



BERMUDA MONETARY AUTHORITY

CONSULTATION PAPER

Proposed Enhancements to Supervisory Powers within the Investment
Funds Act 2006

April 2023

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I. BACKGROUND

1. Bermuda operates in a highly complex, interlinked, worldwide financial market. In this context, it is essential that our various financial services-related legislative and regulatory frameworks remain aligned with relevant international standards and best practices and that they remain fit for purpose.
2. Recent legislative amendments to the investment funds regime focused on enhancing certain prudential requirements. The Bermuda Monetary Authority (Authority or BMA) is now shifting its focus to helping ensure the Authority continues to possess the appropriate range of supervisory powers that can be applied proportionately and effectively should regulatory breaches of any scale occur.
3. The Authority disclosed in its *2022 Business Plan* that it would propose enhancements to the supervisory powers contained within the Investment Funds Act 2006 (IFA). In keeping with this commitment, this paper considers the existing supervisory powers in the IFA and proposes enhancements to such powers.
4. The Authority's regular review of the supervisory powers contained within the IFA demonstrates its commitment to the ongoing enhancement of Bermuda's investment funds regime. Other work that has already been completed within the context of this initiative includes:
 1. The legislative amendments made in 2018 repealed provisions pertaining to excluded and exempted funds and introduced a registration regime for Professional and Private funds;
 2. The legislative amendments made in 2019 that entailed a refinement in the definition of 'investment fund' in the IFA, and thereby brought close-ended funds within the scope of the regime, along with adding new fund classes and various other enhancements; and

3. Enhancements to infrastructure supporting regulation and supervision of funds in Bermuda, namely the rollout of the INTEGRA[®] electronic filing platform to the funds sector in March 2022.
5. There is, however, a recognition by the Authority that there would be merit in supplementing the existing provisions within the IFA framework with targeted powers that can be applied in a proportionate manner by the Authority's Funds Supervision Team (FST), in line with the Authority's risk-based approach to supervision.
6. The objective of this consultation paper's proposals is to enhance, in a proportionate manner, the Authority's ability to safeguard participants' interests effectively and efficiently by using targeted corrective action when breaches of the regulatory requirements are identified and, in so doing, maintain Bermuda's reputation as a well-regulated jurisdiction for conducting investment fund business.
7. All stakeholders are invited to provide feedback on the proposed enhancements to supervisory powers set out in this consultation paper to ensure that all material views are considered. Such feedback should be submitted via email to policy@bma.bm.

II. CURRENT POSITION

8. Currently, when the Authority determines that a fund is out of compliance with a regulatory requirement, it initially places the fund under enhanced monitoring until compliance is restored. The FST completes a risk assessment, and there are regular touchpoints between the FST and the non-compliant fund to track progress and remedy specified issues. Where the actions taken to remedy the breach are unsatisfactory, the issues persist, or the regulatory breach is egregious in nature, the FST will refer the matter to the Enforcement Team for consideration of formal enforcement action. The range of intervention options and enforcement actions that may be considered are listed below:
 - Imposition of restrictions and conditions

- Giving of directions
- Imposition of civil penalties
- Public censure
- Use of powers for information gathering and investigation
- Prohibition orders against individual directors and officers
- Objections to controllers on the grounds of fitness and propriety
- Revocation of the fund's authorisation, registration or designation
- Winding up

III. RECOMMENDATIONS FOR CONSIDERATION

9. Adding the proposed provisions to the IFA will enhance the Authority's ability to take prompt actions, using a risk-based approach that is effective and dissuasive, when issues of non-compliance are first identified. The enhancements will provide certainty to investment funds concerning actions that will be taken and penalties that will be imposed when regulatory breaches occur. It is expected that such certainty will, in turn, encourage compliant behaviours, thereby supporting the achievement of the Authority's desired regulatory outcomes.

10. To gather data on the range of regulatory powers utilised by other investment fund regulators – research was conducted on the frameworks in comparable jurisdictions. The research identified a range of powers that regulators across these jurisdictions might exercise to proactively address fund-related issues, many of which already exist across the Authority's other sectoral frameworks. These powers include:

- Power to impose conditions on a fund
- Public censure
- Power to enforce legal obligations on appointed persons or service providers
- Power to require the substitution of any service provider, operator or officer who no longer satisfies the fit and proper criteria of the investment fund
- Written warnings or notices from the regulatory authority
- Directions/urgent directions
- Fines/penalties
- Winding up/cancellation
- Right of entry/power to obtain documents and/or information

- Power to appoint persons to assume control
- Power to appoint persons to advise on affairs
- Restitution orders to recover monies

11. This research has led the Authority to consider how it currently utilises similar powers and informed the recommendations now made concerning additional powers. The proposals are outlined in the illustrative draft bill attached as Appendix I and amended drafts of the respective rules attached as Appendices II and III. They are fit for purpose considering the compliance-related issues that are being targeted. Specifically, the proposals consider the range of non-compliant fund issues that may signal underlying issues that place participants at risk. Stakeholders are encouraged to consider carefully the recommendations set out in the appendices and share with the Authority any questions or comments they may have. Consideration should be given as to whether the proposed amendments may cause operational challenges or potentially contradict existing legal and ethical obligations.

12. Stakeholders are invited to comment upon

1. the proposals related to supervisory actions and other measures that can be taken when regulatory breaches occur, as outlined in Appendices I, II, and III; and
2. the additional reporting requirements imposed on auditors, in line with requirements contained in other Bermuda sectoral legislation, as outlined in Appendix I.

IV. CONCLUSION

13. The requirements in the IFA help ensure safeguards and measures are in place to protect participants' interests. The additional powers presented in the appendices would enhance the Authority's ability to take prompt action, in a proportionate manner, when breaches of requirements occur. Moreover, the additional powers extended to the Authority are appropriately dissuasive. Therefore, these enhancements are likely to encourage compliant behaviour by market participants going forward.

14. All stakeholders are invited to comment on the proposals set out in the appendices. Any questions regarding the rationale, scope or application of the proposed powers should be submitted on or before **19 May 2023**. All submissions will be considered before a determination is made to progress any proposal.

15. Please forward all comments to policy@bma.bm

A Bill

entitled

INVESTMENT FUNDS AMENDMENT ACT 2023

1	Citation
2	Amends section 2
3	Amends section 2B
4	Amends section 5
5	Amends section 5B
6	Amends section 5E
7	Amends section 6
8	Amends section 6A
9	Amends section 6B
10	Amends section 8
11	Amends section 8A
12	Amends section 8C
13	Amends section 9A
14	Amends section 10
15	Amends section 17
16	Amends section 19
17	Amends section 25
18	Amends section 26
19	Amends section 30
20	Amends section 38
21	Inserts section 63A
22	Amends section 64A
23	Amends section 67
24	Amends section 67C
25	Amends section 73A
26	Consequential amendments

WHEREAS it is expedient to make provision for matters relating to the supervision and regulation of investment fund business and for connected matters:

Be it enacted by The King's Most Excellent Majesty, by and with the advice and consent of the Senate and the House of Assembly of Bermuda, and by the authority of the same, as follows:

Citation

1 This Act, which amends the Investment Funds Act 2006 (the "principal Act"), may be cited as the Investment Funds Amendment Act 2023.

Amends section 2

2 Section 2 (1) of the principal Act is amended by repealing the definition of “fund prospectus rules”.

Amends section 2B

3 Section 2B (1) of the principal Act is amended—

- (a) in subsection (a) by inserting the words “or registration” after “authorisation”;
- (b) by repealing subsection (c) (i);
- (c) in subsection (c) (v) by inserting the words “or registered” after “authorised”.

Amends section 5

4 Section 5 of the of the principal Act is amended by repealing and replacing subsection (2) (a) and (b) as follows —

“(2) No person shall operate a fund to which this section applies or purport to operate such a fund, in or from Bermuda, unless—

- (a) the fund has been authorised under section 13; or
- (b) the fund is registered under sections 6, 6B, 7 or 8B; or”.

Amends section 5B

5 The principal Act is amended in section 5B (1) by—

- (a) inserting the words “(or such longer period not exceeding nine months as the Authority may determine on application by the operator)”, after “end”.
- (b) inserting the following new subsection after subsection (4) —

“(4A) Where an operator of a designated overseas fund fails to comply with a duty imposed on it under section 5B (1), it shall be liable to a penalty not exceeding \$1000 for each month or part of a month that it fails to comply.”;

Amends section 5E

6 The principal Act is amended in the heading of section 5E by deleting “registration” and substituting the word “designation”.

Amends section 6

7 The principal Act is amended in section 6—

- (a) in subsection (3D) by inserting the words “(or such longer period not exceeding nine months as the Authority may determine on application by the operator)”, after “end”;
- (b) by repealing and replacing subsection (3E)(c) by inserting the following new paragraph after paragraph (b)—
 - “(c) a copy of the offering document consisting of all changes that took place during the course of the year (reporting or accounting period) .”.
- (c) by inserting the following new subsection after subsection (4) —
 - “(4A) Where an operator of a private fund fails to comply with a duty imposed on it under subsections (3D) and (3E), it shall be liable to a penalty not exceeding \$1000 for each month or part of a month that it fails to comply.”.

Amends section 6A

8 The principal Act is amended in section 6A by deleting the heading and substituting the following heading—

“Professional Class A Fund: qualification”.

Amends section 6B

9 The principal Act is amended in section 6B—

- (a) in subsection (2) by inserting the words “(or such longer period not exceeding nine months as the Authority may determine on application by the operator)”, after “end”;
- (b) in subsection (3) (a) and (b) (ii) by deleting “fund’s prospectus” and substituting “fund offering document”.
- (c) by inserting the following new subsection after subsection (8) —
 - “(9) Where an operator of a Professional Class A fund fails to comply with a duty imposed on it under subsections 6B (2) or 6B(3)(b) (, it shall be liable to a penalty not exceeding \$1000 for each month or part of a month that it fails to comply.”.

Amends section 8

10 The principal Act is amended in section 8(2) by deleting “fund’s prospectus” and substituting the words “fund offering document”.

Amends section 8A

11 The principal Act is amended in section 8A—

- (a) by repealing subsection (4);
- (b) in subsection (6) by inserting the words “(or such longer period not exceeding nine months as the Authority may determine on application by the operator)”, after “end;
- (c) in subsection (7)—
 - (i) in paragraph (a) by deleting “fund’s prospectus” and inserting “fund offering document”;
 - (ii) by repealing and replacing paragraph (c) as follows—
 - “(c) a copy of the fund offering document consisting of all changes that took place during the course of the year (reporting or accounting period).”.
- (d) by inserting the following new subsection after subsection (7) —
 - “(7A) Where an operator of a Professional Class B fund fails to comply with a duty imposed on it under subsections (6) or (7), it shall be liable to a penalty not exceeding \$1000 for each month or part of a month that it fails to comply.”;

Amends section 8C

12 The principal Act is amended in section 8C—

- (a) in subsection (2) by inserting the words “(or such longer period not exceeding nine months as the Authority may determine on application by the operator)”, after “end;
 - (b) in subsection (3) (b) by inserting the following new paragraph after subparagraph (iii)—
 - “(iv) a copy of the fund offering document consisting of all changes that took place during the course of the year (reporting or accounting period).”.
 - (c) by inserting the following new subsection after subsection (3) —
 - “(3A) Where an operator of a Professional Closed Fund fails to comply with a duty imposed on it under section 8C(2) and 8C(3)(b), it shall be liable to a penalty not exceeding \$1000 for each month or part of a month that it fails to comply.”.
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Amends section 9A

13 The principal Act is amended in section 9A (1) by deleting the reference to section “6A (2) or 7 (2)” and substituting “6, 6A (2), 7 (2) or 8B (2)”.

Amends section 10

14 The principal Act is amended in section 10 (1) by deleting the reference to section “8” and substituting “8A”.

Amends section 17

15 The principal Act is amended in section 17—

- (a) in subsection (1) —
 - (i) in paragraph (aa) by inserting the words “8A (8) or” after “section”;
 - (ii) by inserting a new paragraph after paragraph “(bd)” as follows—
 - “(be) on the making of an application under sections 5B (1), 6 (3D), 6B(1), 8A (6), 8C (2) and 26 (1) (b);”;
- (b) by repealing subsection (8).

Amends section 19

16 The principal Act is amended in section 19 (5) (a) by inserting the words “or registered” after “authorised”.

Amends section 25

17 The principal Act is amended in section 25 by inserting the following new subsection after subsection (6) —

“(6A) An operator who fails to notify the Authority as required by subsection (1) is liable to a penalty of \$1,000 if it fails to comply.”.

Amends section 26

18 The principal Act is amended in section 26—

- (a) in subsection (1)—
 - (i) in paragraph (b) by inserting the words “(or such longer period not exceeding nine months as the Authority may determine on application by the operator)”, after “end”;
 - (ii) in paragraph (b) (i) by deleting “prospectus” and substituting the words “fund offering document”;
 - (iii) by inserting the following new subsection after subsection (1) —

“(1A) Where an operator of an authorised fund fails to comply with a duty imposed on it under subsection (1)(b), it shall be liable to a penalty not exceeding \$1000 for each month or part of a month that it fails to comply.”.

- (b) in subsection (3) (a) by deleting “prospectus” and substituting the word “offering document”.
- (c) **[NOTE- There are 2 “subsection (3)’s” in this section. The Attorney General’s Chambers is requested to use its powers under the Computerization and Revisions of Laws Act 1989 to ensure that relevant subsections are appropriately numbered].**

Amends section 30

19 The principal Act is amended in section 30—

- (a) by repealing and replacing subsections (1) and (2) as follows—

“(1) The Authority may give an investment fund directions under this section at any time if it appears to the Authority that an investment fund is in breach of any provision of this Act or rules applicable to it.

(2) The Authority may also give an investment fund that is not in breach of any provision of this Act or rules applicable to it, directions where the Authority deems such to be desirable for safeguarding the interests of the investment fund's participants or potential participants.”.

- (b) in subsection (3) —

- (i) in subparagraph (c) by deleting “or”;

- (ii) in subparagraph (d) by deleting “or” after the word “constitution;”.

- (c) in subsection (4)

- (i) in subparagraph (a) by replacing “authorised, registered, or overseas” with “investment” and deleting “or”;

- (ii) in subparagraph (b) by replacing “authorised, registered, or overseas” with “investment”;

- (iii) by inserting the following new subparagraph after (b) –

- (c) require the operator of investment fund to take any action deemed necessary or desirable by the Authority to protect the interests of the investment fund’s participants or potential participants.

Amends section 38

20 The principal Act is amended in section 38 (1)—

- (a) in paragraph (a) by deleting “and”;
- (b) in paragraph (b) by deleting the period and substituting “; and”;
- (c) by inserting the following new paragraph after paragraph (b) —

“ (c) to operate the investment fund in accordance with its offering document.”.

Inserts section 63A

21 The principal Act is amended by inserting the following new section after section 63—

“Auditor to communicate certain matters to the Authority

63A (1) An approved auditor of an investment fund shall forthwith give written notice to the Authority if—

- (a) the investment fund is insolvent or is likely to become insolvent or is likely to be unable to pay its debts as they fall due;
- (b) there is evidence to suggest fraud, theft or misappropriation of assets;
- (c) there are significant weaknesses in the governance framework that render the investment fund vulnerable to significant risks or exposures that have the potential to jeopardise the interests of the participants in the investment fund;
- (d) the auditor has made the decision to include a modification of his report on the fund’s financial statements and in particular, a qualification or denial of his opinion, or the statement of an adverse opinion; or

(2) Where a notice has been given pursuant to subsection (1)(d) the auditor shall as soon as practicable thereafter furnish the Authority with a copy of his report.

(3) An auditor who fails to comply with subsection (1) commits an offence and is liable on summary conviction to a fine of \$25,000.”.

Amends section 64A

22 The principal Act is amended in section 64A—

- (a) in subsection (1) —
 - (i) in paragraph (a) by deleting the words “or section 41”;
 - (ii) by repealing and replacing paragraph (d) as follows—
 - “(d) the operator of an authorised fund or service provider may have failed to comply with any requirements or contravened any prohibition imposed by or under this Act or rules made by the Authority under section 37.”.
- (b) in subsection (2) by deleting the words “or, as the case may be, fund administrator,”;
- (c) in subsection (2) (a) and (b) by—
 - (i) deleting the words “or fund administrator”;
 - (ii) deleting the words “authorised, registered or licensed” and substituting “authorised or registered”.

Amends section 67

23 The principal Act is amended in section 67 (1)(a) by deleting the words “or 41”.

Amends section 67C

24 The principal Act is amended in section 67C in—

- (a) subsection (1) by deleting the words “or a fund administrator”;
- (b) subsection (2) by deleting the words “or, as the case may be, the fund administrator”.

Amends section 73A

25 The principal Act is amended in section 73A (3) by inserting the word “penalty or” before “civil”.

Consequential amendments

26 The Schedule, which makes consequential amendments to the Bermuda Monetary Authority Act 1969 which has effect.

THE SCHEDULE

(Section 24)

Amends Fourth Schedule

The Fourth Schedule to the Bermuda Monetary Authority Act 1969 is amended under the heading “Investment Funds Act 2006” by revoking and replacing paragraph 13 as follows—

“Extension application pursuant to section 17 (1) (be) \$300”.

DRAFT

INVESTMENT FUNDS AMENDMENT BILL 2023

EXPLANATORY MEMORANDUM

This Bill seeks to amend Investment Funds Act 2006 to clarify the obligations of operators of an investment fund; to introduce penalties for non-compliance by operators of an investment fund and where appointed auditors fail to make requisite reports to the Authority; and to provide for extensions to certain filings to be made by the investment fund under the Fourth Schedule to the Bermuda Monetary Authority Act 1969, in line with the manner in which other financial sectors are regulated re such matters; and for other connected matters;

Clause 1 provides for the Bill's citation;

Clause 2 proposes to amend section 2 to repeal the definition of "fund prospectus rules" (as such were previously revoked).

Clause 3 seeks to amend section 2B as a housekeeping measure, to ensure that funds that are "registered" are captured by this section for clarity;

Clause 4 makes provision for section 5 to be amended to ensure alignment re the obligations of both registered and authorised funds as a housekeeping measure;

Clause 5 seeks to amend section 5B to allow for an Overseas fund to seek an extension to the timeframe for filing its annual certification that it meets fund requirements; it also imposes a new penalty that will be applied when the filing is not completed within the deadline taking into consideration any extensions granted by the Authority.

Clause 6 makes provision for section 5E to be amended as a housekeeping measure by correcting the title of the section which relates to cancellation of "designations";

Clause 7 makes provision for section 6 to be amended by allowing for a Private fund to seek an extension to the timeframe for filing its annual certification that it meets fund requirements; it also imposes a new penalty that will be applied when the filing is not completed within the deadline taking into consideration any extensions granted by the Authority.

Clause 8 seeks to amend the title to section 6A so that it is aligned with the requirements of section 6A;

Clause 9 makes provision for section 6B to be amended, to allow for a Professional Class A fund to seek an extension to the timeframe for filing its annual certification that it meets fund requirements; it also imposes a new penalty that will be applied when the filing is not completed within the deadline taking into consideration any extensions granted by the Authority.

Clause 10 makes provision for section 8 to be amended as a housekeeping measure by deleting reference to an investment funds "prospectus" and instead referencing its "fund offering document";

Clause 11 seeks to amend section 8A to correct technical oversights by repealing subsection (4); allow for a Professional Class B fund to seek an extension to the timeframe for filing its annual certification that it meets fund requirements; introduce an obligation for such funds to provide copies of their fund offering document reflecting all changes at the time of filing their annual certification to the Authority; and it imposes a new penalty that will be applied when the filing is not completed within the deadline taking into consideration any extensions granted by the Authority.

Clause 12 seeks to amend section 8C allow for a Professional Closed fund to seek an extension to the timeframe for filing its annual certification that it meets fund requirements; introduce an obligation for such funds to provide copies of their fund offering document reflecting all changes at the time of filing their annual certification to the Authority; and it imposes a new penalty that will be applied when the filing is not completed within the deadline taking into consideration any extensions granted by the Authority.

Clause 13 seeks to amend section 9A to make housekeeping amendments to ensure correct section references/obligations of registered funds, are appropriately captured thereunder;

Clause 14 proposes to be amended as a housekeeping measure;

Clause 15 seeks to amend section 17 to ensure appropriate section references are captured re fee obligations of funds; and to introduce the requirement for a fee to be imposed for the making of a filing extension by an investment fund prior to submission of an annual certificate, if required;

Clause 16 proposes to amend section 19 as a housekeeping measure;

Clause 17 seeks to amend section 25 to introduce a penalty for non-compliance with obligations under section 25 by operators of the investment fund;

Clause 18 seeks to amend section 26 by introducing the ability for operators of authorised funds to seek an extension to the report to be made that the fund has complied with certain requirements that is to be submitted in accordance with section 26 (1) (b);

Clause 19 proposes to amend section 30 by repealing and replacing subsections (1) and (2), and amending subsection (4) to allow for the Authority to issue directions to funds, similar to the manner in which it has the power to exercise in relation to other regulated entities;

Clause 20 proposes to introduce an obligation for investment funds to operate a fund in accordance with its offering document;

Clause 21 seeks to introduce a new section 63A, which shall require appointed auditors to communicate certain matters to the Authority, similarly to appointed auditors of other regulated entities;

Clause 22 seeks to amend section 64A to make housekeeping amendments;

Clause 23 seeks to amend section 67 to make housekeeping amendments;

Clause 24 seeks to amend section 67C to make housekeeping amendments;

Clause 25 proposes to amend section 73A (3) to make provision for the Authority to recover administrative penalties not subject to the enforcement process, as a civil debt;

Clause 26 makes consequential amendments to the Fourth Schedule to the Bermuda Monetary Authority Act 1969 to embed the filing fee for filing extensions to be made by investment funds if required, prior to submission of annual certifications.

DRAFT

BERMUDA

INVESTMENT FUND AMENDMENT RULES 2023

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1	Citation
2	Interpretation
3	Amends Rule 13
4	Amends Rule 14
5	Commencement

In exercise of the power conferred upon it by section 38 of the Investment Funds Act 2006, the Bermuda Monetary Authority makes the following Rules:

Citation

1 These Rules which amend the Investment Fund Rules 2019 (the “principal Rules”) may be cited as the Investment Fund Amendment Rules 2023.

Interpretation

2 In these Rules—
“the Act” means the Investment Funds Act 2006.

Amends Rule 13

3 The principal Rules are amended in rule 13 by inserting the following new paragraph after paragraph (2)—

“(3) Where an operator fails to prepare a financial report in accordance with paragraph (1), it shall be liable to a penalty not exceeding \$3,000 for each month or part of a month, that the operator fails to comply. “.

Amends Rule 14

4 The principal Rules are amended by repealing and replacing rule 14 as follows—

“Financial reports: registered investment funds

- 14
- (1) In the case of a registered Professional Class A, Professional Class B or Professional Closed fund the operator shall, within six months after the end of the financial year of the investment fund, prepare a financial report containing audited financial statements of the investment fund.
 - (2) In the case of a registered Private fund the operator shall, within six months after the end of the financial year of the investment fund, prepare a financial report containing audited or unaudited financial statements of the investment fund.
 - (3) A financial report prepared in accordance with paragraphs (1) and (2), shall be distributed or otherwise made available to all participants in the investment fund without charge.
 - (4) In the case of a registered Professional Class A, Professional Class B, Professional Closed Fund, where an operator fails to prepare a financial report in accordance with paragraph (1), it shall be liable to a penalty not exceeding \$10,000 for each month or part of a month, that the operator fails to comply.
 - (5) In the case of a registered Private Fund, where an operator fails to prepare a financial report in accordance with paragraph (2), it shall be liable to a penalty not exceeding \$10,000 for each month or part of a month, that the operator fails to comply.”.

Commencement

4 These Rules come into operation on [DATE] 2023.

BERMUDA

INVESTMENT FUND OFFERING DOCUMENT AMENDMENT RULES 2023

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1	Citation
2	Interpretation
3	Amends Rule 5
4	Commencement

In exercise of the power conferred upon it by section 38 of the Investment Funds Act 2006, the Bermuda Monetary Authority makes the following Rules:

Citation

1 These Rules which amend the Investment Fund Offering Document Rules 2019 (the “principal Rules”) may be cited as the Investment Fund Offering Document Amendment Rules 2023.

Interpretation

2 In these Rules—
“the Act” means the Investment Funds Act 2006.

Amends Rule 5

3 The principal Rules are amended in rule 5—
(a) by inserting the following new sub-rule after sub-rule (1) —
“(1A) Where changes have been made to an offering document (“updated offering document”) in accordance with the Act, the operator of the investment fund shall [forthwith] publish the updated offering document, or otherwise make copies of the updated offering document available to participants and potential participants.”;
(b) in sub-rule (2) by inserting after “document” the words “or updated offering document”.

Commencement

4 These Rules come into operation on [DATE] 2023.

DRAFT