

Chapter 7

Suspension of dealings,
termination of authorised
funds and side pockets

7.1 Introduction

Application

7.1.1

R

(1) This chapter applies to an *ICVC*, an *ACD*, any other *director* of an *ICVC*, a *depository* of an *ICVC*, an *authorised fund manager* of an *AUT* or *ACS* and a *depository* of an *AUT* or *ACS*, where such *AUT*, *ACS* or *ICVC* is a *UCITS scheme* or a *non-UCITS retail scheme* in accordance with ■ COLL 7.1.2 R (Table of application).

(2) ■ COLL 7.7 (UCITS mergers) applies only to a *domestic UCITS merger*.

Table of application

7.1.2

R

This table belongs to ■ COLL 7.1.1 R.

<i>Rule</i>	<i>ICVC</i>	<i>ACD</i>	<i>Any other directors of an ICVC</i>	<i>Depository of an ICVC</i>	<i>Authorised fund manager of an AUT or ACS</i>	<i>Depository of an AUT or ACS</i>
7.1.1	x	x	x	x	x	x
7.1.3	x	x	x	x	x	x
7.2.-3*		x		x	x	x
7.2.-2*		x		x	x	x
7.2.-1*		x		x	x	x

<i>Rule</i>	<i>ICVC</i>	<i>ACD</i>	<i>Any other directors of an ICVC</i>	<i>Depositary of an ICVC</i>	<i>Au- thorised fund manager of an AUT or ACS</i>	<i>Depositary of an AUT or ACS</i>
7.2.1	x	x		x	x	x
7.3.1	x	x	x	x		
7.3.2	x	x	x	x		
7.3.3	x	x	x			
7.3.4	x	x	x			
7.3.5		x	x			
7.3.6	x	x	x			
7.3.7	x	x	x	x		
7.3.8		x	x			
7.3.9		x				
7.3.10	x	x	x	x		
7.3.11		x				
7.3.12	x	x				
7.3.13 (1)		x	x			
7.3.13 (2)			x	x		
7.4*					x	x
7.4A*					x	x
7.5		x	x	x	x	x
7.6		x	x	x	x	x
7.7	x	x	x	x	x	x
7.8	x	x	x	x	x	x
Notes:	(1)	"x" means "applies", but not every paragraph in every <i>rule</i> will necessarily apply.				
	(2)	*COLL 7.4 does not apply to the <i>authorised contractual scheme manager</i> or <i>depositary</i> of an <i>ACS</i> .				
	(3)	*COLL 7.4A does not apply to the <i>manager</i> or <i>depositary</i> of an <i>AUT</i> .				
	(4)	COLL 7.2.-3R to 7.2.-1R apply only to the <i>authorised fund manager</i> and <i>depositary</i> of a <i>non-UCITS retail scheme</i> .				
	(5)	COLL 7.8 (Side pockets) applies only to <i>UCITS schemes</i> and <i>non-UCITS retail schemes</i> in which the <i>authorised fund manager</i> intends to establish (or has established) a <i>side pocket class</i> . The <i>rules</i> in COLL 7.8 do not apply to a <i>regulated money market fund</i> .				

Purpose

7.1.3



(1) This chapter helps to achieve the *statutory objective* of protecting investors by ensuring the *authorised fund manager* does not sell or *redeem units* at a *price* that cannot be calculated accurately. For instance, due to unforeseen circumstances, it may be impossible to

value, or to dispose of and obtain payment for, all or some of the *scheme property* of an *authorised fund* or *sub-fund*. ■ COLL 7.2.-3R, ■ COLL 7.2.-2R, ■ COLL 7.2.-1R, and ■ COLL 7.2.1 R set out the circumstances in which an *authorised fund manager* must or may suspend *dealings* in *units* and the manner in which a suspension takes effect.

- (2) This chapter also helps with the *statutory objective* of protecting *consumers*, by providing a cost effective and fair means of winding up *authorised funds* and terminating *sub-funds* of *ICVCs*, *AUTs* and *co-ownership schemes*. ■ EG 14(Collective investment schemes) deals with the *FCA's* powers to revoke the authorisation of *authorised funds* otherwise than by consent.
- (3) This chapter also helps to achieve the *statutory objectives* of protecting *consumers* and protecting and enhancing the integrity of the *UK* financial system, by enabling *unitholders* or potential *unitholders* in a *UCITS scheme* or *non-UCITS retail scheme* with *affected investments* to continue to *deal* in *units* representing assets held in the *scheme property* that are not *affected investments*.