



CIRCULAR NO: 2/2016

ADDRESSED TO: **COLLECTIVE INVESTMENT SCHEME
MANAGERS**

SUBJECT: **LOCAL INVESTMENT REQUIREMENT**

DATE: **28TH JANUARY 2016**

STATUTORY REFERENCE: **SECTION 71 (2) OF THE SECURITIES ACT, 2010**

This circular brings to the attention of all licenced Collective Investment Scheme Managers that in terms of section 71 of the Securities Act, 2010 the minimum requirement for local investment of the assets under management is **50% (fifty percent)**; therefore the act limits the investment of assets of a portfolio of investment scheme in foreign assets.

Due to the grandfathering approach that was adopted by the Capital Markets Department since its inception, the compliance with this section of the legislation was not enforced. Existing licence holders are, therefore, required to align their investment policies to the provisions of section 71 of the Securities Act. The effective date for full compliance with this particular section of the Act is the **31st March 2016**.

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SANDILE DLAMINI
CHIEF EXECUTIVE OFFICER