

**IMA STATEMENT OF RECOMMENDED PRACTICE INSTRUMENT 2004**

**Powers exercised**

- A. The Financial Services Authority makes this instrument in the exercise of the powers and related provisions in:
- (1) the following sections of the Financial Services and Markets Acts 2000 (the “Act”):
    - (a) section 138 (General rule-making power);
    - (b) section 156 (General supplementary powers);
    - (c) section 247 (Trust scheme rules); and
    - (d) section 248 (Scheme particulars rules); and
  - (2) regulation 6 (FSA rules) of the Open-Ended Investment Companies Regulations 2001.
- B. The rule-making powers identified above are specified for the purpose of section 153(2) of the Act (Rule-making instruments).

**Commencement**

- C. This instrument comes into force on 1 February 2004.

**Amendments to the Collective Investment Schemes sourcebook, the Conduct of Business sourcebook and the Glossary**

- D. (1) The Collective Investment Schemes sourcebook is amended in accordance with Annex A to this instrument.
- (2) The Conduct of Business sourcebook is amended in accordance with Annex B to this instrument.
- (3) The Glossary is amended in accordance with Annex C to this instrument.

**Citation**

- E. This instrument may be cited as the IMA Statement of Recommended Practice Instrument 2004.

By Order of the Board  
15 January 2004

## Annex A

### Amendments to the Collective Investment Schemes sourcebook

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

1 Table: Transitional Provisions

(1)	(2)	(3)	(4)	(5)	(6)
	Material to which transitional provision applies		Transitional Provision	Transitional provision: dates in force	Handbook provision coming into force
...					
23	<u>CIS 10.1.4G(2),</u> <u>CIS 10.3.3R(1)(a),</u> <u>CIS 10.3.4R(1)(a),</u> <u>CIS 10.3.6R(3)</u> <u>CIS 10.4.8R(1),</u> and <u>CIS</u> <u>10.4.9R(2)(a)</u>	<u>R</u> and <u>G</u>	<u>Reports for any <i>half-yearly</i></u> <u><i>accounting period</i> or <i>annual</i></u> <u><i>accounting period</i></u> <u>commencing before 1</u> <u>December 2003 can comply</u> <u>with the <u>Statement of</u></u> <u><u>Recommended Practice,</u></u> <u><u>Financial Statements of</u></u> <u><u>authorised <i>open-ended</i></u></u> <u><u><i>investment companies,</i></u></u> <u><u>issued by the <i>FSA</i> in</u></u> <u><u>November 2000) or with the</u></u> <u><u>Statement of Recommended</u></u> <u><u>Practice, <u>Financial</u></u></u> <u><u>Statements of <i>authorised</i></u></u> <u><u><i>unit trust schemes,</i> issued by</u></u> <u><u><i>IMRO</i> in January 1997.</u></u>	<u>From</u> <u>1 February</u> <u>2004</u> <u>for</u> <u>12 months</u>	<u>From</u> <u><i>commencement</i></u> <u>but</u> <u>amended as at</u> <u>1 February</u> <u>2004</u>

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## 10.1 Introduction

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### Contents of this chapter

- 10.1.4 G (1) ...
- (2) This chapter requires the accounts contained in the annual and half-yearly reports to comply with the IMA SORP Statement of Recommended Practice, Financial Statements of Authorised *open-ended investment companies*, issued by the *FSA* in November 2000 (“SORP relating to Authorised *open-ended investment companies*”) (for a report on an *ICVC*) or with the Statement of Recommended Practice, Financial Statements of *Authorised unit trust schemes*, issued by *IMRO* in January 1997 (“SORP relating to *Authorised unit trust schemes*”) (for a report on an *AUT*).
- ...

...

## 10.3 Contents of annual and half-yearly reports

### Annual reports

- 10.3.3 R (1) An annual report on an *authorised fund* other than an *umbrella scheme* must contain:
- (a) full accounts for the *annual accounting period* which must, subject to the *rules* in this chapter, include all the matters required to be included in them by the IMA SORP Statement of Recommended Practice relating to Authorised *open-ended investment companies* or by the Statement of Recommended Practice relating to *authorised unit trust schemes*. Accordingly, references to those accounts (and to short form accounts mentioned in *CIS* 10.3.6R) are not to be construed to relate only to the balance sheet and the statement of total return;
- ...

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### Half-yearly reports

- 10.3.4 R (1) A half yearly report on an *authorised fund*, other than an *umbrella scheme* must contain:
- (a) full accounts for the *half-yearly accounting period* which must, subject to the *rules* in this chapter, consist of the matters required by the IMA SORP Statement of

~~Recommended Practice relating to Authorised open-ended investment companies or by the Statement of Recommended Practice relating to Authorised unit trust schemes ; and~~

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### **Short form accounts in reports**

10.3.6 R (1) ...

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(3) Short-form accounts must comply with the relevant requirements of the *IMA SORP* Statement of Recommended Practice mentioned in CIS 10.3.3R(1)(a).

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## **10.4 Information to be included in annual and half-yearly reports**

### **Report of the auditor**

10.4.8 R The report of the auditor to the *holders* on the accounts of the *authorised fund*, or on the aggregated accounts of the *umbrella scheme* (or for a report prepared for the purposes of CIS 10.3.3R(3), on the accounts of the *sub-fund*) must state:

(1) whether, in the auditor's opinion, the accounts have been properly prepared in accordance with the *IMA SORP* Statement of Recommended Practice relating to ~~Authorised open-ended investment companies~~, or the Statement of Recommended Practice relating to ~~authorised unit trust schemes~~, the rules in this sourcebook, and the *instrument constituting the scheme*;

...

...

### **Auditor's statement relating to short form accounts**

10.4.9 R In relation to short-form accounts for any *annual accounting period*, the auditor must state whether, in the auditor's opinion, the short-form accounts are:

(1) ...

(2) prepared in accordance with:

(a) the *IMA SORP* Statement of Recommended Practice relating to ~~Authorised open-ended investment companies~~ or in accordance with the Statement of Recommended Practice relating to ~~authorised unit trust schemes~~ so far as they it relates to short-form accounts; and

(b) ...

...

## Annex B

### Amendments to the Conduct of Business sourcebook

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

#### 6.6 Projections

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#### Changes and expenses disclosure for authorised ~~unit trusts~~ funds

6.6.65 G (1) ...

- (2) Those expenses that were, or would be, reported in the Annual report and Financial Statements of authorised funds ~~authorised unit trust schemes~~ in accordance with the IMA SORP 'Statement of Recommended Practice' (SORP) issued by the FSA, will normally provide a suitable starting point for any assessment of the level of charges and expenses. The same principles apply to funds and *schemes* which are not within the scope of the IMA SORP.

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## Annex C

### Amendment to the Glossary

Insert the following new definition in the appropriate alphabetical position.

*IMA SORP* the Statement of Recommended Practice for financial statements of *authorised funds* issued by the Investment Management Association and effective as at 1 December 2003.