

## Chapter 7

### KEY PARTIES

#### Management Company

##### *Corporate information*

- 7.01 The prospectus must disclose corporate information of the management company, including–
- (a) the legal name, date and place of incorporation, and the registration number;
  - (b) the management company's experience in operating and managing a fund;
  - (c) where applicable, summary of the management company's financial position for the past three years, in tabular form, disclosing–
    - (i) paid-up share capital;
    - (ii) shareholders' funds;
    - (iii) revenue;
    - (iv) profit or loss before tax; and
    - (v) profit or loss after tax; and
  - (d) where applicable, total number of funds as well total value of funds operated by the management company.
- 7.02 There must also be a disclosure of–
- (a) the roles, duties and responsibilities of the management company; and

- (b) all material litigations and arbitrations, including those pending or threatened, which might materially affect the business and financial position of the management company or any of its fund manager.
- 7.03 A prospectus must disclose the promoters, substantial shareholders, directors and key personnel of the management company's direct and indirect unit holding in the fund before and after offering.

***Directors and key personnel***

- 7.04 A prospectus must disclose the following information on the directors and key personnel of the management company:
- (a) Name, age, educational and professional qualification, and work experience; and
  - (b) Functions and areas of experience or responsibility in the management company.

***Fund management function***

- 7.05 A prospectus must disclose the designated person responsible for the management of the fund, his qualifications and relevant work experience.
- 7.06 Where the fund management function is undertaken by an external party, the prospectus must, in addition to the disclosure requirements of paragraph 7.05, disclose the following:
- (a) A brief corporate information of the fund manager;
  - (b) Roles and duties of the fund manager;
  - (c) The fund manager's experience in fund management;
  - (d) Total value of funds under the fund manager's management; and

- (e) All material litigation and arbitration, including those pending or threatened, which might materially affect the business or financial position of the fund manager.

### ***Outsourcing function***

7.07 If any other function of the management company is outsourced to an external party, the following information must be disclosed:

- (a) A brief corporate information of the service provider; and
- (b) Roles and duties of the service provider.

### ***Audit or compliance committee***

7.08 Where applicable, the prospectus must disclose the details relating to the audit and compliance committee, or by whatever name called, including names of committee members.

### ***Investment committee***

7.09 Where an investment committee is appointed, information on the members of the investment committee must be disclosed, such as–

- (a) names, designation, whether independent or non-independent, relevant qualifications and experience of each member of the committee; and
- (b) roles and primary functions of the investment committee, as well as frequency of meetings.

### ***Shariah adviser***

7.10 Where a Shariah adviser is appointed, the following information must be disclosed:

- (a) Names and experience of the Shariah adviser. Where the Shariah adviser is a corporation, to also state the name and experience of the designated person responsible for Shariah matters of the fund;
- (b) Roles and primary functions of the Shariah adviser; and
- (c) Frequency of review on the fund's investments by the Shariah adviser to ensure compliance with Shariah principles or any other relevant principle at all times.

**Panel of advisers**

7.11 Where a panel of advisers is appointed, the following information must be disclosed:

- (a) Names and experience of the panel of advisers;
- (b) Roles and primary functions of the panel of advisers; and
- (c) Frequency of review on the fund's investments by panel of advisers to ensure compliance with the relevant principles at all times.

**Trustee**

7.12 The following information of the trustee must be disclosed:

- (a) Corporate information;
- (b) Experience as trustee to funds;
- (c) Roles, duties and responsibilities of a trustee; and
- (d) All material litigations and arbitrations, including those pending or threatened, which might materially affect the business or financial position of the trustee or trustee's delegates.

7.13 A prospectus must also include a trustee's statement of responsibility.

***Delegates***

7.14 Where custodial function of the trustee is delegated, the following information must be disclosed:

- (a) A brief corporate information on the trustee's delegate; and
- (b) The roles and duties of the trustee's delegate.

**Other key parties**

7.15 Where any key party is appointed or contracted by the management company in managing the fund, details of the key party, including roles and duties.