

Collective Investment Schemes

Chapter 1

Introduction

1.1 Applications and purpose

Application

- 1.1.1 **G** (1) This sourcebook, except for **■** COLL 9 (Recognised schemes), applies to:
- (a) *investment companies with variable capital (ICVCs);*
 - (b) *ACDs, other directors and depositaries of ICVCs;*
 - (c) *managers and trustees of authorised unit trust schemes (AUTs);*
 - (cA) *authorised fund managers, depositaries and nominated partners of authorised contractual schemes (ACs); and*
 - (d) *to the extent indicated, UK UCITS management companies operating EEA UCITS schemes.*
- (2) **■** COLL 9 applies to *operators of schemes that are recognised schemes and to those seeking to secure recognised status for such schemes.*
- (3) **■** COLL 11.5 (Auditors) also applies to *auditors of master UCITS and feeder UCITS which are UCITS schemes.*
- (4) This sourcebook also applies to *EEA UCITS management companies of UCITS schemes to the extent required by the UCITS Directive.*
- (5) **■** COLL TP 1.1(48) contains transitional provisions that apply in relation to any *scheme* that will need to become a *regulated money market fund* in accordance with the *Money Market Funds Regulation*, and which operates as a *scheme* prior to 21 July 2018.

- 1.1.1A **R** This sourcebook does not apply to an *incoming ECA provider* acting as such.

EEA territorial scope: compatibility with European law

- 1.1.1B **R** (1) The territorial scope of this sourcebook is modified to the extent necessary to be compatible with European law.
- (2) This *rule* overrides every other *rule* in this sourcebook.

EEA UCITS management companies of UCITS schemes

- 1.1.1C **G** An *EEA UCITS management company* that is providing *collective portfolio management services* for a *UCITS scheme* from a *branch* in the *United Kingdom*, or under the freedom to provide *cross border services*, is advised that where it operates a *UCITS scheme* as its designated *management company*, it meets the *Glossary* definition of an "ACD" of an *ICVC* or a

"manager" of an AUT or an authorised contractual scheme manager of an ACS, which in either case is a UCITS scheme. Such firms should be aware that provisions in this sourcebook that apply to an ACD, a manager or an authorised fund manager of a UCITS scheme accordingly apply to them, unless otherwise indicated: see ■ COLL 12.3 (EEA UCITS management companies) for further details.

Purpose

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- (1) The general purpose of this sourcebook is to contribute to the FCA meeting its *statutory objectives* of the protection of consumers. It provides a regime of product regulation for *authorised funds*, which sets appropriate standards of protection for investors by specifying a number of features of those products and how they are to be operated.
- (2) In addition, this sourcebook implements part of the requirements of the *UCITS Directive* to meet EU law obligations relevant to *authorised funds* and *management companies*, with other requirements implemented in other parts of the *Handbook*.

UCITS management company and product passport

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■ COLL 12 provides for the application of COLL in relation to the *management company* passport under the *UCITS Directive*. It explains how the passporting regime applies to both *UK UCITS management companies* and *EEA UCITS management companies* when providing *collective portfolio management* services on a cross-border basis. It also explains how the product passport (for *UCITS*) operates and how *UCITS schemes* may be marketed in other *EEA States*.

The Collective Investment Schemes Information Guide

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The Collective Investment Schemes Information Guide *COLLG* provides some general background material on the regulatory structure surrounding *scheme* regulation in the *UK*.