

## Executive Order on core tasks of investment associations, special-purpose associations, restricted associations, and investment management companies<sup>1)</sup>

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Executive Order no. 1176 of 5 December 2003 **EXCLUDING MINOR AMENDMENTS**

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The following shall be laid down pursuant to section 102(2) of Act no. 453 of 10 June 2003 on Financial Business and section 39(2) of Act no. 1169 of 19 December 2003 on Investment Associations and Special-Purpose Associations as well as other Collective Investment Schemes etc.:

**1.-(1)** The board of directors of an investment association or a special-purpose association may not decide that the association or its investment management company is to be permitted to delegate decisions on investment of the funds of the association or other core tasks.

**(2)** However, investment decisions for a limited part of the portfolio intended for investment on a geographically remote market or in special instruments, cf. section 3(1), no. 1 of the Investment Associations and Special-Purpose Associations as well as other Collective Investment Schemes etc. Act, may be delegated, providing the party receiving the delegated decision has special knowledge regarding the investments to be made.

**(3)** For the purpose of this Executive Order, core tasks, in addition to investment decisions, shall include

the day-to-day management of an association,  
calculating and setting the net asset value and the issue and redemption prices,  
checking compliance with the legislation,  
checking daily bookkeeping, and  
checking periodical reporting to the Danish FSA.

**2.** Any person violating section 1(1) and (3) shall be liable to a fine.

**3.** This Executive Order shall enter into force on 1 January 2004.

Danish Financial Supervisory Authority, 5 December 2003

Henrik Bjerre-Nielsen

/Malene Louise Dijohn

#### Official notes

<sup>1)</sup> This Executive Order contains provisions implementing Council Directive 85/611/EEC of 20 December 1985 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), (Official Journal 1985 L 375, p. 3), as partially amended by Directive 2001/107/EC of the European Parliament and of the Council of 21 January 2002 with a view to regulating management companies and simplified prospectuses, (Official Journal 2002 L 41, p. 20); and Directive 2001/108/EC of the European Parliament and of the Council of 21 January 2002 with regard to investments of UCITS (Official Journal 2002 L 41, p. 35); Council Directive of 22 March 1988 (Official Journal 1988 L 100, p. 31) (amended investment policies); and Directive 95/26/EC of the European Parliament and of the Council of 29 June 1995, (Official Journal 1995 L 168, p. 7) (reinforcing prudential supervision - the "post-BCCI" Directive).

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