

**The criteria for assessing whether another jurisdiction can be treated as “acceptable” for the purposes of certain functionaries of Specialist Funds, Qualifying Funds and Experienced Investor Funds.**

## **I. Application of the Criteria**

Under the Specialist, Qualifying and Experienced Investor Fund Orders and the licensing policy for Associated and Specialist Asset Managers, the following functionaries are required to be located in an acceptable jurisdiction.

### **Specialist Fund**

- Overseas Administrator;
- In certain circumstances, the trustee of a unit trust.

### **Qualifying Fund**

- Custodian;
- Promoter;
- In certain circumstances, the trustee of a unit trust.

(These criteria are also applied to equivalent functionaries of a continuing Experienced Investor Fund)

### **Associated Asset Manager**

- The jurisdiction in which the relevant regulatory permission is held by the “group” to which the associated asset manager is associated;
- Location of relevant staff;
- Location of off-island “4-eyes”.

### **Specialist Asset Manager**

- Location of off-island “4-eyes”.

## **2 Minimum criteria applied by the Financial Supervision Commission when assessing whether a jurisdiction is an acceptable jurisdiction**

- Is there a memorandum of understanding between the Commission and its equivalent regulatory body providing, inter alia, for mutual assistance and cooperation in relation to fund management/administration and associated activities?
- Are licenceholders in that jurisdiction licensed on the basis of a “Fit and Proper” assessment?
- Are there adequate arrangements in place in the jurisdiction for the supervision of its licenceholders?
- Are there adequate powers for enforcement and remedial action at the disposal of the regulatory body (equivalent to those of the Commission)?

In considering these questions the Commission may take into account:

- any relevant international assessment reports which consider the jurisdiction’s compliance with international regulatory standards and cooperation principles (including those of the International Monetary Fund);
- participation in international cooperation initiatives (such as the IOSCO Multi-lateral Memorandum of Understanding);
- any experience of regulatory cooperation with that jurisdiction.