

Asset Management supplement form

This supplement form must be submitted by applicants applying to conduct one or both of the Regulated Activities¹ of Managing Investments or Managing a Collective Investment Scheme. These are defined in Schedule 1 of the AIFC General Rules.

In addition to this supplement you² will also have to complete the *Application for a Licence to carry on Regulated Activities* form. Depending on the suite of Regulated Activities your firm will be offering, there might be other forms or supplements that need to be completed and submitted. Where you believe a question in this supplement may have already been answered in the *Application for a Licence to carry on Regulated Activities* form or other forms then you may provide an unequivocal cross reference to the relevant section.

To assist you in completing this form we occasionally make reference to various Rules, sections, or chapters of the various modules which make up the AIFC Rules. However, these references are provided only as a guide and are not an exhaustive list of the Rules that may be applicable to your situation. It is your responsibility to research any Rules that might be pertinent to your application.

Do not leave any response-cells empty. If a question we ask does not pertain to your intended Regulated Activities respond to that effect in the cell. If it is more appropriate to answer certain questions in an attachment then indicate in the cell that that is the case. The use of acronyms is to be avoided. If you do need to use acronyms then they must be defined.

As a matter of good practice, and to avoid any confusion, words and terms that are defined in GLO should have their first letter in upper-case.

Ensure that that you are using the latest version of this application form. AFSA will only accept out-of-date forms if they are submitted within one month of the latest version available on our website.

You are advised to retain a copy of the form and all relevant attachments for the records.

¹ Terms defined in the Glossary (GLO) or the glossary sections in the Rules are identified by the capitalisation of the initial letter of a word or of each word in a phrase, unless the context otherwise requires the word to have its natural meaning.

² The terms “you” and “your” as used throughout are not implied in the personal sense, but rather refer to the applicant applying for a Licence to carry on Regulated Activities. The terms “we” and “our” refer to the AFSA.

1. Declaration by the applicant

1.1 I declare that, to the best of my knowledge and belief, having made due inquiry, the information given in this form, the supplements and documents attached, as well as any applicable supporting documents, is complete and correct. I understand that it may be a breach of Article 119(e) of the AIFC Framework Regulations to provide to the AFSA any information which is deceptive, misleading or dishonest.

1.2 I declare my understanding that the AFSA may request more detailed information (including but not limited to, personal educational, employment and financial information) should it be deemed necessary to adequately assess the fitness and propriety of the firm or any person connected to the firm. I consent to the AFSA contacting any previous employers, educational institutions, professional organisations or any other organisation, to verify any information contained in this form.

1.3 I confirm that I have the authority to make this application, to declare as specified above and sign this form for, or on behalf of, the applicant. I also confirm that I have authority to give the consent specified above.

1.4 I understand that any personal data provided to the AFSA will be used to discharge its regulatory functions under the AIFC Data Protection Regulations, and other relevant legislation and may be disclosed to third parties for those purposes.

1.5 I confirm that all documents submitted as part of this application, whether physical or electronic, become property of the AFSA.

Signature of Director/Partner of the applicant³

Date

Enter the name and position or title of the above signed Director/Partner of the applicant:

³ Or the person who will be authorised by the entity once it has been incorporated or established.

2. Business model and investment strategy

2.1 Indicate the nature or type of asset management activity(s) or services you will be undertaking:

Segregated mandate:		Collective investment fund:	
Hedge fund:		Private equity:	
Fund of funds:		Venture capital:	
External asset management:		Multi-family office:	
Others (specify):	[Insert text here]		

2.2 Provide details of the projected number of Clients and estimated value of assets under management (AUM) to the end of year one:

[Insert text here]

2.3 Provide the estimated percentage of your target Clients based on the expected AUM:

<i>Type of Clients</i>	<i>% of total clients</i>	<i>% of total AUM</i>
Retail Clients:		
Professional Clients:		
Market Counterparties:		

2.4 Provide the estimated percentage of AUM based on the types of structure used:

<i>Type of Account</i>	<i>%</i>
Segregated / Individual Client investment accounts:	Discretionary:
	Non-discretionary:
Collective investment fund:	Domestic Funds:
	Foreign Funds:
<i>Other structures (specify):</i>	
<i>[Add rows accordingly]</i>	
Total:	

2.5 If your firm is managing hedge funds or similar alternative investments, indicate the investment strategy or focus by placing a “Yes” in the appropriate cell:

Equities long/short:		Fixed income:	
Convertible:		Global macro:	
Distressed:		Volatility:	
Equities market neutral:		Credit focused:	
Fund of hedge funds:		Multi-strategies:	
Event driven/ Special Situation/ Merger arbitrage:			
Others (specify):	[Insert text here]		

2.6 Provide details of the underlying asset classes which the portfolio(s) will likely be invested in:⁴

[Insert text here]

2.7 Indicate the jurisdiction(s) where the following activities will be performed, if applicable:

<i>Activity Conducted</i>	<i>Country</i>	<i>Name of Entity</i>
Front Office		
Marketing / Client servicing:		
Research:		
Portfolio / Investment management:		
Trade execution and allocation:		
Middle / Back Office		
Compliance:		
Risk management:		
Asset valuation:		
Client reporting:		
Settlement:		
<i>Others (specify)</i>	<i>[Insert text here]</i>	

⁴ For example: equities, fixed income, debt, property, derivatives, and, if applicable, details of the products such as derivatives used only for hedging purposes.

3. Conduct of business

3.1 Indicate your approach or arrangement in handling Clients’ monies and assets:

<i>Your firm will have a contractual investment obligation to the client and the client’s account(s) is operated by a related party of your firm, for example, via an outsourcing arrangement:</i>	
<i>Your firm, on behalf of its clients, will operate a client’s account by authorising payments, transfers and/or initiating transactions:</i>	
<i>The director or representative of your firm will have a seat on the Board of any Fund(s) managed by the applicant or will be appointed to the investment committee of the Fund(s), and in their capacity as the Fund’s director or investment committee’s key decision maker, they have the authority to operate the Fund’s accounts:</i>	
<i>Others (specify):</i>	

3.2 Provide a description of your firm’s proposed custody and fund administration arrangements:

[Insert text here]

3.3 Describe your arrangements for ensuring best execution:⁵

[Insert text here]

3.4 Will you or any related parties co-invest with your Clients? If “Yes”, please describe how any conflicts or potential conflicts of interest will be managed:⁶

[Insert text here]

3.5 Describe your formal valuation arrangements of the portfolio(s) you will manage and how these are disclosed to Clients:

[Insert text here]

3.6 Describe how you will ensure and evidence that Client/Unitholder assessments and considerations of suitability are carried out:⁷

[Insert text here]

3.7 In conjunction with any risk management policy and procedures, provide a description of the risk management and investment strategy, explaining how it addresses inherent risks in the asset classes the portfolio(s) will be invested in:⁸

⁵ Refer to AIFC Collective Investment Scheme Rule 7.8 – Best execution and fair allocation.

⁶ Refer to AIFC Conduct of Business Rules, Chapter 7 – Conflicts of Interest.

⁷ Refer to AIFC Conduct of Business Rules, Chapter 5 – Suitability and Appropriateness.

[Insert text here]

- 3.8 Describe the arrangements for reconciling the proper exercise of discretionary management decisions and Client Transactions against the parameters set out in the investment mandate:

[Insert text here]

- 3.9 Describe how Senior Managers and the Board will ensure that personnel in Client-facing roles and those responsible for discretionary management decisions in relation to the management of portfolios are competent at performing their roles and will continue to maintain their knowledge and skills relevant to their roles:

[Insert text here]

⁸ Provide details of the risks inherent to any portfolio(s) you will manage including diversification, currency, types of investments, and the estimated proportion which will be represented by each type of investment. This should also be reflected in your risk management policy and procedures and be available for inspection if required.