

Collective Investment Schemes (Exemption) Regulations, 1999

IT is hereby notified that the Minister of Finance has, in terms of section 42 as read with paragraph (m) of subsection (2) of section 3 of the Collective Investment Schemes Act, 1997, made the following regulations:—

Title

1. These regulations may be cited as the Collective Investment Schemes (Exemption) Regulations, 1999.

Employee unit trust schemes exempted for purposes of Act

2. (1) An employee unit trust scheme shall not be a collective investment scheme for the purposes of the Act.

(2) For the purposes of subsection (1), an “employee unit trust scheme” means an arrangement the dominant purpose or effect of which is to enable the employees of a company or group of companies to participate in or receive profits or income arising from the acquisition, holding, management or disposal of the stock, shares or debentures of the company or group of companies concerned, where—

- (a) the stock, shares or debentures are held in trust for the employees; and
- (b) the arrangement has either or both of the following characteristics—
 - (i) the employees’ contributions, if any, and the profits and income out of which payments are to be made are pooled;
 - (ii) each employee has a right or interest, whether described as unit or otherwise, in the stock, shares or debentures of the company or group of companies concerned, which may be acquired or disposed of under the arrangement.