

STATUTORY INSTRUMENTS

2011 No. 1613

The Undertakings for Collective Investment in Transferable Securities Regulations 2011

PART 4

MERGERS

Modifications etc. (not altering text)

- C1** Pt. 4 modified (31.12.2020) by 2000 c. 8, s. 409(11)(i) (as inserted by [The Financial Services \(Gibraltar\) \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/589\)](#), regs. 1(3), 2(5) (with reg. 12) (as amended by [S.I. 2020/1274](#), regs. 1, 2); 2020 c. 1, [Sch. 5 para. 1\(1\)](#))

Interpretation

7.—(1) In this Part—

“the Act” means the Financial Services and Markets Act 2000^{M1};

“the Authority” means the [^{F1}Financial Conduct Authority];

^{F2} ...

“depository”^{F3} ... —

(a) in relation to a open-ended investment company means the person appointed under regulation 5 of the Open-Ended Investment Companies Regulations 2001;

(aa) [^{F4}in relation to an authorised contractual scheme means the person by whom, or to whose order, the property subject to the scheme is held;]^{F5}and]

(b) in relation to an authorised unit trust scheme means the trustee of the scheme;^{F6} ...

(c) ^{F7} ...

^{F8} ...

^{F9} ...

[^{F10}“feeder UCITS” has the meaning given in section 237(3) of the Act;]

[^{F11}“implementing provision” means a requirement that is imposed—

(a) by these Regulations; or

(b) by or under the Act, if the provision [^{F12}implemented] the UCITS directive;]

“[^{F13}manager]” means—

(a) in relation to an open-ended investment company, the directors of that company,

(aa) [^{F14}in relation to an authorised contractual scheme, the operator of that scheme,]

Changes to legislation: *The Undertakings for Collective Investment in Transferable Securities Regulations 2011, PART 4 is up to date with all changes known to be in force on or before 12 April 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*

(b) in relation to an authorised unit trust scheme, the manager of that scheme,

(c) ^{F15} ...

[^{F16}“master UCITS” has the meaning given in section 237(3) of the Act;]

[^{F16}“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”);]

“UCITS” means an undertaking for collective investment in transferable securities within the meaning of Article 1.2 of the UCITS directive, or a sub-fund of such an undertaking, and includes an open ended investment company, [^{F17}an authorised contractual scheme] or an authorised unit trust to which the UCITS directive applies;

“UCITS directive” means directive means the Council Directive of 13th July 2009 on the co-ordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (No 2009/65/EC) [^{F18}, as amended by [Directive 2014/91/EU](#) of the European Parliament and of the Council of 23rd July 2014;]

^{F19} ...

[^{F20}“UK UCITS” has the meaning given in section 237(3) of the Act;]

“unit-holders” means—

(a) in the case of an open-ended investment company, the shareholders or members of that [^{F21}company];

(aa) [^{F22}in the case of an authorised contractual scheme, the unit-holders in that scheme; and]

(b) in the case of an authorised unit trust scheme ^{F23} ..., the unit-holders in that trust scheme ^{F24} ...;

“units” means—

(a) in the case of an open-ended investment company, shares in the company; [^{F25}and]

(b) in the case of an authorised unit trust scheme [^{F26}or an authorised contractual scheme], units in the scheme; ^{F27} ...

(c) ^{F28} ...

[^{F29}(2) ^{F30}... Subject to paragraph (1), expressions used in this Part shall have the same meaning as in the Act.]

[^{F31}(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 [^{F32}1 January 2022].]

Textual Amendments

- F1** Words in reg. 7 substituted (1.4.2013) by [The Financial Services Act 2012 \(Consequential Amendments and Transitional Provisions\) Order 2013 \(S.I. 2013/472\)](#), **art. 1(1)**, **Sch. 2 para. 212(a)**

Changes to legislation: *The Undertakings for Collective Investment in Transferable Securities Regulations 2011, PART 4 is up to date with all changes known to be in force on or before 12 April 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*

- F2** Words in reg. 7(1) omitted (31.12.2020) by virtue of The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **34(2)(a)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F3** Word in reg. 7(1) omitted (6.6.2013) by virtue of The Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (S.I. 2013/1388), regs. 1, **14(2)(a)(i)** (with reg. 24)
- F4** Words in reg. 7(1) inserted (6.6.2013) by The Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (S.I. 2013/1388), regs. 1, **14(2)(a)(ii)** (with reg. 24)
- F5** Word in reg. 7(1) inserted (31.12.2020) by The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **34(2)(b)(i)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F6** Word in reg. 7(1) omitted (31.12.2020) by virtue of The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **34(2)(b)(ii)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F7** Words in reg. 7(1) omitted (31.12.2020) by virtue of The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **34(2)(b)(iii)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F8** Words in reg. 7(1) omitted (31.12.2020) by virtue of The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **34(2)(c)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F9** Words in reg. 7(1) omitted (31.12.2020) by virtue of The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **34(2)(d)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F10** Words in reg. 7(1) substituted (31.12.2020) by The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **34(2)(e)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F11** Words in reg. 7(1) inserted (18.3.2016) by The Undertakings for Collective Investment in Transferable Securities Regulations 2016 (S.I. 2016/225), regs. 1, **3(2)(a)**
- F12** Word in reg. 7(1) substituted (31.12.2020) by The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **34(2)(f)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F13** Word in reg. 7(1) substituted (6.6.2013) by The Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (S.I. 2013/1388), regs. 1, **14(2)(b)(i)** (with reg. 24)
- F14** Words in reg. 7(1) inserted (6.6.2013) by The Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (S.I. 2013/1388), regs. 1, **14(2)(b)(ii)** (with reg. 24)
- F15** Words in reg. 7(1) omitted (31.12.2020) by virtue of The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **34(2)(g)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F16** Words in reg. 7(1) inserted (31.12.2020) by The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **34(2)(h)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F17** Words in reg. 7(1) inserted (6.6.2013) by The Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (S.I. 2013/1388), regs. 1, **14(2)(c)** (with reg. 24)
- F18** Words in reg. 7(1) inserted (18.3.2016) by The Undertakings for Collective Investment in Transferable Securities Regulations 2016 (S.I. 2016/225), regs. 1, **3(2)(b)**
- F19** Words in reg. 7(1) omitted (31.12.2020) by virtue of The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **34(2)(i)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F20** Words in reg. 7(1) substituted (31.12.2020) by The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **34(2)(j)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F21** Word in reg. 7(1) substituted (6.6.2013) by The Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (S.I. 2013/1388), regs. 1, **14(2)(d)(i)** (with reg. 24)

Changes to legislation: The Undertakings for Collective Investment in Transferable Securities Regulations 2011, PART 4 is up to date with all changes known to be in force on or before 12 April 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

F22	Words in reg. 7(1) inserted (6.6.2013) by The Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (S.I. 2013/1388), regs. 1, 14(2)(d)(ii) (with reg. 24)
F23	Words in reg. 7(1) omitted (31.12.2020) by virtue of The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), 34(2)(k)(i) (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
F24	Words in reg. 7(1) omitted (31.12.2020) by virtue of The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), 34(2)(k)(ii) (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
F25	Word in reg. 7(1) inserted (31.12.2020) by The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), 34(2)(l)(i) (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
F26	Words in reg. 7(1) inserted (6.6.2013) by The Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (S.I. 2013/1388), regs. 1, 14(2)(e) (with reg. 24)
F27	Word in reg. 7(1) omitted (31.12.2020) by virtue of The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), 34(2)(l)(ii) (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
F28	Words in reg. 7(1) omitted (31.12.2020) by virtue of The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), 34(2)(l)(iii) (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
F29	Reg. 7(2) substituted (18.3.2016) by The Undertakings for Collective Investment in Transferable Securities Regulations 2016 (S.I. 2016/225), regs. 1, 3(2)(c)
F30	Words in reg. 7(2) omitted (31.12.2020) by virtue of The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), 34(3) (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
F31	Reg. 7(3) inserted (31.12.2020) by The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), 34(4) (with savings in S.I. 2019/680, reg. 11) (as amended by S.I. 2020/1301, regs. 1, 3, Sch. para. 18(b)); 2020 c. 1, Sch. 5 para. 1(1)
F32	Words in reg. 7(3) substituted (1.1.2022) by The Financial Services and Markets Act 2000 (Consequential Amendments of References to Rules) Regulations 2021 (S.I. 2021/1388), regs. 1(2), 3
Marginal Citations	
M1	2000 c. 8.

8.—(1) This Part applies to any reconstruction or amalgamation [^{F33}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, and which takes the form of a merger by scheme of arrangement].

^{F34}(2)

^{F34}(3)

- (4) A “merger by scheme of arrangement” means an operation in which—
- (a) there are one or more transferor [^{F35}UK] UCITS or sub-funds of a [^{F36}UK] UCITS (“the merging UCITS”);
 - (b) the transferor UCITS or sub-funds continue to exist until their liabilities have been discharged, but transfer their net assets to—
 - (i) a sub-fund of the same UCITS;
 - (ii) another existing [^{F37}UK] UCITS or a sub-fund of that UCITS; or
 - (iii) a [^{F38}UK] UCITS formed for the purposes of the operation (“the receiving UCITS”).

Textual Amendments

- F33** Words in reg. 8(1) substituted (31.12.2020) by [The Collective Investment Schemes \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/325\)](#), regs. 1(2), **35(2)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F34** Reg. 8(2)(3) omitted (31.12.2020) by virtue of [The Collective Investment Schemes \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/325\)](#), regs. 1(2), **35(3)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F35** Word in reg. 8(4)(a) inserted (31.12.2020) by [The Collective Investment Schemes \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/325\)](#), regs. 1(2), **35(4)(a)(i)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F36** Word in reg. 8(4)(a) inserted (31.12.2020) by [The Collective Investment Schemes \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/325\)](#), regs. 1(2), **35(4)(a)(ii)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F37** Word in reg. 8(4)(b)(ii) inserted (31.12.2020) by [The Collective Investment Schemes \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/325\)](#), regs. 1(2), **35(4)(b)(i)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F38** Word in reg. 8(4)(b)(iii) inserted (31.12.2020) by [The Collective Investment Schemes \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/325\)](#), regs. 1(2), **35(4)(b)(ii)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

Application for authorisation

9.—(1) A merging ^{F39}... UCITS must apply to the Authority for an order authorising a merger (an “authorisation order”).

(2) The application must be made in such manner as the Authority may direct and must be accompanied by—

(a) the common draft terms of the proposed merger duly approved by the UCITS, any other merging UCITS and the receiving UCITS;

^{F40}(b)

(c) a statement by each of the depositaries or, in the case of an authorised unit trust scheme, the trustee, of the merging UCITS and the receiving UCITS confirming that, in accordance with rules made by the Authority ^{F41}... to implement Articles 40 and 41 of the UCITS directive, they have verified compliance of the following matters with the requirements of those rules—

(i) the identification of ^{F42}... the UCITS involved;

(ii) the planned effective date of the merger; and

(iii) the rules applicable, respectively, to the transfer of assets and the exchange of units; and

(d) the information on the proposed merger that the merging and the receiving UCITS intend to provide to their respective unit-holders.

^{F43}(3)

(4) Where the Authority considers that the information supplied under paragraph (2) by the merging UCITS is not complete, the Authority must, within 10 working days of receiving the information, request additional information from the UCITS.

^{F44}(5)

Changes to legislation: The Undertakings for Collective Investment in Transferable Securities Regulations 2011, PART 4 is up to date with all changes known to be in force on or before 12 April 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

(6) The Authority must consider the potential impact of the proposed merger on unit-holders of the merging UCITS to assess whether appropriate information is being provided to unit-holders.

(7) Where the Authority considers it necessary, it may require that the information to be provided to unit-holders of the merging UCITS be clarified.

(8) The Authority must make an authorisation order under paragraph (1) if the following conditions are satisfied—

- (a) the requirements set out in this regulation and regulations 10 and 11 and in rules made by the Authority to implement Articles 40 and 41 of the UCITS directive have been complied with;
- (b) the merger has been approved by unit-holders of the [^{F45}merging] UCITS in accordance with rules made by the Authority;
- [^{F46}(c) the receiving UCITS gave the Authority notice of its intention to market its units in another EEA State and, before IP completion day, that notification was transmitted under Article 93 of the UCITS directive to the competent authorities of those EEA States in which the merging UCITS was able to market its units; and]
- [^{F47}(d) the Authority is satisfied with the proposed information to be provided to unit-holders.]

(9) The Authority must determine an application for authorisation of a merger under this regulation and inform the applicant of its decision within 20 working days of the date on which the Authority received the information required under paragraph (2), or the date on which the Authority received any further information requested under paragraph (4).

^{F48}(10)

(11) The authorisation order must specify the date on which the merger shall take effect and the dates for calculating the exchange ratio of units of the merging UCITS into units of the receiving UCITS, and, where applicable, for determining the relevant net asset value for cash payments.

Textual Amendments

- F39** Word in reg. 9(1) omitted (31.12.2020) by virtue of [The Collective Investment Schemes \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/325\)](#), regs. 1(2), **36(2)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F40** Reg. 9(2)(b) omitted (31.12.2020) by virtue of [The Collective Investment Schemes \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/325\)](#), regs. 1(2), **36(3)(a)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F41** Words in reg. 9(2)(c) omitted (31.12.2020) by virtue of [The Collective Investment Schemes \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/325\)](#), regs. 1(2), **36(3)(b)(i)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F42** Words in reg. 9(2)(c)(i) omitted (31.12.2020) by virtue of [The Collective Investment Schemes \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/325\)](#), regs. 1(2), **36(3)(b)(ii)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F43** Reg. 9(3) omitted (31.12.2020) by virtue of [The Collective Investment Schemes \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/325\)](#), regs. 1(2), **36(4)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F44** Reg. 9(5) omitted (31.12.2020) by virtue of [The Collective Investment Schemes \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/325\)](#), regs. 1(2), **36(4)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F45** Word in reg. 9(8)(b) substituted (31.12.2020) by [The Collective Investment Schemes \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/325\)](#), regs. 1(2), **36(5)(a)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

Changes to legislation: The Undertakings for Collective Investment in Transferable Securities Regulations 2011, PART 4 is up to date with all changes known to be in force on or before 12 April 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

- F46** Reg. 9(8)(c) substituted (31.12.2020) by The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **36(5)(b)** (with savings in S.I. 2019/680, **reg. 11**) (as amended by S.I. 2020/1301, regs. 1, 3, **Sch. para. 18(c)**); 2020 c. 1, **Sch. 5 para. 1(1)**
- F47** Reg. 9(8)(d) substituted (31.12.2020) by The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **36(5)(c)** (with savings in S.I. 2019/680, **reg. 11**); 2020 c. 1, **Sch. 5 para. 1(1)**
- F48** Reg. 9(10) omitted (31.12.2020) by virtue of The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **36(6)** (with savings in S.I. 2019/680, **reg. 11**); 2020 c. 1, **Sch. 5 para. 1(1)**

Modification of information

10.—(1) Where the Authority has received information on a proposed merger ^{F49}..., it must consider the potential impact of the proposed merger on unit-holders of the receiving UCITS.

(2) Where the Authority considers it necessary, it may require the receiving UCITS to modify the information to be provided to its unit-holders.

(3) Any such requirement must be made in writing, not more than 15 working days after the date on which the Authority received the complete information required under regulation 9(2).

^{F50}(4)

^{F50}(5)

Textual Amendments

- F49** Words in **reg. 10(1)** omitted (31.12.2020) by virtue of The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **37(a)** (with savings in S.I. 2019/680, **reg. 11**); 2020 c. 1, **Sch. 5 para. 1(1)**
- F50** **Reg. 10(4)(5)** omitted (31.12.2020) by virtue of The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **37(b)** (with savings in S.I. 2019/680, **reg. 11**); 2020 c. 1, **Sch. 5 para. 1(1)**

Report by depositary or auditor

11.—(1) A report must be drawn up in respect of a merging ^{F51}... UCITS in accordance with this regulation validating—

- (a) the criteria adopted for valuation of the assets and, where applicable, the liabilities on the date for calculating the exchange ratio ^{F52}...;
- (b) where applicable, the cash payment per unit; and
- (c) the calculation method of the exchange ratio as well as the actual exchange ratio determined at the date for calculating that ratio ^{F53}....

(2) The report must be drawn up by—

- (a) a depositary, or
- (b) a person who—
 - (i) is eligible for appointment as a statutory auditor under Part 42 of the Companies Act 2006 ^{M2}, and
 - (ii) satisfies the independence requirement in section 936 of the Companies Act 2006.

Changes to legislation: The Undertakings for Collective Investment in Transferable Securities Regulations 2011, PART 4 is up to date with all changes known to be in force on or before 12 April 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

(3) The auditors of the merging UCITS and the receiving UCITS must be considered to be independent for the purposes of paragraph (2)(b)(ii).

(4) A copy of the report must be made available on request and free of charge to—

- (a) the unit-holders of the merging UCITS and of the receiving UCITS, and
- (b) the Authority ^{F54}....

Textual Amendments

- F51** Word in reg. 11(1) omitted (31.12.2020) by virtue of [The Collective Investment Schemes \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/325\)](#), regs. 1(2), **38(a)(i)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F52** Words in reg. 11(1)(a) omitted (31.12.2020) by virtue of [The Collective Investment Schemes \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/325\)](#), regs. 1(2), **38(a)(ii)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F53** Words in reg. 11(1)(c) omitted (31.12.2020) by virtue of [The Collective Investment Schemes \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/325\)](#), regs. 1(2), **38(a)(iii)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F54** Words in reg. 11(4)(b) omitted (31.12.2020) by virtue of [The Collective Investment Schemes \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/325\)](#), regs. 1(2), **38(b)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

Marginal Citations

- M2** 2006 c.46.

Right of redemption

12.—(1) The unit-holders of the merging and the receiving UCITS may require their UCITS—

- (a) to purchase or redeem any units they hold in either the merging or the receiving UCITS; or
- (b) to convert any units they hold in either the merging or receiving UCITS into units of another [^{F55}UK] UCITS which—
 - (i) has similar investment policies to those of the merging or receiving UCITS; and
 - (ii) is managed by the same manager or by a manager which is associated with that manager within the meaning of section 256 of the Companies Act 2006.

(2) The rights referred to in paragraph (1) shall become effective from the moment when the unit-holder is informed of the proposed merger in accordance with rules made by the Authority to implement Article 43 of the UCITS directive, and must cease five working days before the date on which the exchange ratio must be calculated ^{F56}....

(3) No charge may be made for the exercise of the rights in paragraph (1) except to enable the UCITS to meet disinvestment costs.

(4) Where one of the merging or receiving UCITS is a master UCITS [^{F57}it] must enable its feeder UCITS to repurchase or redeem all the units of the master UCITS in which they have invested before the consequences of the merger become effective, unless the Authority approves the continued investment by the feeder UCITS in the UCITS resulting from the merger.

Textual Amendments

- F55** Word in reg. 12(1)(b) inserted (31.12.2020) by [The Collective Investment Schemes \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/325\)](#), regs. 1(2), **39(a)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F56** Words in reg. 12(2) omitted (31.12.2020) by virtue of [The Collective Investment Schemes \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/325\)](#), regs. 1(2), **39(b)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F57** Word in reg. 12(4) substituted (31.12.2020) by [The Collective Investment Schemes \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/325\)](#), regs. 1(2), **39(c)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

Consequences of a merger

13.—^{F58}(1)

^{F58}(2)

- (3) A merger by scheme of arrangement shall have the following consequences—
 - (a) the net assets of the merging UCITS are transferred to the receiving UCITS or, where applicable, the depositary of the receiving UCITS;
 - (b) all the shareholders or members of the merging UCITS become unit-holders in the receiving UCITS; and
 - (c) the merging UCITS continues to exist until all the liabilities have been discharged.

[^{F59}(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).]

(5) The receiving UCITS, or where applicable, the depositary of the receiving UCITS, must take such steps as are required by law ^{F60}... to give effect to the transfer of the assets and liabilities of the merging UCITS.

(6) Where one of the merging or receiving UCITS is a master UCITS, the merger shall not take effect unless the master UCITS has provided the information specified under regulation 9(2) together with any additional information requested under regulation 9(4) (“the required information”) to all its unit-holders and to [^{F61}the Authority] at least 60 days before the planned effective date.

(7) A master UCITS will have complied with the obligation in paragraph (6) to provide information to all its unit-holders if it has sent the required information to each of the unit-holders (or in the case of joint unit-holders, to the first named unit-holder) whose name is entered in the register of unit-holders at the date on which the information is provided.

Textual Amendments

- F58** Reg. 13(1)(2) omitted (31.12.2020) by virtue of [The Collective Investment Schemes \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/325\)](#), regs. 1(2), **40(2)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F59** Reg. 13(4) substituted (31.12.2020) by [The Collective Investment Schemes \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/325\)](#), regs. 1(2), **40(3)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F60** Words in reg. 13(5) omitted (31.12.2020) by virtue of [The Collective Investment Schemes \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/325\)](#), regs. 1(2), **40(4)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

Changes to legislation: *The Undertakings for Collective Investment in Transferable Securities Regulations 2011, PART 4 is up to date with all changes known to be in force on or before 12 April 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*

F61 Words in reg. 13(6) substituted (31.12.2020) by [The Collective Investment Schemes \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/325\)](#), regs. 1(2), **40(5)** (with savings in [S.I. 2019/680](#), reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

Publication of a merger

14. The entry into effect of the merger must be published by the Authority in the record kept by the Authority under section 347 of the Act.

Changes to legislation:

The Undertakings for Collective Investment in Transferable Securities Regulations 2011, PART 4 is up to date with all changes known to be in force on or before 12 April 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.

[View outstanding changes](#)

Changes and effects yet to be applied to :

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