

By Email

26 March 2020

Our Ref: FOI7081

Your Ref:

### **Freedom of Information: Right to know request**

Thank you for your request dated 31 January 2020 about regulatory reporting made by firms for their UK authorised funds in the calendar year 2019. You asked:

*How many funds breached regulations on an intra-month in 2019?*

*Also - can this be split into the types of breaches (too much in one stock, too much of a certain sector etc).*

Firstly, please accept our apologies for the delay in responding to you. We have considered your request in line with the provisions of the Freedom of Information Act 2000 ("the Act") and our response is set out as follows:

There were 559 funds that had intra-month breaches ('intra month' being breaches which are opened and closed within the same calendar month).

The funds' intra-month breaches numbered 5,399 in total. Around 30% of these were inadvertent (for such breaches, restoration of compliance normally required within six months of date of discovery). It's important to note that this analysis is based on firms' submitted narratives and therefore a broad approximation.

A breakdown on the types of breaches is set out below:

- 40% were recorded under COLL 6.2.8 & COLL 6.2.9 (Controls over the issue and cancellation of units). Over nine out of every ten of these submissions were under the latter COLL 6.2.9, which is a guidance-driven rather than rules-based clause.
- 25% for valuation, pricing or publication of pricing breaches (under COLL 6.3.3, 6.3.5/6.3.6 and 6.3.11 respectively).
- 15% under investment powers spread breaches (UCITS schemes under COLL 5.2.11 and, to a much lesser degree, non-UCITS schemes (NURS) under COLL 5.6.7).
- 10% of these breaches were unit modification, payment or sale and redemption breaches (under COLL rules 6.2.10, 6.2.13, 6.2.14 and 6.2.16)

- The remaining 10% of breaches were in relation to other COLL rules, Investment Funds Sourcebook (FUND) rules and Money Market Funds (MMFs) regulation.

If you are unhappy with this response, you have the right to request an internal review. If you wish to exercise this right you should contact us within 40 working days of the date of this response.

If you are not content with the outcome of the internal review, you also have a right of appeal to the Information Commissioner at Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire SK9 5AF. Telephone: 01625 545 700. Website: [www.ico.org.uk](http://www.ico.org.uk)

Yours sincerely

**Information Disclosure Team**