

MEMO# 35614

February 13, 2024

ICI Global Response to UK FCA Consultation on Overseas Funds Regime

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TO: ICI Global Members SUBJECTS: MiFID, EMIR, AIFMD, UCITS V RE: ICI Global Response to UK FCA Consultation on Overseas Funds Regime

On February 12, 2024, we submitted the attached response to the UK Financial Conduct Authority's (FCA) consultation on Implementing the Overseas Fund Regime (CP:23/26) proposing new rules and guidance to put the Overseas Funds Regime (OFR) into operation. This establishes the framework for overseas funds that are authorized and supervised in their home jurisdiction to: (i) apply for FCA recognition under the OFR and (ii) know what information will need to be provided to inform the recognition decision, as well as additional notification requirements applicable to recognized funds. The consultation can be found at <https://www.fca.org.uk/publications/consultation-papers/cp23-26-implementing-overseas-funds-regime-ofr>.

The FCA consulted on changes to its Handbook in order to recognize funds, if and when any equivalence determinations are made. The OFR regime is based on principles of equivalence - jurisdictions can be approved by the UK Government if they are assessed as offering adequate arrangements for cooperation between the FCA and the relevant national authority, and if they provide equivalent consumer protection outcomes. Subsequent to the issuance of the CP, the UK Government confirmed that EEA regulated funds (subject to certain exclusions) will be eligible to be marketed to UK investors under the UK's Overseas Funds Regime (the statement is available at: <https://questions-statements.parliament.uk/written-statements/detail/2024-01-30/hcws220>).

In our response, we raised concerns with certain aspects of the proposed framework, including scheme names, information about fees and charges, proposed notification of changes, application of the Financial Services Compensation Scheme and disclosure in financial promotions, and the allocation of landing slots.

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