

## Chapter 7

# Suspension of dealings and termination of authorised funds

## 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>Au-<br/>thorised fund man-<br/>ager of an<br/>AUT or<br/>ACS</i> | <i>D<br/>o<br/>a<br/>A<br/>o<br/>A</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>Depository of an ICVC</i> | <i>Au-<br/>thorised<br/>fund man-<br/>ager of an<br/>AUT or<br/>ACS</i> | <i>D<br/>o<br/>a<br/>A<br/>o<br/>A</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                                      |
| 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>depository</i> of an ACS.                         |                                       |                              |   |  |
|             | (3)         | *COLL 7.4A does not apply to the <i>manager</i> or <i>depository</i> of an AUT.  |                                       |                              |   |  |
|             | (4)         | COLL 7.2.-3R to 7.2.-1R apply only to the <i>authorised fund manager</i> and <i>depository</i> of a <i>non-UCITS retail scheme</i> . |                                       |                              |   |  |

**Purpose**

7.1.3

G

(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.