

FINANCIAL INSTITUTIONS AND MARKETS ACT, 2021**COLLECTIVE INVESTMENT SCHEMES****MINIMUM INVESTMENT PERIODS FOR INVESTMENTS IN A COLLECTIVE INVESTMENT SCHEME IN PARTICIPATION BONDS****Standard No. CIS.S.4.4**

issued by NAMFISA under section 410(5)(o) of the Financial Institutions and Markets Act, 2021

Definitions

1. (1) In this Standard –
 - (a) “Act” means the Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021), and it must be read with the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
 - (b) “CIS” means a collective investment scheme as defined in section 168 of the Act; and
 - (c) “offer document” means a document containing information about a CIS or a portfolio of a CIS or offer of a participatory interest whether referred to as a prospectus, a fact sheet, notice, circular or by any other name and whether in printed or in electronic form.
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following -
 - (a) “NAMFISA” as defined in section 1 of the Act;
 - (b) as defined in section 168 of the Act –
 - (i) authorised representative;
 - (ii) collective investment scheme;
 - (iii) deed;
 - (iv) investor;
 - (v) manager; and
 - (vi) participatory interest;
 - (c) “collective investment scheme in participation bonds” as defined in section 201 of the Act.

Applicability

2. This Standard applies to a manager and a CIS in participation bonds.

Minimum investment period

3. (1) An agreement in terms of which a manager accepts money for investment in a collective investment scheme in participation bonds must provide that such money is invested in such scheme for a period of not less than five years.

(2) The deed of a CIS in participation bonds must provide that money received from investors for investments in such CIS in participation bonds must be for a period of not less than five years.

(3) An authorised representative of the manager must inform potential investors of the minimum investment period when soliciting investments.

(4) Upon maturity or expiry of the minimum investment period, an investor has the right to redeem participatory interests unless the investor and the manager agree to extend the investment period, and the extended period is stated in the amended deed and offer document.

(5) Where an investor intends to redeem any participatory interest before the maturity or expiry of the minimum investment period, and a manager is able to redeem such participatory interest of an investor, the manager may redeem the participatory interest as long as the redemption does not in any way prejudice the other investors in the fund.
