
STATUTORY INSTRUMENTS

1997 No. 32

The Financial Services Act 1986 (Restriction of Scope of Act and Meaning of Collective Investment Scheme) Order 1997

Citation and commencement

2.—(1) In section 75(6)(l) of the Financial Services Act 1986(1), for “paragraphs 34 to 36” there shall be substituted “paragraphs 34 to 37”.

(2) In Schedule 1 to that Act, after paragraph 36(2) there shall be inserted—

“37. For the purposes of this Schedule, arrangements are not a collective investment scheme if—

- (a) the purpose of the arrangements is that participants should receive, by way of reward, payments or other benefits in respect of the introduction by any person of other persons who become participants;
- (b) the arrangements are such that the payments or other benefits referred to in paragraph (a) above are to be wholly or mainly funded out of the contributions of other participants; and
- (c) the only reason why the arrangements have either or both of the characteristics mentioned in section 75(3) of this Act is because, pending their being used to fund those payments or other benefits, contributions of participants are managed as a whole by or on behalf of the operator of the scheme.”

(1) Section 75(6)(l) was inserted by the Financial Services Act 1986 (Restriction of Scope of Act and Meaning of Collective Investment Scheme) Order 1990 (S.I. 1990/349) and amended by the Financial Services Act 1986 (Restriction of Scope of Act and Meaning of Collective Investment Scheme) Order 1996 (S.I. 1996/2996).

(2) Paragraph 36 was inserted by the Financial Services Act 1986 (Restriction of Scope of Act and Meaning of Collective Investment Scheme) Order 1996 (S.I. 1996/2996).