>	<b>602.83</b>	<b>1 999.89</b>	<b>176.05</b>	<b>2.52%</b>	<b>0.22%</b>

## II.2 Portfolio composition of collective investment schemes

Portfolio Composition (percent of total net assets)	2005	
	Open-end Funds	Close-end Funds
Equities	0.76%	3.11%
(Locally and Externally traded government bonds)	11.27%	19.44%
Corporate bonds	25.55%	17.33%
Bank deposits (time deposits)	32.50%	5.46%
Money-market instruments	3.64%	19.04%
Securitization bonds	10.61%	13.72%
Other	15.67%	21.90%

government debt  
12/2005 10 077 millions\* (in local currency) 8 410 millions\*\* (in US dollars)

## II.3

Number of public companies listed in the local stock market: December /2005 268

Total stock market capitalization:

December/2005 124 061.52 millions (in local currency) 36 195.9 millions (in US dollars)

## II.2

Total population of the country: 27 219 264 Census July 16 – August 20 2005 GDP per capita 2,919 (in US dollars)

## III.3

Investment management companies registered and in operation: 09

\* Includes only those management companies that have operative funds under their administration.

## III.6

Pension and Provident Funds - Total portfolio value:

December 2005 32 574.06 millions (in local currency) 9 512.74 millions (in US dollars)

Insurance companies - Total portfolio value:

December 2005 7 857.89 millions (in local currency) 2 294.77 millions (in US dollars)

## ROMANIA

II.1 December 2005

Investment Schemes - Type	Number of funds in operation	Number of shareholders or accounts	Net Assets in Local Currency	Net Assets (in millions of USD)	Net Assets (percent of GDP)
A	8	13,321	158.258 million RON	54.316 million USD	0.055%
B	8	11,903	73.766 million RON	25.317 million USD	0.025%
C	7	45,922	109.581 million RON	37.610 million USD	0.038%
<b>Total - Funds</b>	<b>23</b>	<b>71,146</b>	<b>341.605 million RON</b>	<b>117.243 million USD</b>	<b>0.119%</b>

## II.2

Portfolio Composition (percent of total net assets)	2005
Equities	25.1%
Locally traded government bonds (1)	
Externally traded government bonds (2)	
Corporate bonds (3)	(1) + (2) + (3) = 14.7%
Bank deposits (time deposits)	37.5%

Money-market instruments	21.6 %
Other	1.1 %

Government debt  
12/2005 43,550 million RON (in local currency) 14,947 million USD (in US dollars)

### II.3

Number of public companies listed in the local stock market:

December/2005 \_64 (BVB) 3,683 (RASDAQ)

Total stock market capitalization:

December/2005 56,065.59 million RON (BVB), 1,076.22 million RON (RASDAQ) (in local currency)

\_ 19,242.72 million USD (BVB), 369, 378 million USD (RASDAQ) (in US dollars)

### II.2

Population of the country: 21, 733, 556 (2003)

GDP per capita 98,567.4 million USD (1 USD = 2, 9136 RON) (in US dollars)

### III.2 Types of funds

Equity 25%, Bond 18.75%, Money Market 6.25%, Balanced or Mixed 21.87%, Other 28.12%.

### III.3

Number of investment management companies registered and in operation: 17

### III.6

Insurance companies - Total portfolio value:

December 2005 4,417,165,819 RON (in local currency) 1,516 million USD (in US dollars)

## SLOVAK REPUBLIC

### II.1 December 2005

Investment Schemes Type	Number of funds in operation	Number of shareholders or accounts	Net Assets in Local Currency (in millions of SKK)	Net Assets (in millions of USD)	Net Assets (percent of GDP)
A	25	482945	86 469	2 707	0,0018
B	7	50198	3 570	112	0,0001
C	61	134792	9 180	287	0,0002
<b>Total - Funds</b>	<b>93</b>	<b>461 837</b>	<b>99 219</b>	<b>3 106</b>	<b>0,0021</b>
FUND of FUNDS					
A	0	0	0	0	0,0000
B	1	324	157	5	0,000003
C	6	11 579	5 092	159	0,0001
<b>Total - Funds of funds</b>	<b>7</b>	<b>11 903</b>	<b>5 248</b>	<b>164</b>	<b>0,0001</b>
FOREIGN					
Foreign schemes/portfolio permitted *)	296	**)	21 082	660	0,0004

### II.2

Portfolio Composition (percent of total net assets)	2005
Equities	0,0093
Locally traded government bonds	0,0155
Externally traded government bonds	0,0019
Corporate bonds	0,0291
Bank deposits (time deposits)	0,0151
Money-market instruments	0,0003
Other	0,0006

Government debt  
12/2005 22 828 908 000,- SKK (in local currency) 714 564 542,- (in US dollars)

### II.3

Number of public companies listed in the local stock market: December/2005 : 238 (shares and bonds issues 381 )

Total stock market capitalization:

December/2005: 573 631 347 000,- SKK (in local currency) 17 955 156 720,- (in US dollars)

### II.2

Population: 5 389 455 on 31-st December 2005 GDP per capita for 2005 : 46 078 095 655,- (in US dollars)

### III.2 CIS classification – Types of funds

Equity 0.07%, Bond 0.16%, Money Market 0.1%, Balanced or Mixed 0.08%, Other 0.59%

### III.3

Number of investment management companies registered and in operation: 10

### III.6

Pension and Provident Funds - Total portfolio value:

December 2005: 27 068 445 019,- SKK (in local currency) 847 265 714,- (in US dollars)

Insurance companies - Total portfolio value:

December 2005 : 122 960 494 000,- SKK (in local currency) 3 848 769 688,- (in US dollars)

## SOUTH AFRICA

### II.1

Investment Schemes Type	Number of funds in operation	Number of shareholders or accounts	Net Assets in Local Currency	Net Assets (in millions of USD)	Net Assets (percent of GDP)
A	115	757,469	R 187,477m	\$ 29,758m	12,3%
B	158	1,275,513	R 120,716m	\$ 19,166m	7,9%
C	220	136,341	R 67,554m	\$ 10,723m	4,4%
Total - Funds	514(Including FoF's)	2,197,153(Excluding FoF's)	R 390,971m(Effect of double counting of FoF's stripped out)	\$ 62,059m	25,6%
FUND of FUNDS					
A	27	N/a	R 7,418m	\$ 1,177m	0,5%
B	43	N/a	R 21,430m	\$ 3,402m	1,4%
C	157	N/a	R 27,655m	\$ 4,390m	1,8%
Total - Funds of funds	227	164,020	R 56,503m	\$ 8,969m	3,7%
FOREIGN					
Foreign schemes/portfolio permitted	73 schemes with 391 portfolios	N/a	R 66,391m	\$ 10,538m	4,4%

### II.2 Portfolio composition of investment schemes

Portfolio Composition (percent of total net assets)	2005
Equities	43%
Locally traded government bonds	8%
Externally traded government bonds	N/a
Corporate bonds	9%
Bank deposits (time deposits)	N/a
Money-market instruments	17%
Other	23%

government debt

12/2005 R 71,600m (in local currency) \$ 11,365m (in US dollars)

### II.3

Number of public companies listed in the local stock market: December /2005 388

Total stock market capitalization:

December/2005 R 3,586,000 (in local currency) \$ 569,206m (in US dollars)

### II.2 National Statistics Data:

Total population of the country: 47,4m (December 2005) GDP per capita for 2005: \$ 5 056 (in US dollars)

### III.2 CIS classification – Types of funds

Equity 32%, Bond 7%, Money Market 4%, Balanced or Mixed 46%, Other 11%

### III.3

Number of managers of CIS's registered and in operation: 33

### III.6

Pension and Provident Funds - Total portfolio value:

December 2004 R 693,936m (in local currency) \$ 110,149m (in US dollars)

Insurance companies - Total portfolio value:

December 2005 R 1,092,102m (Long-term) & R 58,558m (Short-term) (in local currency)

\$ 173,350m (Long-term) & \$ 9,295m (Short-term) (in US dollars)

## THAILAND

### II.1 December 2005

Investment Schemes Type	Number of funds in operation	Number of shareholders or accounts	Net Assets in Local Currency (in millions of Baht)	Net Assets (in millions of USD) (41.1767THB = 1US\$)	Net Assets (percent of GDP) (GDP based on PPP = 544.834 US\$)
A	273	271,162	393,220	9,549	1.75
B	159	375,891	94,293	2,290	0.42
C	149	159,961	276,019	6,708	1.23
Total - Funds	581	807,014	763,531	18,543	3.40
FUND of FUNDS					
Total - Funds of funds	5	2,234	6,686	162.37	0.03

## II.2

Portfolio Composition (percent of total net assets)	2005
Equities	33.81
Locally traded government bonds	21.07
Externally traded government bonds	0.74
Corporate bonds	7.16
Bank deposits (time deposits)	6.85
Money-market instruments	16.73
Other	13.63

### government debt

12/2005 Baht 210,215 million (in local currency) US\$ 5105 million (in US dollars)

## II.3

Number of public companies listed in the local stock market: December /2005 468 .

### Total stock market capitalization:

December/2005 5,105,113.48 million Baht (in local currency) 123,980 million (in US dollars)

## II.2

Population: 62.4 million (December 2005) GDP per capita for 2005 2,576.877 (in US dollars)

## III.2

Equity 23.35%, Bond 39.21%, Money Market 0.88%, Balanced or Mixed 21.88%, Other 14.68%

## III.3

Number of investment management companies registered and in operation: 18 .

## III.6

### Pension and Provident Funds - Total portfolio value:

December 2005 Baht 632,719.1 million (in local currency) US\$ 15,365.9 million (in US dollars)

### Insurance companies - Total portfolio value:

December 2005 Baht 128,146.3 million (in local currency) US\$ 3,112.1 million (in US dollars)

## TUNISIA

### II.1 December 2005

Investment Schemes - Type	Number of funds in operation	Number of shareholders or accounts	Net Assets in Local Currency	Net Assets (in millions of USD)	Net Assets (percent of GDP)
A	18	29 558	2 203 MD	1 620 M USD	5,92%
B					
C	17	2 459	153 MD	112 M USD	0,41%
Total - Funds	35	32 017	2 356 MD	1 732 M USD	6,33%

### II.2 Portfolio composition of investment schemes

Equities 3.8% Locally traded government bonds 45.8%, Corporate bonds 20.7%, Bank deposits 13.5%, Money market instruments 16.2%

### Government debt

12/2005 1 079 M TND (in local currency) 793 M USD (in US dollars)

## II.3

Number of public companies listed in the local stock market: December /2005 47

### Total stock market capitalization:

December/2005 4000 MD (in local currency) 2 941 Millions (in US dollars)

### II.2 National Statistics Data:

Population: 9 932 400 (2004) GDP per capita for 2005 : 2 726 USD (in US dollars)

### III.2 CIS classification – Types of funds

Bond 46%, Balanced or Mixed 54%

## III.3

Number of investment management companies registered and in operation:

- 4 investment management companies
- 14 brokers whom manage collective investment schemes

## III.6

### Insurance companies - Total portfolio value:

December 2005 : 1 100 millions TND (in local currency) 808 Millions USD (in US dollars)

## TURKEY

### II.1 December 2005

Investment Schemes - Type	Number of funds in operation	Number of shareholders or accounts	Net Assets in Local Currency (millions of YTL)	Net Assets (in millions of USD)	Net Assets (percent of GDP)
A	87	2.633.070	24.885	18.419	5.1%
B	46	37.176	498	368	0,1%
C	142	289.327	3.990	2.953	8,1%
<b>Total - Funds</b>	<b>275</b>	<b>2.959.573</b>	<b>29.374</b>	<b>21.740</b>	
<b>FOREIGN</b>					
Foreign schemes/portfolio permitted	53			25	0.07%

## II.2

### A) MUTUAL FUNDS

Portfolio Composition (percent of total net assets)	2005
Equities	2.52%
Government bonds	70.27%
Corporate bonds	-
Money-market instruments	27.17%
Other	0.03%

### B) SECURITIES INVESTMENT TRUST

Portfolio Composition (percent of total net assets)	2005
Equities	53.36%
Government bonds	31.52%
Corporate bonds	-
Money-market instruments	15.42%
Other	0%

### C) REAL ESTATE INVESTMENT TRUST

Portfolio Composition (percent of total net assets)	2005
Buildings& Lands	84.86%
Money and capital market instruments	14.71%
Affiliates	0.18%
Other	-

### D) VENTURE CAPITAL INVESTMENT TRUST

Portfolio Composition (percent of total net assets)	2005
Venture Capital Investments	51.62%
Securities	48.38%
Other	-

## Government debt

- a) Domestic Borrowing Stock 12/2005 244,782 million (in local currency)182,428 million (in US dollars)  
b) Outstanding Sovereign External Debt 12/2005 170,594 million (in US dollars)

## II.3

Number of public companies listed in the local stock market: December /2005: 304

Total stock market capitalization:

December/2005 218,318 million TL (in local currency at real prices) 162,814 million dollars (in US dollars)

## II.2

Population 67,803,927 as of 22.10.2000 GDP per capita for 2005 3,255 (in US dollars)

## III.2

Type of Mutual Funds (as of 30.12.2005)	%
Equity	16.1
Bond	15.3
Money Market	17.5
Balanced/Mixed	45.2
Other	5.9

\* "Equity" category involve stock funds, sector fund, index fund and participation fund and "Other" category involve special funds, foreign securities funds and exchange traded funds, which are defined in the "Communiqué on Principles Regarding Mutual Funds (Serial: VII, No:10).

## III.3

Number of investment management companies registered and in operation: 19

## III.6

Pension and Provident Funds - Total portfolio value:

December 2005 1,219 million (in YTL) 902 million

(in US dollars)

## SLOVENIA

II.1 December 2005

Investment Schemes - Type	Number of funds in operation	Number of shareholders or accounts	Net Assets in Local Currency	Net Assets (in millions of USD)	Net Assets (percent of GDP)
A	10	9.247	14.749.528.813	72,96	0,22%
B	29	139.833	167.778.628.742	829,97	2,53%
C	15	80.405	143.127.482.116	708,02	2,16%
Total - Funds	54	229.485	325.655.639.671	1.610,95	4,91%
FUND of FUNDS					
A	0	0	0	0	0
B	1	4.153	6.213.442.963	30,74	0,09
C	0	0	0	0	0
Total - Funds of funds	1	4.153	6.213.442.963	30,74	0,09
FOREIGN					
Foreign schemes/portfolio permitted	90	n.a.	n.a.	n.a.	n.a.

II.2

Portfolio Composition (percent of total net assets)	2005
Equities	65,55%
Locally traded government bonds	3,39%
Externally traded government bonds	0,19%
Corporate bonds	15,98%
Bank deposits (time deposits)	3,82%
Money-market instruments	1,15%
Other	9,92%

Government debt 12/2005 1.269.743.700.000 (in local currency) 6.272.511.889 (in US dollars)

II.3

Public companies: December /2005 140

Stock market capitalization: December/2005 3.054.700.000.000 (in local currency) 15.110.996.345 (in US dollars)

II.2

Total population of the country: 2.004.394 (31. 12. 2006)

GDP per capita for 2005 16.347 (in US dollars)

III.

III.2

Type of Funds	%
Equity	54,55
Bond	16,36
Money Market	1,82
Balanced/Mixed	25,45
Other	1,82

III.3

Number of investment management companies registered and in operation: 14 (20. 9.2006)

III.6 Supervision of other Institutional Investors

Pension (Mutual pension Funds) and Provident Funds - Total portfolio value:

December 2005 57.664.525.082 SIT (in local currency) 285.254.993 (in US dollars)

Insurance companies - Total portfolio value:

December 2005 658.900.000.000 (in local currency) 3.259.447.897 (in US dollars)