

MUTUAL ASSISTANCE ARRANGEMENT

AUSTRALIA

**Australian Securities
Commission**

STATES OF JERSEY

**Financial Services
Department**

April 1997



Arrangement for Mutual Assistance between the Australian Securities Commission and the States of Jersey Financial Services Department regarding Jersey recognized schemes

1. The Australian Securities Commission (ASC) has approved Jersey recognized funds as 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 States of Jersey Financial Services Department (FSD) for co-operation and the exchange of information regarding these schemes.

2. In the recognition of Jersey recognized funds, the ASC has particularly focussed on:
 - * the comparability of investor protection;
 - * the role and functions of the FSD 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 these Jersey schemes, the FSD 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 FSD may have a serious adverse affect on investors;
 - (iv) criminal charges that have been laid regarding money related matters, or any regulatory action that has been taken in Jersey (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 or custodians 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 Jersey law and unless, except where the FSD is required by Jersey law to disclose such information, the prior consent of the ASC has been 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 FSD of the application and seek verification of information provided by the scheme manager. This may include verification of a scheme's recognised 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 FSD 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 any regulatory action that 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) prevent disclosure of information provided to it by the FSD unless such disclosure is in accordance with the ASC Law and unless, except where the ASC is required by Australian law to disclose such information, the prior consent of the FSD has been 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
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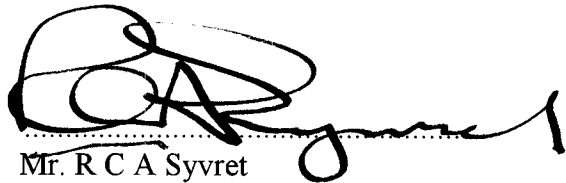
John C M Pallot, Deputy Director
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Cyril Le Marquand House
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JERSEY JE4 8TP, CHANNEL
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* significant or material breaches shall be defined as those which adversely affect the interests of investors in the scheme or those breaches which are less serious but are recurring.

Dated: 8 April 1997



Alan Cameron
Chairman
Australian Securities Commission



Mr. R C A Syvret
Director
Jersey Financial Services Department

22.4.97