

*Order made by the Treasury, laid before Parliament under section 2(3) of the Financial Services Act 1986, for approval by Resolution of each House of Parliament within 28 days beginning with the day on which the Order was made (no account being taken of any time during which Parliament is dissolved or prorogued or during which both Houses are adjourned for more than four days).*

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STATUTORY INSTRUMENTS

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**2001 No. 1421**

**FINANCIAL SERVICES**

**The Financial Services Act 1986 (Extension of Scope of Act and Meaning of Collective Investment Scheme) Order 2001**

<i>Made</i>	- - - -	<i>10th April 2001</i>
<i>Laid before Parliament</i>		<i>10th April 2001</i>
<i>Coming into force</i>	- -	<i>1st May 2001</i>

The Treasury, in exercise of the powers conferred on them by sections 2, 75(9) and 205A(1) of the Financial Services Act 1986(2), hereby make the following Order:

**Citation and commencement**

1. This Order may be cited as the Financial Services Act 1986 (Extension of Scope of Act and Meaning of Collective Investment Scheme) Order 2001 and comes into force on 1st May 2001.

**Collective investment schemes**

2.—(1) The Financial Services Act 1986 is amended as follows.

(2) For subsection (7) of section 75 (collective investment schemes), substitute—

“(7) Subject to subsection (7A) below, no body corporate other than an open-ended investment company shall be regarded as being a collective investment scheme.

(7A) Subsection (7) above does not apply to any body incorporated as a limited liability partnership.”

(3) In subsection (8) of section 75, in the definition of “the operator”—

(a) after “open-ended investment company” add “or a limited liability partnership”; and

(b) for “that company” substitute “that body”.

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(1) Section 205A of the Financial Services Act 1986 was inserted by section 206 of the Companies Act 1989 (c. 40).

(2) 1986 c. 60. Various functions of the Secretary of State under the Financial Services Act 1986, including the functions under section 2 of that Act, were transferred to the Treasury by the Transfer of Functions (Financial Services) Order 1992 (S.I.1992/1315).

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(4) In Schedule 1 (investments and investment business), after paragraph 37 insert—

“**38.** For the purpose of this Schedule, arrangements are not prevented from being a collective investment scheme merely because they constitute a limited liability partnership.”.

10th April 2001

*Jim Dowd*  
*Clive Betts*  
Two of the Lords Commissioners of Her  
Majesty’s Treasury

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## **EXPLANATORY NOTE**

*(This note is not part of the Order)*

This Order extends the scope of the Financial Services Act 1986 so that limited liability partnerships are capable of being collective investment schemes.