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DRAFT STATUTORY INSTRUMENTS

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**2011 No.**

**The Open-Ended Investment Companies  
(Amendment) Regulations 2011**

**Transitional provisions**

4.—(1) Save as provided in paragraph (5) and regulation 5, an umbrella company shall not enter into any agreement or contract after the date on which these Regulations come into force which is inconsistent with paragraphs (1) and (2) of regulation 11A of the Principal Regulations, and paragraph (3) of regulation 11A shall apply to any such agreement or contract.

(2) An existing umbrella company shall give written notice to the Authority that it proposes to alter its instrument of incorporation before the end of its compliance period to effect compliance with paragraph 2(ba) of Schedule 2 to the Principal Regulations.

(3) Save as provided in regulation 6, the compliance period is the period of 2 years beginning with the date on which these Regulations come into force.

(4) For the purposes of paragraph (3) and save in relation to micro-businesses, upon receipt of a written request by an existing umbrella company made within the compliance period but prior to the expiry of a period of 23 months from the date on which these Regulations come into force, the Authority may, having regard to its regulatory objectives, extend the compliance period in relation to that umbrella company for a further period not exceeding one year beginning with the date on which the compliance period calculated in accordance with paragraph (3) ends.

(5) Notwithstanding paragraph (1), an existing umbrella company may, during its compliance period, continue to enter into transactions or contracts subject to a master agreement provided that such master agreement was in force prior to the date on which these Regulations come into force.

(6) Regulation 33C of the Principal Regulations shall not apply to an existing umbrella company during its compliance period.

(7) Regulations 11A and 33C of the Principal Regulations shall apply to an existing umbrella company which has given written notice to the Authority of the proposed alteration to its instrument of incorporation under paragraph (2) of this regulation from the date on which effect may be given to the proposal under regulation 21(3) of the Principal Regulations.

(8) Regulations 21 and 22 of the Principal Regulations apply to any proposed alteration to an instrument of incorporation under paragraph (2) of this regulation with the exception of paragraph (2) of regulation 21.

(9) Any notice given under paragraph (2) shall be accompanied by a notification in such form as the Authority may direct that the umbrella company does not have any agreements or contracts with a third party the provisions of which are inconsistent with paragraph (1) or (2) of regulation 11A of the Principal Regulations.

(10) Paragraph 5(1) of Schedule 2 to the Principal Regulations shall not apply to any alteration to an instrument of incorporation made in accordance with paragraph (2) of this regulation.

(11) An umbrella company which contravenes any provision of this regulation is to be treated for the purposes of Part 5 of the Principal Regulations as having contravened a provision of those Regulations.