

**COLLECTIVE INVESTMENT SCHEMES SOURCEBOOK (CONSEQUENTIAL
AMENDMENTS NO 2) INSTRUMENT 2009**

Powers exercised

- A. The Financial Services Authority makes this instrument in the exercise of:
- (1) the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
 - (a) section 138 (General rule-making power);
 - (b) section 139 (Miscellaneous ancillary matters);
 - (c) section 156 (General supplementary powers);
 - (d) section 157(1) (Guidance);
 - (e) section 247 (Trust scheme rules); and
 - (f) section 248 (Scheme particulars rules); and
 - (2) regulation 6(1) (FSA rules) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228); and
 - (3) the other powers and related provisions listed in Schedule 4 (Powers exercised) to the General Provisions of the Handbook.
- B. The rule-making powers referred to above are specified for the purpose of section 153(2) (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force on 1 April 2009.

Amendments to the Handbook and related material

- D. The modules of the FSA Handbook of rules and guidance listed in column (1) below are amended in accordance with the Annexes to this instrument listed in column (2).

(1)	(2)
Glossary of definitions	Annex A
Senior Management Arrangements, Systems and Controls sourcebook (SYSC)	Annex B
Fees manual (FEES)	Annex C
Supervision manual (SUP)	Annex D
Collective Investment Schemes sourcebook (COLL)	Annex E
Credit Unions sourcebook (CRED)	Annex F
Electronic Money sourcebook (ELM)	Annex G
Listing Rules sourcebook (LR)	Annex H

Amendments to material outside the Handbook

- E. The Perimeter Guidance manual (PERG) is amended in accordance with Annex I to this instrument.

Citation

- F. This instrument may be cited as the Collective Investment Schemes Sourcebook (Consequential Amendments No 2) Instrument 2009.

By order of the Board
26 March 2009

Annex A

Amendments to the Glossary of definitions

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

<i>accounting reference date</i>	(1) (except in <i>COLL</i> and <i>CIS</i>): ... (2) (in <i>COLL</i> and <i>CIS</i>): ...
<i>accrual interval</i>	(in <i>COLL</i> and <i>CIS</i>) (in relation to an <i>authorised fund manager's</i> periodic charge) the interval specified in the <i>instrument constituting the scheme</i> over which the periodic charge accrues.
<i>accumulation share</i>	a <i>share</i> in respect of which income is credited periodically to <i>capital</i> under <i>CIS</i> 9.2.4R (Annual allocation to accumulation shares or accumulation units) or <i>CIS</i> 9.2.6R (Interim allocations of income).
<i>affected person</i>	(in <i>COLL</i> and <i>CIS</i>): ...
<i>annual accounting period</i>	(1) (in <i>CIS</i>) a period determined in accordance with <i>CIS</i> 9.2.1R (Accounting period) ; <u>[deleted]</u> (2) (in <i>COLL</i>): the period determined in accordance with <i>COLL</i> <u><i>COLL</i> 6.8.2R(3)</u> to <i>COLL</i> <u><i>COLL</i> 6.8.2R(7)</u> (Accounting periods).
<i>appropriate valuer</i>	(in <i>COLL</i> and <i>CIS</i>) a <i>person</i> who complies with the <i>requirements</i> of <i>COLL</i> 5.6.18R(7) (Investment in property); <u>or <i>COLL</i> 8.4.11R(4) (Investment in property)</u> or, as the case may be, <i>CIS</i> 5A.8.5R(7) (Approved immovables).
<i>approved bank</i>	(except in <i>COLL</i> and <i>CIS</i>) (in <i>COLL</i> and <i>CIS</i>) ...
<i>approved derivative</i>	(1) (in <i>COLL</i> and <i>CIS</i>)
<i>approved immovable</i>	an interest in any land or building which satisfies the conditions in <i>CIS</i> 5A.8.5R (Approved immovables).
<i>approved mortgage</i>	(in <i>COLL</i> and <i>CIS</i>) a mortgage:

	(a) which the trustee reasonably believes can be discharged on demand or within 28 days by repayment of all the money secured by the mortgage (including, where appropriate, any additional sum provided for under the mortgage); and
	(b) on which there is not secured any property, whether immediately or contingently, other than the approved immovable in question.
<i>approved security</i>	(1) (in COLL and CIS)
<i>authorised corporate director</i>	the director of an <i>ICVC</i> who is the <i>authorised corporate director</i> of the <i>ICVC</i> in accordance with <i>COLL</i> 6.5.3R (Appointment of an ACD) or, as the case may be, CIS 7.2.1R (The directors) including, if relevant, an <i>EEA UCITS management company</i> .
<i>authorised property unit trust</i>	(in LR) a unit trust scheme authorised by the FSA and which is a property scheme or an umbrella scheme each separate part of which would qualify as a property scheme if it were a separate authorised unit trust scheme.
<i>base currency</i>	(1) (in COLL and CIS)
<i>bearer certificate</i>	(in COLL and CIS) ...
<i>cancellation</i>	(in COLL and CIS) ...
<i>capital account</i>	(in COLL and CIS) ...
<i>capital property</i>	(in COLL and CIS) ...
<i>CIS</i>	the Collective Investment Schemes sourcebook.
<i>class</i>	(1) ... (2) (in COLL and CIS):
<i>class meeting</i>	(in COLL and CIS) ...
<i>close out</i>	(in COLL and CIS) ...
<i>collateral</i>	(1) (in COLL and CIS)

<i>currency class share</i>	(in relation to an <i>ICVC</i>) a <i>class of share</i> denominated in a currency that is not the <i>base currency</i> of the <i>ICVC</i> or, if permitted by <i>CIS 2.5.4R(1)</i> , (Currency class shares: requirements) denominated in the <i>base currency</i> .
<i>dealing day</i>	(in <i>COLL</i> and <i>CIS</i>) ...
<i>dealing period</i>	(in <i>COLL</i> and <i>CIS</i>) ...
<i>dedicated</i>	(in relation to <i>investments</i> of an <i>authorised fund</i>) intended that the holders should participate in or receive: <ul style="list-style-type: none"> (a) profits or income arising from the acquisition, holding, management or disposal of <i>investments</i> of the relevant description; or (b) sums paid out of profits or income in (a); or (c) other benefits where expressly permitted by a provision in <i>CIS COLL</i>.
<i>director</i>	(1) (except in <i>COLL</i> , <i>DTR</i> , <i>LR</i> , and <i>PR</i> and <i>CIS</i>) (2) (in <i>COLL</i> and <i>CIS</i>)
<i>distribution account</i>	(in <i>COLL</i> and <i>CIS</i>) the account to which the income property <i>income property</i> of an authorised fund <i>authorised fund</i> must be transferred as at the end of each annual accounting period <i>annual accounting period</i> under <i>COLL 6.8.3R</i> (Income allocation and distribution), or <i>COLL 8.5.15R</i> (Income) or, as the case may be, <i>CIS 9.2.3R</i> (Annual allocation of income).
<i>ECA Regulations</i>	the Open Ended Investment Companies (Investment Companies with Variable Capital) Regulations 1996 (SI 1996/2827) .
<i>eligible</i>	(in <i>COLL</i> and <i>CIS</i>) (in relation to a <i>securities</i> or a <i>derivatives</i> market) a market that satisfies the requirements in <i>COLL 5.2.10R</i> (Eligible markets: requirements), <i>CIS 5.2.12R</i> or <i>CIS 5A.3.3R</i> (Eligible markets: requirements) in relation to schemes falling under <i>COLL 5</i> , <i>CIS 5</i> or <i>COS 5A</i> respectively.
<i>eligible institution</i>	(in <i>COLL</i> and <i>CIS</i>)
<i>eligible investment trust</i>	an <i>investment trust</i> that satisfies the requirements of <i>CIS 5A.10.4R</i> (Feeder fund investing in a single eligible investment trust).

<i>extraordinary resolution</i>	(in <i>COLL</i> and <i>CIS</i>) ...
<i>feeder fund</i>	an <i>AUT</i> that is a <i>relevant pension scheme</i> and <i>dedicated to units</i> in a single <i>regulated collective investment scheme</i> or to shares or debentures of a single <i>eligible investment trust</i> .
<i>fund of funds scheme</i>	an authorised fund <i>dedicated to units</i> in a number of <i>regulated collective investment schemes</i> or sub-funds of one or more <i>regulated collective investment schemes</i> (or both).
<i>futures and options scheme</i>	an authorised fund <i>dedicated to derivatives</i> (where most or all of the transactions in <i>derivatives</i> are fully covered by cash, <i>securities</i> or <i>derivatives</i>), with or without <i>transferable securities</i> .
<i>geared futures and options scheme</i>	an authorised fund <i>dedicated to derivatives</i> (where most or all of the extent of the <i>investment</i> is limited by the amount of property available to put up as an <i>initial outlay</i>), whether with or without <i>transferable securities</i> .
<i>gross accumulation share</i>	(in <i>CIS</i>) a <i>share</i> in respect of which income is credited periodically to capital under <i>CIS</i> 9.2.4R (Annual allocation to accumulation shares or accumulation units) or <i>CIS</i> 9.2.6R (Interim allocations of income) but, in accordance with relevant law, without deduction by the <i>ICVC</i> of any income tax.
<i>half-yearly accounting period</i>	(in <i>COLL</i> and <i>CIS</i>) a period determined in accordance with <i>CIS</i> 9.2.1R(6) (Accounting period) or, as the case may be <i>COLL</i> 6.8.2R(2) (Accounting periods).
<i>income account</i>	(in <i>COLL</i> and <i>CIS</i>) ...
<i>income share</i>	a <i>share</i> in respect of which income is allocated periodically to <i>shareholders</i> under <i>CIS</i> 9.2.3R (Annual allocation of income) or <i>CIS</i> 9.2.6R (Interim allocations of income).
<i>initial offer</i>	(in <i>COLL</i> and <i>CIS</i>) an offer for sale of units <i>units</i> in an authorised fund <i>authorised fund</i> or in a <i>sub-fund</i> (otherwise than in accordance with <i>arrangements</i> of the type described in <i>COLL</i> 5.5.9R(3)(b)(iii) (Guarantees and indemnities) or, as the case may be, CIS 5.15.8R(3)(b)(iii) or (c) (Guarantees and indemnities)), where all or part of the consideration paid for the account of the authorised fund <i>authorised fund</i> for the units <i>units</i> is to be used to acquire the initial scheme property <i>scheme property</i> of the authorised fund <i>authorised fund</i> or the initial scheme property <i>scheme property</i> attributable to the sub-fund <i>sub-fund</i> .
<i>interim accounting period</i>	(in <i>COLL</i> and <i>CIS</i>) ...
<i>issuer</i>	(1) (except in <i>CIS</i> , <i>LR</i> , <i>PR</i> and <i>DTR</i>);

	...
	...
<i>limited issue share</i>	<p>a share of a class the issue of which is restricted by reference to:</p> <p>(a) the occasion or occasions on which shares of that class may be issued; or</p> <p>(b) the amount or value of shares that may be issued.</p>
<i>limited issue unit</i>	<p>a unit of a class the issue of which is restricted by reference to:</p> <p>(a) the occasion or occasions on which units of that class may be issued; or</p> <p>(b) the amount or value of units that may be issued.</p>
<i>margin</i>	(in COLL and CIS) ...
<i>money-market scheme</i>	<p>an authorised fund dedicated to:</p> <p>(a) deposits; and</p> <p>(b) debentures which are not transferable securities;</p> <p>whether with or without securities which are transferable securities.</p>
<i>net accumulation share</i>	(in relation to an ICVC) a share in respect of which income (net of any tax deducted or accounted for by an ICVC) is credited periodically to capital under CIS 9.2.4R (Annual allocation to accumulation shares or accumulation units) or CIS 9.2.6R (Interim allocations of income).
<i>notified point</i>	<p>a point that is within the two hours immediately following a valuation point and is notified in accordance with CIS 4.3.9R(3) (Issue of units to meet authorised fund manager's obligation to sell) or CIS 15.3.4R(4) (Issue of units: manager's instructions).</p>
<i>plan investor</i>	a person entered in the plan register under COLL 6.4.9R (Plan registers) or, as the case may be, CIS 6.5.4R (Requirement).
<i>plan register</i>	<p>(1) ...</p> <p>(2) (in relation to an AUT <u>AUT</u>) a sub-register <u>sub-register</u> to the register, which subregister <u>sub-register</u> records persons who subscribe to a group plan and for whom units <u>units</u> in the AUT <u>AUT</u> are held for the purposes of the plan by the plan manager or a nominee (other than any sub-register that has not been established and maintained in accordance with COLL 6.4.4R (Register <u>Register</u>: general requirements)).</p>

	requirements and contents) or, as the case may be, CIS 6.5.4R (Requirement) or for the establishment of which no payments are to be made out of the <i>scheme property</i>).
<i>plan shares</i>	shares entered in a plan register under CIS 6.5.4R(7) (Requirement).
<i>plan units</i>	units entered in a plan register under CIS 6.5.4R(12) (Requirement).
<i>property investment company</i>	(in CIS) a <i>body corporate</i> , a substantial activity of which relates to <i>permitted immovables</i> (whether by way of investing, dealing in, developing, redeveloping or refurbishing them and whether directly or indirectly).
<i>property related assets</i>	(in CIS): <ul style="list-style-type: none"> (a) shares, debentures or warrants which are issued by a property investment company; (b) certificates representing certain securities which confer rights in respect of investment within (a).
<i>property scheme</i>	(in CIS) an authorised fund dedicated to <i>permitted immovables</i> and <i>property related assets</i> , whether with or without <i>transferable securities</i>
<i>prospectus</i>	(1) ... <ul style="list-style-type: none"> (2) (except in <i>LR</i> and <i>PR</i>) (in relation to a collective investment scheme <i>collective investment scheme</i>) a document containing information about the scheme <i>scheme</i> and complying with the <i>requirements</i> in <i>COLL 4.2.5R</i> (Table: contents of the prospectus), <i>COLL 8.3.4R</i> (Table: contents of qualified investor scheme prospectus); <u>or</u> <i>COLL 9.3.2R</i> (Additional information required in the prospectus for an application under section 272) or, as the case may be, CIS 3 or CIS 17 applicable to a <i>prospectus</i> of a <i>scheme</i> of the type concerned.
<i>redemption charge</i>	an amount levied by the operator <i>operator</i> of a scheme <i>scheme</i> upon the redemption <i>redemption</i> of units <i>units</i> , in the case of an authorised fund <i>authorised fund</i> under: <ul style="list-style-type: none"> (a) <i>COLL 6.7.7R</i> (Charges on buying and selling units); or (b) CIS 8.2.7R (Redemption charge: ICVCs); or (c) CIS 8.5.2R (Redemption charge: single priced AUTs); or (d) <i>CIS 15.4.10R (Redemption charge).</i>
<i>register</i>	(1) ...

	(2) (in CIS) the register of holders kept under Schedule 3 to the OEIC Regulations or CIS 6.2.1R (Basic requirements) or, in relation to a collective investment scheme that is not an authorised fund, a record of the holders (other than of bearer certificates) of units in it. [deleted]
	(3) (in COLL) the register of <i>unitholders</i> ... of units <u>units</u> in it.
<i>sale</i>	(in COLL and CIS) ...
<i>scheme of arrangement</i>	(in COLL and CIS) an <i>arrangement</i> relating to an authorised fund <u>authorised fund</u> (“transferor fund”) or to a sub-fund <u>sub-fund</u> of a <i>scheme</i> that is an <i>umbrella</i> (“transferor <i>sub-fund</i> ”) under which:
	(a) either:
	(i) all or part of the property of the transferor fund, or all or part of the property attributed to the transferor sub-fund <u>sub-fund</u> , is to become the property of one or more <i>regulated collective investment schemes</i> (“transferee schemes <u>schemes</u> ”); or
	(ii) all or part of the property attributed to the transferor sub-fund <u>sub-fund</u> is to become part of the property attributed to one or more other <i>sub-funds</i> of the same <i>umbrella scheme</i> (“transferee sub-funds <u>sub-funds</u> ”); and
	(b) holders of <i>units</i> in the transferor fund or transferor sub-fund <u>sub-fund</u> , the property of which is being transferred or reattributed under (a), are to receive, in exchange for their respective interests in that property, either:
	(i) <i>units</i> in the transferee scheme <u>scheme</u> or one or more of the transferee schemes <u>schemes</u> , to which the property is transferred; or
	(ii) <i>units</i> in the transferee sub-fund <u>sub-fund</u> or one or more of the transferee sub-funds <u>sub-funds</u> , to which the property is reattributed.
<i>securities scheme</i>	an authorised fund dedicated to transferable securities, excluding an authorised fund which is a feeder fund, a fund of funds scheme or a warrant scheme.
<i>shareholder</i>	(1) (in relation to an <i>ICVC</i> , and subject to CIS 11.2.2R (Special meaning of shareholder)):
	...
	...
<i>standing independent valuer</i>	the person appointed as such under <i>COLL 5.6.20R</i> (Standing independent valuer and valuation) and <i>COLL 8.4.13R(1)</i> (Standing independent valuer and valuation) or, as the case may be, CIS

~~12.3.1R (Standing independent valuer).~~

<i>transferable security</i>	(1) ... (2) (in <i>COLL</i> and <i>CIS</i>) an investment within <i>COLL</i> 5.2.7R (transferable Transferable securities), CIS 5.2.9R (Transferable securities) or, as the case may be, CIS 5A.2.9R (Transferable securities) in relation to schemes falling under <i>COLL</i> 5, CIS 5 or <i>CIS 5A</i> respectively. ...
<i>trust deed</i>	(1) ... (2) (in <i>COLL</i> and <i>CIS</i>) the deed referred to in COLL <u><i>COLL</i> 3.2.3R</u> (The trust deed for AUTs) or, as the case may be, CIS 2.2.5R (The trust deed for AUTs), together with any deed expressed to be supplemental to it, made between the manager <u><i>manager</i></u> and the trustee <u><i>trustee</i></u> (or, in the case of a recognised scheme <u><i>recognised scheme</i></u> that is a unit trust scheme <u><i>unit trust scheme</i></u> , the instrument constituting the scheme <u><i>instrument constituting the scheme</i></u> as amended from time to time).
<i>trust scheme rules</i>	rules in <i>COLL</i> and <i>CIS</i> made by the FSA under section 247(1) of the Act <u><i>Act (Trust scheme rules</i></u> <u><i>Trust scheme rules</i></u>) ...
<i>umbrella</i>	(in <i>FEES</i> , <i>COLL</i> , <i>CIS</i> and <i>COBS</i>) ...
<i>umbrella scheme</i>	(in <i>CIS</i>) an authorised fund that is an umbrella except in <i>CIS</i> 2.1 and <i>CIS</i> 5A where such a reference is to a scheme authorised as the type of scheme under CIS 21.1.4R(10) (Types of authorised fund).
<i>units in existence</i>	(in <i>CIS</i>) (in relation to an AUT) all units which are in issue and any units which the trustee is obliged to issue, less any units which the trustee is obliged to cancel.
<i>valuation point</i>	(in <i>COLL</i> and <i>CIS</i>) a valuation point fixed by the authorised fund manager <u><i>authorised fund manager</i></u> for the purpose of COLL <u><i>COLL</i> 6.3.4R</u> (Valuation points), COLL or <u><i>COLL</i> 8.5.9R</u> (Valuation, pricing and dealings <u><i>dealing</i></u>), CIS 4.8.5R (Regular valuation points), CIS 4.8.6R (Additional valuation points) or <i>CIS</i> 15.8.3(1) or 2(R) (Frequency of valuation).
<i>warrant scheme</i>	an authorised fund which invests entirely in warrants.

Annex B

Amendments to the Senior Management Arrangements, Systems and Controls sourcebook (SYSC)

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

3.2 Areas covered by systems and controls

...

The compliance function

...

- 3.2.8 R (1) ...
- (2) In ~~SYSC 3.2.8R~~(1) “compliance” means compliance with the *rules* in:
- (a) ...
- (b) COLL (New Collective Investment Schemes sourcebook) and ~~CIS (Collective Investment Schemes)~~; and
- ...

Annex C

Amendments to the Fees manual (FEES)

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

3 Application, Notification and Vetting Fees

3.1 Introduction

3.1.5 G (1) ...

(2) ... This fee is adjusted when the *scheme* concerned is an *umbrella scheme*.

...

...

3 Annex 2R Application and notification fees payable in relation to collective investment schemes

Legislative provision	Nature and purpose of fee	Payable by	Amount of fee	Umbrella scheme factor (note 1)
Part 1 Application fees payable for firms to be subject to CIS [deleted]				
Regulation 12 of the <i>OEIC Regulations</i>	On application for an order declaring a <i>scheme</i> to be an <i>ICVC</i>	An applicant	£1,200	2-[deleted]
Section 242 of the <i>Act</i>	On application for an order declaring a <i>scheme</i> to be an <i>AUT</i>	An applicant	£1,200	2-[deleted]
Section 272 of the <i>Act</i>	On application for an order declaring a <i>scheme</i> to be an individually recognised overseas <i>scheme</i>	An applicant	£14,000	2-[deleted]
Part 2 Application fees payable for firms to be subject to <i>COLL</i>				
Regulation 12 of the <i>Act</i> <u><i>OEIC</i></u>

<u>Regulations</u>				
...				

Notes:

1 For an *umbrella scheme* the fee is multiplied by the factor shown in the final column of the table.

...

4 Annex 4R Periodic fees in relation to collective investment schemes ...

...

Fees are charged according to the number of funds or ~~sub-funds~~ *sub-funds* operated by a *firm* as at 31 March 2008 ~~2008~~ 2009. Where a new *collective investment scheme* becomes authorised during a year, fees are charged according to the number of funds or ~~sub-funds~~ *sub-funds* operated by a *firm* as at the date of authorisation. Where more than one fund or ~~sub-fund~~ *sub-fund* is operated, the number of funds (not including the ~~umbrella~~ *umbrella* or parent fund) produces a ‘fund factor’ in accordance with the table above, which is then applied to a basic fee to produce one total fee per ~~operator~~ *operator*. Fund factors are applied per ~~operator~~ *operator* rather than per ~~scheme~~ *scheme* so that the fees relate to the number of funds rather than the number of ~~schemes~~ *schemes*. This means that, for example, an ~~authorised fund manager~~ *authorised fund manager* of three ~~schemes~~ *schemes* pays the same as an ~~operator~~ *operator* or ~~authorised fund manager~~ *authorised fund manager* of one ~~scheme~~ *scheme* with three ~~sub-funds~~ *sub-funds* (as only the ~~sub-funds~~ *sub-funds* are counted).

~~Schemes~~ *Schemes* set up under section 264 of the *Act* are charged according to the number of funds or ~~sub-funds~~ *sub-funds* which a *firm* is operating...

Annex D

Amendments to the Supervision manual (SUP)

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

1 **The FSA’s approach to supervision**

...

1.2.2 G ... For *UCITS qualifiers* see also *COLLG*, and ~~*CIS 2.3*~~, ~~*CIS 16*~~ and ~~*CIS 17*~~.

...

6 **Applications to vary and cancel Part IV permission**

...

6.1.2 G If appropriate, a *firm* which is ~~the manager of a *collective investment scheme*~~
an *authorised fund manager* should also refer to *COLL 7* and ~~*CIS 14*~~ for
guidance on the termination of *ICVCs* and *AUTs* and on winding up
~~schemes~~ *authorised funds* that are not commercially viable.

...

8 **Waiver and modification of rules**

...

Waiver of rules in ~~*CIS*~~ *COLL*

8.2.3 G Section 250 of the *Act* and regulation 7 of the *OEIC Regulations* allow the
FSA to *waive* the application of certain *rules* in *COLL* and ~~*CIS*~~ to:

...

...

8.6.4 G In making *waiver* applications under section 250 of the *Act* or regulation 7
of the *OEIC Regulations*, *SUP* 8.6.2G(2) should be read in application to
rules in *COLL* ~~or *CIS*~~ as if the word “commercial” were omitted.

...

13 **Exercise of passport rights by UK firms**

...

13.1.3 G This chapter does not apply to:

...

- (4) the marketing of a *UCITS scheme* by its operator in another *EEA State* under the *UCITS Directive* (see *COLLG 2.1.8G* and ~~*CIS 2.3.4G*~~).

...

13A Qualifying for authorisation under the Act

...

13A.3.14 G A *UCITS qualifier* should refer to *COLLG* or to the following sections of ~~*COLL* and *CIS*~~ for requirements for ~~recognised schemes~~ recognised schemes:

- (1) ~~*COLL 9.2.1G* and *CIS 16.1.8G*~~ for *guidance* on notifications;
- (2) ~~*COLL 9.2.1G* and *CIS 17.2*~~ for *guidance* on information and documentation requirements; and
- (3) ~~*COLL 9.4* and *CIS 17.4*~~ which includes ~~*guidance rules*~~ *guidance rules* on what facilities need to be maintained.

...

13A Annex 1G Application of the Handbook to Incoming EEA Firms

...		
(1) Module of Handbook	(2) Potential application to an incoming EEA firm with respect to activities carried on from an establishment of the firm (or its appointed representative) in the United Kingdom	(3) Potential application to an incoming EEA firm with respect to activities carried on other than from an establishment of the firm (or its appointed representative) in the United Kingdom
...		
<i>COLL</i> and <i>CIS</i>	<i>COLL</i> and <i>CIS</i> apply if the <i>firm</i> :
...		
...		

...

14 Incoming EEA firms changing details, and cancelling qualification for authorisation

...

14.1.2 G *SUP* 14.6 (Cancelling qualification for authorisation), which sets out how to cancel qualification for *authorisation* under the *Act*, also applies to:

(1) ...

(2) a *UCITS qualifier* that is an *authorised person* under Schedule 5 to the *Act*; a *UCITS qualifier* should, however, refer to ~~*COLL* 9.4.2R~~ *COLLG* 3.1.11G and ~~*CIS*~~ for full details of applicable *rules* and *guidance*.

...

14.6.11 G ... *UCITS qualifiers* should also refer to *COLLG* 3.1.11G and ~~*CIS* 17.4.8G~~ (Revocation of recognition: ~~Schemes recognised under section 264 of the *Act* of overseas schemes (section 279)~~).

...

15 Notifications to the FSA

...

15.8.7 G A *UCITS management company* which delegates any of its functions to a third party must, as well as complying with ~~*SUP* 15.8.4G~~ *15.8.6R*, comply with the requirements in ~~*COLL* 6.6.15R(2), *CIS* 7.6.1R(2) or *CIS* 7.10.4R(1)~~ as appropriate.

...

16 Reporting requirements

...

16.6.8 R (1) The report from a *trustee* of an *AUT* to the *FSA* must state, in relation to the *manager* of each *AUT* for which it is a *trustee*, the number of times during the quarter in which facts came to the *firm's* knowledge from which it appeared, or might have appeared, that the *manager* had failed (materially or otherwise) to:

(a) give correct instructions to the *trustee* to create or cancel *units* in the *AUT* when the *manager* should have done so, and the error:

(i) ...

(ii) was not corrected in accordance with the *FSA's* *guidance* as set out in ~~*COLL* 6.2.12G or *CIS* App~~ as the case may be;

(b) price *units* in the *AUT* in accordance with ~~*COLL* 6.2 6.3 or *CIS* 4~~ as the case may be for single priced *AUTs* and ~~*CIS* 15~~

for dual-priced AUTs, ...

...

(2) The report from a *depository* of an *ICVC* to the *FSA* must state, in relation to the *authorised corporate director* of each *ICVC* for which the *firm* is a *depository*, the number of times during the quarter in which facts came to the *firm's* knowledge from which it appeared, or might have appeared, that the *authorised corporate director* had failed (materially or otherwise) to:

(a) arrange for the ~~issue~~ *issue* or cancellation of *shares* in the *ICVC* when the *authorised corporate director* should have done so, and the error:

(i) ...

(ii) was not corrected in accordance with the *FSA's* guidance as set out in *COLL 6.2.12G* ~~or *CIS App*~~ as the case may be;

(b) price *shares* in the *ICVC* in accordance with *COLL 6.3* ~~or *CIS 4*~~ for *ICVCs* as the case may be, ...

...

...

...

Appendix 1 Prudential categories and sub-categories

App 1.3.1G Prudential categories and sub-categories used in the Prudential sourcebooks and the Supervision manual

<i>Prudential categories</i> (note 1)	Applicable prudential requirements (Note 2)	Prudential sub-categories
...		
<i>ICVC*</i>	None, but see <i>COLL</i> and <i>CIS</i>	
...		
...		

...

Sch 2 Notification requirements

...

Sch 2.2

Handbook reference	Matter to be notified	Contents of notification	Trigger event	Time allowed
...				
SUP 16.6.6R	Reporting – compliance reports – trustee <u>trustee</u> of an AUT	<p>...</p> <p>(a) give correct instructions to the <i>trustee</i> to create or cancel <i>units</i> in the AUT when the <i>manager</i> should have done so, and the error:</p> <p>(i) resulted in...the cancellation <u>cancellation</u> of too many <i>units</i>;</p> <p>...</p> <p>(ii) was not corrected in accordance with the FSA's <i>guidance</i> as set out in COLL 6.2.12G and CIS App 1;</p> <p>(b) price unit price <u>units</u> in the AUT in accordance with COLL 6 and CIS 4 for single priced <u>AUTs</u> and CIS 15 for dual priced <u>AUTs</u>, ...</p> <p>(i) greater than 0.5% of the price <u>price</u> of a unit...</p> <p>(ii) less than 0.5% of the price <u>price</u> of a <i>unit</i>...</p>
SUP 16.6.6R	Reporting – compliance reports – <i>depository</i> of an ICVC	<p>...</p> <p>(a) arrange for the issue <u>issue</u> or cancellation of <i>shares</i> in the ICVC when the</p>		

		<p><i>authorised corporate director</i> should have done so, and the error:</p> <p>(i) ...</p> <p>(ii) ... as set out in <i>COLL 6.2.12G</i> and;</p> <p>(b) price <i>shares</i> in the <i>ICVC</i> in accordance with <i>COLL 6</i> and <i>CIS 4</i> for <i>ICVCs</i>, ...</p>		
...				

Annex E

Amendments to the Collective Investment Schemes sourcebook (COLL)

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

6.6 Powers and duties of the scheme, the authorised fund manager, and the depositary

...

- 6.6.16 G (1) ~~SYSC 4.1 (General requirements and *Directors of an ICVC, authorised fund managers and depositaries* should also have regard to SYSC 8 (outsourcing Outsourcing)) contain guidance relating to delegation, including external delegation.~~ SYSC 8.1.6R states that a firm remains fully responsible for ~~dis~~ disclosing discharging all of its obligations under the ~~regulatory system~~ regulatory system even if it outsources crucial or important operational functions or any relevant services and activities.

...

...

8.5 Powers and responsibilities

...

- 8.5.6 G *Directors of an ICVC, authorised fund managers and depositaries* should also have regard to SYSC 8 (Outsourcing) ~~contains guidance relating to delegation including external delegation, and.~~ SYSC 8.1.6R states that a firm remains fully responsible for discharging all of its obligations under the *regulatory system* if it outsources crucial or important operational functions or any relevant services and activities.

...

TP 1 Transitional provisions

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
	Extra time provisions				
	Existing schemes electing to comply with COLL				

1	Each and every rule in COLL	R	The rules in COLL do not apply to any relevant party in relation to an authorised fund in respect of which an application for an authorisation order was received by the FSA before 1 April 2004, unless the authorised fund manager of the scheme has exercised its right of election on behalf of the scheme to comply with COLL, instead of CIS, in accordance with CIS 1.1.1AR (Right to elect to comply with COLL).	From 1 April 2004 to 12 February 2007 Expired	1 April 2004 [deleted]
1A	Each and every rule rule in COLL	R	The rules in COLL do not apply to any relevant party in relation to an authorised fund where the winding up of the fund has commenced before 12 February 2007, provided that each relevant party shall continue to comply with the provisions of CIS as if they still applied to them.	From 12 February 2007	12 February 2007
2	Each and every rule in COLL	G	The effect of transitional provision 1 is that the default position for the relevant parties of existing authorised funds (by which is meant authorised funds in respect of which the application for the authorisation order was received by the FSA before 1 April 2004) is that CIS continues to apply until 12 February 2007 unless the relevant authorised fund manager has exercised its right of election in accordance with CIS 1.1.1AR to comply with COLL, instead of CIS. [deleted]	<u>Expired</u>	
New schemes electing to comply with CIS					
3	Each and every	R	(1) The authorised fund	From 1 April	1 April 2004

	<i>rule in COLL</i>	<p>manager of an authorised fund whose authorisation order application was received by the FSA on or after 1 April 2004 may, with the consent of each of the other relevant parties:</p> <p>(a) elect to comply with CIS; and</p> <p>(b) subsequently revoke such an election and elect to comply with COLL in which case no further election is permitted for that fund.</p> <p>(2) An election or revocation in (1) does not take effect unless the authorised fund manager has notified the FSA in writing of:</p> <p>(a) the election or revocation;</p> <p>(b) the date from which it is to take effect.</p> <p>(3) While an election in (1)(a) remains in effect, COLL does not apply to any relevant party in respect of the authorised fund. Instead, each relevant party must comply with CIS.</p> <p>(4) The right of election referred to in (1) only applies in relation to an authorised fund which is a UCITS scheme, a money market scheme, a futures and options scheme, a geared futures and options scheme, a property scheme, a feeder fund or a fund of funds scheme.</p> <p>(5) The authorised fund manager must make a record of any election or revocation under (1), and retain it for a period of six years from the date it takes effect.</p>	2004 to 12 February 2007 <u>Expired</u>	
--	---------------------	--	---	--

4	Each and every rule in COLL	G	<p>(1) It is not necessary for the <i>schemes</i> referred to in transitional provision 3(4) initially to have complied with <i>COLL</i>, before an election is made on its behalf under transitional provision 3(1)(a) to comply with <i>CIS</i>. [deleted]</p> <p>(2) Note that whilst the <i>FSA's</i> permission is not required for an election under paragraph 3(1)(a) or a revised election under paragraph 3(1)(b), changes to the relevant <i>instrument constituting the scheme</i> and <i>prospectus</i> to give effect to such a revised election will require the <i>FSA's</i> written permission, as explained in <i>CIS</i> 16.1.11G (Notification of proposed changes to ICVCs) and <i>CIS</i> 16.1.12G (Notification of proposed changes to AUTs). [deleted]</p>	<u>Expired</u>	
UCITS business restrictions					
5	COLL 6.9.9R(4) to (6) (Restrictions of business for UCITS management companies)	R	<p>A <i>UCITS management company</i> must not carry on any of the activities specified in COLL 6.9.9(4) COLL 6.9.9(5) COLL 6.9.9(6) COLL 6.9.9R(4) to (6) (inclusive) unless it is a <i>UCITS investment firm</i>:</p> <p>(a) whose <i>permission</i> to carry on any such activity was given before 13 February 2004; or</p> <p>(b) which complies with <i>BIPRU</i>.</p>	From 1 April 2004 to 12 February 2007 <u>Expired</u>	1 April 2004 [deleted]
6	COLL 6.9.9(4) COLL 6.9.9(5) COLL 6.9.9(6) COLL 6.9.9R(4) to (6) (restrictions of	G	<p>A <i>UCITS investment firm</i> will not be able to act as such and exercise an <i>EEA right</i> under the <i>UCITS Directive</i> unless it complies with <i>BIPRU</i>. [deleted]</p>	<u>Expired</u>	

	business for UCITS management companies)				
Committees and delegation					
7	<i>COLL</i> 6.6.15R(2), (4) and (5) (Committees and delegation)	R	<p>(1) Subject to (2), a <i>UCITS management company</i> which became authorised before 13 February 2004 will not contravene <i>COLL</i> 6.6.15(2), <i>COLL</i> 6.6.15(4) and <i>COLL</i> 6.6.15(5) (Committees and delegation) to the extent that it complies with <i>CIS</i> 7.6.1R(2), <i>CIS</i> 7.6.1R(4) and <i>CIS</i> 7.6.1R(5) and <i>CIS</i> 7.10.4R(1), <i>CIS</i> 7.10.4R(5) and <i>CIS</i> 7.10.4R(6) as they applied before 12 February 2004.</p> <p>(2) Paragraph (1) does not apply in relation to any <i>UK firm</i> which exercises an <i>EEA right</i> under the <i>UCITS Directive</i>.</p>	From 1 April 2004 to 12 February 2007 <u>Expired</u>	1 April 2004 [deleted]
Existing dual priced AUTs: dealing and valuation					
8	<i>COLL</i> 6.2 (dealing); <i>COLL</i> 6.3 (Valuation and pricing); <i>COLL</i> 5.2.5R (Valuation) and <i>COLL</i> 4.2.5R 16 (Table: contents of the prospectus)	R	<p>(1) Subject to (2), the <i>manager</i> of a <i>dual priced AUT</i> which has exercised its entitlement under <i>CIS</i> 1.1.AR to comply with <i>COLL</i> instead of <i>CIS</i>, will not contravene any of the provisions in column (2) to the extent that it complies with <i>CIS</i> 15 (Dual pricing and dealing), <i>CIS</i> 5.2.5R (Valuation) and <i>CIS</i> 5A.2.5R (Valuation) (and references in <i>COLL</i> to the <i>rules</i> in column (2) are to be construed accordingly).</p> <p>(2) Where the <i>rules</i> in <i>COLL</i> 6.2 (Dealing), <i>COLL</i> 6.3 (Valuation and pricing) and <i>COLL</i> 5.2.5R (Valuation) conflict with the relevant</p>	From 1 April 2004 until 12 February 2007 <u>Expired</u>	1 April 2004 [deleted]

			requirements of <i>CIS 15</i> (Dual pricing and dealing), <i>CIS 5.2.5R</i> (Valuation) and <i>CIS 5A.2.5R</i> (Valuation), the <i>manager</i> must proceed on the basis that the former <i>rules</i> (<i>COLL</i>) override the latter (<i>CIS</i>) unless compliance with a relevant <i>rule</i> in <i>COLL 6.2</i> or <i>COLL 6.3</i> or <i>COLL 5.2.5R</i> would not be possible.		
9	<i>COLL 6.2</i> (dealing); <i>COLL 6.3</i> (Valuation and pricing); <i>COLL 5.2.5R</i> (Valuation) and <i>COLL 4.2.5R 16</i> (Table: contents of the prospectus)	G	<p>(1) A <i>dual-priced AUT</i> values on a basis that results in different <i>issue</i> and <i>cancellation prices</i> compared to a single-priced <i>scheme</i>. Furthermore, the <i>manager</i> sets <i>sale</i> and <i>redemption prices</i> within the pricing envelope of the <i>cancellation price</i> and <i>issue price</i> together with the <i>preliminary charge</i>. Transitional provision 8 allows such a system to continue to operate. [deleted]</p> <p>(2) However, transitional provision 8 also requires the <i>COLL</i> provisions to override the applicable <i>CIS</i> provisions where appropriate, that is in circumstances where there is a conflict between them. So, for example, publishing <i>prices</i> should comply with <i>COLL 6.3.11R</i> (Publication of prices) rather than <i>CIS 15.4.14R</i>. Where complying with the relevant <i>COLL rules</i> would not be practicable or not feasible for some reason, the <i>manager</i> is advised to contact the <i>FSA</i>. [deleted]</p>	<u>Expired</u>	
10	<i>FEES 3.2.1R</i>	R	(1) If the <i>authorised fund manager</i> of a <i>scheme</i> notifies the <i>FSA</i> under section 251 of the <i>Act</i> or regulation 21 of the <i>OEIC Regulations</i> in relation	1 April 2004 to 12 February 2007 <u>Expired</u>	1 April 2004 [deleted]

			<p>to a proposal to alter a <i>scheme</i> under transitional provision 1 or transitional provision 3(1)(b), the <i>authorised fund manager</i> must pay to the <i>FSA</i> a fee of £400 for each individual <i>scheme</i> and a fee of £800 for each <i>umbrella scheme</i></p> <p>(2) A fee payable under this provision must be paid by bankers draft, cheque or other payable order when the notification is made.</p>		
	Definition of relevant party				
11	COLL	R	<p>For the purposes of these transitional <i>rules</i>, a “relevant party” in relation to:</p> <p>(1) any <i>AUT</i>, is its <i>manager</i> and <i>trustee</i>; and</p> <p>(2) any <i>ICVC</i>, is</p> <p>(a) the <i>ICVC</i>;</p> <p>(b) its <i>ACD</i>;</p> <p>(c) any other <i>directors</i> of the <i>ICVC</i>; and</p> <p>(d) its <i>depository</i>.</p>	<p>From 1 April 2004 until 12 February 2007</p> <p><u>Expired</u></p>	<p>1 April 2004</p> <p>[deleted]</p>
12				Expired	
13	COLL 4.2.5R, Table paragraphs 2 (bb), 11 (a)(v) and 23 (e)	R	<p>In relation to any <i>authorised fund</i> in existence on the day before 6 April 2006 there is no obligation to revise the <i>prospectus</i> as a result of the applications of COLL 4.2.5R, Table paragraphs 2 (bb), 11 (a)(v) or 23 (e) until the earlier of:</p> <p>(1) the date the <i>prospectus</i> is next revised; and</p> <p>(2) 6 April 2007.</p>	<p>From 6 April 2006 to 6 April 2007</p> <p><u>Expired</u></p>	<p>6 April 2006</p> <p>[deleted]</p>

14	Amendments to <i>COLL</i> made by the Collective Investment Schemes Sourcebook (UCITS Eligible Assets Directive and Other Amendments) Instrument 2008	R	(1) The <i>authorised fund manager</i> of an <i>authorised fund</i> may elect for early compliance with the instrument, in which case <i>COLL</i> applies as if it had been amended by the instrument.	From 6 March 2008 until 23 July 2008 <u>Expired</u>	23 July 2008 except for this part of the instrument which comes into force on 6 March 2008
			(2) An election is irrevocable and does not take effect until the <i>authorised fund manager</i> notifies the <i>depository</i> and the <i>FSA</i> in writing of the date it takes effect.	From 6 March 2008 until 23 July 2008 <u>Expired</u>	
			(3) The <i>authorised fund manager</i> must make a record of the election and retain it for a period of six years from the date it takes effect.	From 6 March 2008 until 6 years from the date the relevant election took effect	

Annex F

Amendments to the Credit Unions sourcebook (CRED)

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

Appendix 1.1 ...

	Sourcebook or manual	Reference code
...		
Specialist sourcebooks	...	
	Collective investment schemes	CIS [deleted]
	<u>New Collective Investment Scheme Schemes</u> sourcebook	<i>COLL</i>
	...	
...		

Annex G

Amendments to the Electronic Money sourcebook (ELM)

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

Application of other parts of the Handbook to ELMIs

1.5.2 G

Block	Module	Application
...		
Specialist sourcebooks other than <i>ELM</i>	Credit unions (<i>CRED</i>), Professional firms, (<i>PROF</i>), Collective Investment Schemes (<i>CIS</i>) or (<i>COLL</i>) and Recognised Investment Exchanges and Recognised Clearing Houses (<i>REC</i>).	These sourcebooks do not apply to an <i>ELMI</i> .

...		

Annex H**Amendments to the Listing Rules sourcebook (LR)**

In this Annex, striking through indicates deleted text.

Appendix 1 Relevant definitions

...

<i>authorised</i>	a unit trust scheme authorised by the FSA and which is
<i>property unit trust</i>	a property scheme or an umbrella scheme each separate part of which would qualify as a <i>property scheme</i> if it were a separate <i>authorised unit trust scheme</i> .

Annex I

Amendments to the Perimeter Guidance manual (PERG)

In this Annex, striking through indicates deleted text.

Establishing etc collective investment schemes

- 2.7.12 G ... The process for applying for authorisation of a *collective investment scheme* is described in *COLLG 2* (Authorised fund applications) ~~and *CIS 16* (Application and notification)~~. ...

...

Other guidance that may be relevant

- 9.1.4 G ... *Bodies corporate* formed under these Regulations are referred to in the *Handbook* as *investment companies with variable capital* (or 'ICVCs'). *COLL 2* (Authorised fund applications) ~~and *CIS 16* (Application and notification)~~ contains *rules* and *guidance* on forming such *bodies corporate*. ...

- 9.1.5 G *Open-ended investment companies* constituted in other *EEA States* which are seeking to exercise rights conferred by the *UCITS Directive* should refer to *COLL 9* (Recognised schemes) ~~and *CIS 17* (Recognised Schemes)~~ for *guidance* on the requirements of section 264 of the *Act* (Schemes constituted in other *EEA States*).

...

Marketing of shares or securities issued by body corporate

...

- 9.10.4 G The restrictions mentioned in *PERG 9.10.3G* are subject to a number of exemptions. For example, the controls in sections 238 and 240 do not apply to *financial promotions* about certain kinds of *collective investment scheme*. These are:

...

- (3) *collective investment schemes* that are *recognised schemes* (see *COLL 9* (Recognised schemes) ~~and *CIS 17* (Recognised schemes)~~).

...