HMRC - STSM101030 - Authorised Investments Funds - General

Authorised Investment Funds (AIFs) are collective investment schemes authorised and regulated by the Financial Conduct Authority (FCA) under the terms of the Financial Services and Markets Act 2000 (FSMA).

Categories of AIF:

All AIFs (i.e. authorised unit trusts or open-ended investment companies) fall into one of four categories defined by the FCA.

Undertakings for Collective Investment in Transferable Securities funds (UCITS)

UCITS funds are AIFs that are within the terms of the European directive for undertakings for collective investments in transferable securities (UCITS). In accordance with FCA rules the instrument constituting the scheme must state that the scheme is a UCITS scheme. These schemes can be marketed to retail investors within any European Union member state.

Non-UCITS retail funds

Non - UCITS retail funds are any AIFs which, whilst not being UCITS schemes are not Qualified Investor Schemes. Their investment powers are less restricted than UCITS schemes. They can be marketed to retail investors.

Qualified Investor Schemes (QIS)

QIS funds are AIFs with wider investment and borrowing powers than either UCITS or non-UCITS funds and can be marketed only to ‘qualified’ investors as defined by the FCA within its ‘COLL’ handbook.

Property Authorised Investment Fund (PAIF)

A Property AIF is a form of Authorised Investment Fund whose investment portfolio comprises predominantly real property or shares in UK Real Estate Investment Trusts (UK- REITs) and certain other similar entities. For an AIF to be within the Property AIF regime it must (i) be an Open-Ended Investment Company (OEIC), (ii) have given notice to HM Revenue & Customs to come within the Property AIF regime set out in Part 4A of SI 2006/964 (the authorised investment fund regulations) and (iii) meet certain conditions (as outlined in Part 4A SI 2006/964).

See STSM101010 for the meaning of a collective investment scheme.

See STSM101020 for the meaning of a unit trust.

See STSM101050 for the meaning of an open-ended investment company.

See STSM105090 for PAIFs and other unit trusts which act as a feeder fund to the PAIF.