
STATUTORY INSTRUMENTS

2013 No. 1400

**The Collective Investment Schemes (Tax
Transparent Funds, Exchanges, Mergers and
Schemes of Reconstruction) Regulations 2013**

Amendments in relation to exchanges, mergers and schemes of reconstruction

13. After Schedule 5A(1) insert—
“SCHEDULE 5AZA

Meaning of “scheme of reconstruction””

“Introductory

1. In sections 103H and 103I, “scheme of reconstruction” means a scheme within paragraph 2 which meets the conditions in paragraphs 3 and 4.

Form of scheme

2.—(1) A scheme (“the relevant scheme”) is within this paragraph if under the relevant scheme some or all of the property subject to one or more collective investment schemes becomes subject to one or more other collective investment schemes.

(2) In this Schedule “original collective investment scheme” means a collective investment scheme property subject to which becomes subject to another collective investment scheme; and “successor collective investment scheme” is to be read accordingly.

First condition: issue of units

3.—(1) The first condition is that the relevant scheme involves the issue of units in a successor collective investment scheme or schemes or a feeder fund—

- (a) where there is one original collective investment scheme, to holders of units in that scheme or, if there are different classes of units in that scheme, to holders of one or more classes of units in that scheme (the classes “involved in the scheme of reconstruction”), or
- (b) where there is more than one original collective investment scheme, to holders of units in any of those schemes or, if there are different classes of units in one or more of those schemes, to holders of units in any of those schemes or of one or more classes of units in any of those schemes (the classes “involved in the scheme of reconstruction”),

and does not involve the issue of units in any successor collective investment scheme or feeder fund to anyone else.

(2) In this Schedule, “feeder fund” means a collective investment scheme, 85% or more of the property subject to which is constituted by units in a successor collective investment scheme or schemes.

Second condition: equal entitlement to new units

4.—(1) The second condition is that under the relevant scheme the entitlement of any participant to acquire units in a successor collective investment scheme or schemes or a feeder fund by virtue of holding relevant units, or relevant units of any class, is the same as that of any other participant holding such units or units of that class.

(2) For this purpose “relevant units” means units comprised—

- (a) where there is one original collective investment scheme, in the units of that scheme or, as the case may be, in the units of that scheme of a class involved in the scheme of reconstruction;
- (b) where there is more than one original collective investment scheme, in the units of any of those schemes or, as the case may be, in the units of any of those schemes of a class involved in the scheme of reconstruction.

Preliminary reorganisation of units to be disregarded

5. Where a reorganisation of the units in an original collective investment scheme or schemes within case 2 of section 103F(1) is carried out for the purposes of the relevant scheme, the provisions of the first and second conditions apply in relation to the position after the reorganisation.

Subsequent issue of units to be disregarded

6. An issue of units in any successor collective investment scheme or schemes or feeder fund after the latest date on which any units in any successor collective investment scheme or schemes or feeder fund are issued in consideration of property becoming subject to any successor collective investment scheme or schemes under the relevant scheme shall be disregarded for the purposes of the first and second conditions.”