

**NEW COLLECTIVE INVESTMENT SCHEMES SOURCEBOOK  
(CONSEQUENTIAL AMENDMENTS) INSTRUMENT 2004**

**Powers exercised**

- A. The Financial Services Authority makes this instrument in the exercise of the following powers and related provisions:
- (1) the following sections of the Financial Services and Markets Act 2000 (“the Act”):
    - (a) 138 (General rule-making power);
    - (b) 140 (Restriction on managers of authorised unit trust schemes);
    - (c) 156 (General supplementary powers);
    - (d) 157 (Guidance);
    - (e) 242 (Applications for authorisation of unit trust schemes);
    - (f) 247 (Trust scheme rules); and
    - (g) 248 (Scheme particulars rules); and
  - (2) regulations 6 (FSA rules) and 12 (Applications for authorisation) of the Open-Ended Investment Companies Regulations (SI 2001/1228).
- B. The provisions of or under the Act relevant to the rules and listed above are specified for the purpose of section 153(2) of the Act (Rule-making instruments).

**Commencement**

- C. This instrument comes into force on 1 April 2004.

**Amendments to the Collective Investment Schemes sourcebook (CIS)**

- D. CIS is amended in accordance with Annex A of this instrument.

**Amendments to other FSA manuals and sourcebooks and the Glossary**

- E. The modules of the FSA Handbook of Rules and Guidance listed in column (1) below are amended in accordance with the relevant annex listed in column 2.

(1)	(2)
SYSC	Annex B
GEN	Annex C
IPRU (INS)	Annex D
IPRU INV)	Annex E
COB	Annex F
ICOB	Annex G
AUTH	Annex H
SUP	Annex I
ENF	Annex J
DEC	Annex K
CRED	Annex L
ELM	Annex M
Glossary	Annex N

### **Citation**

- F. This instrument may be cited as the New Collective Investment Schemes Sourcebook (Consequential Amendments) Instrument 2004.

By order of the Board  
18 March 2004

## Annex A

### Amendment to the CIS Sourcebook

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

#### Transitional provisions for CIS

(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
22	<p>...</p> <p><i>CIS</i> 7.6.1R(2), (4) and (5)</p> <p><i>CIS</i> 7.10.4R(1) ,(5) and (6)</p> <p>...</p>	R	<p>(1) Subject to (2), in relation to a <i>UCITS management company</i> which became authorised before 13 February 2004, <i>CIS</i> 7.6.1R(2),(4) and (5) and <i>CIS</i> 7.10.4R(1),(5) and (6) have effect as they applied before 12 February 2004.</p>	<p>From 13 February 2004 to 12 February 2007</p>	<p>13 February 2004</p>

...

#### 1.1 Application

##### Right to elect to comply with COLL

- 1.1.1A R (1) *CIS* does not apply to any relevant party in relation to an *authorised fund* if the *authorised fund manager* of such *fund* with the consent of each of the other relevant parties has elected on behalf of the *fund* to comply with the *rules* in *COLL* instead of *CIS*, provided the *authorised fund manager* notifies the *FSA* in writing of such election and of the date from which such election is to take effect.
- (2) For the purposes of (1) a relevant party in relation to:

- (a) any AUT, is its manager and trustee; and
- (b) any ICVC, is :
  - (i) the ICVC;
  - (ii) its ACD;
  - (iii) any other directors of the ICVC; and
  - (iv) its depositary.

Operators of recognised schemes

1.1.1B R CIS 16 (Application and notification) and CIS 17 (Recognised schemes) do not have any effect in relation to an operator of a recognised scheme or to any person seeking recognition in the United Kingdom for such a scheme after 1 April 2004.

...  
3.5.2 R Table: Contents of the prospectus

...  
3  
(15) In the case of a *UCITS scheme*, information concerning the historical performance of the scheme presented in accordance with COB 3.8.11R (specific non real time financial promotions: past performance).

...  
R 23 ...  
(1A) if the authorised fund manager determined that short form reports are to be prepared for the purposes of CIS 10.5.2R (2A)(2), a statement when the short report will be sent to the unit holders.

...  
4.4.3 R (2) ...  
(d) ~~if it has reasonable grounds, relating to the circumstances of the person concerned,~~ for refusing to *sell units* to ~~him~~ the person concerned; and

...

- 4.8.4 G (4) ~~Where there has been no recent trade in the *security* concerned, or where no reliable price exists, an investment should be valued at a price which, in the *authorised fund manager's* opinion, reflects a fair and reasonable price for that investment. In such cases, the *authorised fund manager* should document the reasons for its decision and should be prepared to justify any assumptions made.~~ Where the *authorised fund manager* has reasonable grounds to believe that:
- (a) no reliable price exists for a security at a *valuation point*; or
  - (b) the most recent price available does not reflect the *authorised fund manager's* best estimate of the value of a *security* at the *valuation point*;
- he should value the *investment* at a price which, in his opinion, reflects a fair and reasonable price for that *investment* (the fair value price).
- (5) The circumstances which may give rise to a fair value price being used include:
- (a) no recent trade in the *security* concerned; or
  - (b) the occurrence of a significant event since the most recent closure of the market where the price of the *security* is taken.
- In (b), a significant event is one that means the most recent price of a *security* or a basket of *securities* is materially different to the price that it is reasonably believed would exist at the *valuation point* had the relevant market been open.
- (6) In determining whether to use such a fair value price, the *authorised fund manager* should include in his consideration:
- (a) the type of *authorised fund* concerned;
  - (b) the *securities* involved;
  - (c) the basis and reliability of the alternative *price* used; and
  - (d) the *authorised fund manager's* policy on the valuation of *scheme property* as disclosed in the *prospectus*.

(7) The authorised fund manager should document the basis of valuation (including any fair value pricing policy) and, where appropriate, the basis of any methodology and ensure that the procedures are applied consistently and fairly.

(8) Where a unit price is determined using properly applied fair value prices in accordance with policies in (7), subsequent information that indicates the price should have been different from that calculated will not normally give rise to an instance of incorrect pricing.

...

Spread: general

...

5.2.13 R (7) The exposure to any one ~~counterparty~~ counterparty in an *OTC derivative* transaction must not exceed 5% in value of the *scheme property*. This limit is raised to 10% where the ~~counterparty~~ counterparty is an *approved bank*.

(8) Not more than 20% in value of the *scheme property* is to consist of *transferable securities* ~~or~~ and money market instruments issued by the same group (as referred to in (2)).

...

(11) ~~In applying the limit in (3),(4),(5),(6),(7) and (10), not more than 35% in value of the scheme property is to consist of any combination of two or more of the following:~~

(a) ~~transferable securities or money market instruments issued by; or~~

(b) ~~deposits made with; or~~

(c) ~~exposures from derivatives transactions made with a single body.~~

Spread: government and public securities

5.2.14 R (1) This rule (CIS 5.2.14) applies to *government and public securities* ("such securities").

...

Investment in collective investment schemes

- 5.2.15 R A *scheme* may invest in *units* in a *collective investment scheme* provided that no more than 30% of the value of that investing scheme is in *collective investment schemes* which are not *UCITS schemes* and only if the second *scheme* is permitted under (1) - (4):
- (1) it is a *scheme* which:
    - (a) complies with the conditions necessary for it to enjoy the rights conferred by the *UCITS Directive*; or
    - (b) is recognised under the provisions of section 270 of the *Act* (Schemes authorised in designated countries or territories); or
    - (c) is authorised as a *non-UCITS retail scheme* (provided the requirements of article 19(1)(e) of the *UCITS Directive* are met); or
    - (d) is authorised in another *EEA State* (provided the requirements of article 19(1)(e) of the *UCITS Directive* are met);
  - (2) ~~it is a the second *scheme* which ~~complies~~ must comply~~ where relevant with *CIS* 5.2.18R (Investment in other group schemes);
  - (3) ~~it is a the second *scheme* which ~~has~~ must have~~ terms which prohibit more than 10% in value of the *scheme property* consisting of *units* in *collective investment schemes*; and
  - (4) for the purposes of this *rule* (*CIS* 5.2.15R) and (*CIS* 5.2. 13R (Spread: general) each *sub-fund* of an *umbrella scheme* is to be treated as if it were a separate *scheme* but no *sub-fund* of an *umbrella scheme* may invest in another *sub-fund* of that *umbrella scheme*.

Qualifying non-UCITS collective investment schemes

- 5.2.16 G (1) *CIS* 17.3 gives further detail as to the recognition of a *scheme* under section 270 of the *Act*.
- (2) Article 19 of the *UCITS Directive* sets out the general investment limits. So, a *non-UCITS retail scheme*, or its equivalent *EEA scheme* which has the power to invest in gold or immovables would not meet the criteria set in *CIS* 5.2.15R (1) (c) and (d).

...

Investment in warrants and nil and partly paid securities

- 5.2.19 R (1) Where a UCITS scheme invests in a warrant, the exposure created by the exercise of the right conferred by the warrant must not exceed the limits in CIS 5.2.13R (Spread: general) and CIS 5.2.14R (Spread: government and public securities). ~~A warrant ("the proposed warrant") falls within any power of investment only if, on the assumptions that:~~
- ~~(a) there is no change to the scheme property between the acquisition of the proposed warrant and its exercise; and~~
  - ~~(b) the right conferred by the proposed warrant and all other warrants forming part of the scheme property at the time of the acquisition of the proposed warrant will be exercised (whether or not it is intended that they will be);~~
- ~~it is reasonably foreseeable that the right conferred by the proposed warrant could be exercised by the authorised fund without contravening the rules in this chapter.~~
- (2) ...
- (3) ~~A warrant which is an investment falling within article 80 of the Regulated Activities Order (Certificates representing certain securities) and which is akin to an investment falling within article 79 (Instruments giving entitlement to investments) of the Regulated Activities Order may not be included in the scheme property unless it is listed on an eligible securities market.~~

Investment in money market instruments

- 5.2.20 R A UCITS scheme may invest in money market instruments which are normally dealt in on the money market, are liquid and whose value can be accurately determined at any time, provided:

...

- 5.2.22 R (6) Any forward transaction must be with an approved counterparty under CIS 5.2.25R(2) (OTC transactions in derivatives).

...



Risk management: derivatives

- 5.2.26 R (1) An *authorised fund manager* must use a risk management process enabling it to monitor and measure as frequently as appropriate the risk of a *scheme's derivatives and forwards* positions and their contribution to the overall risk profile of the *scheme*.
- (2) The following details of the risk management process must be notified by the *authorised fund manager* to the *FSA* in advance of the use of the process as required by (1) along with advance notification of any material alteration to such details:
- (a) the methods for estimating risks in *derivative and forward* transactions; and
  - (b) the types of ~~derivatives~~ *derivatives and forwards* to be used within the *scheme* together with their underlying risks and any relevant quantitative limits.

- ...
- 5.3.3.. R (5) The ~~global total~~ exposure relating to *derivatives* held in a *UCITS scheme* may not exceed the net value of the *scheme property*.

...

Permitted stock lending

- 5.4.4 R (1) An ICVC, or the depositary at the request of the ICVC, or a the trustee at the request of the manager, may enter into a stock lending arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992 (without extension by section 263C), but only if:
- (a) all the terms of the agreement under which securities are to be reacquired by the depositary for the account of the ICVC or by the trustee, are in a form which is acceptable to the depositary or to the trustee and are in accordance with good market practice;
  - (b) the ~~counterparty~~ *counterparty* is an authorised person or a person authorised by a Home State regulator; and
  - (c) collateral is obtained to secure the obligation of the ~~counterparty~~ *counterparty* under the terms referred to in (a) and the collateral is:

...

- (2) The ~~counterparty~~ counterparty for the purpose of (1) is the person who is obliged under the agreement referred to in (1)(a) to transfer to the depositary the securities transferred by the depositary under the stock lending arrangement or securities of the same kind.

Stock lending: treatment of collateral

- 5.4.5 G Where a stock lending arrangement is entered into, the scheme property remains unchanged in terms of value: the securities transferred cease to be part of the scheme property, but there is obtained in return an obligation on the part of the ~~counterparty~~ counterparty to transfer back equivalent securities. The depositary will also receive collateral to set against the risk of default in transfer, and that collateral is equally irrelevant to the valuation of the scheme property (because it is transferred against an obligation of equivalent value by way of re-transfer). CIS 5.4.6R accordingly makes provision for the treatment of the collateral in that context.

...

Publication of reports

- 10.5.2 R ...
- (2) (a) The *authorised fund manager* must, subject to (2A) and (3) provide free of charge:
- (i) a copy of each annual report and each half-yearly report to each *holder* (or to the first named of joint *holders*) entered in or entitled to be entered in the *register* at the close of business on the last *day* of the relevant accounting period or *half-yearly accounting period*; and
  - (ii) a copy of the report to each *holder* of bearer *units* at his request.
- (b) A report relating to an *umbrella scheme* to be provided under (a)(i) or (ii) need not contain an aggregation of the accounts relating to each *sub-fund*, but such information must be sent, free of charge, to any *holder* who requests it

- (2A) (1) Notwithstanding (2), the *authorised fund manager* may comply with COLL 4.5.13R (Provision of short report) instead of (2), provided that any short report prepared by the *authorised fund manager* for this purpose:
- (a) meets the requirements of COLL 4.5.3R (1) and (2) (Preparation of long and short reports); and
  - (b) contains the information required by COLL 4.5.5R (Contents of a short report).
- (2) In preparing a short report for the purposes of (1), the *authorised fund manager* should construe references to a long report in COLL 4.5.5 R(1)(f) and (5) and in COLL 4.5.13R (3) as the annual report referred to in CIS 10.3.3R (Annual reports) or, as the case may be, the half-yearly report in CIS 10.3.4 (Half-yearly reports).

...

Guidance on short report contents

10.5.2A G COLL 4.5.6G which provides *guidance* on sufficient and significant information which should be contained in short reports, applies in relation to short reports prepared for the purposes of CIS 10.5.2R (2A). References in that *guidance* to a fundamental change should be regarded as a change requiring *unitholder* approval by meeting during the period. Similarly, references to a significant change should be regarded as a change in respect of which prior written notice of the change should be given to *unitholders* by the *authorised fund manager*.

(3) ...

...

15.4.3 R (2) ...

(d) ~~if it has reasonable grounds, relating to the circumstances of the person concerned,~~ for refusing to *sell units* to ~~him~~ the *person concerned*; and

...

- 15.8.5 G (4) Circumstances may arise where the chosen method may not provide a reliable basis for valuation. Guidance on such instances is provided at CIS 4.8.4G(4) – (8). ~~This could happen, for example, where there has been no recent trade in the *security* concerned or where no reliable price exists. In such cases, the *manager* should exercise judgement to estimate a reasonable price at which the *security* could be bought or sold in the most appropriate market, and should document the reasons for its decision. Additionally, W~~where the *manager* imputes a ‘spread’ in order to arrive at an estimated *buying* or *selling* price – for example, in circumstances where there are no buy or *sell* orders on the order book, it should be able to justify any assumptions made.

...

Restrictions of business of managers of UCITS schemes for UCITS management companies

- 16.5.1 R ~~A firm which is the *authorised fund manager* of a *UCITS scheme*~~ UCITS management company must not engage in any activity other than:
- (1) acting as ~~*manager*~~ of:
    - (a) *authorised fund manager* of an *authorised fund*; or
    - (b) an *operator* of any other *collective investment scheme* for which the firm is subject to prudential supervision ~~and under which the contributions of the *participants* and the profits or income out of which payments are to be made to them are pooled~~; or
  - (2) acting as the ~~director~~ of an ICVC; or
  - (3) activities for the purposes of or in connection with those in (1) ~~or~~ (2);
  - (2) (2);
  - (3) collective portfolio management, including without limitation:
    - (a) investment management;
    - (b) administration:
      - (i) legal and fund management accounting services;
      - (ii) customer enquiries;
      - (iii) valuation and pricing (including tax returns);
      - (iv) regulatory compliance monitoring;

- (v) maintenance of *unitholder register*;
  - (vi) distribution of income;
  - (vii) *unit issues and redemptions*;
  - (viii) contract settlements (including certificate dispatch);  
and
  - (ix) record keeping; and
  - (c) marketing;
  - (4) *managing investments* where the relevant portfolio includes one or more *ISD instruments*;
  - (5) *advising on investments* where ~~the firm has permission in respect of~~ (4);
    - (a) the *firm* has a *permission* for the activity in (4); and
    - (b) each of the instruments is an *ISD instrument*; and
  - (6) safekeeping and administration of *collective investment scheme units* where the *firm* has a *permission* for the activity in respect of (4).
- 16.5.2 G (1) Examples of the connected activities referred to in *CIS 16.5.1R*~~(3)~~(2) include management of *group plans PEPs, ISAs and stakeholder pensions*, as....
- (2) The restrictions of business imposed by *CIS 16.5.1R* reflect the position under Article 5 of the *UCITS Directive*. In accordance with recital (7) of the amending *UCITS Management Directive (2001/107/EC)* the activities referred to at *CIS 16.5.1R (3)(a) to (c)* may be performed on behalf of *EEA UCITS management companies*.

...

**CIS Sourcebook**  
**Schedule 2- Notification requirements**

<b>Handbook reference</b>	<b>Matters to be notified</b>	<b>Contents of notification</b>	<b>Trigger event</b>	<b>Time allowed</b>
<u>CIS 1.1.1A</u>	<u>Election to comply with <i>COLL</i></u>	<u>Details and date of occurrence</u>	<u>When election takes effect</u>	<u>Before election takes effect</u>

...

## Annex B

### Amendment to the Senior Management Arrangements, Systems and Controls (SYSC)

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

3.2.8 R (2) In SYSC 3.2.8 R (1) "compliance" means compliance with the rules in:

- (a) ...
- (b) COLL (New Collective Investment Schemes) and CIS  
(~~Collective Investment Schemes~~); and
- ...

## Annex C

### Amendment to the General Provisions (GEN)

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

1.1.1 R (2) For a *UCITS qualifier*, this chapter applies only with respect to the *communication* and *approval of financial promotions* to which *COB 3* (Financial promotion) applies and to the maintenance of facilities to which *COLL 9.4 (Facilities in the United Kingdom)* and *CIS 17.5 (Facilities in the United Kingdom)* ~~applies~~ apply.

...

3.1.2 R *GEN 3.2.1 R* and *GEN 3.3.1 R* do not apply in respect of any fee payable under *AUTH 4 (Authorisation fees)*, *REC 7 (Recognised bodies fees)*, *SUP 6.3.22 R (Application fee for variation of permission)*, ~~*or COLL 10 (Fees)*~~, or *CIS 18 (Collective investment schemes fees)* on the making of an application or a notification.

...

## **Annex D**

### **Amendment to the Interim Prudential sourcebook for Insurers IPRU(INS)**

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

#### **GUIDANCE NOTE 4.4 LINKED CONTRACTS**

5.7 ~~All~~ Most authorised or recognised unit trusts fall under one or other of the criteria of paragraph 5.5 above.



## Annex E

### Amendment to the Interim Prudential sourcebook for Investment Businesses IPRU(INV)

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

#### APPENDIX 1 (INTERPRETATION)

##### GLOSSARY OF TERMS FOR CHAPTER 5 (FORMER IMRO FIRMS)

*authorised corporate director* means the *director* of an *ICVC* who is the authorised corporate director of the *ICVC* in accordance with COLL 6.5.3R (Appointment of an ACD) or, as the case may be, CIS 7.2.1R (The directors).

...

#### APPENDIX 13 (1)

##### Defined terms for Chapter 13

*authorised corporate director* the *director* of an *ICVC* who is the authorised corporate director of the *ICVC* in accordance with COLL 6.5.~~4G(ICVCs)~~3R (Appointment of an ACD) or, as the case may be, CIS 7.2.1R(The directors).

...

- ...
- (c) (except in COLL and CIS) (in relation to any other *investment*) issuing or creating the *investment* or granting the rights or interests of which it consists.

## Annex F

### Amendments to the Conduct of Business sourcebook (COB)

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

#### 3.11 **Unregulated collective investment schemes and qualified investor schemes**

#### 3.11 **~~Introduction~~ Unregulated collective investment schemes**

##### **Promotion of qualified investor schemes**

3.11.6 R A firm may communicate or approve an invitation or inducement to participate in a qualified investor scheme only if:

(a) the communication falls within COB 3 Ann 5; or

(b) the communication is exempt under the Financial Promotion Order (see COB 3 Ann1).

3.11.7 G COLL 8 provides for a type of authorised fund (qualified investor scheme) which is intended for particular non-retail investors. COB 3.11.6R restricts the promotion of such schemes.

COB 3 Ann 5 Permitted promotion of *unregulated collective investment schemes* and qualified investor schemes.(R)

#### 1 Table

1. This annex forms part of *COB 3.11.2R* and COB 3.11.6R.

...

#### 2 Table **Permitted promotion of unregulated collective investment schemes and qualified investor schemes**

Promotion to:	Promotion of an unregulated collective investment scheme <u>or qualified investor scheme</u> which is:
Category 1 person:	
(1) a person who is already a participant in an <i>unregulated collective investment scheme</i> <u>or a qualified investor scheme;</u>	.....
(2) a person who has been, in the last 30 months, a participant in an <i>unregulated collective investment scheme</i> <u>or a qualified investor scheme.</u>	

## Annex G

### Amendments to the Insurance: Conduct of Business sourcebook (ICOB)

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

#### ICOB 1: Application and purpose

#### Annex 2G

#### Summary of Handbook provisions for insurance intermediaries

...

3 Table

	<b>Module</b>	<b>Application</b>
...		
<b>Specialist sourcebooks</b>		
...		
	Collective Investment Schemes sourcebooks, <u>COLL</u> and <u>CIS</u>	<del>Applies</del> <u>Apply</u> to an <i>insurance intermediary</i> doing (1) or (2) where it is also an <i>operator</i> or a <i>depository</i> of an <i>AUT</i> , <i>ICVC</i> or certain other <i>collective investment schemes</i> .
...		

## Annex H

### Amendments to the Authorisation manual (AUTH)

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

2.7.12 G The *regulated activities* carried on in relation to a *collective investment scheme* generally are the *establishing, operating or winding up a collective investment scheme*. Acting as the *depository* and acting as sole director of an *open-ended investment company* are also separate *regulated activities*. In all these cases, the activities are regulated where the schemes themselves are authorised schemes for the purposes of the *UK* product regulation regime under Part XVII of the *Act* (Collective investment schemes) as well as where the schemes are unregulated schemes. The process for applying for authorisation of a *collective investment scheme* is described in COLL 2 (Authorised fund applications) and *CIS 16* (Application and notification).

...  
3.17.1 G An applicant seeking to *establish a collective investment scheme* should consult COLL and *CIS* for detailed requirements and *guidance*. Applicants should note that until 12 February 2007 they may elect to comply with COLL or CIS, although qualified investor schemes have to comply with COLL.

3.17.2 G Applicants seeking to establish a *collective investment scheme* or to act as *manager* of a *regulated collective investment scheme* should note the rules in COLL 6.4.9 (Plan registers) and CIS 6.5 (Plan registers), which implements article 6 of the *UCITS Directive* and restrict the activities of a manager of an authorised unit trust which is a *UCITS scheme*.

3.17.3 G An applicant which wishes to act as ~~*manager of an authorised unit trust which is a UCITS scheme*~~ a *UCITS management company* should note the restriction on the activities it may engage in (see COLL 6.9.9 R (Restrictions of business of UCITS management companies) and *CIS 16.5 (Restrictions of business of ~~managers of UCITS schemes~~ UCITS management companies)*).

3.17.4 G A *firm* which is subject to the rule in COLL 6.9.9R or *CIS 6.5* may, however, carry on 'connected activities' referred to in COLL 6.9.10G and *CIS 6.5*,

...  
3.20.3 G (2) COLL G 2 and *CIS 2.3.4G* gives *guidance* when an operator of a *UCITS* scheme wishes to market its *scheme* in another *EEA State*.  
...

3.22.3 G The limited *partnership* may be set up to invest the funds of the *partners*, for example, in the way of a venture capital fund. If so, it will usually be a *collective investment scheme*. The partnership will not require authorisation simply for being a *collective investment scheme* as this is not a *regulated activity*. It will also often be the case that the partnership, in investing its assets, will be excluded from the *regulated activity* of dealing in investments as *principal* (see AUTH 2.8.4G (Dealing in investments as principal)). However, it is likely that the general *partner* will require *permission* from the FSA to *establish, operate or wind up a collective investment scheme* (see AUTH 3.17 (Specific obligations: applicants seeking to establish a collective investment scheme or to act as manager of a regulated collective investment scheme) and *COLL and CIS*). If the general *partner* delegates responsibility for operating a limited *partnership* that is a *collective investment scheme* to another *person* on behalf of the *partnership*, that other *person* will require *authorisation* from the *FSA* (whether or not the general *partner* also requires *authorisation*).

5.3.16 G A *UCITS qualifier* should refer to *COLLG* or to the following sections of *COLL and CIS* for requirements for 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* on what facilities need to be maintained.

...

## **AUTH 5: Qualifying for authorisation under the Act**

...

2 Table G

(1) Module of Handbook	(2) ...	(3) ...
<u><i>COLL and CIS</i></u>	<u><i>COLL and CIS</i></u> applies if a firm	As column (2)
	(a)	
	(b)	
	(c)	
	(d)	

...

- ...
- 2.1.4 G The only kind of *body corporate* of an open-ended kind that may currently be formed under the law of the *United Kingdom* is one that is authorised by the FSA. A *person* intending to form an open-ended *body corporate* that has its head office in Great Britain should refer to the Open-ended Investment Companies Regulations 2001 (SI 2001/1228). *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*. The Northern Ireland Assembly was in September 2002 considering a Bill to enable the establishment of open-ended *bodies corporate* whose head office is in Northern Ireland.
- 2.1.5 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*).
- ...
- 2.10.4 G (3) *collective investment schemes* that are *recognised schemes* (see *COLL 9 (Recognised schemes)* and *CIS 17 (Recognised schemes)*).

## Annex I

### Amendments to the Supervision manual (SUP)

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

1.2.2 G For a *firm* which undertakes business internationally (or is part of a *group* which does), the *FSA* will have regard to the context in which it operates, including the nature and scope of the regulation to which it is subject in jurisdictions other than the *United Kingdom*. For a *firm* with its head office outside the *United Kingdom*, the regulation in the jurisdiction where the head office is located will be particularly relevant. As part of its supervision of such a *firm*, the *FSA* will usually seek to cooperate with relevant *overseas regulators*, including exchanging information on the *firm*. Different arrangements apply for an incoming *EEA firm*, an incoming *Treaty firm* and a *UCITS qualifier*. The arrangements applying for an incoming *EEA firm* and an incoming *Treaty firm* are addressed in *SYSC App1*. For *UCITS qualifiers* see also *COLLG*, and *CIS 2.3*, *CIS 16*, and *CIS 17*.

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

...  
8.1.1 R (2) *person*, as respects a particular *AUT* or *ICVC*, who wishes to apply for, or consent to, or has been given a modification of or waiver of the *rules* in *COLL* or, as the case may be, *CIS*.

...  
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:

...  
8.2.7 G Table Rules which can be waived (see SUP 8.2.6G)

Rules	Section of the Act or other Provision under which rules are made	Chapters of the Handbook where such rules appear (Note 1)
... <i>Authorised unit trust</i> scheme rules	Section 247	<u><i>COLL</i></u> and <i>CIS</i>
<i>Authorised unit trust</i> scheme particulars rules	Section 248	<u><i>COLL</i></u> and <i>CIS</i>
<i>Investment company</i> with <i>variable capital</i> rules	Regulation 6 of the <i>OEIC Regulations</i>	<u><i>COLL</i></u> and <i>CIS</i>

- ...
- 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.
- ...
- 10.7.10 G Compliance in *SYSC* 3.2.8R means compliance with the rules in *COB* and *COLL* or *CIS*. The *FSA* anticipates that some *firms* will include oversight of compliance with *PRIN*, *MAR*, and other requirements and standards, within its compliance function. These other responsibilities would not, however, be brought within the *compliance oversight function* (see also *SUP* 10.4.3G).
- ...
- 13.1.3 G (4) the marketing of a *UCITS* scheme by its operator in another *EEA State* under the *UCITS Directive* (see *COLLG* 2.1.8 and *CIS* 2.3.4G).
- ...
- 14.1.2 G (2) a *UCITS qualifier* that is an *authorised person* under Schedule 5 to the *Act*; a *UCITS qualifier* should, however, refer to *COLL* 9.2.1G and *CIS* for full details of applicable *rules* and *guidance*.
- ...
- 14.6.11 G Section 36 of the *Act* states that a *UCITS qualifier* may ask the *FSA* to give a direction cancelling its *authorisation* under paragraph 1(1) of Schedule 5 to the *Act*. *UCITS qualifiers* should also refer to *COLLG* 3.1.11 and *CIS* 17.4.8G (Revocation of recognition: schemes recognised under section 264 of the *Act*).
- ...
- 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* 15.8.6R, comply with the requirements in *COLL* 6.6.15R(2), *CIS* 7.6.1R(2) or *CIS* 7.10.4R(1) as appropriate.
- ...
- 16.6.8 R (1) (a) (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 or *CIS* 4 as the case may be for single-priced *AUTs* and *CIS* 15 for dual-priced *AUTs*, where the pricing error was:
- ...
- (2) (a) (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 the provisions of *COLL* 6.3 or *CIS* 4 for *ICVCs* as the case may be, where the pricing error was:
- ...

**SUP 16 Ann 12G: Reports from trustees of AUTs and depositaries of ICVCs (see SUP 16.6.9G)**



- 1 Table
1. ...
- ...
- (4) A firm should refer to COLL 6, and CIS 4, 7, 15 and Appendix CIS or COLL 6.2.12G(Box management errors guidance) before completing this report.
2. ...
- ...
- (4) A firm should refer to COLL 6 and CIS 4, 7 and Appendix CIS or COLL 6.2.12G before completing this report.

SUP Appendix 1

Prudential categories and sub-categories

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

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

**Schedule 2**

**Notification requirements**

...

- 2 Table

Handbook reference	Matter to be notified	Contents of notification	Trigger event	Time allowed
...				
<i>SUP</i> 16.6.6R	Reporting – compliance reports – trustee of an <i>AUT</i>	... (a)... (i)... (ii) was not corrected in accordance with the <i>FSA's guidance</i> as set out in <u>COLL 6.2.12G and CIS App</u> ; (b) <i>price units</i> in the <i>AUT</i> in accordance with <u>COLL 6 and CIS 4</u> for	...	...

<p><i>SUP</i> 16.6.6R</p>	<p>Reporting – compliance reports – <i>depository</i> of an <i>ICVC</i></p>	<p><i>single-priced</i> <i>AUTs</i> and <i>CIS</i> 15 for <i>dual-</i> <i>priced AUTs</i>, where the pricing error was: ... (a)... (i)... (ii) was not corrected in accordance with the <i>FSAs</i> <i>guidance</i> as set out in <u><i>COLL</i></u> <u>6.2.12G</u> and <u><i>CIS</i></u> App; (b) price <i>shares</i> in the <i>ICVC</i> in accordance with <u><i>COLL</i></u> 6 and <i>CIS</i> 4 for <i>ICVCs</i>, for where the pricing error was: ...</p>		
-------------------------------	---	---	--	--

## Annex J

### Amendments to the Enforcement manual (ENF)

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

- 17.3.2 ...  
G
- (1) the duties imposed by *rules* made under *section 340(3)* of the *Act* (Appointment) contained in *SUP 3* (Auditors) and *SUP 4* (Actuaries) and, in the case of *firms* which are *ICVCs*, contained in *COLL 4 (Investor relations)*, ~~*COLL 7 (Suspension of dealings and termination of authorised funds)*~~, *CIS 10* (Report and accounts) and *CIS 14* (Termination of authorised funds);
- ...  
17.3.3 Under section 249 of the *Act* (Disqualification of auditor for breach of trust scheme rules) if it appears to the *FSA* that an auditor has failed to comply with the duties imposed on him by *trust scheme rules* it may disqualify him from being the auditor for any *AUT* or *ICVC*. These duties are set out in *COLL 4 (Investor relations)*, *COLL 7 (Suspension of dealings and termination of authorised funds)*, *CIS 10* (Report and accounts), and *CIS 14* (Termination of authorised funds).
- ...  
17.4.4 ...  
G
- (1) the nature and seriousness of any breach of *rules* and the effect of that breach: the *rules* are set out in *SUP 3* (Auditors) and *SUP 4* (Actuaries), and in the case of *firms* which are *ICVCs*, in *COLL 4 (Investor relations)*, *COLL 7 (Suspension of dealings and termination of authorised funds)*, *CIS 10* (Report and accounts), and *CIS 14* (Termination of authorised funds). The *FSA* will regard as particularly serious any breach of *rules* which has resulted in, or is likely to result in, loss to *consumers* or has resulted in, or is likely to result in, damage to confidence in the financial markets;
- ...  
17.4.5 ...  
G
- (1) the effect of the auditor's breach of a duty imposed by *trust scheme rules*: the *FSA* will regard as particularly serious a breach of a duty imposed by *trust scheme rules* (set out in *COLL 4 (Investor relations)*, *COLL 7 (Suspension of dealings and termination of authorised funds)*, *CIS 10* (Report and accounts), and *CIS 14* (Termination of authorised funds)) which has resulted in, or is likely to result in, loss to *consumers* or has resulted in, or is likely to result in, damage to the integrity of the financial markets;



## Annex K

### Amendments to the Decision Making manual (DEC)

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

- 1.2.5 Events leading to the giving of a *statutory notice* are covered in *AUTH*, *SUP*,  
 G *ENF* and *COLL* or *CIS*. *DEC 2Ann1G* and *DEC 3Ann1G* list the relevant references.

#### DEC 2: Statutory notice procedure: Warning notice and decision notice procedure

Annex 1

- 1 Table List of warning notices and decision notices under the Act (other than Part VI) and certain other enactments

Section of the Act	Description	Handbook reference	Decision maker
...			
245(1)/(2)	when the <i>FSA</i> is proposing/deciding to refuse an application for an <i>authorisation</i> order declaring a <i>unit trust scheme</i> to be an <i>AUT</i>	<u><i>COLL 2</i></u> and <i>CIS 16</i>	<i>RDC/ executive procedures</i> (Note 2)
252(1)/(4)	when the <i>FSA</i> is proposing/deciding to refuse approval of a proposal to replace the <i>trustee</i> or <i>manager</i> of an <i>AUT</i>	<u><i>COLL 2</i></u> and <i>CIS 16</i>	<i>Executive procedures</i>
...			
264(2)/265(4) (Note 3)	when the <i>FSA</i> is notifying/deciding not to withdraw a notice, to the operator and relevant <i>EEA State</i> authorities, that the way in which a <i>collective investment scheme</i> constituted in another <i>EEA State</i> intends to invite <i>persons</i> in the <i>United Kingdom</i> to participate in the <i>scheme</i> does not comply with <i>UK</i> law	<u><i>COLL 9</i></u> and <i>CIS 16</i>	<i>Executive procedures</i>
...			
271(1)/(3)	when the <i>FSA</i> is proposing/deciding to refuse approval of a collective investment scheme as an authorised scheme under section 270	<u><i>COLL 9</i></u> and <i>CIS 16</i>	<i>Executive procedures</i>
276(1)/(2)	when the <i>FSA</i> is proposing/deciding to refuse an application for an order declaring a <i>collective investment scheme</i> to be an <i>authorised scheme</i> under section 272	<u><i>COLL 9</i></u> and <i>CIS 16</i>	<i>Executive procedures</i>

...			
OEIC Regulations reference	Description	Handbook reference	Decision maker
Regulation 16(1)/(2)	when the <i>FSA</i> is proposing/deciding to refuse an application for an <i>authorisation order</i> in respect of a proposed <i>ICVC</i>	<u><i>COLL 2</i></u> <u>and</u> <i>CIS 16</i>	<i>RDC / executive procedures</i>
Regulation 22(1)/(2)/(4)/(5)	when the <i>FSA</i> is proposing/deciding to refuse approval of (or, having given <i>a warning notice</i> , deciding to approve (Note 4)) a proposal to replace the <i>depository</i> or director of an <i>ICVC</i> , or any other proposal/decision falling within regulation 21	<u><i>COLL 2</i></u> <u>and</u> <i>CIS 16</i>	Executive procedures

## Annex L

### Amendments to the Credit Unions sourcebook (CRED)

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

CRED Appendix 1

Contents of the Handbook

1.1.1

Table

	<b>Sourcebook or manual</b>	<b>Reference code</b>
...		
<b>Specialist sourcebook</b>	Collective investment schemes <u>New Collective Investment Scheme sourcebook</u>	<i>CIS</i> <u><i>COLL</i></u>
...		

## Annex M

### Amendments to the Electronic Money sourcebook (ELM)

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

#### 1.5.2 G Table Application of other parts of the Handbook to ELMIs

Block	Module	Application
...		
Block 5 (Specialist sourcebooks other than <i>ELM</i> )	Credit unions ( <i>CRED</i> ), Professional firms, ( <i>PROF</i> ), Lloyd's ( <i>LLD</i> ), Collective Investment Schemes ( <i>CIS</i> ) or <u><i>COLL</i></u> and Recognised Clearing Houses ( <i>REC</i> )	These sourcebooks do not apply to an <i>ELMI</i> .



## Annex N

### Changes 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 <u>COLL and CIS</u> ): ... (2) (in <u>COLL and CIS</u> ): <del>the date stated in the most recently published prospectus as the date on which the annual accounting period of the authorised fund is to end in each year.</del> <u>the date on which the annual accounting period of an authorised fund ends.</u>
<i>accrual interval</i>	(in <u>COLL and CIS</u> ) (in relation to an <u>authorised fund manager's</u> periodic charge) the interval specified in the <del>trust deed</del> <u>instrument constituting the scheme</u> over which the periodic charge accrues. ...
<i>affected person</i>	(in <u>COLL and CIS</u> ) (a) ..... (vi) <u>the auditor of the scheme</u> ; (b)..... (iv) any associate of any <i>person</i> in (b)(i), (ii) or (iii); (v) <u>the auditor of the scheme</u> . ...
<i>annual accounting period</i>	(in <u>CIS</u> ) a period determined in accordance with <u>CIS 9.2.1R</u> (Accounting period); (in <u>COLL</u> ) <u>the 12 month period stipulated in the prospectus which ends on the accounting reference date.</u> ...

<i>appropriate valuer</i>	(in <u>COLL and CIS</u> ) a person who complies with the requirements of <u>COLL 5.6.18R(7) (Investment in property)</u> , <u>COLL 8.4.11R(4) (Investment in property)</u> or, as the case may be, <u>CIS 5A.8.5R(7) (Approved immovables)</u> . ...
<i>approved bank</i>	(except in <u>COLL and CIS</u> ) (in relation to a <i>bank</i> account opened by a firm): (a) ... (b) ... (c) ... (d) ... (in <u>COLL and CIS</u> ) any person falling within (a-c) ...
<i>approved derivative</i>	(in <u>COLL and CIS</u> ) a derivative which is traded or <i>dealt</i> in on an eligible derivatives <i>market</i> . ...
<i>approved mortgage</i>	(in <u>COLL and CIS</u> ) a mortgage:...
<i>approved security</i>	(1) (in <u>COLL and CIS</u> ) ...
<i>authorised corporate director</i>	the director of an ICVC who is the <i>authorised corporate</i> director of the ICVC in accordance with <u>COLL 6.5.3R (Appointment of an ACD)</u> or, as the case may be, <u>CIS 7.2.1R (The directors)</u> . ...
<i>base currency</i>	(1) (in <u>COLL and CIS</u> ) ...
<i>bearer certificate</i>	(in <u>COLL and CIS</u> ) ... ...
<i>cancellation</i>	(in <u>COLL and CIS</u> ) .... ...
<i>capital account</i>	(in <u>COLL and CIS</u> ) ... ...

<i>capital property</i>	(in <u>COLL</u> and CIS) ...
	...
<i>class</i>	(2) (in <u>COLL</u> and CIS)
	...
<i>class meeting</i>	(in <u>COLL</u> and CIS) ...
	...
<i>close out</i>	(in <u>COLL</u> , CIS and COB)
<u>COLL</u>	<u>the New Collective Investment Schemes sourcebook</u>
<i>collateral</i>	(1) (in <u>COLL</u> and CIS)...
	...
<u>COLLG</u>	<u>the Collective Investment Scheme Information Guide</u>
	...
<i>currency class share</i>	CIS 2.4.5R(1) ( <u>Currency class shares: requirements</u> )
	...
<u>currency class unit</u>	<u>(in COLL) a class of unit denominated in a currency that is not the base currency of the authorised fund, or, if permitted, by COLL 3.3.4R(1) (Currency class units: requirements).</u>
	...
<u>dealing day</u>	<del>(in CIS) the period in each business day (or in each other day when the ACD or operator is open for business) during which the ACD or operator keeps its premises or any of them open to the public or otherwise publicly available for business of any kind.</del> <u>(in COLL and CIS) the period in a business day (in accordance with the provisions of the prospectus) during which the ACD or the operator is open for business.</u>
	...
<i>dealing period</i>	(in <u>COLL</u> and CIS) ...
	...

<i>dilution</i>	(in <u>COLL</u> and <u>CIS</u> ) ...
<i>dilution adjustment</i>	an adjustment to the price of a <i>unit</i> determined by the <i>ACD</i> , or the <i>manager</i> of a <i>single-priced AUT</i> , under <u>COLL 6.3.8R (Dilution)</u> or, as the case may be, <u>CIS 4.6.4R (Dilution adjustment)</u> for the purpose of reducing <i>dilution</i> .
	...
<i>director</i>	(1) (except in <u>COLL</u> and <u>CIS</u> ) ...
	...
	(2) (in <u>COLL</u> and <u>CIS</u> ) ....
	...
<i>distribution account</i>	(in <u>COLL</u> and <u>CIS</u> ) the account to which the income property of an authorised fund must be transferred as at the end of each annual accounting period under <u>COLL 6.8.3R (Income allocation and distribution)</u> , <u>COLL 8.5.15R (Income)</u> or, as the case may be, <u>CIS 9.2.3R (Annual allocation of income)</u> .
	...
<i>eligible</i>	(in <u>COLL</u> and <u>CIS</u> ) (in relation to a <i>securities</i> or a <i>derivatives</i> market) a market that satisfies the requirements in <u>COLL 5.2.10R (Eligible markets: requirements)</u> , <u>CIS 5.2.12R</u> or <u>CIS 5A.3.3R (Eligible markets: requirements)</u> in relation to schemes falling under <u>COLL 5</u> , <u>CIS 5</u> or <u>CIS 5A</u> respectively.
	...
<i>eligible institution</i>	(in <u>COLL</u> and <u>CIS</u> ) ...
	...
<i>extraordinary resolution</i>	(in <u>COLL</u> and <u>CIS</u> ) ...
	...
<i>geared scheme</i>	a <i>regulated collective investment scheme</i> where the policies which the <i>operator</i> adopts or proposes to adopt mean that as a result of investment in <i>warrants</i> or <i>derivatives</i> , <u>or through borrowing that is not temporary in nature</u> , movements in prices of <i>units</i> are likely to be amplified significantly.

	...
<i>half-yearly accounting period</i>	(in <u>COLL and CIS</u> ) a period determined in accordance with <u>CIS 9.2.1R(6) (Accounting period) or, as the case may be, COLL 6.8.2R(2) (Accounting periods)</u> .
	...
<i>income account</i>	(in <u>COLL and CIS</u> ) ...
	...
<i>initial margin</i>	(1) (in <u>COLL and CIS</u> ) ...
	...
<i>initial offer</i>	(in <u>COLL and CIS</u> ) an offer for sale of units in an authorised fund or in a sub-fund (otherwise than in accordance with <u>arrangements</u> of the type described in <u>COLL 5.5.9R(3)(b)(iii) (Guarantees and indemnities)</u> or, as the case may be, <u>CIS 5.15.8R(3)(b)(iii) or (c) (Guarantees and indemnities)</u> ), where all or part of the consideration paid for the account of the authorised fund for the units is to be used to acquire the initial scheme property of the authorised fund or the initial scheme property attributable to the sub-fund.
	...
<i>initial price</i>	(in <u>COLL and CIS</u> ) (a) (in relation to a share of an ICVC or a unit in a single-priced AUT) the price to be paid for a <i>unit</i> of any class during the period of the initial offer under <u>COLL 6.2.3R (Initial offers)</u> or, as the case may be, <u>CIS 4.2.4R(1) (Issue of units: initial offer)</u> ;
	...
<i>interim accounting period</i>	(in <u>COLL and CIS</u> ) ...
	...
<u>ISD instrument</u>	(in accordance with Schedule B of the Annex to the ISD) any of <u>the following investments</u> : (a) <u>transferable securities</u> ; (b) <u>units in collective investment undertakings</u> ; (c) <u>money-market instruments</u> ;

- (d) financial-futures contracts, including equivalent cash-settled instruments;
- (e) forward interest-rate agreements
- (f) interest-rate, currency and equity swaps; and
- (g) options to acquire or dispose of any instruments falling within (a) to (f), including equivalent cash-settled instruments and options on currency and on interest rates.

...

*large deal*

(in *CIS*) ...;

(in *COLL*) a transaction (or series of transactions) in one dealing period by any person to buy, sell or exchange units in an authorised fund, of any value as set out in the prospectus, for the purposes of:

- (a) an SDRT provision;
- (b) a dilution levy; or
- (c) a dilution adjustment.

...

limited redemption arrangements

the arrangements operated by an authorised fund manager for the redemption of units in an authorised fund where the authorised fund manager holds himself out to redeem units in that scheme less frequently than twice in a calendar month in accordance with COLL 6.2.19R (Limited redemption).

...

*margin*

(in COLL and CIS) ...

...

*marginised contract*

(in COLL and CIS) ...

...

*marketing*

(in COLL and CIS) ...

...

non-UCITS retail scheme

an authorised fund which is neither a UCITS scheme or a qualified investor scheme.

...

<i>plan investor</i>	a person entered in the plan register under <u>COLL 6.4.9R (Plan registers)</u> or, as the case may be, <u>CIS 6.5.4R(7) (Requirement)</u> . ...
<i>plan register</i>	(1) ... (2) (in relation to an AUT) a sub- <i>register</i> to the register, which sub- <i>register</i> records persons who subscribe to a group plan and for whom units in the AUT are held for the purposes of the plan by the plan manager or a nominee (other than any sub- <i>register</i> that has not been established and maintained in accordance with <u>COLL 6.4.4R (Register: general requirements and contents)</u> or, as the case may be, <u>CIS 6.5.4R (Requirement)</u> or for the establishment of which no payments are to be made out of the scheme property). ...
<i>precious metals</i>	<u>(in COLL) gold, silver or platinum.</u> ...
<i>price</i>	(in relation to a unit in an ICVC or a single-priced AUT) the <i>price</i> of the unit calculated in accordance with <u>COLL 6.3 (Valuation and pricing)</u> or, as the case may be, <u>CIS 4 (Single pricing and dealing)</u> . ...
<i>prospectus</i>	(in relation to a collective investment scheme) a document containing information about the scheme and complying with the <i>requirements</i> in <u>COLL 4.2.5R (Table: contents of the prospectus)</u> , <u>COLL 8.3.4R (Table: contents of qualified investor scheme prospectus)</u> ; <u>COLL 9.3.2R (Additional information required in the prospectus for an application under section 272)</u> or, as the case may be, <u>CIS 3 or CIS 17</u> applicable to a <i>prospectus</i> of a scheme of the type concerned. ...

<i>qualified investor scheme</i>	<p><u>an authorised fund whose instrument constituting the scheme contains the statement in COLL 8.2.6R1(2) (Table: contents of the instrument constituting the scheme) that it is a <i>qualified investor scheme</i>.</u></p> <p>...</p>
<i>redemption charge</i>	<p>an amount levied by the operator of a scheme upon the redemption of units, in the case of an authorised fund under:</p> <p>(a) <u>COLL 6.7.7R (Charges on buying and selling units); or</u>  <del>(a)</del> CIS 8.2.7R (Redemption charge: ICVCs); or  <b>(b)</b>  <del>(b)</del> CIS 8.5.2R (Redemption charge: single-priced AUTs); or  <b>(c)</b>  <del>(c)</del> CIS 15.4.10R (Redemption charge).  <b>(d)</b></p> <p>...</p>
<i>register</i>	<p>...</p> <p><u>(in COLL) the register of unitholders kept under Schedule 3 to the OEIC Regulations or COLL 6.4.4R (Register: general requirements and contents) , or COLL 8.5.8R (The register of unitholders: AUTs) as appropriate or, in relation to a <i>collective investment scheme that is not an authorised fund</i>, a record of the holders (other than of <i>bearer certificates</i>) of units in it.</u></p> <p>...</p>
<i>sale</i>	<p>(in <u>COLL and CIS</u>) ...</p> <p>...</p>
<i>scheme of arrangement</i>	<p>(in <u>COLL and CIS</u>) an <i>arrangement</i> relating to an authorised fund ("transferor fund") or to a sub-fund of <del>an umbrella</del> <u>a scheme that is an <i>umbrella</i></u> ("transferor <i>sub-fund</i>") under which:</p> <p>...</p>



<i>standing independent valuer</i>	the person appointed as such under <u>COLL 5.6.20R (Standing independent valuer and valuation)</u> and <u>COLL 8.4.13R(1) (Standing independent valuer and valuation)</u> or, as the case may be, CIS 12.3.1R ( <i>Standing independent valuer</i> ).
	...
<i>transferable security</i>	(in <u>COLL</u> and CIS) an <u>investment</u> within <u>COLL 5.2.7R (Transferable securities)</u> , CIS 5.2.9R ( <i>Transferable securities</i> ) or, as the case may be, CIS 5A.2.9R ( <i>Transferable securities</i> ) in relation to <i>schemes</i> falling under <u>COLL 5</u> , CIS 5 or CIS 5A respectively.
	...
<i>trust deed</i>	(in <u>COLL</u> and CIS) the deed referred to in <u>COLL 3.2.3R (The trust deed for AUTs)</u> or, as the case may be, CIS 2.2.5R ( <i>The trust deed for AUTs</i> ), together with any deed expressed to be supplemental to it, made between the manager and the trustee (or, in the case of a recognised scheme that is a unit trust scheme, the instrument constituting the scheme as amended from time to time).
	...
<i>trust scheme rules</i>	rules in <u>COLL</u> and CIS made by the FSA under section 247(1) of the Act ( <i>Trust scheme rules</i> ) in relation to:
	...
<i>UCITS scheme</i>	<del>an authorised fund which complies with the conditions necessary for it to enjoy the rights conferred by the UCITS Directive.</del> <u>an authorised fund whose instrument constituting the scheme contains the statement in COLL 3.2.6R1(2) (Table: contents of the instrument constituting the scheme) that it is a UCITS scheme; unless:</u> (a) <u>the scheme raises capital without promoting the sale of its units to the public within the EEA or any part of it; or</u>

(b) the scheme's units, under its trust deed or its instrument constituting the scheme, may be sold only to the public in non-EEA States.

...

*umbrella*

(in COLL and CIS) ...

...

*umbrella scheme*

~~(in CIS) an authorised fund that is an umbrella.~~

(in CIS) an authorised fund that is an umbrella except in CIS 2.1 and CIS 5A where such a reference is to a scheme authorised as the type of scheme under CIS 2.1.4R(10) (Types of authorised fund).

...

*unitholder*

(in CIS).....

(in COLL)

(a) (in relation to an ICVC or an AUT as appropriate, and subject to COLL 4.4.4R (Special meaning of unitholder in COLL 4.4)):

(i) ( in relation to a unit which is represented by a bearer certificate) the person who holds that certificate; or

(ii) (in a relation a unit that is not represented by a bearer certificate) the person whose name is entered on the register in relation to that unit; or

(b) (in relation to a unit in a collective investment scheme not within (a)):

(i) the holder of a bearer certificate representing that unit; or

(ii) the person who is entered on the register of the scheme as the holder of that unit.

...

*valuation point*

(in COLL and CIS) a *valuation point* fixed by the authorised fund manager for the purpose of COLL 6.3.4R (Valuation points), COLL 8.5.9R (Valuation, pricing and dealing), CIS 4.8.5R (Regular *valuation points*), CIS 4.8.6R (Additional *valuation points*) or CIS 15.8.3(1) or (2)R (Frequency of valuation).

...