

DISTRIBUTION OF FOREIGN COLLECTIVE INVESTMENT SCHEMES IN SOUTH AFRICA: SECTION 65 REPRESENTATIVE OFFICE SERVICES

PRESCIENT MANAGEMENT COMPANY

Prescient Management Company (RF) (Pty) Ltd ("Prescient Manco") is a South African Management Company that provides platform hosting services to traditional and alternative collective investment funds.

Prescient Manco manages three types of schemes and can assist its clients with regulatory approval to distribute non-South African funds that comply with these types of schemes to South African investors:

- Collective Investment Scheme in Securities
- Qualified Investor Hedge Fund Scheme
- Retail Hedge Fund Scheme

KEY FACTS



Approved and regulated by the **FSCA**



Fifteen-year track record of providing **Manco services**



Representative office for more than **twenty foreign schemes**



Part of the larger **Prescient Financial Services Group**

BACKGROUND TO SECTION 65 OF CISCA

All foreign (non-South African) collective investment schemes must be approved under S65 of the Collective Investment Schemes Control Act (No.45 of 2002) by the Financial Sector Conduct Authority (FSCA), prior to distribution to South African investors.

In order to achieve this, the foreign investment manager must either establish a representative office in South Africa and seek authorisation from the FSCA or enter into a representative agreement with a third-party FSCA approved management company such as Prescient Manco.

KEY CONTACTS



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S65 REPRESENTATIVE OFFICE SERVICES

PRE-SUBMISSION REVIEW

- Obtaining the prospectus of the foreign scheme and related funds and reviewing and providing comment on suitability for approval under S65
- Performing Know Your Client ("KYC") checks and operational due diligence on the foreign scheme and related funds and related stakeholders

SUBMISSION PROCESS TO FSCA

- Assistance with the completion of the FSCA application process for approval of a foreign collective investment scheme including submission of supporting documents
- Assisting with the completion of the relevant FSCA application documents/questionnaires, if applicable
- Providing guidance on completing the FSCA "List of Similarities and Differences" to assess whether the host regulatory environment is of a similar standard to that of South Africa
- Drafting an application letter to the FSCA
- Liaising with the foreign management company and/or its legal representatives regarding any application information required
- Establishing the representative agreement and attending to signatures and submission to the FSCA
- Liaising with the Representative Office auditors, including confirmation that the Representative Office has paid up share capital and reserves of no less than ZAR 2m annually
- Dealing with any FSCA queries as they arise and working with the foreign manager to resolve any issues

- Attending to further applications to the FSCA, for example: approval of additional sub-funds, including reviewing the sub-fund supplemental documentation, completion of the application forms, etc.

ONGOING COMPLIANCE SUPPORT AND MAINTENANCE

- Review of any amendments to the scheme or fund legal documentation and submission to FSCA for approval, as required
- Review of all marketing documentation (and amendments) and submission to FSCA
- Pre-review of all proposed marketing activities by the foreign collective investment scheme in South Africa
- Ongoing relationship management of the scheme and/or fund(s) over the life of Prescient Manco's platform services to ensure compliance and monitoring to the applicable platform and regulatory rules

ABOUT PRESCIENT

Prescient Holdings (Pty) Ltd is a diversified, global financial services group with a 25-year track record of providing solutions to our clients in Asset Management, Investment Administration and Platform Services, Retirement Solutions and Stockbroking.

Prescient has successfully operated for 25 years in South Africa, 16 years in Ireland and the UK and 10 years in China.

Prescient Management Company (RF) Pty Ltd is registered and approved under the Collective Investment Schemes Control Act (No. 45 of 2002) Registration number 2002/022560/07 and acts as a representative office.

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