

# Handbook Notice No 137

January 2026

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# 1 Overview

## Legislative changes

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- 1.1 On 29 January 2026, the Board of the Financial Conduct Authority (FCA) made the relevant changes to the Handbook as set out in the instrument listed below.

CP	Title of instrument	Instrument No	Changes effective
<a href="#">CP25/35</a>	Collective Investment Schemes Sourcebook (Concentration Limits) Instrument 2026	FCA 2026/1	29/01/2026

## Summary of changes

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- 1.2 The legislative changes referred to above are listed and briefly described in Chapter 2 of this notice.

## Feedback on responses to consultations

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- 1.3 Consultation feedback is published in Chapter 3 of this notice.

## FCA Board dates for 2026

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- 1.4 The table below lists forthcoming FCA Board meetings. These dates are subject to change without prior notice.

FCA board meetings		
February	26	2026
March	26	2026
April	23	2026
May	28	2026
June	25	2026
July	30	2026
September	24	2026
October	22	2026
November	19	2026
December	10	2026

## 2 Summary of changes

- 2.1 This Handbook Notice describes the changes to the FCA Handbook and other material made by the FCA Board under their legislative and other statutory powers on 29 January 2026. Where relevant, it also refers to the development stages of that material, enabling readers to look back at developmental documents if they wish. For information on changes made by the Prudential Regulation Authority (PRA) please see [www.bankofengland.co.uk/news/publications](http://www.bankofengland.co.uk/news/publications).

### ***Collective Investment Schemes Sourcebook (Concentration Limits) Instrument 2026***

- 2.2 Following consultation in [CP25/35](#), the FCA Board has made changes to the Handbook section listed below:

#### **COLL TP 1**

- 2.3 In summary, this instrument makes changes to extend the transitional provision for firms to comply with changes to the section of the COLL Concentration rule that covers UK UCITS' investment limits in other collective investment schemes. The transitional period will now expire on 31 January 2027, rather than 30 January 2026.
- 2.4 This instrument came into force on 29 January 2026. Feedback is published in Chapter 3 of this notice.

## 3 Consultation feedback

- 3.1 This chapter provides feedback on consultations that will not have a separate policy statement published by the FCA.

### **CP25/35: Collective Investment Schemes Sourcebook (Concentration Limits) Instrument 2026**

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#### Background

- 3.2 In Consultation Paper, [CP24/11](#), we consulted on changes to COLL 5.2.29R (the 'concentration rule').
- 3.3 The concentration rule aims to prevent a fund investing in units of another collective investment scheme (CIS) (the 'investing fund') having undue influence over the fund it invests in (the 'target fund'). Investing in units of other funds is a common arrangement for undertakings for collective investment in transferable securities (UCITS). The rule also ensures UK UCITS schemes maintain a prudent spread of risk.
- 3.4 Following [CP24/11](#), we made changes to the concentration rule in [Handbook Notice 126](#) and the legal instrument [FCA 2025/1](#).
- 3.5 These changes came into force on 31 January 2025, with a 12-month transitional period, to 30 January 2026. However, after making these changes, firms told us that they could cause problems and gave feedback on how to simplify the concentration rule.
- 3.6 This Handbook Notice extends the transitional period for the original changes, allowing time to simplify the concentration rule as suggested. We have consulted separately on proposals to simplify the concentration rule in [CP25/37](#).

#### Summary of proposals

- 3.7 To allow time to finalise the changes proposed in [CP25/37](#), subject to feedback, we need to extend the transitional period for the original rule changes. We confirm we are extending the transitional period for the original changes to the concentration rule until 31 January 2027.

#### How this links to our objectives

- 3.8 Extending the transitional period advances our objective of ensuring markets function well, by responding proportionately to practical challenges firms face.
- 3.9 If we do not extend the transitional period to allow time to consult on changes, some funds which faced problems complying with the initial rule changes

may need to wind down. This would be contrary to the interests of investors. Avoiding this advances our consumer protection objective. This also ensures access to a wider range of funds for consumers, in line with our duty to promote effective competition in the interests of investors.

- 3.10 We are satisfied this change advances our international growth and competitiveness agenda, as we are acknowledging an area where rules do not work optimally and improving it.

#### Feedback

- 3.11 We received 2 responses to [CP25/35](#) on extending the transitional period. One respondent agreed with extending the transitional period with no further comment. The other respondent also agreed with the extension and commented on how our original amendments to the concentration rule could create issues.

#### Our response

- 3.12 We note that both respondents support extending the transitional period from 12 months to 24 months. We will therefore be extending it to last 24 months, until 31 January 2027, as consulted on.
- 3.13 We also note the wider feedback provided on the COLL concentration rule, and we have consulted on proposals to address this in [CP25/37](#).

#### Cost benefit analysis

- 3.14 Section 138I(2)(a) of FSMA requires us to publish a cost benefit analysis (CBA) when proposing draft rules unless, in accordance with section 138L(3) of FSMA, we believe that there will be no increase in costs or that the increase will be of minimal significance. In [CP25/35](#), we explained our view that no CBA was required for our proposals because there are unlikely to be material costs associated with extending the transitional period by a year. Our position remains unchanged.

#### Equality and diversity statement

- 3.15 We continue to believe that the rules we have made will not have a negative impact on any of the groups with protected characteristics under the Equality Act 2010 and no concerns were raised during consultation.

#### Environmental, social and governance considerations

- 3.16 We have considered the environmental, social and governance implications of our proposals and our duty under sections 1B(5) and 3B(c) of FSMA to have regard to contributing towards the Secretary of State achieving compliance with the net zero emissions target under section 1 of the Climate Change Act 2008. Overall, we do not consider that the proposals are relevant to contributing to those targets.

#### Rule Review Framework

- 3.17 We have taken into account our duties under the Rule Review Framework and consider that these changes do not require ongoing monitoring.

## 4 Additional information

### Making corrections

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- 4.1 The FCA reserves the right to make correctional or clarificatory amendments to the instruments made at the Board meeting without further consultation should this prove necessary or desirable.

### Publication of Handbook material

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- 4.2 This notice is published on the FCA website and is available in hardcopy.
- 4.3 The formal legal instruments (which contain details of the changes) can be found on the FCA's website listed by date, reference number or module at [www.handbook.fca.org.uk/instrument](http://www.handbook.fca.org.uk/instrument). The definitive version of the Handbook at any time is the version contained in the legal instruments.
- 4.4 The changes to the Handbook are incorporated in the consolidated Handbook text on the website as soon as practicable after the legal instruments are published.
- 4.5 The consolidated text of the Handbook can be found on the FCA's website at [www.handbook.fca.org.uk/](http://www.handbook.fca.org.uk/). A print version of the Handbook is available at <https://finreg-e.com/fca-handbook-print-and-subscription-service/>.
- 4.6 Copies of the FCA's consultation papers referred to in this notice are available on the FCA's website.

### Obligation to publish feedback

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- 4.7 This notice fulfils for the relevant text made by the Board the obligations in sections 138I(4) and (5) and similar sections of the Financial Services and Markets Act 2000 ('the Act'). These obligations are: to publish an account of representations received in response to consultation and the FCA's response to them; and to publish (where applicable) details of any significant differences between the provisions consulted on and the provisions made by the Board, with a cost benefit analysis and a statement under section 138K(4) of the Act if a proposed

altered rule applies to authorised persons which include mutual societies.

## **Comments**

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- 4.8 We always welcome feedback on the way we present information in the Handbook Notice. If you have any suggestions, they should be sent to [handbook.feedback@fca.org.uk](mailto:handbook.feedback@fca.org.uk) (or see contact details at the end of this notice).

# Annex

## **List of non-confidential respondents**

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We are required by section 138I(4A) of the Act to include a list of the names of respondents to rules consultations where the respondent has consented to the publication of their name. This annex lists the names of consenting respondents for consultations where those names are not otherwise listed in a separate consultation response document.

### ***CP25/35: Collective Investment Schemes Sourcebook (Concentration Limits) Instrument 2026***

UK Depository Association (UKDA)

Investment Association

## Handbook Notice 137

This Handbook Notice describes the changes to the Handbook and other material made by the Financial Conduct Authority (FCA) Board under their legislative and other statutory powers on 29 January 2026.

It also may contain information about other publications relating to the Handbook and, if appropriate, lists minor corrections made to previous instruments made by the Board.

Contact names for the module is listed in the relevant consultation paper referred to in this notice.

General comments and queries on the Handbook can be addressed to:

Lisa Oceró

Tel: 020 7066 0198

Email: [Lisa.Ocero@fca.org.uk](mailto:Lisa.Ocero@fca.org.uk)

However, queries on specific requirements in the Handbook should be addressed first to your normal supervisory contact in the FCA. For most firms this will be the FCA's Contact Centre:

Tel: 0300 500 0597

Fax: 0207 066 0991

Email: [firm.queries@fca.org.uk](mailto:firm.queries@fca.org.uk)

Post: Contact Centre  
Financial Conduct Authority  
12 Endeavour Square  
London E20 1JN

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