

Appendix 6

In this Appendix underlining indicates new text and striking through indicates deleted text.



The DFSA Rulebook

Collective Investment Rules

(CIR)

2 ARRANGEMENTS NOT CONSTITUTING A COLLECTIVE INVESTMENT FUND

2.1 Exclusions

2.1.1 Pursuant to Article 12 of the Law, the DFSA prescribes that an arrangement which otherwise amounts to a Collective Investment Fund as defined in Article 11 of the Law does not constitute a Collective Investment Fund if it falls within one or more of the exclusions specified in this chapter.

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Crowdfunding

2.1.18 An arrangement does not constitute a Collective Investment Fund if all of the following conditions are met:

- (a) the arrangement is entered into using a Property Investment Crowdfunding Platform, operated by a Crowdfunding Operator;
- (b) the arrangement involves multiple investors investing in an individual apartment, house or building that has a single discrete title deed;
- (c) all of the investors are Clients of the Crowdfunding Operator; and
- (d) the total consideration paid by all investors in the apartment, house or building is not more than \$5 million or an equivalent amount in another currency.

Guidance

An Investment made through an Investment Crowdfunding Platform (i.e. a platform that facilitates an investment in a business or a project rather than a property) is likely to fall within the exclusion in Rule 2.1.10.

2.1.19 An arrangement does not constitute a Collective Investment Fund if all of the following conditions are met:

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- (a) the arrangement is entered into using a Loan Crowdfunding Platform, operated by a Crowdfunding Operator;
- (b) the arrangement involves multiple lenders providing a loan to a borrower for a business or project;
- (c) all of the lenders are Clients of the Crowdfunding Operator;
- (d) the amount of the loan, the rate of return and the repayment period are fixed when the loan agreement is entered into; and
- (e) the total funding provided by all lenders to the borrower is not more than \$5 million or an equivalent amount in another currency.

Employee Money Purchase Scheme

2.1.20 An arrangement does not constitute a Collective Investment Fund if all of the following conditions are met:

- (a) the arrangement is an Employee Money Purchase Scheme and the DFSA has approved that Scheme under COB Rule 12.2.2;
- (b) the Scheme is operated by an Authorised Firm that is authorised to Operate an Employee Money Purchase Scheme; and
- (c) the Scheme is administered by an Authorised Firm that is authorised to Act as the Administrator of an Employee Money Purchase Scheme.

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