

Fund Rulebook (FUNDS)

*In this attachment underlining indicates new text and striking through indicates deleted text.



...

Eligible Custodian and Fund Administrator

12.3.7 (1) A Fund Manager to whom this Chapter applies must:

- (a) ensure that there is appointed to the Fund a Fund Administrator, or, if the Fund is an Investment Trust, a Trustee licensed by the Regulator or such other administrator as is otherwise acceptable to the Regulator (hereafter referred to as the "Appointed Fund Administrator" or "Appointed Trustee"); and
- (b) subject to Rules 12.3.2 and 12.3.3 ensure that there is appointed to the Fund an Eligible Custodian,

before commencing the management of that Fund.

Guidance

A Fund Manager of a Domestic Fund may be able to perform fund administration for the Fund in circumstances where risk management and portfolio functions are adequately separated (Rule 12.3.10).

12.3.8 For the purposes of these Rules, an Eligible Custodian is a ~~Person who~~ person that is a separate legal entity from the Fund Manager and ~~who that~~ also meets one or more of the following criteria:

- (a) an Authorised Person whose Financial Services Permission authorises it to Provide Custody Services;
- (b) an Authorised Person that is a Bank;
- (c) a Recognised Body or Remote Body;
- (d) a legal entity that is authorised and supervised by a Non-ADGM Financial Services Regulator in a Recognised Jurisdiction for ~~providing custody services~~ Providing Custody in respect of a Fund and is subject to a minimum capital requirement of US\$4 million or its equivalent in any other currency at the relevant time and has had surplus revenue over expenditure for the last two financial years;
- (e) a legal entity where it, or its holding company, is:
 - (i) in respect of its financial strength, rated or graded as at least "investment grade" by Moody's, Fitch or Standard & Poor's or such other international rating agency as may be recognised by the Regulator; and
 - (ii) authorised and supervised by a Non-ADGM Financial Services Regulator in another jurisdiction ~~which that~~ is a Zone 1 country; or

Appendix 2

- (f) a legal entity that is authorised or recognised by a ~~Financial Services Non-ADGM~~ Regulator to operate as an exchange or a clearing house in a Recognised Jurisdiction;
- (g) a legal entity that is and remains:
 - (i) controlled and wholly owned by one or more of the national governments of the six member states of the Gulf Cooperation Council;
 - (ii) authorised and supervised by a ~~Financial Services Regulator or Central Bank~~ financial services regulator or central bank of at least one of the said national governments; and
 - (iii) rated or graded as at least "investment grade" by Moody's, Fitch or Standard & Poor's or such other international rating agency as may be recognised by the Regulator; or
- (h) any other legal entity otherwise acceptable to the Regulator¹.

Guidance

Where an Eligible Custodian is also an Authorised Person, relevant Rules in COBS Chapters 15 and 16 apply.

...