

**NEW COLLECTIVE INVESTMENT SCHEMES SOURCEBOOK  
(AMENDMENT NO 2) INSTRUMENT 2007**

**Powers exercised**

- A. The Financial Services Authority makes this instrument in the exercise of the powers and related provisions in or under:
- (1) the following sections of the Financial Services and Markets Act 2000 (“the Act”):
    - (a) section 138 (General rule-making power);
    - (b) section 140 (Restriction on managers of authorised unit trust schemes);
    - (c) section 156 (General supplementary powers);
    - (d) section 157(1) (Guidance);
    - (e) section 238(5) (Restrictions on promotion);
    - (f) section 242 (Applications for authorisation of unit trust schemes);
    - (g) section 247 (Trust scheme rules); and
    - (h) section 248 (Scheme particulars rules); and
  - (2) regulation 6 (FSA rules) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228).
- B. The rule-making powers listed above are specified for the purpose of section 153(2) (Rule-making instruments) of the Act.

**Commencement**

- C. This instrument comes into force on 6 May 2007.

**Amendments to the Handbook**

- D. The New Collective Investment Schemes sourcebook (COLL) is amended in accordance with the Annex to this instrument.

**Citation**

- E. This instrument may be cited as the New Collective Investment Schemes Sourcebook (Amendment No 2) Instrument 2007.

By order of the Board  
26 April 2007

## Annex

### Amendments to the New Collective Investment Schemes sourcebook (COLL)

In this Annex, underlining indicates new text and striking through indicates deleted text.

Table: contents of the prospectus

4.2.5 R ...

...	...
Allocation of payments	
14	If, in accordance with <del>COLL 6.2.19</del> <u>6.7.10R</u> (Allocation of payments to income or capital), the <i>authorised fund manager</i> ...
...	...

...

Guidance on spread: general

5.2.11A G ...

- (3) In applying the spread limit of 20% in value of *scheme property* which may consist of *deposits* with a single body, all uninvested cash comprising *capital property* that the *depository* holds should be included in calculating the total sum of the *deposits* held by it and other companies in its group on behalf of the *scheme*.

...

Spread: general

5.6.7 R ...

- (11) For the purposes of this *rule* a single body is:
- (a) in relation to *transferable securities* and money market instruments, the *person* by whom they are issued; and
  - (b) in relation to *deposits*, the *person* with whom they are placed.

Guidance on spread: general

5.6.7A G ...

(3) In applying the spread limit of 20% in value of *scheme property* which may consist of *deposits* with a single body, all uninvested cash comprising *capital property* that the *depository* holds should be included in calculating the total sum of the *deposits* held by it on behalf of the *scheme*.

...

Valuation and pricing guidance

6.3.6 G Table: This table belongs to COLL 6.3.2G(2)(a) and COLL 6.3.3R (Valuation)  
...

Valuation and pricing	
1	The valuation of scheme property
	...
(4)	For the purposes of (2) and (3), any fiscal charges, commissions, professional fees or other charges that were paid, or would be payable on acquiring or disposing of the <i>investment</i> or other part of the <i>scheme property</i> should, <u>in the case of a <i>single-priced authorised fund</i>, be excluded from the value of an <i>investment</i> or other part of the <i>scheme property</i>. In the case of a <i>dual-priced authorised fund</i>, any such payments should be added to the <i>issue</i> basis of the valuation, or subtracted from the <i>cancellation</i> basis of the valuation, as appropriate. Alternatively, the <i>prospectus</i> of a <i>dual-priced authorised fund</i> may prescribe any other method of calculating <i>unit prices</i> that ensures an equivalent treatment of the effect of these payments.</u>
	...

...

Replacement of a manager

6.5.7 R (1) The *manager* of an *AUT* is subject to removal by written notice by the *trustee* upon any of the following events:

...

(i) the *unitholders* of three quarters in value of all of the *units* ~~in~~ *existence* then *in issue* (excluding *units* held or treated as held by the *manager* or by any *associate* of the *manager*) making a request in writing to the *trustee* that the *manager* should be removed.

...

...

#### Qualified investor schemes: general

8.4.4 R The *scheme property* of a *qualified investor scheme* must, except where otherwise provided by the *rules* in this chapter, consist only of one or more of the following to which it is *dedicated*:

...

(2) an interest in an ~~*approved immovable*~~ immovable under *COLL* 8.4.11R (Investment in property), ~~provided the country or territory in which the land or building is situated is identified in the *prospectus*;~~

...