

STATUTORY INSTRUMENTS

2019 No. 325

The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019

PART 3 U.K.

Amendments of the Undertakings for Collective Investment in Transferable Securities Regulations 2011

Introductory provision U.K.

33. The Undertakings for Collective Investment in Transferable Securities Regulations 2011^{M1} are amended in accordance with this Part.

Commencement Information

II Reg. 33 in force at 31.12.2020 on IP completion day (in accordance with 2020 c. 1, Sch. 5 para. 1(1)), see reg. 1(2)

Marginal Citations

M1 S.I. 2011/1613.

Interpretation of Part 4 (mergers) U.K.

34.—(1) Regulation 7^{M2} is amended as follows.

(2) In paragraph (1)—

- (a) omit the definition of “cross-border merger”;
- (b) in the definition of “depository”^{M3}—
 - (i) at the end of sub-paragraph (aa), insert “ and ”;
 - (ii) at the end of sub-paragraph (b), omit “and”;
 - (iii) omit sub-paragraph (c);
- (c) omit the definition of “domestic merger”;
- (d) omit the definition of “EEA management company”^{M4};
- (e) for the definition of “EEA UCITS” substitute—
““feeder UCITS” has the meaning given in section 237(3) of the Act;”;
- (f) in the definition of “implementing provision”^{M5}, in paragraph (b), for “implements” substitute “ implemented ”;
- (g) in the definition of “manager”^{M6} omit sub-paragraph (c);
- (h) after the definition of “manager” insert—

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- ““master UCITS” has the meaning given in section 237(3) of the Act;
- “merger” means an operation whereby one or more UK UCITS, or sub-funds (otherwise referred to as investment compartments) of UK UCITS ((the “merging UCITS”) (which continue to exist until the liabilities have been discharged)) transfer their net assets to—
- (a) another sub-fund of the same UK UCITS;
 - (b) a UK UCITS which they form;
 - (c) another existing UK UCITS; or
 - (d) a sub-fund of another existing UK UCITS; (the “receiving UCITS”);”;
- (i) omit the definition of “UK management company”^{M7};
- (j) for the definition of “UK UCITS” substitute—
- ““UK UCITS” has the meaning given in section 237(3) of the Act;”;
- (k) in the definition of “unit-holders”^{M8} in sub-paragraph (b) omit—
- (i) “or an EEA UCITS”;
 - (ii) “or EEA UCITS”;
- (l) in the definition of “units”^{M9}—
- (i) at the end of sub-paragraph (a) insert “ and ”;
 - (ii) at the end of sub-paragraph (b) omit “and”;
 - (iii) omit sub-paragraph (c).
- (3) In paragraph (2)^{M10} omit the words from “Expressions used in this Part” to “as in the UCITS directive and.”.
- (4) After paragraph (2), insert—
- “(3) Any reference in these Regulations to the Collective Investment Schemes sourcebook is a reference to the Collective Investment Schemes sourcebook made under the Act by the Authority, as it has effect on [F1IP completion day].”.

Textual Amendments

- F1** Words in reg. 34(4) substituted (30.12.2020) by [The Financial Services and Economic and Monetary Policy \(Consequential Amendments\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1301\)](#), regs. 1, 3, **Sch. para. 18(b)**

Commencement Information

- I2** Reg. 34 in force at 31.12.2020 on IP completion day (in accordance with [2020 c. 1, Sch. 5 para. 1\(1\)](#)), see [reg. 1\(2\)](#)

Marginal Citations

- M2** Regulation 7(1) was amended by [S.I. 2013/1388](#) and [S.I. 2016/225](#); there are other amendments but none is relevant.
- M3** The definition of “depository” was amended by [S.I. 2013/1388](#).
- M4** The definition of “EEA management company” was inserted by [S.I. 2016/225](#).
- M5** The definition of “implementing provision” was inserted by [S.I. 2016/225](#).
- M6** The definition of “manager” was substituted by [S.I. 2013/1388](#).
- M7** The definition of “UK management company” was inserted by [S.I. 2016/225](#).
- M8** The definition of “unit-holders” was amended by [S.I. 2013/1338](#).
- M9** The definition of “units” was amended by [S.I. 2013/1388](#).

M10 Regulation 7(2) was substituted by [S.I. 2016/225](#).

Reconstruction or amalgamation **U.K.**

35.—(1) Regulation 8 is amended as follows.

(2) In paragraph (1) ^{M11}, for the words from “involving” to the end substitute “ which is a merger where the UK UCITS involved (or, if two or more are involved, at least one of them) has given notice to the Authority under paragraph 20B of Schedule 3 to the Act ^{M12}, and which takes the form of a merger by scheme of arrangement ”.

(3) Omit paragraphs (2) and (3).

(4) In paragraph (4)—

(a) in sub-paragraph (a)—

(i) after “transferor” insert “ UK ”;

(ii) after “of a” insert “ UK ”;

(b) in sub-paragraph (b)—

(i) in paragraph (ii) after “existing” insert “ UK ”;

(ii) in paragraph (iii) after “a” insert “ UK ”.

Commencement Information

I3 Reg. 35 in force at 31.12.2020 on IP completion day (in accordance with [2020 c. 1, Sch. 5 para. 1\(1\)](#)), see [reg. 1\(2\)](#)

Marginal Citations

M11 Regulation 8(1) was amended by [S.I. 2012/2015](#) and [S.I. 2013/1388](#).

M12 Paragraph 20B of Schedule 3 was inserted by [S.I. 2011/1613](#); amended by Schedule 4 to the Financial Services Act 2012 and [S.I. 2013/1773](#).

Application for authorisation **U.K.**

36.—(1) Regulation 9 is amended as follows.

(2) In paragraph (1) omit “UK”.

(3) In paragraph (2)—

(a) omit sub-paragraph (b);

(b) in sub-paragraph (c)—

(i) omit “or by the competent authorities of an EEA UCITS involved in the merger”;

(ii) in paragraph (i) omit “the type of merger and of”.

(4) Omit paragraphs (3) and (5).

(5) In paragraph (8)—

(a) in sub-paragraph (b) for “UK” substitute “ merging ”;

(b) for sub-paragraph (c) substitute—

“(c) the receiving UCITS gave the Authority notice of its intention to market its units in another EEA State and, before [^{F2}IP completion day], that notification was transmitted under Article 93 of the UCITS directive to the competent authorities

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of those EEA States in which the merging UCITS was able to market its units; and”;

(c) for sub-paragraph (d), substitute—

“(d) the Authority is satisfied with the proposed information to be provided to unit-holders.”.

(6) Omit paragraph (10).

Textual Amendments

F2 Words in reg. 36(5)(b) substituted (30.12.2020) by [The Financial Services and Economic and Monetary Policy \(Consequential Amendments\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1301\)](#), regs. 1, 3, [Sch. para. 18\(c\)](#)

Commencement Information

I4 Reg. 36 in force at 31.12.2020 on IP completion day (in accordance with [2020 c. 1](#), [Sch. 5 para. 1\(1\)](#)), see [reg. 1\(2\)](#)

Modification of information **U.K.**

37. In regulation 10—

- (a) in paragraph (1), omit “as the competent authority for a receiving UK UCITS”;
- (b) omit paragraphs (4) and (5).

Commencement Information

I5 Reg. 37 in force at 31.12.2020 on IP completion day (in accordance with [2020 c. 1](#), [Sch. 5 para. 1\(1\)](#)), see [reg. 1\(2\)](#)

Report by depositary or auditor **U.K.**

38. In regulation 11—

- (a) in paragraph (1)—
 - (i) in the opening words omit “UK”;
 - (ii) in sub-paragraph (a) omit “referred to in Article 47(1) of the UCITS directive”;
 - (iii) in sub-paragraph (c) omit “, as referred to in Article 47(1) of the UCITS directive”;
- (b) in paragraph (4)(b) omit “and, in relation to a cross-border merger, the competent authorities of the EEA UCITS concerned”.

Commencement Information

I6 Reg. 38 in force at 31.12.2020 on IP completion day (in accordance with [2020 c. 1](#), [Sch. 5 para. 1\(1\)](#)), see [reg. 1\(2\)](#)

Right of redemption **U.K.**

39. In regulation 12—

- (a) in paragraph (1)(b), in the opening words, after “another” insert “ UK ”;

- (b) in paragraph (2), omit “under Article 47.1 of the directive”;
- (c) in paragraph (4) for “within the meaning of section 237(3) of the Act, the master UCITS” substitute “ it ”.

Commencement Information

- 17** Reg. 39 in force at 31.12.2020 on IP completion day (in accordance with [2020 c. 1, Sch. 5 para. 1\(1\)](#)), see [reg. 1\(2\)](#)

Consequences of a merger **U.K.**

- 40.**—(1) Regulation 13 is amended as follows.
- (2) Omit paragraphs (1) and (2).
 - (3) For paragraph (4) substitute—
 - “(4) Subject to paragraph (6) the consequences take effect on the date specified in the order made by the Authority under regulation 9 (application for authorisation).”.
 - (4) In paragraph (5) omit “(including by the law of another EEA State)”.
 - (5) in paragraph (6) for “the competent authorities of each of its feeder UCITS” substitute “ the Authority ”.

Commencement Information

- 18** Reg. 40 in force at 31.12.2020 on IP completion day (in accordance with [2020 c. 1, Sch. 5 para. 1\(1\)](#)), see [reg. 1\(2\)](#)

Division of a master UCITS **U.K.**

- 41.**—(1) Regulation 15 is amended as follows.
- (2) In paragraph (2)—
 - (a) after “a master UCITS” insert “ which is a UK UCITS and ”;
 - (b) after “two or more” insert “ UK ”.
 - (3) In paragraph (3) for “competent authorities of each of its feeder UCITS” substitute “ Authority ”.
 - (4) In paragraph (5) ^{M13} after “feeder UCITS in the” insert “ UK ”.

Commencement Information

- 19** Reg. 41 in force at 31.12.2020 on IP completion day (in accordance with [2020 c. 1, Sch. 5 para. 1\(1\)](#)), see [reg. 1\(2\)](#)

Marginal Citations

- M13** Paragraph 5 was amended by [S.I. 2013/472](#).

Depository liability: general provisions **U.K.**

- 42.** In regulation 15B ^{M14}—

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- (a) in paragraph (1) after “depository of a” insert “ UK ”;
- (b) in paragraph (2)(a) for “Article 22a of the UCITS directive” substitute “ rules 6.6B.25, 6.6B.26 and 6.6B.27 of the Collective Investment Schemes sourcebook ”.

Commencement Information

I10 Reg. 42 in force at 31.12.2020 on IP completion day (in accordance with [2020 c. 1, Sch. 5 para. 1\(1\)](#)), see [reg. 1\(2\)](#)

Marginal Citations

M14 Regulations 15B-15I were inserted by [S.I. 2016/225](#).

Depository liability for loss of financial instruments held in custody **U.K.**

- 43.** In regulation 15C, in paragraph (1)—
- (a) for “Article 22.5(a) of the UCITS directive” substitute “ rule 6.6B.18 of the Collective Investment Schemes sourcebook ”;
 - (b) for “any directly applicable regulation made under Article 26b(f) of the UCITS directive” substitute “ Article 18 of Commission Delegated Regulation (EU) 2016/438 of 17 December 2015 supplementing Directive [2009/65/EC](#) of the European Parliament and of the Council with regard to obligations of depositaries ”.

Commencement Information

I11 Reg. 43 in force at 31.12.2020 on IP completion day (in accordance with [2020 c. 1, Sch. 5 para. 1\(1\)](#)), see [reg. 1\(2\)](#)

Depository liability for other losses **U.K.**

- 44.** In regulation 15D—
- (a) after “If a” insert “ UK ”;
 - (b) after “unit-holders of a” insert “ UK ”.

Commencement Information

I12 Reg. 44 in force at 31.12.2020 on IP completion day (in accordance with [2020 c. 1, Sch. 5 para. 1\(1\)](#)), see [reg. 1\(2\)](#)

Omission of Part 5B **U.K.**

- 45.** Omit Part 5B (regulations 15E to 15I).

Commencement Information

I13 Reg. 45 in force at 31.12.2020 on IP completion day (in accordance with [2020 c. 1, Sch. 5 para. 1\(1\)](#)), see [reg. 1\(2\)](#)

Amendment of regulation 16 **U.K.**

46. In regulation 16, for “The Schedule” substitute “ Schedule 1 ”.

Commencement Information

I14 Reg. 46 in force at 31.12.2020 on IP completion day (in accordance with [2020 c. 1, Sch. 5 para. 1\(1\)](#)), see [reg. 1\(2\)](#)

Transfer of UCITS directive functions **U.K.**

47.—(1) After regulation 17, insert—

“PART 7 **U.K.**

Transfer of UCITS directive functions

18. The Authority may make technical standards for the purposes set out in Schedule 2 to this Regulation.”.

(2) Renumber the Schedule as Schedule 1, and after that Schedule insert—

“SCHEDULE 2 **U.K.**

Regulation 18

Directive functions transferred to the Authority

1. The purposes mentioned in regulation 18 are as follows.
2. To specify the information to be provided to the Authority in the application for authorisation of a UCITS.
3. To specify—
 - (a) the information to be provided to the Authority in the application for the authorisation of the management company, including the programme of activity;
 - (b) the requirements applicable to the management company in relation to paragraph 2C(1)(f) of Schedule 6 to the Act and the information to be included in the notification by the Authority as to whether or not authorisation has been granted as provided for in sections 55V(1), 55X(1), (2) and (4), 387(1) and 388(1) of the Act; and
 - (c) the requirements applicable to shareholders and members with qualifying holdings, as well as obstacles which may prevent effective exercise of the supervisory functions of the Authority, as provided for in section 55U(4) of the Act and in paragraph 2C and 3B of Schedule 6 to the Act, in accordance with Part 12 of the Act.
5. To determine standard forms, templates and procedures for the notification or provision of information provided for in paragraphs 3(a) and (b).
6. To specify the information to be provided to the Authority in the application for the authorisation of the contractual scheme, unit trust scheme, or open-ended investment company as a UK UCITS, including the programme of operations.
7. To establish standard forms, templates and procedures for the provision of information referred to in paragraph 6.

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8. To specify the provisions concerning the content of the prospectus, the annual report and the half-yearly report, and the format of those documents.

9. To specify the conditions which need to be met by the UCITS after the adoption of the temporary suspension of the re-purchase or redemption of the units of the UCITS, once the suspension has been decided.”.

Commencement Information

I15 Reg. 47 in force at 31.12.2020 on IP completion day (in accordance with 2020 c. 1, [Sch. 5 para. 1\(1\)](#)), see [reg. 1\(2\)](#)

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Changes and effects yet to be applied to :

- Regulations revoked by [2023 c. 29 Sch. 1 Pt. 2](#)