



FINANCIAL SERVICES BOARD

PENSION FUNDS ACT, NO. 24 OF 1956

PENSION FUNDS ACT, 1956: REGULATION 28 OF THE REGULATIONS

MADE UNDER SECTION 36 OF THE ACT:

DRAFT CONDITIONS FOR INVESTMENT IN HEDGE FUNDS

I, Dube Phineas Tshidi, Registrar of Pension Funds, hereby, in terms of Regulation 28 of the Regulations made under the Pension Funds Act, 1956 (No. 24 of 1956), publish draft conditions with which pension funds must comply when investing in hedge funds, set out in the Schedule below.

DP TSHIDI

Registrar of Pension Funds

SCHEDULE

Conditions for investment in Hedge Funds

1. Definitions.

In this Schedule, “**the Act**” means the Pension Funds Act, 1956 (Act No. 24 of 1956), and “**Regulation 28**” means Regulation 28 of the Regulations published in terms of the Act and published under GNR.98 of January 1962, and any word or expression to which a meaning has been assigned in the Act or Regulation 28 has that meaning and, unless the context otherwise indicates;—

“**Collective Investment Schemes Control Act**” means the Collective Investment Schemes Control Act, 2002 (Act No. 45 of 2002);

“**Determination on the Requirements for Hedge Funds**” means the Determination on the Requirements for Hedge Funds made under sections 42, 90(2) and (4), and 114(4)(b) of the Collective Investment Schemes Control Act, published as Board Notice 52 of 2015 in Government Gazette 38540 of 6 March 2015;

“**Hedge Fund Declaration**” means the Declaration made by the Minister under section 63 of the Collective Investment Schemes Control Act, published as Government Notice 141 of 2015 in Government Gazette 38503 of 25 February 2015; and

“**manager**” means a manager as defined in the Collective Investment Schemes Control Act, who is authorised to administer a hedge fund.

2. Conditions

- (1) A fund may only invest in –
 - (a) a hedge fund contemplated in paragraph 2 of the Hedge Fund Declaration, which is administered by a manager who is registered under the Collective Investment Schemes Control Act and authorised to administer a hedge fund under that Act and in terms of the Determination on Requirements for Hedge Funds;
 - (b) a foreign hedge fund collective investment scheme portfolio if the manager or operator of the foreign collective investment scheme is approved in terms of section 65(1) of the Collective Investment Schemes Control Act; and
 - (c) a hedge fund asset contemplated the definition of a hedge fund in Regulation 28.

(2) A fund must ensure that the principles set out in Regulations 28(2) and 28(3)(d) and limits referred to in paragraph 8.1(a) of Table 1 of Regulation 28 are adhered to at all times.

3. Short title

This Notice is called the Conditions for Pension Fund Investment in Hedge Funds.

DRAFT