

**COLLECTIVE INVESTMENT SCHEMES SOURCEBOOK (SINGLE SUB-FUND  
UMBRELLAS) INSTRUMENT 2009**

**Powers exercised**

- A. The Financial Services Authority makes this instrument in the exercise of the powers and related provisions in or under:
- (1) the following sections of the Financial Services and Markets Act 2000 (“the Act”):
    - (a) section 138 (General rule-making power);
    - (b) section 139(4) (Miscellaneous ancillary matters);
    - (c) section 156 (General supplementary powers);
    - (d) section 157(1) (Guidance);
    - (e) section 247 (Trust scheme rules); and
    - (f) section 248 (Scheme particulars rules);
  - (2) regulation 6(1) (FSA rules) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228); and
  - (3) the other powers and related provisions listed in Schedule 4 (Powers exercised) to the General Provisions of the Handbook.
- B. The rule-making powers referred to above are specified for the purpose of section 153(2) (Rule-making instruments) of the Act.

**Commencement**

- C. This instrument comes into force on 6 August 2009.

**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.

**Citation**

- F. This instrument may be cited as the Collective Investment Schemes Sourcebook (Single Sub-fund Umbrellas) Instrument 2009.

By order of the Board  
23 July 2009

**Annex A****Amendments to the Glossary of definitions**

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

*umbrella* (in *FEES*, *COLL* and *COBS*) ~~a collective investment scheme under which the contributions of the participants in the scheme and the profits or income out of which payments are to be made to them are pooled separately~~ a collective investment scheme whose instrument constituting the scheme provides for such pooling as is mentioned in section 235(3)(a) of the Act (Collective investment schemes) in relation to separate parts of the scheme property and whose unitholders are entitled to exchange rights in one part for rights in another.

**Annex B**

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

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

Umbrella scheme with only one sub-fund

- 3.2.7 R (1) ~~If, after the first issue of a unit in a scheme which is an umbrella, for a period of 24 consecutive months, units of less than two sub-funds are in issue, the authorised fund manager or, for an ICVC, its other directors must take such action as is necessary to reflect the fact that the scheme is no longer an umbrella or cause units of more than one sub-fund to be in issue. [deleted]~~
- (2) ~~If (1) applies or is reasonably expected to become applicable by the authorised fund manager or, for an ICVC, its other directors, the authorised fund manager or, for an ICVC, its other directors, the authorised fund manager or its other directors must notify the unitholders and the FSA of any action to comply with (1). [deleted]~~
- (3) ~~Paragraph (1) does not apply if before the expiry of the 24 month period, winding up of the scheme has commenced. [deleted]~~

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Switching rights: umbrella schemes

- 3.3.10 G ...
- (2) To satisfy (1), where any sub-fund in a scheme which is an umbrella has provisions in its prospectus limiting the issue of units in that sub-fund, the authorised fund manager should ensure that at least two sub-funds are able to issue units at any time. In the case of an umbrella consisting of a single sub-fund that limits the issue of units, where the ICVC or the manager of such an umbrella intends to offer additional sub-funds, it should ensure that unitholders will have the right to switch at all times between two or more sub-funds in that umbrella.

...

Table: contents of the prospectus

- 4.2.5 R ...

...
Information on the umbrella

24	In the case of a <i>scheme</i> which is an <i>umbrella</i> <u>with two or more <i>sub-funds</i></u> , the following information:	
	...	
	(e)	what charges, if any, may be made on exchanging <i>units</i> in one <i>sub-fund</i> for <i>units</i> in any other <i>sub-fund</i> ; <u>and</u>
	(f)	for each <i>sub-fund</i> , the currency in which the <i>scheme property</i> allocated to it will be valued and the <i>price</i> of <i>units</i> calculated and payments made, if this currency is not the <i>base currency</i> of the <i>scheme</i> which is an <i>umbrella</i> ; <u>and</u>
	(g)	<del>if there are <i>units</i> for less than two <i>sub-funds</i> in issue, the effect of COLL 3.2.7R (Umbrella scheme with only one <i>sub-fund</i>). [deleted]</del>
...		

...

**Schedule 2 Notification requirements**

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Sch 2.2 G

Handbook reference	Matter to be notified	Contents of notification	Trigger event	Time allowed
...				
<i>COLL 3.2.7R(2)</i>	<del><i>ICVC with only one sub-fund</i></del>	Action to rectify situation	<del><i>Umbrella has only one sub-fund</i></del>	24 months
...				