

**COLLECTIVE INVESTMENT SCHEMES SOURCEBOOK (ACCOUNTING  
AMENDMENTS) (NO 2) INSTRUMENT 2015**

**Powers exercised**

- A. The Financial Conduct Authority makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) the following sections of the Act:
    - (a) section 137A (The FCA’s general rules);
    - (b) section 137B (FCA general rules: clients’ money, right to rescind etc.);
    - (c) section 137R (Financial promotion rules);
    - (d) section 137T (General supplementary powers);
    - (e) section 139A (Power of the FCA to give guidance);
    - (f) section 214 (General);
    - (g) section 223 (Management expenses);
    - (h) section 238 (Restrictions on promotion);
    - (i) section 247 (Trust scheme rules);
    - (j) section 261I (Contractual scheme rules);
    - (k) section 261J (Contractual scheme particulars rules); and
    - (l) paragraph 19 (Establishment), 20 (Services) and 20C (Notice of intention to market an AIF) of schedule 3 (EEA Passport Rights);
  - (2) the other rule and guidance making powers listed in Schedule 4 (Powers exercised) to the General Provisions of the FCA Handbook; and
  - (3) regulation 6(1) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228).
- B. The rule-making powers referred to above are specified for the purpose of section 138G (2) (Rule-making instruments) of the Act.

**Commencement**

- C. This instrument comes into force on 1 March 2015.

**Amendments to the FCA Handbook**

- D. The Glossary of definitions is amended in accordance with Annex A to this instrument.
- E. The Collective Investment Schemes sourcebook (COLL) is amended in accordance with Annex B to this instrument.

**Citation**

- F. This instrument may be cited as the Collective Investment Schemes Sourcebook (Accounting Amendments) (No 2) Instrument 2015.

By order of the Board of the Financial Conduct Authority  
26 February 2015

## Annex A

### Amendments to the Glossary of definitions

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

*IMA SORP*

the Statement of Recommended Practice for financial statements of *authorised funds* issued by the Investment Management Association ~~in October 2010~~ on 14 May 2014.

## Annex B

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

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

#### 4.5 Reports and accounts

...

##### Contents of the annual long report

- 4.5.7 R (1) An annual long report on an *authorised fund*, other than a *scheme* which is an *umbrella*, must contain:
- ...
- (c) ~~the comparative table~~ information in accordance with COLL 4.5.10R (Comparative ~~table~~ information);
- ...
- (2) An annual long report on a *scheme* which is an *umbrella* must be prepared for the *umbrella* as a whole and must contain:
- (a) for each *sub-fund*:
- ...
- (iii) ~~the comparative table~~ information in accordance with COLL 4.5.10R;
- (b) ~~the aggregation of the accounts required by (a)(i) for each sub-fund;~~ [deleted]
- ...
- ...
- (4) The *authorised fund manager* of a *scheme* which is an *umbrella* may, in addition to complying with (2), prepare a further annual long report for any one or more individual *sub-funds* of the *scheme*, in which case it must contain:
- (a) in relation to the *sub-fund*:
- ...
- (iii) ~~the comparative table~~ information in accordance with

## COLL 4.5.10R;

...

...

...

## Contents of the half-yearly long report

4.5.8 R ...

- (2) A half-yearly long report on a *scheme* which is an *umbrella* must be prepared for the *umbrella* as a whole and must contain:

...

- (b) ~~the aggregation of the accounts in (a)(i) for each *sub-fund*.~~  
[deleted]

...

...

## Authorised fund manager's report

4.5.9 R The matters set out in (1) to (13) must be included in any *authorised fund manager's* report, except where otherwise indicated:

...

(7B) in the case of an *umbrella* which has more than one *sub-fund*, particulars in the form of a table showing, as at the end of the period to which the report relates:

(a) for each *sub-fund*, the number of *units* in that *sub-fund* that were held by a second *sub-fund* of that *umbrella*; and

(b) the value of each such holding;

or, alternatively, a statement that there were no such holdings as at the end of that period;

...

Comparative ~~table~~ information

4.5.10 R The comparative ~~table~~ information required by ~~COLL 4.5.7R(1)(e)~~ (Contents of the annual long report) and COLL 8.3.5AR (Contents of the annual report) must be shown for the last three annual accounting periods (or all of the authorised fund's annual accounting periods, if fewer than three) and must set out:

- (1) ~~a performance record over the last five calendar years, or if the *authorised fund* has not been in existence during the whole of that period, over the whole period in which it has been in existence, showing:~~
- ~~(a) the highest and the lowest *price* of a *unit* of each *class* in issue during each of those years; and~~
  - ~~(b) the net income distributed (or, for *accumulation units*, allocated) for a *unit* of each *class* in issue during each of those years, taking account of any sub-division or consolidation of *units* that occurred during that period; [deleted]~~
- (1A) for a *unit* of each *class* in issue, a comparative table as at the end of the period to which the report relates, prepared in accordance with the requirements of the *IMA SORP* and showing at least:
- (a) the performance record of a *unit* of that *class*;
  - (b) an indication of the actual charges and costs borne by the *class*;
  - (c) the net income distributed (or, for *accumulation units*, allocated) for the *unit*, taking account of any sub-division or consolidation of *units* that occurred during that period;
  - (d) the net asset value of the *unit* as at the end of the period;
  - (e) (i) (for a report of the *directors* of an *ICVC*) the number of *units* of the *class* in issue as at the end of the period; or  
(ii) (for a report of the *authorised fund manager* of an *AUT* or an *ACS*) the number of *units* of the *class* that are in existence or treated as in existence as at the end of the period; and
  - (f) the highest and the lowest *prices* of the *unit* during the period;
- (2) ~~as at the end of each of the last three *annual accounting periods* (or all of the *authorised fund's annual accounting periods*, if less than three):~~
- ~~(a) the total net asset value of the *scheme property* at the end of each of those years;~~
  - ~~(b) the net asset value per *unit* of each *class*; and~~
  - ~~(c) (i) (for a report of the *directors* of an *ICVC*) the number~~

~~of units of each class in issue; or~~

- (ii) ~~(for a report of the authorised fund manager of an AUT or ACS) the number of units of each class in existence or treated as in existence; and [deleted]~~

(2A) for the scheme property, its total net asset value as at the end of the period; and

(3) if, in the period covered by the ~~table~~ information:

- (a) ...
- (b) there have been changes in the investment objectives objective and policy of the authorised fund;
- (c) ~~an indication, related in the body of the table to the relevant year in the table, of the date of the event or change in the investment objectives and a brief description of its nature. [deleted]~~

an indication, related in the body of the table to the relevant year in the table, of the date of the event or change in the investment objective and policy, and a brief description of its nature.

- 4.5.10A    G    (1)    The figure for the “return before operating charges” shown in the comparative table required by COLL 4.5.10R(1A) should include all costs and charges actually borne by the class of units it describes.
- (2)    The indication of actual costs and charges borne by a class of units should cover pro-rata allocations of the operating charges borne by the scheme (e.g. annual management fee, fees and expenses payable to the depositary, auditors and FCA, costs of buying and selling units in an underlying scheme, etc.), any performance-related fee and direct transaction-related costs where known to the AFM (e.g. dealing commission on equity transactions and stamp duty). Where possible, the operating charges should be presented as a single figure in both pence per unit and as a percentage of net asset value.

...

### **8.3        Investor relations**

...

#### Contents of the annual report

- 8.3.5A    R    (1)    An annual report, other than for a scheme which is an umbrella, must contain:

...

(ba) comparative information in accordance with COLL 4.5.10R(1A) and (2A) (Comparative information);

...

(2) An annual report on a *scheme* which is an *umbrella* must be prepared for the *umbrella* as a whole and must contain:

(a) for each *sub-fund*;

(i) the accounts required by (1)(a); ~~and~~

(ii) the report of the *authorised fund manager* in accordance with COLL 8.3.5CR; ~~and~~

(iii) comparative information in accordance with COLL 4.5.10R(1A) and (2A);

(b) ~~an aggregation of the accounts required by (a); [deleted]~~

...

(3) The *authorised fund manager* of a *scheme* which is an *umbrella* may, in addition to complying with (2), prepare a further annual report for any one or more individual *sub-funds* of the *umbrella*, in which case it must contain:

(a) for the *sub-fund*;

(i) the accounts required by (1)(a); ~~and~~

(ii) the report of the *authorised fund manager* in accordance with COLL 8.3.5CR; ~~and~~

(iii) comparative information in accordance with COLL 4.5.10R(1A) and (2A);

...

...

...

Authorised fund manager's report

8.3.5C R The report of the *authorised fund manager* must include:

(1) ...

(1A) a portfolio statement prepared in accordance with the requirements of the IMA SORP;

(1B) in the case of an *umbrella* which has more than one *sub-fund*, particulars in the form of a table showing, as at the end of the period to which the report relates:

(a) for each *sub-fund*, the number of *units* in that *sub-fund* that were held by a second *sub-fund* of that *umbrella*; and

(b) the value of each such holding;

or, alternatively, a statement that there were no such holdings as at the end of that period;

...

...

## Transitional Provisions

### TP 1.1

(1)	(2)	(3)	(4)	(5)	(6)
	Material to which the transitional provision applies		Transitional provision	Transitional provision: dates in force	Handbook provision: coming into force
...					
<u>29</u>	<u>Amendments to each and every <i>rule</i> in <i>COLL</i> made by the Collective Investment Schemes (Accounting Amendments) (No 2) Instrument 2015</u>	<u>R</u>	<u>Amendments to the <i>rules</i> in <i>COLL</i> referred to in column (2) made by the instrument referred to in that column do not apply to any person where the current <i>annual accounting period</i> of an <i>authorised fund</i> commenced before 1 January 2015.</u>	<u>1 March 2015 to 31 December 2015</u>	<u>1 March 2015</u>
<u>30</u>	<u>Amendments to each and every <i>rule</i> in <i>COLL</i> made by the Collective Investment Schemes</u>	<u>R</u>	<u>(1) Where the <i>authorised fund manager</i> of an <i>authorised fund</i>, <i>ICVC</i> or any other</u>	<u>1 March 2015 to 31 December 2015</u>	<u>1 March 2015</u>

<u>(Accounting Amendments) (No 2) Instrument 2015</u>		<u>director of an ICVC, elects for early compliance with the instrument referred to in column (2) in relation to that scheme, COLL applies as if it had been amended by that instrument and TP 29 ceases to apply.</u>		
		<u>(2) An election is irrevocable and does not take effect until the authorised fund manager notifies the depositary and the FCA of the date it takes effect.</u>	<u>1 March 2015 to 31 December 2015</u>	<u>1 March 2015</u>
		<u>(3) The authorised fund manager must make a record of that election and retain it for a period of six years from the date it takes effect.</u>	<u>1 March 2015 until 6 years from the date the relevant election takes place</u>	<u>1 March 2015</u>