

*These notes refer to the Financial Services and Markets Act  
2000 (c.8) which received Royal Assent on 14 June 2000*

# **FINANCIAL SERVICES AND MARKETS ACT 2000**

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## **EXPLANATORY NOTES**

### **COMMENTARY ON SECTIONS**

#### **Part XVII: Collective Investment Schemes**

##### ***Chapter IV: Open-ended investment companies***

##### ***Section 262: Open-ended investment companies***

487. This section creates the broad framework for Treasury regulations relating to the establishment, carrying on, and regulation, of oeics. It provides a wide-ranging and non-exhaustive list of matters which the regulations may provide for. These include imposing criminal liability, conferring functions on the Authority (including rule-making powers and power to waive or modify rules) and power to modify or exclude any statute or rule of law. In particular, the regulations may revoke the existing regulations governing oeics and provide for transitional arrangements for “grandfathering” under those regulations.

##### ***Section 263: Amendment of section 716 Companies Act 1985***

488. This section amends the Companies Act, so that the prohibition on formation of companies with more than 20 members other than under the Companies Act will not apply to oeics incorporated by virtue of regulations made the by Treasury under section 262.