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STATUTORY INSTRUMENTS

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**2019 No. 325**

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

**PART 2**

**Amendments of the Financial Services and Markets Act 2000**

**Meaning of “UCITS”**

6. After section 236 insert—

**“Meaning of “UCITS”**

**236A.**—(1) For the purposes of this Act, and subject to subsection (4), “UCITS” means an undertaking established in the United Kingdom or an EEA State—

- (a) with the sole object of collective investment, operating on the principle of risk-spreading, in transferable securities or other liquid financial assets mentioned in subsection (3), of capital raised from the public; and
  - (b) with units which are, at the request of holders, repurchased or redeemed, directly or indirectly, out of the undertaking’s assets.
- (2) A UCITS may consist of several sub-funds (see section 237(4)).
- (3) The transferable securities or other liquid financial assets referred to in subsection (1) (a) are—
- (a) in the case of an undertaking established in the United Kingdom, those permitted by section 2 of chapter 5 of the Collective Investment Schemes sourcebook<sup>(1)</sup>; or
  - (b) in the case of an undertaking established in an EEA State, those referred to in Article 50(1) of the UCITS directive<sup>(2)</sup>.
- (4) For the purposes of subsection (1)(b), action taken by the undertaking to ensure that the price of its units on an investment exchange does not significantly vary from their net asset value is to be regarded as equivalent to the repurchase or redemption of units at the request of holders.
- (5) An undertaking is not a UCITS if it is any of the following—
- (a) a collective investment undertaking of the closed-ended type;
  - (b) a collective investment undertaking which raises capital without promoting the sale of its units to the public within the relevant area or any part of it;

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(1) Sourcebooks made by the Financial Conduct Authority are available on <https://www.handbook.fca.org.uk/handbook> and copies of the rules referred to can be obtained from the Financial Conduct Authority, 12 Endeavour Square, London E20 1JN, where they are also available for inspection.

(2) OJ L 174, 1.7.2011, p.1.

- (c) an open-ended investment company, or other collective investment undertaking, the units of which may, under its fund rules or instruments of incorporation, be sold only to the public in countries or territories outside the relevant area.
- (6) In subsection (5) “the relevant area” means—
  - (a) in the case of an undertaking established in the United Kingdom, the United Kingdom;
  - (b) in the case of an undertaking established in an EEA State, the EEA States.’’.