



## INVESTMENT BUSINESS ACTS 1991 to 1993

### INVESTMENT BUSINESS (EXEMPTION) (FUND MANAGERS) REGULATIONS 2005

*Approved by Tynwald on 22<sup>nd</sup> June 2005*

*Coming into operation on 1<sup>st</sup> July 2005*

In exercise of the powers conferred on the Financial Supervision Commission by sections 2(3) and 20(1) of the Investment Business Act 1991<sup>(a)</sup>, and of all other enabling powers, and after consultation with the Treasury the following Regulations are hereby made: -

#### **Citation and commencement**

1. These Regulations may be cited as the Investment Business (Exemption) (Fund Managers) Regulations 2005 and shall come into operation on 1<sup>st</sup> July 2005.

#### **Interpretation**

2. In these Regulations:

“**exempt person**” means a person who is the manager of a professional investor fund or an experienced investor fund and who has complied with the conditions specified in Regulation 4;

“**experienced investor fund**” has the same meaning as given in Article 2(1) of the Financial Supervision (Experienced Investor Fund) (Exemption) Order 1999<sup>(b)</sup>;

“**professional investor fund**” has the same meaning as given in Article 2(1) of the Financial Supervision (Professional Investor Fund) (Exemption) Order 1999<sup>(c)</sup>;

“**the Act**” means the Investment Business Act 1991;

“**fund administrator**” means a person (other than the manager) who provides administration services to professional investor funds or experienced investor funds who is either –

(a) the holder of a licence under the Investment Business Act 1991 which specifically includes that activity; or

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<sup>(a)</sup> 1991 c. 18

<sup>(b)</sup> SD 603/99

<sup>(c)</sup> SD 602/99

(b) is the holder of a licence under the Banking Act 1998<sup>(d)</sup> which by its terms does not prevent him from undertaking that activity.

### **Exemption**

3. Section 2(1) of the Act shall not apply to any exempt person.

### **Conditions**

4. (1) Subject to paragraphs (2) to (4), the condition subject to which exemption is granted, is that all the activities of the exempt person be delegated to a fund administrator.

(2) An exempt person may conduct activities which would not constitute investment business as defined in the Investment Business Order 2004<sup>(e)</sup>, provided that such activities are conducted with the prior written approval of the fund administrator.

(3) An exempt person may introduce subscribers to the professional investor fund or the experienced investor fund but only if, where the exempt person is a body corporate, a director of the fund administrator is a member of the board of the exempt person.

(4) A fund administrator may perform any function or activity on behalf of or in the name of the exempt person that the exempt person would normally undertake as the manager of a professional investor fund or an experienced investor fund.

### **Revocation**

5. The Investment Business (Exemption) (Fund Managers) Regulations 1999<sup>(f)</sup> are revoked.

Made this 6th day of May 2005.

**John Webster**

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*Commissioner*

**J. R. Aspden**

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*Chief Executive*

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<sup>(d)</sup> 1998 c.4

<sup>(e)</sup> SD 673/04

<sup>(f)</sup> SD 604/99

**EXPLANATORY NOTE**  
**(This note is not part of the Regulations)**

These Regulations exempt a manager of a professional investor fund or an experienced investor fund from the requirement to hold a licence under section 2(1) of the Investment Business Act 1991 where all investment activities which would constitute licensable activities under the Investment Business Act 1991 have been delegated to a fund administrator and where the manager has gained prior written approval of the fund administrator for undertaking such duties.