



# Financial Services and Markets Act 2000

## 2000 CHAPTER 8

### PART XVII

#### COLLECTIVE INVESTMENT SCHEMES

#### CHAPTER I

##### INTERPRETATION

#### **236 Open-ended investment companies.**

- (1) In this Part “an open-ended investment company” means a collective investment scheme which satisfies both the property condition and the investment condition.
- (2) The property condition is that the property belongs beneficially to, and is managed by or on behalf of, a body corporate (“BC”) having as its purpose the investment of its funds with the aim of—
  - (a) spreading investment risk; and
  - (b) giving its members the benefit of the results of the management of those funds by or on behalf of that body.
- (3) The investment condition is that, in relation to BC, a reasonable investor would, if he were to participate in the scheme—
  - (a) expect that he would be able to realize, within a period appearing to him to be reasonable, his investment in the scheme (represented, at any given time, by the value of shares in, or securities of, BC held by him as a participant in the scheme); and
  - (b) be satisfied that his investment would be realized on a basis calculated wholly or mainly by reference to the value of property in respect of which the scheme makes arrangements.
- (4) In determining whether the investment condition is satisfied, no account is to be taken of any actual or potential redemption or repurchase of shares or securities under—

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*Status: Point in time view as at 01/04/2004. This version of this provision has been superseded.*

*Changes to legislation: Financial Services and Markets Act 2000, Section 236 is up to date with all changes known to be in force on or before 24 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

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- (a) Chapter VII of Part V of the <sup>M1</sup>Companies Act 1985;
  - (b) Chapter VII of Part VI of the <sup>M2</sup>Companies (Northern Ireland) Order 1986;
  - (c) corresponding provisions in force in another EEA State; or
  - (d) provisions in force in a country or territory other than an EEA state which the Treasury have, by order, designated as corresponding provisions.
- (5) The Treasury may by order amend the definition of “an open-ended investment company” for the purposes of this Part.

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**Marginal Citations**

**M1** 1985 c. 6.

**M2** S.I. 1986/1032 (N.I. 6.)

**Status:**

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