

**COLLECTIVE INVESTMENT SCHEMES SOURCEBOOK (MISCELLANEOUS AMENDMENTS) INSTRUMENT 2024**

**Powers exercised**

- A. The Financial Conduct Authority (“the FCA”) makes this instrument in the exercise of the following powers and related provisions in or under:
- (1) the following sections of the Financial Services and Markets Act 2000 (“the Act”):
    - (a) section 137A (The FCA’s general rules);
    - (b) section 137T (General supplementary powers);
    - (c) section 138D (Actions for damages);
    - (d) section 139A (Power of the FCA to give guidance);
    - (e) section 247 (Trust scheme rules);
    - (f) section 248 (Scheme particulars rules);
    - (g) section 261C (Applications for authorisation of contractual schemes);
    - (h) section 261I (Contractual scheme rules); and
    - (i) section 261J (Contractual scheme particulars rules);
  - (2) regulations 6 (FCA rules) and 12 (Applications for authorisation) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228); and
  - (3) the other rule and guidance making powers listed in Schedule 4 (Powers exercised) to the General Provisions of the FCA’s Handbook.
- B. The rule-making provisions listed above are specified for the purposes of section 138G(2) (Rule-making instruments) of the Act.

**Commencement**

- C. This instrument comes into force on 2 April 2024.

**Amendments to the 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.

**Notes**

- F. In the Annexes to this instrument, the notes (indicated by “**Note:**”) are included for the convenience of readers but do not form part of the legislative text.

**Citation**

- G. This instrument may be cited as the Collective Investment Schemes Sourcebook (Miscellaneous Amendments) Instrument 2024.

By order of the Board  
28 March 2024

## Annex A

## Amendments to the Glossary of definitions

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

Insert the following definitions in the appropriate alphabetical position. The text is not underlined.

*hybrid meeting* (in *COLL* 4) has the meaning given in *COLL* 4.4.1AR(2).

*physical meeting* (in *COLL* 4) has the meaning given in *COLL* 4.4.1AR(1).

*virtual meeting* (in *COLL* 4) has the meaning given in *COLL* 4.4.1AR(3).

Amend the following definitions as shown.

*income property* (1) (in relation to a UCITS scheme or a non-UCITS retail scheme) the amount available for income allocations calculated in accordance with *COLL* 6.8.3R(3A) and not including any amount for the time being standing to the credit of the *distribution account*.

(1A) (in relation to a qualified investor scheme) the amount available for income allocations under *COLL* 6.8.3R(3A) as applied by *COLL* 8.5.15R(3A), and not including any amount for the time being standing to the credit of the *distribution account*.

...

*IMA SORP* (in *COLL*) the Statement of Recommended Practice for financial statements of *authorised funds* issued by the Investment Association (formerly the Investment Management Association) on 14 May 2014 (and updated in June 2017).

**Annex B**

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

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

**4 Investor Relations**

...

**4.2 Pre-sale notifications**

...

Table: contents of the prospectus

4.2.5 R This table belongs to *COLL* 4.2.2 R (Publishing the prospectus).

...	
<b>Payments out of scheme property</b>	
13	In relation to each type of payment from the <i>scheme property</i> , details of:
	...
	(e) when it will be paid; <del>and</del>
	(f) where a performance fee is taken, examples of its operation in plain English and the maximum it can amount to-; <del>and</del>
	<u>(g) where donations are to be made to one or more <i>registered charities</i> for Sharia compliance purposes from the <i>income property</i> of the <i>scheme</i> (in this rule, ‘purification’), in addition to the details required above, the <i>person</i> who advises the <i>authorised fund manager</i> on the required percentage of the <i>income property</i> recognised for purification.</u>
...	

...

**4.4 Meetings of unitholders and service of notices**

Application

4.4.1 R ...

4.4.1A R In this section:

- (1) a ‘physical meeting’ is a general meeting convened at a physical location where *unitholders*, or their proxy, must be physically present;
- (2) a ‘hybrid meeting’ is a general meeting which allows *unitholders*, or their proxy, to be physically present at the location where the meeting is convened, or to attend and vote remotely; and
- (3) a ‘virtual meeting’ is a general meeting where all *unitholders*, or their proxy, attend and vote remotely.

#### General meetings

4.4.2 R ...

4.4.2A R The *instrument constituting the fund* may make provision for a general meeting to be:

- (1) a *physical meeting*;
- (2) a *hybrid meeting*; or
- (3) a *virtual meeting*.

but in any event the *authorised fund manager* may hold a *virtual meeting* or a *hybrid meeting* if this is not inconsistent with any provisions in the *instrument constituting the fund*.

- 4.4.2B R (1) Any *unitholder* who participates remotely in a *hybrid meeting* by the means specified in the notice given under *COLL 4.4.5R* is deemed to be present at the meeting and has the same rights as a *unitholder* who is physically present at the meeting.
- (2) Any *unitholder* who participates in a *virtual meeting* by the means specified in the notice given under *COLL 4.4.5R* is deemed to be present at the meeting and has the same rights that the *unitholder* would have at a *physical meeting*.

4.4.2C R Any *unitholder* who participates remotely must be enabled to do so without having to appoint a proxy and must not be required to submit their vote on a resolution in advance of the meeting.

...

#### Special meaning of unitholder in COLL 4.4

4.4.4 R ...

- (3) For the purposes of (2), in *COLL 4.4.6 R* (Quorum) to *COLL 4.4.11R* (~~Chairman~~ The chair, adjournments and minutes) “*unitholders*” in relation to those *units* means the *persons* entered on the *register* at a time to be determined by the *authorised fund manager* and stated in the notice of the meeting, which must not be more than 48 hours before the time fixed for the meeting.

#### Notice of general meetings

- 4.4.5 R (1) Where the *authorised fund manager*, the *depository* or the other *directors* of an *ICVC* decide to convene a general meeting of *unitholders*:
- (a) each *unitholder* must be given at least 14 *days* written notice, inclusive of the date on which the notice is first served and the day of the meeting; ~~and~~
- (b) the notice must specify:
- (i) whether the meeting is to be a *physical meeting*, a *hybrid meeting* or a *virtual meeting*;
- (ii) if the meeting is a *physical meeting* or a *hybrid meeting*, the place, of the meeting;
- (iii) if the meeting is a *hybrid meeting* or a *virtual meeting*, the means by which a *unitholder* may participate, including any requirements for *unitholders* to register before the meeting begins or to provide proof of their right to attend, and an explanation of how participating *unitholders* may vote in a show of hands or in a poll, if they do not appoint a proxy;
- (iv) the day and hour of the meeting ~~and~~;
- (v) the terms of the resolutions to be proposed; and
- (vi) the address of the website where the minutes of the meeting will subsequently be published; and
- (c) a copy of the notice must be sent to the *depository*.
- ...
- (3) Notice of an adjourned meeting of *unitholders* must be given to each *unitholder*, stating that while two *unitholders* are required to be present – in person or, by proxy ~~are required~~ or remotely – to constitute a quorum at the adjourned meeting, this may be reduced to one in accordance with *COLL 4.4.6R(3)*, should two such *unitholders* not be present after a reasonable time of convening of the meeting.

- (4) ...
- (5) Where the meeting is a *hybrid meeting* or a *virtual meeting*, the *authorised fund manager* must take reasonable care to ensure that the necessary supporting technology to enable *unitholders* to attend and vote is in place at the start of the meeting and operates adequately throughout its proceedings, so that *unitholders* who attend or vote remotely are not unfairly disadvantaged.

#### Quorum

- 4.4.6 R (1) The quorum required to conduct business at a meeting of *unitholders* is two *unitholders*, present in person or, by proxy or (where applicable) remotely using the means specified in the notice given under *COLL 4.4.5R*.
- (2) If after a reasonable time from the time for the start of the meeting, a quorum is not present, the meeting:
- (a) ...
- (b) in any other case, must stand adjourned to:
- (i) ...
- (ii) in the case of a *physical meeting* or a *hybrid meeting*, a place to be appointed by the ~~chairman~~ chair.
- (3) ...
- (4) The chair of a meeting which permits *unitholders* to attend and vote remotely must take reasonable care to give such *unitholders*:
- (a) an adequate opportunity to be counted as present in the quorum; and
- (b) sufficient opportunities to participate fully in the proceedings of the meeting, in particular when a vote is taken on a show of hands or by poll.

#### Resolutions

- 4.4.7 R (1) ...
- (2) In the case of an equality of, or an absence of, votes cast, the ~~chairman~~ chair is entitled to a casting vote.
- ...

#### Voting rights

- 4.4.8 R (1) On a show of hands every *unitholder* who is present in person, or who attends the meeting remotely using the means specified in the notice in COLL 4.4.5R, has one vote.
- ...
- (3) For joint *unitholders*, the vote of the most senior who votes, whether in person ~~or~~, by proxy or remotely by the means referred to in (1), must be accepted to the exclusion of the votes of the other joint *unitholders*. For this purpose seniority must be determined by the order in which the names stand in the *register of unitholders*.
- ...

#### Right to demand a poll

- 4.4.9 R (1) A resolution put to the vote of a general meeting must be determined on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:
- (a) the ~~chairman~~ chair;
- ...
- (2) Unless a poll is demanded in accordance with (1), a declaration by the ~~chairman~~ chair as to the result of a resolution is conclusive evidence of the fact.

...

#### ~~Chairman~~ The chair, adjournment and minutes

- 4.4.11 R (1) A meeting of *unitholders* must have a ~~chairman~~ chair, nominated:
- ...
- (b) ...
- (1A) In the case of a *physical meeting* or a *hybrid meeting*, the chair must be physically present at the place of the meeting.
- (2) If the ~~chairman~~ chair is not present after a reasonable time from the time for the meeting, the *unitholders* present must (subject to (1A)) choose one of them to be ~~chairman~~ the chair.
- (3) The ~~chairman~~ chair:
- ...
- adjourn the meeting from time to time and from place to place, provided that any arrangements to enable remote participation at the original meeting are replicated for any adjourned meeting.



...

(5) The *authorised fund manager* must ensure that:

...

(b) any minute made in (a) is signed by the ~~chairman~~ chair of the meeting of *unitholders*.

(6) ...

(7) The *authorised fund manager* must publish the minutes on a website accessible to the general public without charge, no later than 5 *business days* after the meeting has taken place (but in the case of an original meeting which is adjourned, the minutes must be published no later than 5 *business days* after the adjourned meeting has taken place).

#### Notices to unitholders

4.4.12 R ...

(3) ...

(4) Any notice or *document* served by post on one joint *unitholder* is deemed to also have been served on each other joint *unitholder* whose address, as appearing on the *register*, is the same address to which the notice or *document* was sent.

...

## 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:

(a) the accounts for the *annual accounting period* which must be prepared in accordance with the requirements of the ~~IMA~~ *SORP*;

...

(f) subject to *COLL* 4.5.7R(1)(g), its *public TCFD product report* or an adequately contextualised and prominent cross-reference and hyperlink to the report's location on the *firm's* website, in accordance with *ESG* 2.3.1R; ~~and~~

- (g) where applicable, Part B of its *public product-level sustainability report* or an adequately contextualised and prominent cross-reference and hyperlink to the report's location on the *firm's* website, in accordance with *ESG 5.5.5R*; and
- (h) where applicable, the amounts paid as donations for Sharia compliance purposes and the registered charities which received these payments.
- (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*:
- (i) the accounts for the *annual accounting period* which must be prepared in accordance with the requirements of the *IMA SORP*;
- ...
- (iv) subject to *COLL 4.5.7R(2)(a)(v)*, its *public TCFD product report* or an adequately contextualised and prominent cross-reference and hyperlink to the report's location on the *firm's* website, in accordance with *ESG 2.3.1R*; ~~and~~
- (v) where applicable, Part B of its *public product-level sustainability report* or an adequately contextualised and prominent cross-reference and hyperlink to the report's location on the *firm's* website, in accordance with *ESG 5.5.5R*; and
- (vi) where applicable, the amounts paid as donations for Sharia compliance purposes and the registered charities which received these payments;
- ...
- ...
- (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*:
- (i) the accounts for the *annual accounting period* which must be prepared in accordance with the requirements of the *IMA SORP*;

...  
 ...  
 ...  
 ...

Contents of the half-yearly long report

- 4.5.8 R (1) A half-yearly long report on an *authorised fund*, other than for a *scheme* which is an *umbrella*, must contain:
- (a) the accounts for the *half-yearly accounting period* which must be prepared in accordance with the requirements of the ~~IMA~~ *SORP*;
  - ...
  - (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:
    - (a) for each *sub-fund*:
      - (i) the accounts for the *half-yearly accounting period* which must be prepared in accordance with the requirements of the ~~IMA~~ *SORP*;
      - ...
    - ...
  - ...
- ...

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:
- ...
  - (7A) a portfolio statement prepared in accordance with the requirements of the ~~IMA~~ *SORP*;
  - ...

## Comparative information

- 4.5.10 R The comparative information required by *COLL* 4.5.7R (Contents of the annual long report), *COLL* 8.3.5AR (Contents of the annual report), and *COLL* 15.5.3R (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:
- (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:
- ...
- ...
- ...

## Report of the auditor

- 4.5.12 R The *authorised fund manager* must ensure that the report of the auditor to the *unitholders* includes the following statements:
- (1) whether, in the auditor's opinion, the accounts have been properly prepared in accordance with the ~~IMA~~ *SORP*, the *rules* in this sourcebook, and the *instrument constituting the fund*;
- ...
- ...

**6 Operating duties and responsibilities**

...

**6.7 Payments**

...

## Payments out of scheme property

- 6.7.4 R (1) The only payments which may be recovered from the *scheme property* of an *authorised fund* are those in respect of:
- ...
- (b) the administration of the *authorised fund*; ~~or~~
- (c) the investment or safekeeping of the *scheme property*; ~~or~~

(d) subject to (1A), donations to one or more *registered charities* for Sharia compliance purposes (in this *rule*, ‘purification’), as set out in and authorised by the *prospectus* of the *scheme*.

(1A) Payments relating to (1)(d) may only be made from the *income property* of the *scheme* where they represent the required percentage of the *income property* recognised for purification as advised by a *person* with appropriate knowledge of finance and Islamic law.

...

Payments out of scheme property: guidance

6.7.5 G ...

(4) ...

(5) The *person* referred to in *COLL* 6.7.4R(1A) should be independent of the *authorised fund manager* and any *registered charity* to which payments may be made.

...

Allocation of payments to income or capital

6.7.10 R (1) ...

(1A) Where there is at least one *class of units* that distributes income and one *class of units* that accumulates income in the same *authorised fund*, the *authorised fund manager* can determine that a payment be made from:

(a) the *capital property* of the *authorised fund* for the *classes of units* that distribute income; and

(b) the *income property* of the *authorised fund* for *classes of units* that accumulate income,

if this is set out in and authorised by the *prospectus* of the *scheme*.

...

...

## 6.8 Income: accounting, allocation and distribution

...

Accounting periods

...

- 6.8.2A G (1) The effect of COLL 6.8.1R(3) and COLL 6.8.2R(4) is that when the accounting reference date of a sub-fund falls less than 6 months after the beginning of the first annual accounting period of that sub-fund, that period may be extended until the subsequent accounting reference date.
- (2) When the *annual accounting period* of a *scheme* is extended under COLL 6.8.2R(4) or (6), resulting in a longer than usual period before the publication of reports to *unitholders*, the *authorised fund manager* should make summary information about the investment activities of the *scheme* available to *unitholders* during that period, in accordance with either (as applicable) Principle 12 (Consumer Duty) and PRIN 2A, or Principles 6 (Customers’ interests) and 7 (Communications with clients) (see PRIN 3.2.10R (Interaction between Principle 12 and Principles 6 and 7)).

Income allocation and distribution

...

6.8.3 R (1) ...

...

(3A) The amount available for income allocations must be calculated by:

- (a) taking the net revenue after taxation determined in accordance with the *MA SORP*;

...

...

...

**8 Qualified investor schemes**

...

**8.3 Investor relations**

...

Table: contents of qualified investor scheme prospectus

8.3.4 R This table belongs to COLL 8.3.2R.

...	
<b>12</b>	<b>Payments out of the scheme property</b>

	The payments that may be made out of the <i>scheme property</i> to any <i>person</i> whether by way of <i>remuneration</i> for services, or reimbursement of expense and for each category of <i>remuneration</i> or expense, the following should be specified:	
	...	
	(4)	the types of any other charges and expenses that may be taken out of the <i>scheme property</i> ; <del>and</del>
	(5)	if, in accordance with <i>COLL</i> 8.5.13R(2), all or part of the <i>remuneration</i> or expense are to be treated as a capital charge:
		...
		(b) the basis of the charge which may be so treated; <del>and</del>
	(6)	<u>where donations are to be made to one or more registered charities for Sharia compliance purposes from the income property of the scheme (in this rule, ‘purification’), in addition to the details required above, the person who advises the authorised fund manager on the required percentage of the income property recognised for purification.</u>
	...	

...

## Contents of the annual report

- 8.3.5A R (1) An annual report, other than for a *scheme* which is an *umbrella*, must contain:
- (a) the accounts for the *annual accounting period* prepared in accordance with the requirements of the ~~IMA~~ *SORP*;
  - ...
  - (e) subject to *COLL* 8.3.5AR(1)(d), its *public TCFD product report* or an adequately contextualised and prominent cross-reference and hyperlink to the report’s location on the *firm’s* website, in accordance with *ESG* 2.3.1R; ~~and~~
  - (f) where applicable, Part B of its *public product-level sustainability report* or an adequately contextualised and prominent cross-reference and hyperlink to the report’s location on the *firm’s* website, in accordance with *ESG* 5.5.5R; ~~and~~

(g) if applicable, the amounts paid as donations for Sharia compliance purposes and the registered charities which received these payments.

(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*:

...

(iv) subject to *COLL 8.3.5AR(2)(v)*, its *public TCFD product report* or an adequately contextualised and prominent cross-reference and hyperlink to the report's location on the *firm's* website, in accordance with *ESG 2.3.1R*; ~~and~~

(v) where applicable, Part B of its *public product-level sustainability report* or an adequately contextualised and prominent cross-reference and hyperlink to the report's location on the *firm's* website, in accordance with *ESG 5.5.5R*; ~~and~~

(vi) if applicable, the amounts paid as donations for Sharia compliance purposes and the registered charities which received these payments;

...

...

...

#### Contents of the half-yearly report

8.3.5B R (1) A half-yearly report on an *authorised fund* or *sub-fund* must contain:

(a) the accounts for the *half-yearly accounting period* which must be prepared in accordance with the requirements of the ~~IMA~~ *SORP*;

...

...

#### Authorised fund manager's report

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

...



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

...

...

## 8.4 Investment and borrowing powers

...

Qualified investor schemes: general

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

- (1) ...

(1A) (to the extent not within (1)(a)) an interest in a loan, provided that the loan was not originated to:

- (a) a natural *person*;
- (b) the *authorised fund manager* of the *qualified investor scheme*;
- (c) the *depository* of the *qualified investor scheme*;
- (d) an *affiliated company* of the *person* in (b) or (c); or
- (e) a *person* who intends to use, or uses, the credit for the purpose of investing in a *derivative, cryptoasset derivative, an unregulated transferable cryptoasset, precious metals* or a *commodity contract* within (4);

...

- (4) ...

[Note: Full-scope UK AIFMs are subject to specific requirements relating to conflicts of interest (see articles 30 to 36 in the AIFMD level 2 regulation and SYSC 10.1.23R to SYSC 10.1.26R (Additional requirements for an AIFM)).]

[Note: In relation to (1A), a borrower who receives *money* by way of *deposit* from a *person* who is not a *bank* may (if the borrower is acting by way of business) be carrying on the *regulated activity of accepting deposits*, but an exclusion in the *Regulated Activities Order* may be available. See also article 2 of the *Business Order*.]

...

## Investment in collective investment schemes

- 8.4.5 R (1) ~~A~~ Subject to (2) and (3) (where applicable), a *qualified investor scheme* may invest in *units* in a *scheme* (a ‘second scheme’) only if the second *scheme* is:
- ...
- (b) a *scheme* not within (a) where the *authorised fund manager* has taken reasonable care to determine that:
- ...
- (iii) ~~(unless it is a master scheme to whose units the relevant qualified investor scheme is dedicated)~~ it (and any master scheme to whose units it is dedicated) is prohibited from investing ~~more than 15% of its value in units of schemes~~ the qualified investor scheme or, if there is no such prohibition, the *qualified investor scheme’s authorised fund manager* is satisfied, on reasonable grounds and after making all reasonable enquiries, that no such investment will be made by either the second scheme or any fund in which the second scheme invests; and
- ...
- (2) A *qualified investor scheme* must not invest more than 20% in value of the *scheme property* in *units* in second *schemes* which are unregulated ~~schemes or~~ *qualified investor schemes* or long-term asset funds unless the *authorised fund manager* has carried out appropriate due diligence on each of the second *schemes* and has taken reasonable care to determine that, after making all reasonable enquiries and on reasonable grounds, the second *scheme* complies with relevant legal and regulatory requirements.
- (3) The *authorised fund manager* of a *qualified investor scheme* with more than 20% in value of the *scheme property* invested in one or more second *schemes* which are unregulated ~~schemes or~~ *qualified investor schemes* or long-term asset funds must carry out appropriate due diligence on those *schemes* on an ongoing basis.

## Investment in a collective investment scheme that is an umbrella

...

- 8.4.5B G (1) ~~The guidance at COLL 5.7.11G applies to an authorised fund manager of a qualified investor scheme carrying out due diligence for the purpose of COLL 8.4.5R, as if that guidance related to COLL 8.4.5R. The authorised fund manager of a qualified investor scheme carrying out due diligence for the purpose of COLL 8.4.5R should use reasonable efforts to make enquiries and obtain the information needed to be able to consider the matters specified in COLL 5.7.11G, as if that guidance related to COLL 8.4.5R.~~

...

- (3) ...

[Note: See also articles 18 to 20 of the AIFMD level 2 regulation for further requirements that apply to full-scope UK AIFMs in relation to due diligence.]

...

Cover for transactions in derivatives and forward transactions

8.4.7 R ...

8.4.7-A G (1) When calculating whether cover is adequate under COLL 8.4.7R(2), the authorised fund manager may calculate the global exposure of the scheme by using the commitment approach or the value at risk approach. For this purpose, value at risk means a measure of the maximum expected loss at a given confidence level over the specific time period.

(2) The method selected should be appropriate, taking into account:

- (a) the investment strategy pursued by the qualified investor scheme;
- (b) the types and complexities of the derivatives and forward transactions used; and
- (c) the proportion of the scheme property comprising derivatives and forward transactions.

...

## 8.5 Powers and responsibilities

...

Payments

8.5.13 R ...

- (2) Payments out of the *scheme property* may be made from *capital property* rather than from ~~income~~ *income property*, provided the basis for this is set out in the *prospectus*.
- (3) Donations to one or more *registered charities* for Sharia compliance purposes (in this rule, ‘purification’), as set out in and authorised by the *prospectus* of the *scheme*, may be recovered from *income property* of the *scheme* where they represent the required percentage of the *income property* recognised for purification, as advised by a *person* with appropriate knowledge of finance and Islamic law.

8.5.13 A **G** The *person* referred to in COLL 8.5.13R(3) should be independent of the *authorised fund manager* and any *registered charity* to which payments may be made.

...

**15 Long-term asset funds**

...

**15.4 Prospectus and other pre-sale notifications**

...

Table: contents of a long-term asset fund prospectus

15.4.5 **R** This table belongs to COLL 15.4.2R.

...			
<b>14</b>	<b>Fees, charges and expenses</b>		
	A description of all fees, charges and expenses, including:		
	...		
	(2)	the payments that may be made out of the <i>scheme property</i> to any <i>person</i> whether by way of <i>remuneration</i> for services, reimbursement of expense, or charge or other payment and for each category of <i>remuneration</i> , expense, charge or payment the following should be specified:	
		(a)	...
		(v)	when it will be paid; <del>and</del>

			(vi)	where a performance fee is taken, whether by the <i>authorised fund manager</i> or any other <i>person</i> providing services to the <i>authorised fund manager</i> or the <i>long-term asset fund</i> in relation to the operation of the <i>scheme</i> , examples of how the performance fee works in plain English and the maximum it can amount to; <u>and</u>
			(vii)	<u>where donations are to be made to one or more registered charities for Sharia compliance purposes from the income property of the scheme (in this rule, ‘purification’), in addition to the details required above, the person who advises the authorised fund manager on the required percentage of the income property recognised for purification;</u>
		...		
	...			
...				

...

**15.5 Annual report and investor relations**

...

Contents of the annual report

- 15.5.3 R (1) An annual report, other than for a *scheme* which is an *umbrella*, must contain:
- (a) the accounts for the *annual accounting period* prepared in accordance with the requirements of the ~~IMA~~ *SORP*;
  - ...
  - (f) subject to *COLL 15.5.3R(1)(g)*, its *public TCFD product report* or an adequately contextualised and prominent cross-reference and hyperlink to the report’s location on the *firm’s* website, in accordance with *ESG 2.3.1R*; ~~and~~
  - (g) where applicable, Part B of its *public product-level sustainability report* or an adequately contextualised and prominent cross-reference and to the report’s location on the *firm’s* website, in accordance with *ESG 5.5.5R*; and

(h) where applicable, the amounts paid as donations for Sharia compliance purposes and the registered charities which received these payments.

(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*:

...

(iv) subject to *COLL* 15.5.3R(2)(v), its *public TCFD product report* or an adequately contextualised and prominent cross-reference and hyperlink to the report's location on the *firm's* website, in accordance with *ESG* 2.3.1R; ~~and~~

(v) where applicable, Part B of its *public product-level sustainability report* or an adequately contextualised and prominent cross-reference and hyperlink to the report's location on the *firm's* website, in accordance with *ESG* 5.5.5R-; and

(vi) where applicable, the amounts paid as donations for Sharia compliance purposes and the registered charities which received these payments;

...

...

...

#### Contents of the half-yearly report

15.5.5 R (1) A half-yearly report on an *authorised fund* or *sub-fund* must contain:

(a) the accounts for the *half-yearly accounting period* which must be prepared in accordance with the requirements of the ~~IMA~~ *SORP*;

...

...

#### Authorised fund manager's report

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

...

- (2) a portfolio statement prepared in accordance with the requirements of the *IMA SORP*;

...

...

**15.6 Investment and borrowing powers**

Application

...

- 15.6.2 R (1) Where this section refers to a second *scheme*, and the second *scheme* is a feeder *scheme*, which (in respect of investment in *units* in *collective investment schemes*) is ~~dedicated~~ dedicated to *units* in a single *collective investment scheme*, the reference in this section to the second *scheme* must be read as if it were a reference to the feeder *scheme's* master *scheme*.

...

...

Investment powers: general

- 15.6.5 R (1) The *scheme property* of a *long-term asset fund* may, subject to the *rules* in this chapter, comprise any assets or *investments* to which it is ~~dedicated~~ dedicated.

...

...

Long-term asset funds: general

- 15.6.8 R The *scheme property* of a *long-term asset fund* must, except where otherwise provided by the *rules* in this chapter, consist only of one or more of the following to which it is ~~dedicated~~ dedicated:

...

- (2) (to the extent not within (a)); an interest in a loan, provided that the loan was not originated to:

...

...

## Investment in collective investment schemes

- 15.6.9 R (1) Subject to (2) and (3) (where applicable), a *long-term asset fund* may invest in *units* in a *scheme* (a ‘second ~~scheme~~ scheme’) only if the second *scheme* is:

...

- (b) a *scheme* not within (a) where the *authorised fund manager* has taken reasonable care to determine that:

...

- (iii) it (and any master *scheme* to whose *units* it is ~~dedicated~~ dedicated) is prohibited from investing in the *long-term asset fund*, or, if there is no such prohibition, the *authorised fund manager* is satisfied, on reasonable grounds and after making all reasonable enquiries, that no such investment will be made by either the second *scheme* or any *fund* in which the second *scheme* invests.

...

...

## 15.8 Valuation, pricing, dealing and income

...

### Payments out of scheme property

- 15.8.15 R (1) The only payments which may be recovered from the *scheme*  
C *property* of a *long-term asset fund* are those in respect of:

...

- (b) the administration of the *authorised fund*; ~~or~~
- (c) the investment or safekeeping of the *scheme property*; ~~and~~
- (d) subject to (1A), donations to one or more *registered charities* for *Sharia compliance purposes* (in this rule, ‘*purification*’), as set out in and authorised by the *prospectus* of the *scheme*.

- (1A) Payments relating to (1)(d) may only be made from the *income property* of the *scheme* where they represent the required percentage of the *income property* recognised for *purification* as advised by a *person* with appropriate knowledge of finance and Islamic law.

...

### Payments out of scheme property: guidance



15.8.15 G ...  
D

(4) ...

(5) The person referred to in COLL 15.8.15CR(1A) should be independent of the authorised fund manager and any registered charity to which payments may be made.

...

**TP 1 Transitional Provisions**

(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
...					
63	...	...	...	...	...
<b><u>Amendments made by the Collective Investment Schemes Sourcebook (Miscellaneous Amendments) Instrument 2024</u></b>					
64	<u>COLL 4.4.1AR, COLL 4.4.2AR, COLL 4.4.2BR and COLL 4.4.2CR and the amendments to COLL 4.4.5R, COLL 4.4.6R, COLL 4.4.8R and COLL 4.4.11R</u>	R	<u>The rules and amendments to the rules specified in column (2) apply only to a meeting held, or due to be held, on or after 3 June 2024.</u>	<u>2 April 2024 until the end of 2 June 2024</u>	<u>2 April 2024</u>