

Chapter 15

Long-term asset funds

15.10 Termination, suspension, and schemes of arrangement

Application

15.10.1 **R**

This section applies to:

- (1) an *authorised fund manager* of an *AUT*, *ACS* or an *ICVC*;
- (2) any other *director* of an *ICVC*;
- (3) the *depository* of an *AUT*, *ACS* or an *ICVC*; and
- (4) an *ICVC*,
which is a *long-term asset fund*.

Termination

15.10.2 **R**

For a *long-term asset fund* the provisions in ■ COLL 7.3 to ■ COLL 7.5 will apply as appropriate as if ■ COLL 7 applied to *long-term asset funds*.

Suspension

15.10.3 **R**

- (1) The *authorised fund manager* may, with the prior agreement of the *depository*, and must without delay, if the *depository* so requires, within any parameters which are fair and reasonable in respect of all the *unitholders* in the *scheme* and which are set out in the *prospectus*, temporarily suspend *dealings* in *units* of the *scheme*, a *sub-fund* or a *class*.
- (2) Any suspension within (1) must only be where the *authorised fund manager* has determined that due to exceptional circumstances the suspension of *dealings* is in the interests of *unitholders* or potential *unitholders*, and the *authorised fund manager* must have regard to the interests of all the *unitholders* in the *scheme* in reaching such an opinion.
- (3) At the commencement of suspension under (1), the *authorised fund manager* must immediately inform the *FCA* of the suspension and the reasons for it.
- (4) The *authorised fund manager* must ensure that a notification of the suspension is made to *unitholders* of the *authorised fund* as soon as practicable after suspension commences, which:
 - (a) is clear, fair and not misleading;

draws *unitholders'* particular attention to the exceptional circumstance which resulted in the suspension; and

informs *unitholders* how to obtain the information detailed in (4A).

- (4A) The *authorised fund manager* must ensure that it publishes (on its website or by other general means) sufficient details to keep *unitholders* appropriately informed about the suspension including, if known, its likely duration.
- (5) The *authorised fund manager* and the *depository* must ensure that the suspension only continues for as long as it is justified having regard to the interests of the *unitholders*.
- (6) The suspension of dealings in units must cease, as soon as (2) no longer applies.
- (7) The *authorised fund manager* and the *depository* must formally review the suspension at least every 28 days and inform the *FCA* of the results of this review and any change to the information provided in (3).
- (8) The *authorised fund manager* must inform the *FCA* immediately of the resumption of *dealings*.

Schemes of arrangement

15.10.4

R

In relation to an *ICVC*, *ACS* or an *AUT* which is a *long-term asset fund*, the provisions in ■ COLL 7.6 (Schemes of arrangement) will apply as appropriate to the *authorised fund manager*, any other *directors* of the *ICVC* and the *depository* as if ■ COLL 7.6 applied to a *long-term asset fund* and did not exclude *unitholders* becoming *unitholders* in another *long-term asset fund*.