

**COLLECTIVE INVESTMENT SCHEMES SOURCEBOOK (CONCENTRATION LIMITS) INSTRUMENT 2025**

**Powers exercised**

- A. The Financial Conduct Authority (“the FCA”) makes this instrument in the exercise of the following powers and related provisions in or under:
- (1) the following sections of the Financial Services and Markets Act 2000 (“the Act”):
    - (a) section 137A (The FCA’s general rules);
    - (b) section 137T (General supplementary powers);
    - (c) section 138D (Actions for damages);
    - (d) section 247 (Trust scheme rules); and
    - (e) section 261I (Contractual scheme rules);
  - (2) regulation 6 (FCA rules) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228); and
  - (3) the other rule and guidance making powers listed in Schedule 4 (Powers exercised) to the General Provisions of the FCA’s Handbook.
- B. The rule-making provisions listed above are specified for the purposes of section 138G(2) (Rule-making instruments) of the Act.

**Commencement**

- C. This instrument comes into force on 31 January 2025.

**Amendments to the Handbook**

- D. The Collective Investment Schemes sourcebook (COLL) is amended in accordance with the Annex to this instrument.

**Citation**

- E. This instrument may be cited as the Collective Investment Schemes Sourcebook (Concentration Limits) Instrument 2025.

By order of the Board  
30 January 2025

## Annex

## Amendments to the Collective Investment Schemes sourcebook (COLL)

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

**5 Investment and borrowing powers**

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**5.2 General investment powers and limits for UCITS schemes**

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Concentration

5.2.29 R A *UCITS* scheme:

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- (3) must not acquire units representing more than 25% in value of the ~~units~~ scheme property in:
- (a) a collective investment scheme that is not an umbrella or a sub-fund; or
- (b) a sub-fund of an umbrella;
- (4) must not acquire more than 10% of the *approved money-market instruments* issued by any single body; ~~and~~
- (5) need not comply with the limits in (2), (3) and (4) if, at the time of acquisition, the net amount in issue of the relevant *investment* cannot be calculated; ~~and~~
- (6) need not comply with the limit in (3) where both the investing UCITS scheme and the collective investment scheme in which units are acquired (the 'second scheme') are authorised funds managed by the same authorised fund manager, and the authorised fund manager:
- (a) performs portfolio management and risk management for both the investing UCITS scheme and the second scheme without delegation of those functions;
- (b) delegates portfolio management and/or risk management for both the investing UCITS scheme and the second scheme to the same person; or

- (c) delegates portfolio management and/or risk management for either the investing UCITS scheme or the second scheme to another person but performs portfolio management and/or risk management in relation to the other scheme without delegation of those functions.

5.2.29A R In COLL 5.2.29R(6), a reference to ‘portfolio management’ is to be construed as a reference to, as applicable:

- (1) ‘investment management’ within the meaning of the regulated activity of managing a UK UCITS; or
- (2) ‘portfolio management’ within the meaning of the regulated activity of managing an AIF.

UCITS schemes that are umbrellas

5.2.30 R (1) In relation to a UCITS scheme which is an umbrella, the provisions in COLL 5.2 to COLL 5.5 apply to each sub-fund as they would for an authorised fund, except the following rules which apply at the level of the umbrella only:

- (a) COLL 5.2.27R (Significant influence for ICVCs); and
- (b) COLL 5.2.28R (Significant influence for authorised fund managers of AUTs or ACSs); ~~and~~
- (c) ~~COLL 5.2.29 R (Concentration); [deleted]~~

(2) A sub-fund may invest in or dispose of units of another sub-fund of the same umbrella (the second sub-fund) only if the following conditions are satisfied:

- (a) the second sub-fund does not hold units in any other sub-fund of the same ~~umbrella~~ umbrella;

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**TP 1 Transitional Provisions**

**TP 1.1**

(1)	(2) Material to which transitional	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
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	provision applies					
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65	...					
<b><u>Amendments made by the Collective Investment Schemes Sourcebook (Concentration Limits) Instrument 2025</u></b>						
66	<u>COLL 5.2.29R(3)</u>	R	(1)	<u>This rule applies where, before 31 January 2025, a UCITS scheme investing in the units of a collective investment scheme (the 'second scheme') applied the 25% limit in COLL 5.2.29R(3) to the acquisition of units at the umbrella level of the second scheme.</u>	<u>From 31 January 2025 to 30 January 2026</u>	<u>31 January 2025</u>
			(2)	<u>Unless COLL 5.2.29R(5) or (6) applies, the authorised fund manager of the UCITS scheme must adjust the number of units held in the second scheme to comply with (3).</u>		
			(3)	<u>No later than 30 January 2026, the units held in the second scheme must be equivalent to no more than 25% in value of the scheme property in:</u>		
			(a)	<u>a collective investment scheme that is not an umbrella or a sub-fund;</u> <u>or</u>		
			(b)	<u>a sub-fund of an umbrella.</u>		
			(4)	<u>After the authorised fund manager has made the adjustment in (2) and (3), COLL</u>		

				<u>5.2.29R(3) (as amended) applies to the acquisition by the UCITS scheme of further units in the second scheme.</u>		
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