

1 Amendments to QAHC regime

- (1) Schedule 2 to FA 2022 (qualifying asset holding companies) is amended as follows.
- (2) In paragraph 4 (only direct and certain indirect interests to constitute “relevant interests”), after sub-paragraph (2) insert—
 - “(2A) For the purposes of sub-paragraph (1)(b)(i), a beneficial entitlement of T or C held solely through one or more QAHCs is to be treated as held by that person directly.”
- (3) The amendment made by subsection (2) is treated as having come into force on 20 July 2022.
- (4) But the amendment made by that subsection is not to have effect in relation to a QAHC that became a QAHC before that date if the effect of the amendment would, by itself, cause the QAHC to cease to meet the ownership condition on that date, ignoring—
 - (a) any provision of that Schedule that would, in some circumstances, treat the ownership condition as met or a breach of the condition as having not occurred, and
 - (b) any prior breach of that condition.
- (5) After paragraph 9 insert—

“Diversity of ownership condition: parallel and aggregator funds

 - 9A (1) A collective investment scheme that is a parallel fund of a collective investment scheme that meets the condition in paragraph 9(2)(a) is treated as meeting the diversity of ownership condition while it is a parallel fund of that scheme.
 - (2) A collective investment scheme is a parallel fund of another collective investment scheme if—
 - (a) the investment business of each collective investment scheme concerns investments in substantially the same assets as the other collective investment scheme,
 - (b) the investments of each collective investment scheme in particular assets are held through the same company or companies,
 - (c) the interests of each collective investment scheme in that company, or those companies, are held on substantially the same terms,
 - (d) each collective investment scheme holds investments through that company, or those companies, in particular assets on substantially the same terms as the other holds its investments in those assets through that company or those companies,
 - (e) the ratio of the interests one of those schemes has in particular assets through that company, or those companies, to the interests the other scheme has in those assets through that company, or those companies, is the same for all

particular assets those schemes have investments in through that company, or those companies,

- (f) the management of the collective investment schemes is substantially coordinated such that the schemes act together in relation to their investments as if they were a single collective investment scheme, and
 - (g) neither of the collective investment schemes is a party to any arrangements that would cause any of the conditions in paragraphs (a) to (f) to cease to be met.
- (3) Sub-paragraph (1) does not apply to a collective investment scheme that is a parallel fund if the main purpose, or one of the main purposes, of the arrangements that result in it being a parallel fund is to secure that it is treated as meeting the diversity of ownership condition.
- (4) Where –
- (a) each person, and each fund that is not a person, with an interest in a collective investment scheme (“the aggregator fund”) is a collective investment scheme which either meets the condition in paragraph 9(2)(a) or is treated as meeting the diversity of ownership condition as a result of sub-paragraph (1), and
 - (b) the management of the aggregator fund and each of the collective investment schemes with an interest in it is substantially coordinated,
- the aggregator fund is treated as meeting the diversity of ownership condition.
- (5) For the purposes of this paragraph –
- “arrangements” include any agreement, understanding, scheme, transaction or series of transactions (whether or not legally enforceable);
 - “diversity of ownership condition” is to be construed in accordance with paragraph 9.”

(6) [commencement of subsection (5)]

(7) In paragraph 58 (interpretation), in sub-paragraph (1), for the definition of “collective investment scheme” substitute –

““collective investment scheme” means –

- (a) anything that is a collective investment scheme within the meaning of section 235 of FISMA 2000 (collective investment schemes), or
- (b) a body corporate that would, were it not a body corporate, be a collective investment scheme within the meaning of that section (see paragraph 21 of the Schedule to the Financial Services and Markets Act 2000 (Collective Investment Schemes) Order 2001 (S.I. 2001/1062));”.

- (8) Schedule 2 to FA 2022 has effect, and is to be deemed always to have had effect, with the amendment made by subsection (7).