

Appendix to Cabinet Resolution No. (96) of 2023
Concerning the Standards and Obligations of Investment Fund Service
Providers for the Alternative Voluntary End of Service System

First: The same provisions regarding investment policies and investment restrictions shall be applied to the fund licensed by the Authority in accordance with its applicable legislation and regulations.

Second: In addition to what was stated in the Authority BOD Resolution No. (01/RM) of 2023 regarding regulating investment funds, and what was stated in Chapter Two related to (Licensing and Accreditation) in the rules booklet for financial activities issued pursuant to the Authority BOD Chairman Decision No. (13/RM) of 2021, the minimum obligations shall be as follows:

1. Additional obligations of the fund manager:

- a. Provide a basic option for investment with capital guarantee.
- b. Provide an investment policy option that complies with the provisions of Islamic Sharia.
- c. The fund offering document and subscription form shall include terms, conditions, and principles that clearly define the rights and obligations of the employer and the beneficiary.
- d. The volume of funds and assets managed by the fund manager shall not be less than (1,000,000,000) billion Dirhams.
- e. Invest a percentage of the fund monetary in local investment products as determined by the Authority.
- f. Attach a statement stating that the Ministry does not object - when submitting a request to establish and licence the Fund to the Authority - regarding the structure of the Fund, the custodian, the administrative services provider, and those proposed to be appointed for the purposes of operating the Fund, and that they meet the standards and requirements set by the Ministry in this regard.
- g. Provide financial solvency or additional capital at a rate of no less than (2.5%) of the total funds that shall be invested in the fund and a maximum amount of (50,000,000) fifty million Dirhams.

- h. The fund manager shall have practised the activity of managing investment funds for a period of no less than (3) three years.
- i. Submit a letter of guarantee in the amount of (5) five million Dirhams in favour of the Authority and in accordance with the controls issued thereby in this regard. The Ministry may liquidate the guarantee when necessary in coordination with the Authority.
- j. Develop a system to address complaints related to the Fund submitted by employers or beneficiaries and notify the Authority or the Ministry - as the case may be - immediately of those complaints, along with attaching the procedures taken to address those complaints.
- k. Pay the total basic subscription amounts paid and any returns resulting therefrom to the beneficiary or those entitled thereof when such amounts are due in accordance with this resolution.
- l. Insurance on the basic subscription amounts paid by employers, and on the amounts due to beneficiaries, so that these amounts shall be fully covered by the insurance company.
- m. Invest the basic subscription amounts only in the areas determined by the provisions issued by the Authority.

2. Additional obligations of the Investment Funds Administrative Services Company:

- a. It shall have practised the activity of administrative services for investment funds for a period of no less than (3) three years.
- b. It shall provide account statements and periodic reports (at least semi-annually) to be sent to employers and beneficiary workers electronically or by any other method mentioned in the fund offering document. Provided that the report shall include a statement of the balance of their basic and voluntary subscription and the returns achieved on them during the subscription period.
- c. Provide financial performance reports, compliance reports, and required procedures to the Authority and the Ministry upon request.
- d. Provide customer service and receive complaints about end of service disputes from beneficiaries or employers, and settling them amicably before referring them to the competent authorities.

3. Additional obligations of the Custodian:

- a. The entity holding a custodian licence shall have a local bank licensed by the Central Bank, and its capital shall not be less than (3,000,000,000) three billion Dirhams.
- b. The volume of funds and assets whose safekeeping is supervised thereby shall not be less than (1,000,000,000) one billion Dirhams.
- c. It shall have practised the custodian activity for investment funds for a period of no less than (3) three years.
- d. Audit the annual reports, monitor the level of performance, follow up on the extent of the fund manager and the commitment of the investment funds administrative services company to implementing the relevant legislation in force, along with immediately notifying the Authority of any observations.
- e. Implement the directives of the Fund Manager and the Administrative Services Company to receive basic and voluntary subscription and pay the dues to the beneficiaries after auditing them and ensuring that they meet the required conditions and documents.
- f. Ensure that the decisions taken by the fund manager are made in interest of the beneficiaries only.

4. Approved financial free zone laws:

- a. The conditions and obligations set forth in this appendix shall be applied to the approved free zone laws in the manner specified by the Ministry and the Authority in the approval submitted.
- b. Any standards, conditions and obligations imposed on the free zone laws approved in accordance with sub-paragraph (A) above shall be implemented in coordination with the relevant authorities in the financial free zones to determine the standards and obligations to be supervised and implemented thereby on behalf of the Ministry and/or the Authority.