

Wholesale Investment Fund Authorisation Routes

The fund authorisation routes will depend on what an investment firm is looking to offer in terms of service as well as the type of fund. Generally, the following fund authorisations are likely but will be dependent on individual business models.

- Adviser/arranger of wholesale funds
- Investment manager
- Alternative Investment Fund manager
- UCITS manager

Adviser/arranger of wholesale funds

These are firms that typically provide personal recommendations (advise on investments) to clients and refer them on to another firm for portfolio management. These firms typically will require the following FCA permissions.

- Advising on investments
- Arranging (bringing about deals in investments)
- Making arrangements with a view to transactions in investments
- Agreeing to carry on regulated activities

Investment manager

Investment managers are generally involved in either discretionary portfolio management on behalf of retail and professional clients or manage funds such as UCITS, AIFs, and CIS. Permissions can vary depending on business model of the firms but generally are expected to be as follows.

- Advising on investments
- Arranging (bringing about deals in investments)
- Making arrangements with a view to transactions in investments
- Agreeing to carry on regulated activities
- Dealing in investments as an agent
- Managing investments
- Controlling (but not holding) client money

And either of the two:

- Safeguarding and administering assets
- Arranging the safeguarding and administration of assets

Alternative Investment Fund Manager

AIFs are collective investment undertakings that are not subject to the UCITS regime. This includes hedge funds, private equity funds, retail investment funds, investment companies and real estate funds, etc. Generally, an AIF will have an appointed AIFM undertaking portfolio management or risk management, unless it is self-managed.

Sub-threshold AIF managers are only required to be 'registered' as opposed to be 'authorised,' if the AUM is under €500m and the fund does not make use of leverage – or under €100m if they are. AIF managers which do not meet these criteria are described as 'full-scope' and require authorisation.

Firms involved with managing an authorised or unauthorised AIF will typically require permissions below to manage such funds.

- Managing an authorised AIF
- Managing an unauthorised AIF
- Establishing, operating or winding up a collective investment undertaking

Could also have the following top-up permissions depending on business model:

- Advising on investments
- Managing investments

UCITS Manager

Firms involved with managing UCITS will typically require the permission below on top of any other permission.

- Managing a UCITS (Undertakings for Collective Investment in transferable securities)

FCE Fees

FCA application fees for Investment/AIF/UCITS Managers are £5,000 whilst application fees for an Adviser/Arranger of wholesale funds is £1,500.

Contact us

Please contact us for any further details or to discuss your authorisation on the wholesale investment fund route. Our fund experts have immense experience working with Discretionary Investment Managers and Fund Managers and we will be able to guide you through your authorisation or post authorisation compliance needs.