



# Financial Services and Markets Act 2000

## 2000 CHAPTER 8

### PART XVII

#### COLLECTIVE INVESTMENT SCHEMES

#### CHAPTER III

#### AUTHORISED UNIT TRUST SCHEMES

##### *Applications for authorisation*

#### **242 Applications for authorisation of unit trust schemes.**

- [<sup>F1</sup>(1) The manager and trustee, or proposed manager and trustee, of a unit trust scheme may apply to the FCA for—
- (a) an order declaring the scheme to be an authorised unit trust scheme;
  - (b) an order declaring the scheme to be an authorised money market fund.]
- (2) The manager and trustee (or proposed manager and trustee) must be different persons.
- (3) [<sup>F2</sup>An application] —
- (a) must be made in such manner as the [<sup>F3</sup>FCA] may direct; and
  - (b) must contain or be accompanied by such information as the [<sup>F3</sup>FCA] may reasonably require for the purpose of determining the application.
- (4) At any time after receiving an application and before determining it, the [<sup>F3</sup>FCA] may require the applicants to provide it with such further information as it reasonably considers necessary to enable it to determine the application.
- (5) Different directions may be given, and different requirements imposed, in relation to different applications.

*Status: Point in time view as at 21/07/2018.*

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- (6) The [F3FCA] may require applicants to present information which they are required to give under this section in such form, or to verify it in such a way, as the [F3FCA] may direct.

#### Textual Amendments

- F1** S. 242(1) substituted (28.6.2018 for specified purposes, 21.7.2018 in so far as not already in force) by [The Money Market Funds Regulations 2018 \(S.I. 2018/698\)](#), regs. 1(2), **2(5)(a)**
- F2** Words in s. 242(3) substituted (28.6.2018 for specified purposes, 21.7.2018 in so far as not already in force) by [The Money Market Funds Regulations 2018 \(S.I. 2018/698\)](#), regs. 1(2), **2(5)(b)**
- F3** Word in ss. 242-252A substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#), s. 122(3), Sch. 18 para. 9(1)(2) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

#### Modifications etc. (not altering text)

- C1** S. 242 extended (1.12.2001) by [S.I. 2001/3592](#), arts. 1(2), 39(1) (with art. 23(2))

#### Commencement Information

- II** S. 242 wholly in force at 1.12.2001; s. 242 not in force at Royal Assent see s. 431(2); s. 242(3) in force for specified purposes at 18.6.2001 by [S.I. 2001/1820](#), art. 2, Sch.; s. 242 in force for specified purposes at 3.9.2001 by [S.I. 2001/2632](#), art. 2(2), Sch. Pt. 2; s. 242 in force in so far as not already in force at 1.12.2001 by [S.I. 2001/3538](#), art. 2(1)

### 243 Authorisation orders [F4: authorised unit trust schemes].

- (1) If, on an application under section [F5242(1)(a)] in respect of a unit trust scheme, the [F3FCA]—

- (a) is satisfied that the scheme complies with the requirements set out in this section,
- (b) is satisfied that the scheme complies with the requirements of the trust scheme rules, and
- (c) has been provided with a copy of the trust deed and a certificate signed by a solicitor to the effect that it complies with such of the requirements of this section or those rules as relate to its contents,

the [F3FCA] may make an order declaring the scheme to be an authorised unit trust scheme.

- (2) If the [F3FCA] makes an order under subsection (1), it must give written notice of the order to the applicant.

[F6(3) . . . . .]

- (4) The manager and the trustee must be persons who are independent of each other.

[F7(5) The manager and the trustee must each be a body corporate incorporated in the United Kingdom or another EEA State, and the affairs of each must be administered in the country in which it is incorporated.

- (5A) The trustee must have a place of business in the United Kingdom, and the manager must have a place of business in the United Kingdom or in another EEA State.]

- (6) If the manager is incorporated in another EEA State, the scheme must not be one which satisfies the requirements prescribed for the purposes of section 264.

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(7) The manager and the trustee must each be an authorised person and the manager must have permission to act as manager and the trustee must have permission to act as trustee.

[<sup>F8</sup>(7A) The manager must be a fit and proper person to manage the unit trust scheme to which the application relates.]

(8) The name of the scheme must not be undesirable or misleading.

(9) The purposes of the scheme must be reasonably capable of being successfully carried into effect.

(10) The participants must be entitled to have their units redeemed in accordance with the scheme at a price—

- (a) related to the net value of the property to which the units relate; and
- (b) determined in accordance with the scheme.

(11) But a scheme is to be treated as complying with subsection (10) if it requires the manager to ensure that a participant is able to sell his units on an investment exchange at a price not significantly different from that mentioned in that subsection.

#### Textual Amendments

- F3** Word in ss. 242-252A substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\), s. 122\(3\), Sch. 18 para. 9\(1\)\(2\)](#) (with [Sch. 20](#)); [S.I. 2013/423, art. 3, Sch.](#)
- F4** Words in s. 243 heading inserted (28.6.2018 for specified purposes, 21.7.2018 in so far as not already in force) by [The Money Market Funds Regulations 2018 \(S.I. 2018/698\), regs. 1\(2\), 2\(6\)\(a\)](#)
- F5** Word in s. 243(1) substituted (28.6.2018 for specified purposes, 21.7.2018 in so far as not already in force) by [The Money Market Funds Regulations 2018 \(S.I. 2018/698\), regs. 1\(2\), 2\(6\)\(b\)](#)
- F6** S. 243(3) omitted (28.6.2018 for specified purposes, 21.7.2018 in so far as not already in force) by virtue of [The Money Market Funds Regulations 2018 \(S.I. 2018/698\), regs. 1\(2\), 2\(6\)\(c\)](#)
- F7** S. 243(5)(5A) substituted for s. 243(5) (1.7.2011) by [The Undertakings for Collective Investment in Transferable Securities Regulations 2011 \(S.I. 2011/1613\), reg. 2\(15\)\(a\)](#)
- F8** S. 243(7A) inserted (1.7.2011) by [The Undertakings for Collective Investment in Transferable Securities Regulations 2011 \(S.I. 2011/1613\), reg. 2\(15\)\(b\)](#)

#### Modifications etc. (not altering text)

- C2** S. 243(1) extended (1.12.2001) by [S.I. 2001/2636, arts. 1\(2\)\(b\), 65\(1\)](#); [S.I. 2001/3538, art. 2\(1\)](#)

#### Commencement Information

- I2** S. 243 wholly in force at 1.12.2001; s. 243 not in force at Royal Assent see s. 431(2); s. 243 in force for specified purposes at 3.9.2001 by [S.I. 2001/2632, art. 2\(2\), Sch. Pt. 2](#); s. 243 in force in so far as not already in force at 1.12.2001 by [S.I. 2001/3538, art. 2\(1\)](#)

#### [<sup>F9</sup>243A Authorisation orders: authorised money market funds

- (1) If, on an application under section 242(1)(b) in respect of a unit trust scheme, conditions A and B are met the FCA may make an order declaring the scheme to be an authorised money market fund.
- (2) Condition A is that the FCA is satisfied that the scheme will be able to comply with the requirements imposed on a money market fund under the MMF Regulation.

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- (3) Condition B is that—
- (a) the scheme is an authorised unit trust scheme, or
  - (b) the scheme—
    - (i) is the subject of an application under section 242(1)(a), and
    - (ii) the conditions in section 243(1)(a) to (c) are met in relation to that application.
- (4) If the FCA makes an order under subsection (1), it must give written notice of the order to the applicant.
- (5) In this Chapter “authorisation order” means—
- (a) an order under section 243(1), or
  - (b) an order under subsection (1) of this section.]

#### Textual Amendments

- F9** S. 243A inserted (28.6.2018 for specified purposes, 21.7.2018 in so far as not already in force) by [The Money Market Funds Regulations 2018 \(S.I. 2018/698\)](#), regs. 1(2), **2(7)**

#### 244 Determination of applications.

- (1) [<sup>F10</sup>Subject to subsection (1A),] An application under section [<sup>F11</sup>242(1)(a)] must be determined by the [<sup>F3</sup>FCA] before the end of the period of six months beginning with the date on which it receives the completed application.
- [<sup>F12</sup>(1A) An application under [<sup>F13</sup>section 242(1)(a) in respect of a unit trust scheme which is a UCITS, or an application under section 242(1)(b),] must be determined by the [<sup>F3</sup>FCA] before the end of two months beginning with the date on which it receives the application.]
- (2) The [<sup>F3</sup>FCA] may determine an incomplete application if it considers it appropriate to do so; and it must in any event determine such an application within twelve months beginning with the date on which it first receives the application.
- (3) The applicant may withdraw his application, by giving the [<sup>F3</sup>FCA] written notice, at any time before the [<sup>F3</sup>FCA] determines it.

#### Textual Amendments

- F3** Word in ss. 242-252A substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#), s. 122(3), Sch. 18 para. 9(1)(2) (with Sch. 20); S.I. 2013/423, art. 3, Sch.
- F10** Words in s. 244(1) inserted (1.7.2011) by The Undertakings for Collective Investment in [Transferable Securities Regulations 2011 \(S.I. 2011/1613\)](#), **reg. 2(16)(a)**
- F11** Word in s. 244(1) substituted (28.6.2018 for specified purposes, 21.7.2018 in so far as not already in force) by [The Money Market Funds Regulations 2018 \(S.I. 2018/698\)](#), regs. 1(2), **2(8)(a)**
- F12** S. 244(1A) inserted (1.7.2011) by The Undertakings for Collective Investment in [Transferable Securities Regulations 2011 \(S.I. 2011/1613\)](#), **reg. 2(16)(b)**
- F13** Words in s. 244(1A) substituted (28.6.2018 for specified purposes, 21.7.2018 in so far as not already in force) by [The Money Market Funds Regulations 2018 \(S.I. 2018/698\)](#), regs. 1(2), **2(8)(b)**

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**Modifications etc. (not altering text)**

**C3** S. 244 applied (1.12.2001) by [S.I. 2001/3592](#), [arts. 1\(2\)](#), [39\(1\)](#) (with [art. 23\(2\)](#))

**Commencement Information**

**I3** S. 244 wholly in force at 1.12.2001; s. 244 not in force at Royal Assent see s. 431(2); s. 244 in force for specified purposes at 3.9.2001 by [S.I. 2001/2632](#), [art. 2\(2\)](#), [Sch. Pt. 2](#); s. 244 in force in so far as not already in force at 1.12.2001 by [S.I. 2001/3538](#), [art. 2\(1\)](#)

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