

**NEW COLLECTIVE INVESTMENT SCHEMES SOURCEBOOK  
(ACCOUNTING REFERENCE PERIODS AND OTHER AMENDMENTS)  
INSTRUMENT 2006**

**Powers exercised**

- A. The Financial Services Authority makes this instrument in the exercise of the powers and related provisions in or under:
- (1) the following sections of the Financial Services and Markets Act 2000 (“the Act”):
    - (a) section 138 (General rule-making power);
    - (b) section 140 (Restriction on managers of authorised unit trust schemes);
    - (c) section 156 (General supplementary powers);
    - (d) section 157(1) (Guidance);
    - (e) section 238(5) (Restrictions on promotion);
    - (f) section 242 (Applications for authorisation of unit trust schemes);
    - (g) section 247 (Trust scheme rules); and
    - (h) section 248 (Scheme particulars rules); and
  - (2) regulation 6 (FSA rules) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228).
- B. The rule-making powers and related provisions listed above are specified for the purpose of section 153(2) (Rule-making instruments) of the Act.

**Commencement**

- C. This instrument comes into force on 6 August 2006.

**Amendments to the Handbook**

- D. The Glossary of definitions is amended in accordance with Annex A to this instrument.
- E. The New Collective Investment Schemes sourcebook (COLL) is amended in accordance with Annex B to this instrument.

**Citation**

- F. This instrument may be cited as the New Collective Investment Schemes Sourcebook (Accounting Reference Periods and Other Amendments) Instrument 2006.

By order of the Board  
27 July 2006

## Annex A

### Amendments to the Glossary of definitions

In this Annex, underlining indicates new text and striking through indicates deleted text.

Amend the following definitions as shown:

...

*accounting  
reference date* ...

(2) (in *COLL* and *CIS*): the date stipulated in the *prospectus* on which the *annual accounting period* of an *authorised fund* ends.

...

*annual  
accounting  
period* ...

(2) (in *COLL*): the ~~12-month~~ period determined in accordance with *COLL* 6.8.2R(3) to (7) (*Accounting periods*) stipulated in the *prospectus* which ends on the ~~accounting reference date~~.

...

*UCITS  
Directive*

the Council Directive of 20 December 1985 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (No 85/611/EEC), as amended by Directives 88/220/EEC, 95/26/EC, 2000/64/EC, 2001/107/EC, 2001/108/EC ;

## Annex B

### Amendments to the New Collective Investment Schemes sourcebook

In this Annex, underlining indicates new text and striking through indicates deleted text.

...

Preparation of long and short reports

4.5.3 R ...

- (4) ~~The first annual accounting period of a scheme must begin:~~
- (a) ~~on the first day of any period of initial offer; or~~
  - (b) ~~in any other case, on the date of the relevant authorisation order.~~ [deleted]

...

Spread: government and public securities

5.6.8 R ...

- (2) The requirements in COLL 5.2.12R (Spread: government and public securities) apply to investment in *government and public securities* by a *non-UCITS retail scheme*, except for COLL 5.2.12R(4) which will apply to such a scheme only to the extent that it concerns the most recently published prospectus of the scheme.

...

Prohibition on promotional payments

- 6.7.12 R (1) No payment may be made from *scheme property* to any person ...
- (2) Paragraph (1) shall not apply to the costs of preparing and printing the simplified prospectus or key features of the authorised fund, provided the prospectus states in accordance with COLL 4.2.5R(13) and (14) (Table: contents of the prospectus) that these costs are properly payable to the authorised fund manager from scheme property.

Prohibition on promotional payments: guidance

6.7.13 G Examples of payments which are not permitted by COLL 6.7.12R include:

...

- (2) payments or costs in relation to the preparation or dissemination of *financial promotions* (other than ~~the preparation of key features or the simplified prospectus~~ costs allowed under COLL 6.7.12R(2)); and

...

...

Accounting periods

6.8.2 R ...

- (2) A half-yearly accounting period begins with the first day of an annual accounting period and ends on:

(a) the day which is six months later before the last day of that annual accounting period; or

(b) ~~ends on~~ some other reasonable date as set out in the *prospectus* of the *scheme*.

- (3) The first annual accounting period of a scheme must begin:

(a) on the first day of any period of initial offer; or

(b) in any other case, on the date of the relevant authorisation order;

and in either case must end on the next accounting reference date, except where (4) applies.

- (4) When the accounting reference date of a scheme falls less than six months after the beginning of the first annual accounting period, that period may be extended until the subsequent accounting reference date.

- (5) Each annual accounting period of a scheme subsequent to the first period is to run for a period of 12 months, beginning on the next day after the accounting reference date, except where (6) applies.

- (6) Following a revision to the prospectus of the scheme that includes a change to the accounting reference date, the annual accounting period may be shortened, or extended by up to six months, so as to end on the new accounting reference date.

- (7) The authorised fund manager must consult the depositary and the

scheme's auditor before shortening or extending an accounting period in accordance with (4) or (6).

6.8.2A G When the annual accounting period of a scheme is extended under COLL 6.8.2R(4) or (6), resulting in a longer than usual period before the publication of reports to unitholders, the authorised fund manager should make summary information about the investment activities of the scheme available to unitholders during that period, in accordance with Principles 6 (Customers' interests) and 7 (Communications with clients).

...

Report and accounts

8.3.5 R ...

- (2) ~~The first annual accounting period must begin:~~
- (a) ~~on the first day of any period of initial offer; or~~
  - (b) ~~in any other case, on the date of the relevant authorisation order. [deleted]~~

...

Income

8.5.15 R ...

(1A) COLL 6.8.2R (2) to (7) (Accounting periods) also apply to the half-yearly accounting period and annual accounting period of a qualified investor scheme.

...

COLL Sourcebook – Transitional Provisions

(1)	(2)	(3)	(4)	(5)	(6)
	Material to which the transitional provision applies		Transitional provision	Transitional provision: dates in force	Handbook provision: coming into force
...					
1A	Each and every rule in <u>COLL</u>	R	<u>The rules in COLL do not apply to any relevant party in relation to an authorised fund where the winding up</u>	<u>From 12 February 2007</u>	<u>12 February 2007</u>

			<u>of the fund has commenced before 12 February 2007, provided that each relevant party shall continue to comply with the provisions of CIS as if they still applied to them.</u>		
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