STATUTORY INSTRUMENTS

2001 No. 1228

The Open-Ended Investment Companies Regulations 2001

PART II

FORMATION, SUPERVISION AND CONTROL

Powers of intervention

Directions

25.—(1) The Authority may give a direction under this regulation if it appears to the Authority that—

(a) one or more requirements for the making of an authorisation order are no longer satisfied;

(b) the company, any of its directors or its depositary—

(i) has contravened or is likely to contravene any relevant provision; or

(ii) has, in purported compliance with any such provision, knowingly or recklessly given the Authority information which is false or misleading in a material particular; or

[[F1](iii) has contravened a provision of the MMF Regulation; or**]**

(c) it is desirable to give a direction in order to protect the interests of shareholders or potential shareholders in the company.

(2) A direction under this regulation may—

(a) require the company to cease the issue or redemption, or both the issue and redemption, of shares or any class of shares in the company;

(b) in the case of a director of the company who is the designated person, require that director to cease transfers to or from, or both to and from, his own holding of shares, or of any class of shares, in the company;

(c) in the case of an umbrella company, require that investments made in respect of one or more parts of the scheme property which are pooled separately be realised and, following the discharge of such liabilities of the company as are attributable to the relevant part or parts of the scheme property, that the resulting funds be distributed to shareholders in accordance with **[**[F2]FCA rules**]**;

(d) require any director of the company to present a petition to the court to wind up the company; or

(e) require that the affairs of the company be wound up otherwise than by the court.

(3) Subject to paragraph (4), if the authorisation order is revoked, the revocation does not affect the operation of any direction under this regulation which is then in force; and a direction under this regulation may be given in relation to a company in the case of which an authorisation order has been revoked if a direction under this regulation was already in force at the time of revocation.

(4) Where a winding-up order has been made by the court, no direction under this regulation is to have effect in relation to the company concerned.

(5) For the purposes of paragraph (1)(c), the Authority may take into account any matter relating to any of the persons mentioned in regulation 23(2).

(6) If a person contravenes a direction under this regulation, **[**[F3]section 138D**]** (actions for damages) applies to the contravention as it applies to a contravention mentioned in that section.

(7) The Authority may, on its own initiative or on the application of the company or its depositary, revoke or vary a direction given under this regulation if it appears to the Authority—

(a) in the case of revocation, that it is no longer necessary for the direction to take effect or continue in force;

(b) in the case of variation, that the direction should take effect or continue in force in a different form.

Textual Amendments

F1 Reg. 25(1)(b)(iii) 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), **3(6)**

F2 Words in Regulations substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 41(2)**

F3 Words in reg. 25(6) substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 41(6)**

Changes to legislation:
There are currently no known outstanding effects for the The Open-Ended Investment Companies Regulations 2001, Section 25.