

**MUTUAL ASSISTANCE
ARRANGEMENT**

AUSTRALIA

**Australian Securities
Commission**

GUERNSEY

**Guernsey Financial Services
Commission**

London

10 June 1996



Arrangement for Mutual Assistance between the Australian Securities Commission and the Guernsey Financial Services Commission

1. The Australian Securities Commission (ASC) has approved Guernsey Class A1 collective investment schemes under its policy on Foreign Collective Investment Schemes (schemes). As part of this policy, the ASC has reached an understanding with the Guernsey Financial Services Commission (GFSC) for co-operation and the exchange of information regarding these schemes.

2. In the recognition of Class A1 schemes regulated in Guernsey, the ASC has particularly focussed on:
 - * the comparability of investor protection;
 - * the role and functions of the GFSC as the regulator of such schemes, including its ability to verify information provided to the ASC by those schemes and to notify the ASC of any serious adverse event which might justify the ASC's withdrawing a scheme's recognised status;
 - * information provided directly to it by scheme managers.

3. Accordingly, regarding Guernsey Class A1 schemes, the GFSC will:
 - (a) respond to all reasonable requests made by the ASC for information regarding the relevant scheme to the extent that such information is available and can be disclosed;
 - (b) to the extent to which it is aware, notify the ASC of:
 - (i) the conduct and nature of any enquiry or investigation into suspected significant or material* breaches of the law affecting the scheme;
 - (ii) any suspension of the right of investors to redeem or repurchase securities of the scheme;
 - (iii) any failure by the scheme to comply with the applicable laws or rules of conduct which in the opinion of the GFSC may have a serious adverse affect on investors;
 - (iv) criminal charges that have been laid regarding money related matters, or that any regulatory action has been taken in Guernsey (or other jurisdictions) against the scheme, its directors, executive officers, trustee or manager;

- (v) the outcome of any action referred to in subparagraphs (i)-(iv) above;
- (c) report to the ASC on the outcome of supervision visits on managers and trustees of schemes which are recognised by the ASC, and, in particular cases where the ASC has requested a surveillance visit, assist the ASC by conducting such a visit;
 - (d) prevent disclosure of information provided to it by the ASC unless such disclosure is in accordance with Guernsey law and until the ASC has been informed of the matter and its views about the contemplated disclosure obtained.
4. The ASC will, subject to section 127 of the ASC Law:
- (a) where a scheme has applied for relief from the various provisions of the Corporations Law, notify the GFSC of the application and seek verification of information provided by the scheme manager. This may include verification of a scheme's authorised status; its constituent documents; parties to the scheme (including trustee and manager) and any other material information;
 - (b) to the extent to which it is aware, notify the GFSC of:
 - (i) the conduct and nature of any enquiry or investigation into suspected significant or material* breaches of the law affecting the scheme;
 - (ii) any suspension of the right of investors to redeem or repurchase securities of the scheme;
 - (iii) any failure by the scheme to comply with the applicable laws or rules of conduct which in the opinion of the ASC may have a serious adverse affect on investors;
 - (iv) criminal charges that have been laid regarding money related matters, or that any regulatory action has been taken in Australia (or other jurisdictions) against the scheme, its directors, executive officers, trustee or manager;
 - (v) the outcome of any action referred to in subparagraphs (i)-(iv) above;
 - (c) not disclose information provided to it by the GFSC unless such disclosure is in accordance with the ASC Law and until the GFSC has been informed of the matter and its views about the contemplated disclosure obtained.
5. For any matters which arise under this Arrangement, the following contact persons have been nominated :

Director, Regulatory Policy Branch
Office of the Chairman
Australian Securities Commission
Level 16
The Chifley Tower
2 Chifley Square
SYDNEY 2001 AUSTRALIA

Superintendent of Investment Business
Guernsey Financial Services Commission
Valley House
Hirzel Street
St. Peter Port
Guernsey
CHANNEL ISLANDS GY1 2NP

* significant or material breaches shall be defined as those which adversely affect the interests of investors in the scheme or those breaches which are less serious but are recurring.

Dated 10 June 1996
London



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Alan Cameron
Chairman
Australian Securities Commission



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Peter Morgan
Chairman
Guernsey Financial Services Commission