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**Financial Services
Commission**

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Dear CEO

Amendment of the Prospectus Directive (2003/71/EC)

As you may be aware the Prospectus Directive was transposed into local legislation via the Prospectus Act ("the Act"). However, this has now been amended by Directive 2010/73 in order to further enhance investor protection, increase legal clarity and efficiency and reduce administrative burdens and overlaps with other directives. The Prospectus Directive/Act only applies to closed-end funds and therefore closed-end Experienced Investor Funds ("EIFs") are required to consider these changes.

The amendment brings about several changes which will impact heavily on the manner in which prospectuses are drafted and, in certain instances, the structure of issuances. These changes may potentially result in some closed-end funds being caught.

Some of the most salient changes include the definition of qualified investors now including professional clients, as defined by MiFID. This raises a possible issue for closed-end funds as the size and definition of a client's portfolio/net worth is potentially higher in the Act than in the EIF Regime. Additionally, in the Act, 'small and medium-sized enterprises' are defined as companies, which, according to their last annual or consolidated accounts, meet at least two of the following three criteria:

1. An average number of employees during the financial year of less than 250
2. A total balance sheet not exceeding EUR 43,000,000
3. An annual net turnover not exceeding EUR 50,000,000

Please note that offers made to the following do not need to issue a prospectus (as per the Act) to:

- only qualified investors and/or
- less than 150 persons (not qualified investors) and/or
- to investors who acquire securities for a total consideration of at least EUR 100,000 per investor, for each separate offer and/or
- an offer of securities whose denomination per unit amounts to at least EUR 100,000 and/or
- an offer of securities with a total consideration of less than EUR 100,000 calculated over a period of 12 months.

Closed-end Experienced Investor Funds must ensure that they comply with the Act and should therefore take note of the changes introduced by the Amending Directive and the delegated regulations.



Yours faithfully

A handwritten signature in black ink, appearing to read 'Joanne Beiso', written in a cursive style.

Joanne Beiso
Head of Funds Supervision