

Summary of Amendments made to the Revised Guidelines on Unit Trust Funds (2nd Revision) (Issued: 24 May 2017)

The following table provides a summary of key amendments to the *Guidelines on Unit Trust Funds* which was revised on 24 May 2017:

General amendments		
<ol style="list-style-type: none"> 1. Streamlining requirements to enhance clarity and ensure consistency throughout the Guidelines. 2. Clarifying certain requirements by rephrasing the requirements or providing guidance and clarifications in the requirement without any change in policy. 3. Consequential amendments pursuant to <i>Companies Act 2016</i>. 		
Amendments to specific paragraphs		
Prior to 24 May 2017	Issued on 24 May 2017	Comments
Chapter 3: The Management Company		
-	Paragraph 3.04A	New paragraph inserted to reflect the disapplication of the requirement of paragraph 3.04 where both management companies are part of the same group.
-	Subparagraph 3.05(k)	Existing requirement repositioned from Schedule D, paragraph 1(h). The requirement further clarifies that where a change to the fund may materially prejudice the interest of the unit holders, management company must obtain

Amendments to specific paragraphs		
Prior to 24 May 2017	Issued on 24 May 2017	Comments
		approval of not less than two-thirds of all unit holders at a unit holders' meeting.
Chapter 5: Appointment of Third Party to Undertake Functions		
-	Paragraph 5.09A	New paragraph inserted to reflect the disapplication of the requirement of paragraphs 5.09(a) and (c) where the fund manager and the management company are part of the same group.
Chapter 6: Oversight Arrangement		
-	Paragraphs 6.04A and 6.04B	New paragraphs inserted to reflect the disapplication of the requirement of paragraphs 6.04(a), (b) and (e) where both management companies or the fund manager and the management company are part of the same group.
Chapter 8: Investments of the Fund		
Paragraph 8.43	-	Existing paragraph deleted to remove the requirement in relation to exercise of voting rights on director's appointment.
Chapter 9: Charges, Fees and Expenses		
-	Paragraphs 9.08A and 9.08B	New paragraphs inserted to introduce the principles for a management company to comply with when charging a performance fee.

Amendments to specific paragraphs		
Prior to 24 May 2017	Issued on 24 May 2017	Comments
Chapter 10: Dealing, Valuation and Pricing		
-	Paragraph 10.14A	New paragraph inserted to allow management company to repurchase all units in the event such repurchase is necessary to ensure compliance with relevant laws.
Chapter 11: Operational Matters		
-	Guidance to paragraph 11.23	New Guidance inserted to clarify that the requirement on the 50% limit on fund's dealings in value applies only to equities and fixed income transactions.
Schedule D: Deed of a Unit Trust Fund		
Subparagraph (3)(c)	-	Existing paragraph deleted to remove the joint covenant of the management company and trustee in relation to exercise of voting rights on director's appointment.
Schedule F: Submission of Applications, Notifications and Documents		
	Subparagraph (1)(a)(iii) and first table of subparagraph (1)(c) of Appendix I(a)	New paragraphs inserted to reflect the requirements currently provided for in the submission checklist.