

SCHEDULE 1

Regulation 3

Amendments to legislation that implement Articles 35 and 37 to 41 of the directive

**Amendments to the Act**

1.—(1) The Act is amended as follows.

(2) In section 55V(8) (determination of applications) <sup>M1</sup> for “regulation 5” insert “ regulations 5 and 5A ”.

<sup>F1</sup>(3) .....

(4) <sup>M2</sup>In section 418 (carrying on regulated activities in the United Kingdom) —

<sup>F2</sup>(a) .....

(b) [<sup>F3</sup>after subsection (5AA)] insert—

“(5B) The [<sup>F4</sup>seventh] case is where—

(a) the regulated activity being carried on by the person is the regulated activity of managing an AIF,

(b) the AIF being managed—

(i) has its registered office in [<sup>F5</sup>the United Kingdom], or

(ii) is marketed in [<sup>F5</sup>the United Kingdom],

(c) if the AIF being managed is marketed in [<sup>F6</sup>the United Kingdom], it is marketed otherwise than in accordance with [<sup>F7</sup>regulation 59 of the Alternative Investment Fund Managers Regulations 2013, and]

(d) the person does not have a registered office in [<sup>F8</sup>the United Kingdom], <sup>F9</sup>...

<sup>F10</sup>(e) .....

<sup>F11</sup>(5C) ....., and

[<sup>F12</sup>(c) in subsection (6) for “(5AA)” substitute “ (5B) ”.]

(5) In Schedule 3 (EEA passport rights)—

(a) in paragraph 5(h) (EEA firm) <sup>M3</sup> omit “Article 6.1 of”,

(b) in paragraph 7A(aa) (EEA right: meaning of “relevant office”) <sup>M4</sup> for paragraph (aa) substitute—

“(aa) in relation to a person whose entitlement [<sup>F13</sup>derives from] the alternative investment fund managers directive—

(i) if the person's registered office is in an EEA State, its registered office;

(ii) if the person's registered office is not in an EEA State, the registered office or branch of its legal representative (as defined in Article 4(1)(u) of the alternative investment fund managers directive);”,

(c) in paragraph 10A(aa) (UK firm: meaning of “relevant office”) <sup>M5</sup> for paragraph (aa) substitute—

“(aa) in relation to a firm whose EEA right derives from the alternative investment fund managers directive—

(i) if the firm's registered office is in an EEA State, its registered office;

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- (ii) if the firm's registered office is not in an EEA State, the registered office or branch of its legal representative (as defined in Article 4(1)(u) of the alternative investment fund managers directive);”,
  - (d) in paragraph 14(3A) (services)<sup>M6</sup> after “Article 32” insert “ , 35, 39 or 40 ”,
  - (e) in paragraph 19(7BB)(b) (establishment)<sup>M7</sup> omit “Article 6.1 of”,
  - (f) in paragraph 20(3D)(a)(ii) (services)<sup>M8</sup> omit “Article 6.1 of”, and
  - (g) in paragraph 20C (notice of intention to market an AIF)<sup>M9</sup>—
    - (i) in sub-paragraph (1) for “a UK AIF or EEA AIF” substitute “ an AIF ”,
    - (ii) for sub-paragraph (5)(b) substitute—
      - “(b) if the AIF is a third country AIF or a third country feeder AIF—
        - (i) appropriate co-operation arrangements are in place between the FCA and the supervisory authorities of the relevant third country in order to ensure an efficient exchange of information that allows the FCA to carry out its duties in accordance with the alternative investment fund managers directive,
        - (ii) the relevant third country is not listed as a Non-Cooperative Country and Territory by the Financial Action Task Force,
        - (iii) the relevant third country has signed an agreement with the United Kingdom and with each other EEA State in which the units or shares of the AIF are intended to be marketed, and
        - (iv) the agreement fully complies with the standards laid down in Article 26 of the Organisation for Economic Co-operation and Development's Model Tax Convention on Income and on Capital 2010<sup>M10</sup> and ensures an effective exchange of information on tax matters, including any multilateral tax agreements.”, and
      - (iii) in sub-paragraph (12), in the appropriate places insert the following definitions—
        - ““relevant third country” means—
          - (a) in relation to a third country AIF, the country in which the AIF is authorised or registered or, if the AIF is not authorised or registered, the country in which it has its registered office;
          - (b) in relation to a third country feeder AIF, the country in which the master AIF is authorised or registered or, if the master AIF is not authorised or registered, the country in which it has its registered office;
        - “third country AIF” has the meaning given in regulation 2 of the Alternative Investment Fund Managers Regulations 2013;
        - “third country feeder AIF” has the meaning given in regulation 2 of the Alternative Investment Fund Managers Regulations 2013;
        - “third country AIFM” has the meaning given in regulation 2 of the Alternative Investment Fund Managers Regulations 2013.”.
- (6) In paragraph 2B of Schedule 6 (threshold conditions - location of offices)<sup>M11</sup>, in sub-paragraph (7), for “a full-scope UK AIFM, A's head office and registered office must be in the United Kingdom” substitute—
  - “a full-scope UK AIFM—
    - (a) A's head office and registered office must be in the United Kingdom, or

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(b) A's registered office must be in a <sup>F14</sup>third country].”.

#### Textual Amendments

- F1** Sch. 1 para. 1(3) omitted (31.12.2020) by virtue of [The Alternative Investment Fund Managers \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/328\)](#), regs. 1(3), **20(2)(a)** (as amended by S.I. 2019/325, reg. 58); 2020 c. 1, Sch. 5 para. 1(1)
- F2** Sch. 1 para. 1(4)(a) omitted (31.12.2020) by virtue of [The Alternative Investment Fund Managers \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/328\)](#), regs. 1(3), **20(2)(b)** (as amended by S.I. 2019/325, reg. 58); 2020 c. 1, Sch. 5 para. 1(1)
- F3** Words in Sch. 1 para. 1(4)(b) substituted (16.6.2014) by [The Alternative Investment Fund Managers Order 2014 \(S.I. 2014/1292\)](#), arts. 1(2), **5(b)(i)** (as amended by S.I. 2014/1313, arts. 1, 2(a))
- F4** Word in Sch. 1 para. 1(4)(b) substituted (16.6.2014) by [The Alternative Investment Fund Managers Order 2014 \(S.I. 2014/1292\)](#), arts. 1(2), **5(b)(ii)** (as amended by S.I. 2014/1313, arts. 1, 2(a))
- F5** Words in Sch. 1 para. 1(4)(b) substituted (31.12.2020) by [The Alternative Investment Fund Managers \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/328\)](#), regs. 1(3), **20(2)(c)(i)** (as amended by S.I. 2019/325, reg. 58); 2020 c. 1, Sch. 5 para. 1(1)
- F6** Words in Sch. 1 para. 1(4)(b) substituted (31.12.2020) by [The Alternative Investment Fund Managers \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/328\)](#), regs. 1(3), **20(2)(c)(ii)(aa)** (as amended by S.I. 2019/325, reg. 58); 2020 c. 1, Sch. 5 para. 1(1)
- F7** Words in Sch. 1 para. 1(4)(b) substituted (31.12.2020) by [The Alternative Investment Fund Managers \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/328\)](#), regs. 1(3), **20(2)(c)(ii)(bb)** (as amended by S.I. 2019/325, reg. 58); 2020 c. 1, Sch. 5 para. 1(1)
- F8** Words in Sch. 1 para. 1(4)(b) substituted (31.12.2020) by [The Alternative Investment Fund Managers \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/328\)](#), regs. 1(3), **20(2)(c)(iii)(aa)** (as amended by S.I. 2019/325, reg. 58); 2020 c. 1, Sch. 5 para. 1(1)
- F9** Word in Sch. 1 para. 1(4)(b) omitted (31.12.2020) by virtue of [The Alternative Investment Fund Managers \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/328\)](#), regs. 1(3), **20(2)(c)(iii)(bb)** (as amended by S.I. 2019/325, reg. 58); 2020 c. 1, Sch. 5 para. 1(1)
- F10** Words in Sch. 1 para. 1(4)(b) omitted (31.12.2020) by virtue of [The Alternative Investment Fund Managers \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/328\)](#), regs. 1(3), **20(2)(c)(iv)** (as amended by S.I. 2019/325, reg. 58); 2020 c. 1, Sch. 5 para. 1(1)
- F11** Words in Sch. 1 para. 1(4)(b) omitted (16.6.2014) by virtue of [The Alternative Investment Fund Managers Order 2014 \(S.I. 2014/1292\)](#), arts. 1(2), **5(b)(iii)** (as amended by S.I. 2014/1313, arts. 1, 2(a))
- F12** Sch. 1 para. 1(4)(c) substituted (16.6.2014) by [The Alternative Investment Fund Managers Order 2014 \(S.I. 2014/1292\)](#), arts. 1(2), **5(c)** (as amended by S.I. 2014/1313, arts. 1, 2(a))
- F13** Words in Sch. 1 para. 1(5)(b) substituted (31.12.2020) by [The Alternative Investment Fund Managers \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/328\)](#), regs. 1(3), **20(2)(d)** (as amended by S.I. 2019/325, reg. 58); 2020 c. 1, Sch. 5 para. 1(1)
- F14** Words in Sch. 1 para. 1(6) substituted (31.12.2020) by [The Alternative Investment Fund Managers \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/328\)](#), regs. 1(3), **20(2)(e)** (as amended by S.I. 2019/325, reg. 58); 2020 c. 1, Sch. 5 para. 1(1)

#### Marginal Citations

- M1** Section 55V was inserted by section 11 of the [Financial Services Act 2012 \(c.21\)](#) and amended by the principal regulations
- M2** Amended by S.I. 2002/1775 and S.I. 2012/1906
- M3** Inserted by the principal regulations
- M4** Inserted by S.I. 2003/1473 and amended by the principal regulations
- M5** Inserted by S.I. 2003/1473 and amended by the principal regulations
- M6** Inserted by the principal regulations
- M7** Inserted by the principal regulations

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- M8** Inserted by the principal regulations
- M9** Inserted by the principal regulations
- M10** ISBN 978-92-64-17517-4
- M11** Paragraph 2B was substituted by S.I. 2013/555 and sub-paragraph (7) was inserted by the principal regulations

**Amendments to the principal regulations**

- 2.—(1) The principal regulations are amended as follows.
- (2) In regulation 2(1) (interpretation)—
  - (a) in the definition of “external valuer” after “full-scope UK AIFM” insert “ other than an AIF that is marketed only pursuant to [<sup>F15</sup>regulation 59 of these Regulations] ”,
  - <sup>F16</sup>(b) .....
  - <sup>F17</sup>(c) .....
  - (d) in the definition of “small third country AIFM” at the end insert “ and which has not exercised the option <sup>F18</sup>... to meet the full requirements [<sup>F19</sup>applying to a full-scope AIFM]”,
  - (e) at the appropriate place insert—
    - ““third country feeder AIF” means a UK AIF [<sup>F20</sup>, Gibraltar AIF] or EEA AIF that—
    - (a) is managed by an AIFM with its registered office in [<sup>F21</sup>the United Kingdom or Gibraltar], and
    - (b) is a feeder AIF whose the master AIF is a third country AIF or is managed by a third country AIFM;”, and
  - (f) for the definition of “UK AIFM” substitute—
    - ““UK AIFM” means an AIFM that—
    - (a) has its registered office in the United Kingdom,
    - (b) [<sup>F22</sup>has its registered office in a third country but has been given permission by the FCA under Part 4A of the Act to carry on the regulated activity of managing an AIF.]
    - (c) <sup>F23</sup> ... ”.
- (3) At the end of regulation 2 insert—
  - “(4) Any reference in these Regulations to cancellation of a Part 4A permission to carry on the regulated activity of managing an AIF includes reference to the variation of a Part 4A permission to remove the regulated activity of managing an AIF from those activities to which the permission relates.”.
- (4) In regulation 5 (applications for Part 4A permission)—
  - (a) in paragraph (1) for “applies” in the first place it appears substitute “ and regulation 5A apply ”,
  - (b) in paragraph (3)(b) for “the regulator” substitute “ subject to regulation 5A(4), the regulator ”,
  - (c) in paragraph (4) for “The regulator” substitute “ Subject to regulation 5A(5), the regulator ”,
  - (d) in paragraph (7) for “If the regulator” substitute “ Subject to regulation 5A(5), if the regulator ”, and
  - (e) in paragraph (8) for “An application” substitute “ Subject to regulation 5A(6), an application ”.

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(5) After regulation 5 insert—

**“Applications by AIFMs from third countries**

**5A.—**<sup>F24</sup>(1) .....

<sup>F24</sup>(2) .....

(3) In the case of an applicant for Part 4A permission whose registered office is in a third country, the regulator must not give the Part 4A permission unless, in addition to the conditions specified in regulation 5(3) being met—

<sup>F25</sup>(a) .....

(b) the applicant has appointed a legal representative who—

(i) is the point of contact for the FCA <sup>F26</sup>... and investors in relation to the AIFs managed or to be managed by the applicant;

(ii) is sufficiently equipped to perform the compliance function [<sup>F27</sup>pursuant to the Financial Services and Markets Act 2000, these Regulations, and any EU tertiary legislation made under the directive which forms part of EU retained law] in relation to those AIFs; and

(iii) if an individual, is domiciled in the United Kingdom, or if not an individual, has a registered office or a branch in the United Kingdom;

[<sup>F28</sup>(c) appropriate co-operation arrangements are in place between the FCA, the competent authority in relation to any EEA AIF managed by the applicant and the supervisory authorities of the third country in which the applicant has its registered office, in order to ensure an efficient exchange of information that enables the FCA to carry out its duties in accordance with the Financial Services and Markets Act 2000, these Regulations, and any EU tertiary legislation made under the directive which forms part of EU retained law;]

(d) the third country in which the applicant has its registered office is not listed as a Non-Cooperative Country and Territory by the Financial Action Task Force;

(e) the third country in which the applicant has its registered office has signed an agreement with the United Kingdom, which fully complies with the standards laid down in Article 26 of the Organisation for Economic Co-operation and Development's Model Tax Convention on Income and on Capital and ensures an effective exchange of information on tax matters, including any multilateral tax agreements; and

(f) the effective exercise by the FCA [<sup>F29</sup>of its supervisory functions under the Financial Services and Markets Act 2000, these Regulations and any EU tertiary legislation made under the directive which forms part of EU retained law] is not prevented by the laws, regulations or administrative provisions of a third country which apply to the applicant, nor by limitations in the supervisory and investigatory powers of that country's supervisory authorities.

(4) Notwithstanding regulation 5(3)(b), the regulator may give the Part 4A permission to an applicant whose registered office is in a third country if the regulator is satisfied that—

(a) it is impossible for the applicant to comply with an implementing provision applicable to a full-scope UK AIFM which has its registered office in a third country because of a mandatory provision in the law that applies to the applicant or a third country AIF that the applicant intends to market in [<sup>F30</sup>the United Kingdom or in Gibraltar],

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- (b) the law that applies to the applicant or the third country AIF provides for a rule that is equivalent to that implementing provision, has the same regulatory purpose as that provision and offers the same level of protection to the investors of the AIFs managed by the applicant or, as the case may be, the investors of that AIF, and
- (c) the applicant or, as the case may be, the AIF complies with that equivalent rule.

<sup>F31</sup>(5) .....

(6) In the case of an applicant whose registered office is in a third country, the application is complete if, in addition to containing the information mentioned in regulation 5(8), it contains—

<sup>F32</sup>(a) .....

- (b) a list of any implementing provisions with which it is impossible for the applicant to comply because of a mandatory provision in the law that applies to the applicant or a third country AIF that the applicant intends to market in [<sup>F33</sup>the United Kingdom or in Gibraltar], or confirmation that there are no such provisions;
- (c) if any provision is included in a list provided under sub-paragraph (b), written evidence that—
  - (i) the law that applies to the applicant or the third country AIF provides for a rule that is equivalent to the provision;
  - (ii) the equivalent provision has the same regulatory purpose as the provision included in the list provided under sub-paragraph (b);
  - (iii) the equivalent provision offers the same level of protection to the investors of the AIFs managed by the applicant or, as the case may be, the investors of the third country AIF; and
  - (iv) the applicant or, as the case may be, the third country AIF complies with that equivalent rule,

such evidence being based on regulatory standards developed by [<sup>F34</sup>the FCA];

- (d) if evidence is provided under sub-paragraph (c), a legal opinion in support of the evidence on the existence of the relevant mandatory provision, and a description of the regulatory purpose of and the nature of the investor protection pursued by the equivalent rule;
- (e) the name of the legal representative of the applicant and the place where the legal representative has its registered office or a branch (in the case of a legal person) or where he or she is domiciled (in the case of an individual).”.

<sup>F35</sup>(6) .....

(7) For regulation 10(2)(c) (small registered UK AIFMs) substitute—

“(c) either—

- (i) in the case of an AIFM with its registered office in the United Kingdom, grounds do not exist which would permit or require a court to make a disqualification order within the meaning of section 1(1) of the Company Directors Disqualification Act 1986 <sup>M12</sup> against an individual responsible for the management or operation of the AIFM; or
- (ii) in the case of an AIFM with its registered office in a third country, such grounds would not exist if the AIFM were a company incorporated in the United Kingdom.”.

(8) For regulation 29(1) (depository liability: general provisions) for the words from “in relation to” to the end substitute—

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“in relation to—

- (a) the depositary of a UK AIF managed by a full-scope UK AIFM or [<sup>F36</sup>a Gibraltar AIFM]; or
- (b) the depositary of a third country AIF managed by a full-scope UK AIFM if—
  - (i) the depositary has its registered office or a branch in the United Kingdom; and
  - (ii) the AIF is marketed otherwise than pursuant to [<sup>F37</sup>regulations 57 or 59 of these Regulations].”.

(9) In regulation 33 (management of third country AIFs) after “full-scope UK AIFM” insert “that has its registered office in the United Kingdom”.

<sup>F38</sup>(10) .....

(11) For the table in regulation 50 (marketing by AIFMs of other AIFs) substitute the following table—

<b>“A – AIFM</b>	<b>B – AIF</b>	<b>C – Condition</b>
Full-scope UK AIFM with its registered office in the United Kingdom	An AIF that is not a third country or a third country feeder AIF	The FCA has approved marketing of the AIF in accordance with regulation 54.
Full-scope UK AIFM with its registered office in the United Kingdom	A third country or a third country feeder AIF	The FCA has approved marketing of the AIF in accordance with regulation 54; or the AIFM has notified the FCA in accordance with regulation 57 and meets the conditions at regulation 57(4)(a) to (c), and the FCA has not suspended or revoked the AIFM's entitlement to market the AIF.
Full-scope UK AIFM with its registered office in a third country	Any AIF	The FCA has approved marketing of the AIF in accordance with regulation 54; or the AIFM has notified the FCA in accordance with regulation 59 and meets the conditions at regulation 59(2)(a) to (e), and the FCA has not suspended or revoked the AIFM's entitlement to market the AIF.
Full-scope [ <sup>F39</sup> Gibraltar AIFM with its registered office in Gibraltar]	A third country or a third country feeder AIF	The marketing is permitted under regulation 49; or the AIFM has notified the FCA in accordance with regulation 57 and meets the conditions at regulation 57(4)(a) to (c), and the FCA has not suspended or revoked the AIFM's entitlement to market the AIF.
Full-scope [ <sup>F40</sup> Gibraltar AIFM] with its registered office in a third country	Any AIF	The marketing is permitted under regulation 49; or the AIFM has notified the FCA in accordance with regulation 59 and meets the conditions at regulation 59(2)(a) to (e), and the FCA has not suspended or revoked the AIFM's entitlement to market the AIF.
Small third country AIFM that is not a full-scope UK AIFM [ <sup>F41</sup> or a Gibraltar AIFM]	Any AIF	The AIFM is a small registered UK AIFM or a small authorised UK AIFM; or the AIFM has notified the FCA in accordance with regulation 58 and meets the conditions at regulation 58(2) (a) and (b), and the FCA has not suspended or revoked the AIFM's entitlement to market the AIF.
Third country AIFM that is not a small AIFM,	Any AIF	The AIFM has notified the FCA in accordance with regulation 59 and meets the conditions at regulation 59(2)(a)

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a full-scope UK AIFM  
[<sup>F42</sup>or a Gibraltar AIFM]

to (e), and the FCA has not suspended or revoked the AIFM's entitlement to market the AIF.”

(12) In regulation 54 (FCA approval for marketing)—

(a) for paragraph (1) substitute—

“(1) This regulation applies to—

- (a) a full-scope UK AIFM seeking to market in the United Kingdom an AIF managed by the AIFM;
- (b) a full-scope [<sup>F43</sup>Gibraltar AIFM] seeking to market in the United Kingdom to retail investors an AIF managed by the AIFM, where the FCA has not received a regulator's notice in relation to the marketing of the AIF in accordance with Schedule 3 to the Act (EEA passport rights).”, and

(b) after paragraph (8) insert—

“(9) The FCA must refuse an application if satisfied that the AIF is a third country AIF or a third-country feeder AIF and the following conditions are not met—

(a) appropriate co-operation arrangements are in place between the FCA (or, in the case of an AIF managed by an AIFM with its registered office [<sup>F44</sup>in Gibraltar, the Financial Services Commission]) and the supervisory authorities of the relevant third country in order to ensure an efficient exchange of information that allows—

- [<sup>F45</sup>(i) the FCA to carry out its duties in accordance with the Financial Services and Markets Act 2000, these Regulations, and any EU tertiary legislation made under the directive which forms part of EU retained law, and
- (ii) the Financial Services Commission to carry out its duties in accordance with the Financial Services (Alternative Investment Fund Managers) Regulations 2013 of Gibraltar;]

(b) the relevant third country is not listed as a Non-Cooperative Country and Territory by the Financial Action Task Force; and

(c) the relevant third country has signed an agreement with the United Kingdom (or, in the case of an AIF managed by an AIFM with its registered office [<sup>F46</sup>in Gibraltar, with Gibraltar]) and with [<sup>F47</sup>each EEA State] in which the units or shares of the AIF are intended to be marketed, which fully complies with the standards laid down in Article 26 of the Organisation for Economic Co-operation and Development's Model Tax Convention on Income and on Capital 2010 <sup>M13</sup> and ensures an effective exchange of information on tax matters, including any multilateral tax agreements.

(10) In paragraph (9) “relevant third country” means—

- (a) in relation to a third country AIF, the country in which the AIF is authorised or registered or, if the relevant AIF is not authorised or registered, the country in which it has its registered office;
- (b) in relation to a third country feeder AIF, the country in which the AIF's master AIF is authorised or registered or, if the master AIF is not authorised or registered, the country in which it has its registered office.”.

(13) In regulation 57 (marketing under Article 36 of the directive)—

(a) in paragraph (3) for “must give written notification to the FCA before marketing” substitute “ may give written notification to the FCA that it intends to market ”, and



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- (b) at the beginning of paragraph (5) for “The AIFM” substitute “ An AIFM that has given a notification under paragraph (3) ”.
- (14) In regulation 58 (marketing of AIFs managed by small third country AIFMs)—
  - (a) in paragraph (1) for “must give written notification to the FCA before marketing” substitute “ may give written notification to the FCA that it intends to market ”, and
  - (b) at the beginning of paragraph (3) for “The AIFM” substitute “ An AIFM that has given a notification under paragraph (1) ”.
- (15) In regulation 59 (marketing under Article 42 of the directive)—
  - (a) in paragraph (1) for “must give written notification to the FCA before marketing” substitute “ may give written notification to the FCA that it intends to market ”, and
  - (b) after [<sup>F48</sup>paragraph (4A)] insert—
    - “(5) Paragraph (6) applies where a full-scope UK AIFM that has its registered office in a third country markets an AIF only—
      - (a) pursuant to a notification under this regulation <sup>F49</sup>...
      - <sup>F49</sup>(b) .....
    - (6) The AIFM need not comply with implementing provisions in respect of the AIF other than as required by this Part.”.

#### Textual Amendments

- F15** Words in Sch. 1 para. 2(2)(a) substituted (31.12.2020) by *The Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019* (S.I. 2019/328), regs. 1(3), **20(3)(a)(i)** (as amended by S.I. 2019/325, reg. 58); 2020 c. 1, Sch. 5 para. 1(1)
- F16** Sch. 1 para. 2(2)(b) omitted (31.12.2020) by virtue of *The Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019* (S.I. 2019/328), regs. 1(3), **20(3)(a)(ii)** (as amended by S.I. 2019/325, reg. 58); 2020 c. 1, Sch. 5 para. 1(1)
- F17** Sch. 1 para. 2(2)(c) omitted (31.12.2020) by virtue of *The Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019* (S.I. 2019/328), regs. 1(3), **20(3)(a)(ii)** (as amended by S.I. 2019/325, reg. 58); 2020 c. 1, Sch. 5 para. 1(1)
- F18** Words in Sch. 1 para. 2(2)(d) omitted (31.12.2020) by virtue of *The Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019* (S.I. 2019/328), regs. 1(3), **20(3)(a)(iii)(aa)** (as amended by S.I. 2019/325, reg. 58); 2020 c. 1, Sch. 5 para. 1(1)
- F19** Words in Sch. 1 para. 2(2)(d) substituted (31.12.2020) by *The Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019* (S.I. 2019/328), regs. 1(3), **20(3)(a)(iii)(bb)** (as amended by S.I. 2019/325, reg. 58); 2020 c. 1, Sch. 5 para. 1(1)
- F20** Words in Sch. 1 para. 2(2)(e) inserted (31.12.2020) by *The Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019* (S.I. 2019/328), regs. 1(3), **20(3)(a)(iv)(aa)** (as amended by S.I. 2019/325, reg. 58); 2020 c. 1, Sch. 5 para. 1(1)
- F21** Words in Sch. 1 para. 2(2)(e) substituted (31.12.2020) by *The Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019* (S.I. 2019/328), regs. 1(3), **20(3)(a)(iv)(bb)** (as amended by S.I. 2019/325, reg. 58); 2020 c. 1, Sch. 5 para. 1(1)
- F22** Words in Sch. 1 para. 2(2)(f) substituted (31.12.2020) by S.I. 2019/328, reg. 20(3)(a)(v)(aa) (as substituted by *The Financial Services (Miscellaneous) (Amendment) (EU Exit) Regulations 2019* (S.I. 2019/710), regs. 1(2), **13(b)**); 2020 c. 1, Sch. 5 para. 1(1))
- F23** Words in Sch. 1 para. 2(2)(c) omitted (31.12.2020) by virtue of *The Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019* (S.I. 2019/328), regs. 1(3), **20(3)(a)(v)(bb)** (as amended by S.I. 2019/325, reg. 58); 2020 c. 1, Sch. 5 para. 1(1)

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- F24** Words in Sch. 1 para. 2(5) omitted (31.12.2020) by virtue of The Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/328), regs. 1(3), **20(3)(b)(i)** (as amended by S.I. 2019/325, reg. 58); 2020 c. 1, Sch. 5 para. 1(1)
- F25** Words in Sch. 1 para. 2(5) omitted (31.12.2020) by virtue of The Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/328), regs. 1(3), **20(3)(b)(ii)(aa)** (as amended by S.I. 2019/325, reg. 58); 2020 c. 1, Sch. 5 para. 1(1)
- F26** Words in Sch. 1 para. 2(5) omitted (31.12.2020) by virtue of The Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/328), regs. 1(3), **20(3)(b)(ii)(bb)** (as amended by S.I. 2019/325, reg. 58); 2020 c. 1, Sch. 5 para. 1(1)
- F27** Words in Sch. 1 para. 2(5) omitted (31.12.2020) by virtue of The Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/328), regs. 1(3), **20(3)(b)(ii)(cc)** (as amended by S.I. 2019/325, reg. 58); 2020 c. 1, Sch. 5 para. 1(1)
- F28** Words in Sch. 1 para. 2(5) substituted (31.12.2020) by The Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/328), regs. 1(3), **20(3)(b)(ii)(dd)** (as amended by S.I. 2019/325, reg. 58); 2020 c. 1, Sch. 5 para. 1(1)
- F29** Words in Sch. 1 para. 2(5) substituted (31.12.2020) by The Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/328), regs. 1(3), **20(3)(b)(ii)(ee)** (as amended by S.I. 2019/325, reg. 58); 2020 c. 1, Sch. 5 para. 1(1)
- F30** Words in Sch. 1 para. 2(5) substituted (31.12.2020) by The Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/328), regs. 1(3), **20(3)(b)(iii)** (as amended by S.I. 2019/325, reg. 58); 2020 c. 1, Sch. 5 para. 1(1)
- F31** Words in Sch. 1 para. 2(5) omitted (31.12.2020) by virtue of The Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/328), regs. 1(3), **20(3)(b)(iv)** (as amended by S.I. 2019/325, reg. 58); 2020 c. 1, Sch. 5 para. 1(1)
- F32** Words in Sch. 1 para. 2(5) omitted (31.12.2020) by virtue of The Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/328), regs. 1(3), **20(3)(b)(v)(aa)** (as amended by S.I. 2019/325, reg. 58); 2020 c. 1, Sch. 5 para. 1(1)
- F33** Words in Sch. 1 para. 2(5) omitted (31.12.2020) by virtue of The Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/328), regs. 1(3), **20(3)(b)(v)(bb)** (as amended by S.I. 2019/325, reg. 58); 2020 c. 1, Sch. 5 para. 1(1)
- F34** Words in Sch. 1 para. 2(5) omitted (31.12.2020) by virtue of The Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/328), regs. 1(3), **20(3)(b)(v)(cc)** (as amended by S.I. 2019/325, reg. 58); 2020 c. 1, Sch. 5 para. 1(1)
- F35** Sch. 1 para. 2(6) omitted (31.12.2020) by virtue of The Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/328), regs. 1(3), **20(3)(c)** (as amended by S.I. 2019/325, reg. 58); 2020 c. 1, Sch. 5 para. 1(1)
- F36** Words in Sch. 1 para. 2(8)(a) substituted (31.12.2020) by The Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/328), regs. 1(3), **20(3)(d)(i)** (as amended by S.I. 2019/325, reg. 58); 2020 c. 1, Sch. 5 para. 1(1)
- F37** Words in Sch. 1 para. 2(8)(b)(ii) substituted (31.12.2020) by The Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/328), regs. 1(3), **20(3)(d)(ii)** (as amended by S.I. 2019/325, reg. 58); 2020 c. 1, Sch. 5 para. 1(1)
- F38** Sch. 1 para. 2(10) omitted (31.12.2020) by virtue of The Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/328), regs. 1(3), **20(3)(e)** (as amended by S.I. 2019/325, reg. 58); 2020 c. 1, Sch. 5 para. 1(1)
- F39** Words in Sch. 1 para. 2(11) Table substituted (31.12.2020) by The Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/328), regs. 1(3), **20(3)(f)(i)** (as amended by S.I. 2019/325, reg. 58); 2020 c. 1, Sch. 5 para. 1(1)
- F40** Words in Sch. 1 para. 2(11) Table substituted (31.12.2020) by The Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/328), regs. 1(3), **20(3)(f)(ii)** (as amended by S.I. 2019/325, reg. 58); 2020 c. 1, Sch. 5 para. 1(1)

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- F41** Words in Sch. 1 para. 2(11) Table substituted (31.12.2020) by [The Alternative Investment Fund Managers \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/328\)](#), regs. 1(3), **20(3)(f)(iii)** (as amended by [S.I. 2019/325](#), reg. 58); 2020 c. 1, Sch. 5 para. 1(1)
- F42** Words in Sch. 1 para. 2(11) Table substituted (31.12.2020) by [The Alternative Investment Fund Managers \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/328\)](#), regs. 1(3), **20(3)(f)(iv)** (as amended by [S.I. 2019/325](#), reg. 58); 2020 c. 1, Sch. 5 para. 1(1)
- F43** Words in Sch. 1 para. 2(12)(a) substituted (31.12.2020) by [The Alternative Investment Fund Managers \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/328\)](#), regs. 1(3), **20(3)(g)** (as amended by [S.I. 2019/325](#), reg. 58); 2020 c. 1, Sch. 5 para. 1(1)
- F44** Words in Sch. 1 para. 2(12)(b) substituted (31.12.2020) by [The Alternative Investment Fund Managers \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/328\)](#), regs. 1(3), **20(3)(h)(i)(aa)** (as amended by [S.I. 2019/325](#), reg. 58); 2020 c. 1, Sch. 5 para. 1(1)
- F45** Words in Sch. 1 para. 2(12)(b) substituted (31.12.2020) by [The Alternative Investment Fund Managers \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/328\)](#), regs. 1(3), **20(3)(h)(i)(bb)** (as amended by [S.I. 2019/325](#), reg. 58); 2020 c. 1, Sch. 5 para. 1(1)
- F46** Words in Sch. 1 para. 2(12)(b) substituted (31.12.2020) by [The Alternative Investment Fund Managers \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/328\)](#), regs. 1(3), **20(3)(h)(ii)(aa)** (as amended by [S.I. 2019/325](#), reg. 58); 2020 c. 1, Sch. 5 para. 1(1)
- F47** Words in Sch. 1 para. 2(12)(b) substituted (31.12.2020) by [The Alternative Investment Fund Managers \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/328\)](#), regs. 1(3), **20(3)(h)(ii)(bb)** (as amended by [S.I. 2019/325](#), reg. 58); 2020 c. 1, Sch. 5 para. 1(1)
- F48** Words in Sch. 1 para. 2(15)(b) substituted (31.12.2020) by [The Alternative Investment Fund Managers \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/328\)](#), regs. 1(3), **20(3)(i)(i)** (as amended by [S.I. 2019/325](#), reg. 58); 2020 c. 1, Sch. 5 para. 1(1)
- F49** Words in Sch. 1 para. 2(15)(b) omitted (31.12.2020) by virtue of [The Alternative Investment Fund Managers \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/328\)](#), regs. 1(3), **20(3)(i)(ii)** (as amended by [S.I. 2019/325](#), reg. 58); 2020 c. 1, Sch. 5 para. 1(1)

#### Marginal Citations

- M12** 1986 c. 46. Section 1(1) was amended by section 204(1) and (3) of the [Enterprise Act 2002 \(c. 40\)](#) and section 5(1) of the [Insolvency Act 2000 \(c. 39\)](#)
- M13** ISBN 978-92-64-17517-4

## SCHEDULE 2

Regulation 4

Amendments to legislation that come into force on  
termination of Articles 36 and 42 of the directive

## PART 1

### Amendments to legislation

#### Amendment to the Act

1. In section 418(5B) of the Act (carrying on regulated activities in the United Kingdom) <sup>M14</sup>, omit paragraph (c).

**Changes to legislation:** The Alternative Investment Fund Managers (Amendment) Regulations 2013 is up to date with all changes known to be in force on or before 31 March 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) View outstanding changes

**Marginal Citations**

**M14** Inserted by paragraph 1 of Schedule 1 to these Regulations

**Amendment to the Regulated Activities Order**

2. In Schedule 8 to the Regulated Activities Order (persons excluded from regulated activity of managing an AIF), omit paragraph 11 <sup>M15</sup>.

**Marginal Citations**

**M15** Inserted by paragraph 1(17) of Schedule 2 to the principal regulations and amended by regulation 81 of the principal regulations

**Amendments to the principal regulations**

- 3.—(1) The principal regulations <sup>M16</sup> are amended as follows.
- (2) In regulation 2(1) (interpretation)—
- (a) in the definition of “external valuer” omit “other than an AIF that is marketed only pursuant to [<sup>F50</sup>regulation 59 of these Regulations] ”.
- (3) For regulation 29(1)(b) (depository liability: general provisions) substitute—
- “(b) the depository of a third country AIF managed by a full-scope UK AIFM, if the depository has its registered office or a branch in the United Kingdom.”.
- (4) For regulation 34 (introductory provision) substitute—

**“Introductory provision**

34. In this Part, a reference to an AIFM is to a full-scope UK AIFM.”.

- (5) In regulation 49 (marketing by full-scope EEA AIFMs)—
- (a) after paragraph (a) insert “ or ”,
- (b) after paragraph (b) omit “or”, and
- (c) omit paragraph (c).
- (6) For regulation 50 (marketing by AIFMs of other AIFs), substitute—

**“Marketing by full-scope UK AIFMs**

50. A full-scope UK AIFM may not market an AIF in the United Kingdom unless the FCA has approved the marketing in accordance with regulation 54.”.

- (7) For regulation 56 (suspension or revocation of approval granted to a full-scope EEA AIFM) substitute—

**“Suspension or revocation of approval granted to a full-scope [<sup>F51</sup>Gibraltar] AIFM**

56. Regulations 56A to 56C apply where the FCA has approved marketing by a full-scope [<sup>F52</sup>Gibraltar AIFM] under regulation 54.

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### **Revocation of approval to market**

**56A.**—(1) The FCA may revoke the AIFM's approval to market an AIF if it appears to the FCA that—

- (a) the AIFM has contravened an implementing provision;
- (b) the AIFM has, in purported compliance with an implementing provision, knowingly or recklessly given the FCA information which is false or misleading in a material particular;
- (c) the AIF has been wound up; or
- (d) none of sub-paragraphs (a) to (c) applies, but it is undesirable in the interests of investors or potential investors that the AIF should continue to be marketed.

(2) If the FCA proposes to revoke an AIFM's approval to market an AIF it must give a warning notice to the AIFM.

(3) If the FCA decides to revoke an AIFM's approval to market an AIF under paragraph (1)

- (a) it must give a decision notice to the AIFM; and
- (b) the AIFM may refer the matter to the Tribunal.

### **Suspension of approval to market**

**56B.**—(1) If one of the grounds in paragraph (2) is met, the FCA may suspend an AIFM's approval to market an AIF for a specified period, until the occurrence of a specified event or until specified conditions are complied with.

(2) The grounds are that it appears to the FCA that—

- (a) the AIFM has, in purported compliance with an implementing provision, knowingly or recklessly given the FCA information which is false or misleading in a material particular;
- (b) sub-paragraph (a) does not apply, but it is undesirable in the interests of investors or potential investors that the AIF should continue to be marketed.

(3) In this regulation “specified” means specified by the FCA in a notice given under regulation 56C.

### **Procedure on suspension**

**56C.**—(1) A suspension under regulation 56B takes effect—

- (a) immediately, if the notice given under paragraph (3) states that that is the case;
- (b) on such date as may be specified in the notice; or
- (c) if no date is specified in the notice, when the matter to which the notice relates is no longer open to review.

(2) A suspension may be expressed to take effect immediately (or on a specified date) only if the FCA, having regard to the ground on which it is suspending the AIFM's approval to market, considers that it is necessary for the suspension to take effect immediately (or on that date).

(3) If the FCA proposes to suspend an AIFM's approval to market an AIF, or suspends such approval with immediate effect—

- (a) it must give written notice to the AIFM; and
- (b) the AIFM may refer the matter to the Tribunal.

(4) A notice under paragraph (3)(a) must—

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- (a) give details of the suspension;
  - (b) inform the person to whom it is given of when the suspension takes effect;
  - (c) state the FCA's reasons for the suspension and for its determination as to when the suspension takes effect;
  - (d) inform the person to whom it is given that it may make representations to the FCA within such period as may be specified in it (whether or not it has referred the matter to the Tribunal); and
  - (e) inform the person to whom it is given of their right to refer the matter to the Tribunal.
- (5) The FCA may extend the period allowed under the notice for making representations.
- (6) Paragraph (7) applies if, having considered any representations made by a person to whom the notice was given, the FCA decides—
- (a) to make the suspension in the way proposed,
  - (b) to make the suspension in a way other than that proposed, or
  - (c) if it has been made, not to revoke the suspension.
- (7) If this paragraph applies—
- (a) the FCA must give written notice to the AIFM; and
  - (b) the AIFM may refer the matter to the Tribunal.
- (8) If, having considered any representations made by a person to whom the notice was given, the FCA decides—
- (a) not to suspend the approval to market in the way proposed, or
  - (b) to revoke a suspension,
- it must give written notice to the AIFM.
- (9) For the purposes of paragraph (1)(c), section 391(8) of the Act (publication) applies as if a notice under paragraph (3)(a), (7)(a) or (8) were a supervisory notice.”
- (8) Omit regulations 57 to 64 and the heading preceding regulation 57.
- (9) In regulation 71(5) (application of provisions of the Act to unauthorised AIFMs), omit subparagraphs (c) to (e).

#### Textual Amendments

- F50** Words in Sch. 2 para. 3(2)(a) substituted (31.12.2020) by [The Alternative Investment Fund Managers \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/328\)](#), regs. 1(3), **21(2)(a)** (as amended by [S.I. 2019/325](#), reg. 58); 2020 c. 1, Sch. 5 para. 1(1)
- F51** Word in Sch. 2 para. 3(7) substituted (31.12.2020) by [The Alternative Investment Fund Managers \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/328\)](#), regs. 1(3), **21(2)(b)(i)** (as amended by [S.I. 2019/325](#), reg. 58); 2020 c. 1, Sch. 5 para. 1(1)
- F52** Words in Sch. 2 para. 3(7) substituted (31.12.2020) by [The Alternative Investment Fund Managers \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/328\)](#), regs. 1(3), **21(2)(b)(ii)** (as amended by [S.I. 2019/325](#), reg. 58); 2020 c. 1, Sch. 5 para. 1(1)

#### Marginal Citations

- M16** Amended by paragraph 2 of Schedule 1 to these Regulations

**Changes to legislation:** The Alternative Investment Fund Managers (Amendment) Regulations 2013 is up to date with all changes known to be in force on or before 31 March 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) View outstanding changes

## PART 2

### Transitional provisions relating to marketing by third country AIFMs

4.—(1) Sub-paragraphs (2) and (3) apply where—

- (a) an AIFM has given a notification under regulation 58(1) of the principal regulations (marketing of AIFs managed by small third country AIFMs) in respect of an AIF,
- (b) an investor has acquired units or shares of the AIF as a result of marketing that is permitted because of that notification, and
- (c) the AIFM is not—
  - <sup>F53</sup>(i) an authorised person with permission under Part 4A of the Financial Services and Markets Act 2000 to carry on the regulated activity of managing an AIF, or registered under Part 3 of the principal regulations in respect of the AIF otherwise than by virtue of that notification.]

<sup>F54</sup>(ii) . . . . .

(2) The revocation of regulations 58(3) and (4)(a) and 71(5)(d) of the principal regulations by paragraph 3 does not have effect in relation to that AIFM.

(3) In regulation 71(5)(d) of the principal regulations (in so far as it continues to apply by virtue of paragraph (2)) for “that is entitled to market an AIF following notification under regulation 58” substitute “ to which the requirement at regulation 58(3) applies ”;

#### Textual Amendments

**F53** Sch. 2 para. 4(1)(c)(i) substituted (31.12.2020) by [The Alternative Investment Fund Managers \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/328\)](#), regs. 1(3), **21(3)(a)** (as amended by S.I. 2019/325, reg. 58); 2020 c. 1, Sch. 5 para. 1(1)

**F54** Sch. 2 para. 4(1)(c)(ii) omitted (31.12.2020) by virtue of [The Alternative Investment Fund Managers \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/328\)](#), regs. 1(3), **21(3)(b)** (as amended by S.I. 2019/325, reg. 58); 2020 c. 1, Sch. 5 para. 1(1)

5.—(1) Sub-paragraph (2) applies where—

- (a) an AIFM has given a notification under regulation 59(1) of the principal regulations (marketing under Article 42 of the directive) in respect of an AIF,
- (b) an investor has acquired units or shares of the AIF as a result of marketing that is permitted because of that notification, and
- (c) the AIFM is not authorised in accordance with Article 37 of the directive in respect of the AIF.

(2) The substitution of regulation 34 of the principal regulations and the revocation of regulations 59(3) and (4)(a) and 71(5)(e) of the principal regulations by paragraph 3 do not have effect in relation to that AIFM.

6. Any expression used in this Part that is used in the principal regulations has the same meaning as in the principal regulations.

**Changes to legislation:**

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**Changes and effects yet to be applied to :**

- Sch. 1 para. 2(2)(f) words substituted by [S.I. 2019/328 reg. 20\(3\)\(a\)\(v\)\(aa\)](#) (This amendment not applied to [legislation.gov.uk](#). Reg. 20(3)(a)(v)(aa) substituted immediately before IP completion day by S.I. 2019/710, regs. 1(2), 13(b))
- Regulations revoked by [2023 c. 29 Sch. 1 Pt. 2](#)