
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations, which come into force on 1st January 1988, amend the Personal Equity Plan Regulations 1986 (“the Principal Regulations”).

Regulation 1 provides for the citation and commencement of the Regulations and regulation 2 contains definitions.

Regulation 3 amends Regulation 4 of the Principal Regulations to provide that a plan manager will be required to arrange for a plan investor to receive a copy of certain annual reports and accounts only if the plan investor so elects.

Regulation 4 amends Regulation 5 of the Principal Regulations. The effect of the amendment is to preclude a plan manager from purchasing from a plan investor, or the spouse of a plan investor, investments, or rights in respect of investments, for inclusion in the plan investor’s plan.

Regulation 5 amends Regulation 7 of the Principal Regulations so that a plan manager may retain cash in excess of the cash investment limit for 31 days instead of 28 days.

Regulation 6 inserts a new Regulation, Regulation 13A, in the Principal Regulations and makes minor consequential amendments to Regulations 4, 7, 12, 13 and 14 of those Regulations. The effect of the amendments is that in prescribed circumstances the cash investment and maximum investment limits may be exceeded where by virtue of a plan investor’s ownership of shares as plan investments the plan manager is entitled to subscribe for an issue of shares.

Regulation 7 amends Regulation 29 of the Principal Regulations so as to require a plan manager who, under the plan, may buy or sell investments at his own discretion to give to the plan investor once in every period of six months a written statement of his reasons for making a purchase or sale and for retaining an investment.