

**THE DIRECTOR GENERAL
OF THE CENTRAL BANK OF THE REPUBLIC OF SAN MARINO**

IN VIEW of Law no. 165 of 17 November 2005, (hereafter, in short: "LISF") that assigns, inter alia, to the Central Bank of the Republic of San Marino the task of governing collective investment services;

IN VIEW of Regulation no. 2006-03 of the Central Bank on collective investment services;

IN VIEW of the Statutes of the Central Bank of the Republic of San Marino approved by Law no. 96 of 29 June 2005 and in particular Article 30, paragraph 3 of the Statutes, based on which the Central Bank's acts on supervision, passed by the Supervision Committee, are issued by the Director General;

IN VIEW of the resolutions of the Supervision Committee dated 19 April 2007 and of the Governing Council dated 23 April 2007, with which the text of the Regulation of the Central Bank of the Republic of San Marino has been approved, which modifies regulation no. 2006-03 on collective investment services,

ISSUES

the attached Regulation no. 2007-03 which introduces some amendments to regulation no. 2006-03 on collective investment services, which will be published in the Official Bulletin of the Republic of San Marino, pursuant to Article 39 of LISF.

This Regulation shall enter into force on the day following the date of this official document.

San Marino, 26 April 2007

SIGNED: THE DIRECTOR GENERAL

Luca Papi



**REGULATION AMENDING REGULATION NO.
2006-03
ON
COLLECTIVE INVESTMENT SERVICES**

year 2007 / number 03

Article 1 – Amendments to Regulation no. 2006-03 on collective investment services.

1. In article 8, paragraph 1, of the Regulation no. 2006-03 the word "seven hundred and fifty thousand" is replaced with the word "two hundred thousand".
2. Article 12, paragraph 1 of Regulation no. 2006-03 is replaced by the following: "Pursuant to article 12 of the LISF, the authorisation released or the amendment to the authorisation granted must be followed by the authorisation of the State Congress, except where such authorisation or amendment refers exclusively to activities for the promotion, establishment, organisation and management of FUNDS reserved to PROFESSIONAL CLIENTS as defined in article 76, or of alternative FUNDS, as defined in article 77".
3. Article 17, paragraph 1 of Regulation no. 2006-03 is replaced by the following: "1. After the release of the authorisation to the incorporation of a MC, any person intending to acquire, directly or indirectly, a SUBSTANTIAL PARTICIPATION in the capital of the MC must file a prior application for authorisation with the CENTRAL BANK".
4. In article 21, paragraph 1, of Regulation no. 2006-03 letter c) is replaced with the following: "c) not to have any criminal proceedings for any of the crimes referred to in letter a)".
5. In article 43, paragraph 1, letter b) of Regulation no. 2006-03, after the words: "article 44", the words "paragraph 1" were added.
6. In article 43, paragraph 1 of Regulation no. 2006-03 the following letter is added: "c) the capital requirement provided for the compliance with the "other risks" ratio, as determined in article 44, paragraph 2".
7. In article 43, paragraph 2, of Regulation no. 2006-03, after the words: "article 44", the words "paragraph 1" were added".
8. Article 43, paragraph 3 of Regulation no. 2006-03 is replaced by the following: "The MCS must ensure the continuous compliance with the minimum capital requirements".
9. The words "and other risks" are added to the section of article 44 of the Regulation no. 2006-03.
10. The following words are added at the end of article 44, paragraph 1, of Regulation no. 2006-03: ", up to a maximum of Euro 10 million".
11. The following paragraph is added to article 44 of Regulation no. 2006-03: "2. A capital requirement of 10 percent is applied to the operating costs resulting from the financial statement of the last financial year. The CENTRAL BANK may reduce such requirement in case of substantial change of business compared to the

previous financial year. In the first year of business the capital requirement applied is equal to 10 percent of the fixed operating costs envisaged in the annual budget. For the purpose of calculating the fixed operating costs, the MCS must refer to the amounts reported under items 80 "Other operating charges" and 90 "Administrative expenses" of the Profit and Loss Account format".

12. In article 120, paragraph 2, letter b) of Regulation no. 2006-03, the following words are added after the word "public": "- which must be prepared in Italian -".

13. In article 120, paragraph 2, letter c) of Regulation no. 2006-03, the following words are added after the word "professional": "- which must be prepared in Italian or English-".

14. The following words are added at the end of article 143, paragraph 1, of Regulation no. 2006-03: ", without prejudice to the obligations resulting from anti-money laundering regulations".

15. In article 154 of Regulation no. 2006-03 paragraph 2 is replaced by the following: "The document specified in paragraph 1, letter a) above must be audited and certified as provided for by article 33 of LISF".

16. The following paragraph is added to article 163 of Regulation no. 2006-03: "3. The notice is not required when the offer referred to in paragraph 1 is related to CISS UCITS III for which the documentation referred to in article 164, paragraph 2, letter b) is available in Italian. The requirements referred to in article 167 remain unprejudiced".

17. Article 164, paragraph 1 of Regulation no. 2006-03 is replaced by the following: "The notice must be presented to the Central Bank of the Republic of San Marino – Supervision Committee by the offering party and must specify the name of the CIS and of the foreign company by which it is promoted or managed".

Article 2 – Entry into force.

1. This regulation shall enter into force on the day following its date of issue.

Article 3 – Consolidated text of Regulation no. 2006-03.

1. The text of Regulation no. 2006-03, consolidated to include the amendments introduced by this regulation, shall be made available on the web site of the Central Bank of the Republic of San Marino (www.bcsm.sm).

Article 4 – Transitory provisions.

1. Any persons filing the applications for the authorisation to the incorporation of MCS are authorised to release, from the deposit provided for in article 8, paragraph 2, of the Regulation no. 2006-03, the amount in excess of the new threshold of minimum share capital specified in article 1, paragraph 1 above.