

**Collective Investment Schemes**

# Chapter 1

## Introduction

## 1.1 Applications and purpose

### Application

- 1.1.1 **G** (1) This sourcebook, except for ■ COLL 9 (Recognised schemes), applies to:
- (a) *investment companies with variable capital (ICVCs);*
  - (b) *ACDs, other directors and depositaries of ICVCs;*
  - (c) *managers and trustees of authorised unit trust schemes (AUTs);*
  - (cA) *authorised fund managers, depositaries and nominated partners of authorised contractual schemes (ACs); and*
  - (d) *to the extent indicated, UK UCITS management companies operating EEA UCITS schemes.*
- (2) ■ COLL 9 applies to *operators of schemes that are recognised schemes and to those seeking to secure recognised status for such schemes.*
- (3) ■ COLL 11.5 (Auditors) also applies to *auditors of master UCITS and feeder UCITS which are UCITS schemes.*
- (4) This sourcebook also applies to *EEA UCITS management companies of UCITS schemes to the extent required by the UCITS Directive.*
- (5) ■ COLL TP 1.1(48) contains transitional provisions that apply in relation to any *scheme that will need to become a regulated money market fund in accordance with the Money Market Funds Regulation, and which operates as a scheme prior to 21 July 2018.*

- 1.1.1A **R** This sourcebook does not apply to an *incoming ECA provider acting as such.*

### EEA territorial scope: compatibility with European law

- 1.1.1B **R** (1) The territorial scope of this sourcebook is modified to the extent necessary to be compatible with European law.
- (2) This *rule* overrides every other *rule* in this sourcebook.

### EEA UCITS management companies of UCITS schemes

- 1.1.1C **G** An *EEA UCITS management company* that is providing *collective portfolio management services for a UCITS scheme from a branch in the United Kingdom, or under the freedom to provide cross border services, is advised that where it operates a UCITS scheme as its designated management company, it meets the Glossary definition of an "ACD" of an ICVC or a*

"manager" of an *AUT* or an *authorised contractual scheme manager* of an *ACS*, which in either case is a *UCITS scheme*. Such *firms* should be aware that provisions in this sourcebook that apply to an *ACD*, a *manager* or an *authorised fund manager* of a *UCITS scheme* accordingly apply to them, unless otherwise indicated: see ■ COLL 12.3 (EEA *UCITS management companies*) for further details.

### Purpose

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- (1) The general purpose of this sourcebook is to contribute to the *FCA* meeting its *statutory objectives* of the protection of *consumers*. It provides a regime of product regulation for *authorised funds*, which sets appropriate standards of protection for investors by specifying a number of features of those products and how they are to be operated.
- (2) In addition, this sourcebook implements part of the requirements of the *UCITS Directive* to meet *EU law* obligations relevant to *authorised funds* and *management companies*, with other requirements implemented in other parts of the *Handbook*.

### UCITS management company and product passport

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■ COLL 12 provides for the application of *COLL* in relation to the *management company passport* under the *UCITS Directive*. It explains how the passporting regime applies to both *UK UCITS management companies* and *EEA UCITS management companies* when providing *collective portfolio management* services on a cross-border basis. It also explains how the product passport (for *UCITS*) operates and how *UCITS schemes* may be marketed in other *EEA States*.

### The Collective Investment Schemes Information Guide

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The Collective Investment Schemes Information Guide *COLLG* provides some general background material on the regulatory structure surrounding *scheme* regulation in the *UK*.