



OTP Bank Group

Market: Global

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Category: Market Announcements

Changes and amendments to the Alternative Investment Funds Act and Act on Open-Ended Investment Funds with a Public Offering

Summary:

Changes and amendments to the Alternative Investment Funds Act came into force in Croatia on 21 October 2021, harmonizing Croatian regulatory framework for capital market with EU legislation and ensuring regulatory relief with respect to reporting and economy alternative financing ways.

The main changes and amendments to the Act, among others reflect the following:

- prescribing new thresholds for small and medium-sized AIFMs;
- additional regulatory relief for small and medium-sized AIFMs - reducing the minimum share capital for small AIFMs and relief with respect to the appointment of management board members;
- change in the concept of authorization for the establishment of AIFs with private offering;
- a unique definition of qualified investors and enabling AIFM management board members and employees to invest in the AIF with private offering managed by that AIFM;
- changes regarding the depositary - enabling investment firms to be the depositaries of AIFs with private offering while fulfilling certain conditions and revoking the authorization for the selection of the depositary (obligation to inform HANFA is introduced);
- regulatory relief with respect to reporting; and
- prescribing that for AIFS offered to professional and/or qualified investors, the AIF costs and fees are governed by the rules of the AIF

Further changes and amendments of the following bylaws are expected within prescribed deadlines.



Global Securities Services

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On the same day, 21 October 2021, changes and amendments to the Act on Open-Ended Investment Funds with a Public Offering came into force. The amendments are brought forward to harmonize the Act with EU regulation 2019/1156 as of 20 June 2019, on facilitating cross-border distribution of collective investment undertakings, and with EU regulation 2019/2033 as of 27 November 2019, on the prudential requirements of investment firms. Among other amendments, the Act defines UCITS ETF in more details.

Impact: -

Required actions: -

Application date: -

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