

# **The regulation of investment trust companies**

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## **Government response**

November 2005



**HM TREASURY**





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## FOREWORD ABOUT THE CONSULTATION

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The consultation sought views on whether there was a need to introduce additional regulation for investment trust companies, and if so, possible options for doing so.

The Government received responses principally from investment trust companies and management companies, but also from consumer representatives and investors. It is grateful to all those who have spent time and effort in responding to this consultation.

The list of those who responded formally to the consultation is set out in Annex A.

This document can be accessed via the Treasury's website ([www.hm-treasury.gov.uk](http://www.hm-treasury.gov.uk)).

Those who would like to receive copies of non-confidential responses should contact Traci Aina at [traci.aina@hm-treasury.gov.uk](mailto:traci.aina@hm-treasury.gov.uk), making clear which responses they would like to receive.



# INTRODUCTION

## Consultation Proposals

**1.1** During 2002 certain split capital investment trusts, which are a sub-sector of the investment trust company industry, experienced a major down turn in market value causing heavy losses to investors. The resulting public concern led the Treasury Select Committee of the House of Commons to conduct an inquiry into the events that led to the problems experienced by splits.

**1.2** The Committee recommended to the Treasury that investment trust companies be brought directly within the scope of investment product regulation by the Financial Services Authority. In response, the Government sought views on whether there was a need to introduce additional regulation, and possible options for doing so.

**1.3** For the purpose of discussing whether there was a need for additional regulation, the consultation took as its starting point the regulatory differences between investment trust companies, and two other forms of pooled investment vehicle that are already regulated by the Financial Services Authority in the manner referred to by the Treasury Select Committee: unit trusts and open-ended investment companies.

**1.4** Chapter 5 of the consultation document sought views on whether the Treasury had properly identified all the significant regulatory differences between investment trusts companies on one hand, and unit trusts and open-ended investment companies on the other. The document also asked whether there were other regulatory issues that should be weighed in the balance when considering whether there was a case for additional regulation.

**1.5** Chapter 6 set out the four possible regulatory options below.

The possible regulatory options were to:

- Amend the Financial Services and Markets Act 2000 so as to put the regulation of investment trust companies on a similar basis to authorised unit trusts and open-ended investment companies (OEICs). Investment trust companies would be regulated as products as well as having to be authorised persons.
- Amend secondary legislation so that investment trust companies would be brought within the definition of 'collective investment schemes', and become subject to general regulation under the Financial Services and Markets Act 2000. They would be regulated as authorised persons, but not as authorised products.
- Amend secondary legislation to create a new regulated activity of 'establishing, operating or winding up an investment scheme based and listed in the UK, which has a stated objective of spreading risk such that no single holding exceeds 15 per cent of the value of the scheme's assets'. Investment trust companies would be deemed to be carrying on the new regulated activity and would therefore come within the scope of Part 4 of the Financial Services and Markets Act 2000. They would be regulated as authorised persons, but they would continue not to be collective investment schemes. Nor would they be regulated as products.
- Continue to rely on existing FSA rule making powers (e.g. the Listing Rules).

**1.6** The consultation sought views on a range of matters relating to each option, including whether the document considered all significant implications, properly identified the possible types of cost and benefit, and whether there were any alternatives or variations to the possible options that could achieve the same or similar outcome. The consultation document also asked whether interested parties would support or oppose pursuing each option.

**1.7** Over 120 responses to the consultation document were received from investment trust companies, management companies, trade associations, consumer representatives and individuals.

**1.8** A summary of responses to the identification of potential regulatory ‘gaps’ is set out in chapter 2 of this document, with views on the regulatory options set out in chapter 3. As expected, responses to the regulatory options corresponded to the views expressed in relation to the potential regulatory ‘gaps’.

**1.9** The overwhelming response to the consultation was in support of continuing to rely on existing FSA rule making powers to deliver appropriate and effective regulation of investment trust companies. Proposals were, however, made by the industry for extending the jurisdiction of the Financial Ombudsman Service to allow it to consider consumer complaints from those who bought shares on an execution only basis but claim to have relied on misleading claims made in a financial promotion.

**1.10** Another proposal was that the FSA’s conduct of business rules could be amended to require all financial promotions relating to shares in an investment trust company to warn that recourse to the FOS and the Financial Services Compensation Scheme is not available to direct investors i.e. those who do not purchase shares through the issuer of the promotion or other authorised person.

**1.11** The Government’s response is set out in chapter 4.

# 2

## SUMMARY OF RESPONSES TO THE CONSULTATION: IS THERE A REGULATORY GAP?

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### INTRODUCTION

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**2.1** Investment trust companies are commonly perceived by investors to be alternative investment vehicles to unit trusts and open-ended investment companies (OEICS). This is because all three offer the pooling of investments and spreading of risk, enabling greater diversification for small investors.

**2.2** Chapter 5 of the consultation document identified the main regulatory differences that currently exist between the regulation of investment trust companies on the one hand, and authorised unit trusts and OEICS on the other, and sought views on whether these potential regulatory gaps were significant enough that we should consider ways to address them.

**2.3** The main differences in regulation are:

1. Investment trust companies are excluded from the definition of collective investment schemes under the Financial Services and Markets Act 2000, and they do not have to be authorised persons. Nor are they regulated as products, which means that the FSA has no direct power to make rules for them or intervene in their activities;
2. As investment trust companies are not authorised persons, there is no requirement for the identification of ‘controlled functions’ or that those performing them are approved by the FSA and therefore meet the minimum standards that approval requires;
3. The FOS is not available to investors for complaints against an investment trust company itself, or the company’s manager (where there is one); and
4. The FSCS is not available in the event of an investor having a claim against an investment trust company, which the company cannot meet.

### CONSULTATION QUESTIONS: AUTHORISED PERSONS AND PRODUCTS

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**2.4** Respondents were asked to reply to the following questions:

5.i.1. Have we accurately described the potential gap that we have identified? If not, please comment.

5.i.2. Do you think that the absence of a requirement that investment trust companies be authorised persons is significant enough that we should consider ways to address it? Please provide reasons for your response, including as much information as possible about the advantages and disadvantages that you believe would follow.

5.i.3. Do you think that the absence of a requirement that investment trust companies be authorised as products is significant enough that we should consider ways to address it? Might anything be gained by imposing a requirement for investment trusts to be authorised as products, with a specific rule-making power and powers of intervention vested in the FSA in relation to them? Please provide reasons for your response, including as much information

as possible about the advantages and disadvantages that you believe would follow.

## CONSULTATION RESPONSE

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**2.5** While respondents agreed that there were differences between the regulation of investment trust companies on the one hand and authorised unit trust and OEICS on the other, it was generally questioned whether these differences could accurately be described as gaps. It was noted that the FSA in its capacity as the UK Listing Authority already had substantial powers to intervene in the activities of investment trust companies and their directors, and that the Listing Rules place direct obligations on investment trust companies and their directors in respect of a wide range of regulatory matters.

**2.6** It was also noted that changes made to the Listing Rules following problems in the Splits sector had shown that effective action could be taken by the FSA through current mechanisms.

**2.7** Against this backdrop, there was no support for bringing investment trust companies within the authorised persons regime (with the exception of one respondent who suggested that self-managed investment trusts should be required to be authorised persons), or for requiring investment trusts to be authorised products.

**2.8** It was argued that bringing investment trust companies into product regulation would increase costs without delivering significant benefits. There was also concern that it might reduce the diversity of the investment trust company sector, leading to a reduction in consumer choice.

## CONSULTATION QUESTIONS: CONTROLLED FUNCTIONS

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**2.9** Respondents were asked to reply to the following questions:

5.ii.1. Have we accurately described the potential gap that we have identified? If not, please comment.

5.ii.2. Do you think that the absence, in relation to investment trusts, of a requirement for the identification of controlled functions or that those performing them (directors or others) be approved by the FSA is significant enough that we should consider ways to address it? Please provide reasons for your response, including as much information as possible about the advantages and disadvantages that you believe would follow.

## CONSULTATION RESPONSE

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**2.10** There was little support for identifying controlled functions or for requiring directors (or others) to be approved by the FSA. Company law requirements, the Listing Rules, the Combined Code on Corporate Governance and the Association of Investment Trust Companies (AITC) Code of Conduct were all mentioned to demonstrate the range of requirements already imposed on investment trust companies.

**2.11** It was, however, suggested that there may be an argument for making financial promotion a controlled function in order to clarify the identity of the person within the regulated entity with whom responsibility for financial promotion lies.

## CONSULTATION QUESTIONS: RECOURSE TO THE FOS AND THE FSCS

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**2.12** Respondents were asked to reply to the following questions in respect of the FOS:

5.iii.1. Have we accurately described the potential gap that we have identified? If not, please comment.

5.iii.2. Do you think that the absence of recourse to the FOS for shareholders who wish to complain against the investment trust company itself is, given the possibility of recourse to other parties involved, significant enough that we should consider ways to address it? Please provide reasons for your response, including as much information as possible about the advantages and disadvantages that you believe would follow.

5.iii.3. Do you think that the absence of recourse to the FOS for shareholders who wish to complain against the fund manager about its management activities is significant enough that we should consider ways to address it? Please provide reasons for your response, including as much information as possible about the advantages and disadvantages that you believe would follow.

**2.13** In the case of the FSCS, respondents were asked to reply to the following questions:

5.iv.1. Have we accurately described the potential gap that we have identified? If not, please comment.

5.iv.2. Do you think that the absence of recourse for shareholders to the FSCS when an investment trust company cannot meet all claims against is significant enough that we should consider ways to address it? Please provide reasons for your response, including as much information as possible about the advantages and disadvantages that you believe would follow.

## CONSULTATION RESPONSE

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**2.14** With the exception of one respondent who suggested that shareholders in self-managed investment trust companies should have recourse both to the FOS and the FSCS, there was no support for extending the FOS's jurisdiction to considering complaints against investment trust companies themselves or for providing recourse for shareholders to the FSCS when an investment trust company cannot meet all claims against it.

**2.15** A number of respondents noted that allowing individual complaints against the company would risk awarding shareholders' funds to an individual at the expense of shareholders as a whole. The justification for giving shareholders of investment trust companies radically better remedies than those available to shareholders of other companies was also questioned.

**2.16** There was also a general view that complaints against the fund manager about its management activities were likely to affect all shareholders equally and, as such, were a matter for the Board of the investment trust company.

**2.17** It was, however, suggested by the industry that the FOS's jurisdiction should be extended to allow it to consider complaints from consumers who bought shares in an

investment trust company on an execution only basis but claim to have relied on misleading claims made in a financial promotion. The FSCS would also be extended to cover such investors.

**2.18** An alternative approach with a similar objective was that the FSA should amend the Listing Rules to require as a condition of listing, and as part of its continuing obligations for listing, that operators of regulated products (such as investment trust savings schemes) extend to all non-advised shareholders rights of recourse to FOS, or that the investment trust company must demonstrate that it has in place facilities which enable non-advised shareholders access to the FOS.

**2.19** The proposed extension of the FOS's jurisdiction was not, however, universally supported. It was suggested that it would set an extraordinary legal and regulatory precedent that would give rise to confusion among retail investors. It was also suggested that it was highly unlikely that an investor would be able to provide the evidence necessary to bring a successful complaint.

**2.20** Another suggestion was that the FSA's conduct of business rules be amended to require all financial promotions relating to shares in an investment trust company to include a clear risk warning that recourse to the FOS and the FSCS is only available to private shareholders if investment is made via the wrapper product being promoted. It was also suggested that Key Features Documents for investment trust savings schemes should spell out more clearly the limitations on access to the FOS.

## GENERAL QUESTIONS

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**2.21** Respondents were asked to respond to the following general questions at the end of chapter 5 of the consultation document:

5.v.1. Are there any other aspects to the differences in the regulation of investment trust companies, compared to authorised unit trusts and OEICs, that we have not explored and that you think are significant? What are they? Please provide details.

5.v.2. Setting aside the comparison between the regulation of investment trust companies, and authorised unit trusts and OEICs, are there any other areas relating to investment trust companies that could be improved by additional regulation? Are there any other potential regulatory gaps that we should consider?

5.v.3. We welcome any other comments of a general nature that you wish to make about what additional regulation of investment trust companies might seek to achieve.

## CONSULTATION RESPONSE

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**2.22** There was little response to these questions, but it was suggested that there was scope for adding requirements to the Listing Rules on appointments and reappointments to the board of an investment trust company.

# 3

## SUMMARY OF RESPONSES TO THE CONSULTATION: REGULATORY OPTIONS

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### INTRODUCTION

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**3.1** The consultation document sought views on four possible regulatory options. They were:

- (a.) Amend primary and secondary legislation to regulate investment trust companies on a similar basis to authorised unit trust and OEICs;
- (b.) Amend secondary legislation to bring investment trust companies within the definition of ‘collective investment schemes’;
- (c.) Amend secondary legislation to create a new regulated activity: establishing, operating and winding up an investment scheme based and listed in the UK with a stated risk-spreading objective;
- (d.) Continue to rely on existing FSA rule making powers.

### CONSULTATION QUESTIONS

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**3.2** For options (a), (b) and (c), respondents were asked to reply to the following questions:

6.a-c.1. Have we accurately captured the full implications of regulation under each option?

6.a-c.2. Would there be any unintended consequences – implications that we have not identified? Please provide details.

6.a-c.3. Do you agree with the benefits that we have identified?

If so, are you in a position to help us quantify any of the benefits? Please provide details.

If not, please provide reasons. Do you think there any other benefits that we have not covered? Please provide details.

6.a-c.4. Do you agree with the main categories of costs that we have identified?

If so, and you are in a position to do so, please provide us with detail of the quantity of likely cost or estimated cost to your business.

If not, please provide reasons. Do you think there are any other costs that we have not covered? Please provide details.

6.a-c.5. Aside from the question of addressing the potential regulatory gaps that we have identified in Chapter 5, do you think that regulation under options (a), (b) or (c) would be a proportionate response to the problems with splits identified in the Committee report?

6.a-c.6. Do you think that regulation under option (a), (b) or (c) could be achieved without sacrificing the distinguishing features of investment trust companies? Please provide reasons.

6.a-c.7. Can you think of any variations on option (a), (b) or (c), which would achieve the same or a similar outcome? If so, please provide details.

6.a-c.8. If you support option (a), (b) or (c), what are your main reasons for doing so? In particular we seek views on what product regulation might achieve that could not otherwise be achieved through the existing regulatory framework (for example, the Listing Rules), or one of the other possible regulatory options.

6.a-c.9. If you do not support option a), (b) or (c) what are your main reasons for this?

**3.3** In respect of option (d), respondents were asked to reply to the following questions:

6.d.1. We welcome your views on maintaining the status quo.

6.d.2. We also welcome your ideas for any alternative regulatory options that we have not identified in this paper, but that you think we should consider. Please provide as much information as possible on the implications of your suggested alternative(s), as well as their benefits and costs.

## CONSULTATION RESPONSE

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**3.4** Option (d) was the favoured option amongst respondents. It was noted that this option did not imply no change. Further changes could, if necessary, be made to the Listing Rules building on the changes made by the FSA following its consultation paper CP164.

**3.5** Option (a) attracted the most comment. Respondents saw it as a disproportionate response, which would increase costs without providing a material improvement in investor protection and have serious implications for the investment trust sector.

**3.6** It was argued that distinguishing characteristics of investment trusts would be lost, and consumer choice would be diminished. It was also suggested that investment trusts would be driven offshore.

**3.7** Respondents said that subjecting investment trust companies to regulatory capital requirements (as a result of bringing them within the authorised persons regime) would create a significant difference between investment trust companies and other collective investment vehicles which would not be subject to such requirements.

**3.8** It was also suggested that the restrictions on borrowings and investments that option a) would introduce could lead to increased costs of borrowing and opportunity costs.

**3.9** Were option (a) to be pursued, it was suggested that the new regime would need to cover all forms of closed-ended companies bought by investors in the UK, including offshore companies.

**3.10** It was also suggested that it might not be possible to take investment trust companies out of UK company law due to the limits imposed by European law, with the risk that investment trusts would be subject both to company law and financial services regulation.

**3.11** Most respondents thought that option (b) would have similar consequences to option (a), with the addition of the possible forced selling of investment trust company shares by life insurance companies (and the consequent impact on discounts) because unauthorised collective investment schemes do not meet the permitted investment rules for life companies.

**3.12** It was noted that conduct of business rules as currently formulated would prevent the promotion of investment trust companies to the general public, which would be “catastrophic” for the industry. The possible solution described in the consultation document (i.e. amending the Promotion of CIS Exemptions Order to widen the class of persons to whom investment trust companies, as unauthorised collective investment schemes, could be promoted) was considered to lack regulatory coherence.

**3.13** Option c) was also seen as a disproportionate response. It was noted that investment trust companies do not (and cannot) promote their own shares to investors outside the context of an initial listing. Requiring directors to be authorised by the FSA would have no material benefit as they can already be disqualified if they are not fit and proper persons.

**3.14** In addition to the suggested extension of the FOS’s jurisdiction and the proposal on amending the FSA’s conduct of business rules covering financial promotions set out in paragraphs 2.17 – 2.20, a number of changes to the Listing Rules were suggested. One respondent suggested that the Listing Rules could be used further to enforce the independence of investment trust company boards from managers. In particular, it was suggested that there should be a limit on the proportion of an investment trust company’s assets that could be managed by any one management firm.

**3.15** It was also suggested that investment trust companies could be required to sell shares in primary issue only to experienced investors.

**3.16** One respondent suggested that the Listing Rules should require disclosure in respect of the AITC Code of Corporate Governance. Another argued that consideration should be given to the name ‘investment trust’ which was considered misleading since an investment trust is a company.



# 4

## THE GOVERNMENT'S RESPONSE

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**4.1** The Government is grateful for the responses received to the consultation document, which it has considered carefully.

### **Better regulation**

**4.2** When considering changes to regulation, the fundamental question is whether such changes will produce better regulation taking account of the balance between costs and benefits. In the context of this consultation, the question is whether aligning the regulation of investment trust companies on the one hand with that of authorised unit trusts and OEICs on the other, would result in better regulation?

**4.3** Investment trust companies are currently subject to the FSA's Listing Rules and to Company Law. The Listing Rules set out the conditions for listing, the requirements for listing particulars, the application procedure, rules about transactions and the disclosure of financial information, rules that apply to various specific types of company and investment entities (including rules about investment strategy), and obligations imposed on issuers relating to directors – such as the disclosure of information about directors, directors' responsibilities, and rules governing transactions in which directors may be involved.

**4.4** The FSA considers applications for listing and monitors compliance with the rules on an ongoing basis, and has investigative and disciplinary powers appropriate to its responsibilities.

**4.5** Company Law requires investment trust companies to have at least two directors. The directors are subject to various legal requirements including those set out in Part 10 of the Companies Act 1985 (Enforcement of Fair Dealing by Directors). Directors owe a fiduciary duty and other duties of care to the company and can be sued by it for breach of these duties.

**4.6** The directors of an investment trust company do not, however, have to be approved by the FSA. That said, where a third party fund manager is used by an investment trust to manage its assets, that party must be authorised and is subject to FSA rules.

**4.7** It is also the case that the FSA does not have direct rule-making power over the investment and borrowing strategies of investment trust companies, as it does for authorised units trust and OEICs.

**4.8** The Government accepts that there would be costs for the investment trust industry in making the transition to a regulatory regime more closely aligned with that applicable to authorised unit trusts and OEICs, in addition to ongoing compliance costs. These costs would be likely to be passed on to consumers.

**4.9** The Government also believes that requiring investment trust companies to be authorised persons or authorised products would be likely to reduce consumer choice, because investment trusts would lose their product differentiation.

**4.10** It might be necessary to contemplate acceptance of these costs if it were clear that the current regulatory regime left consumers facing unacceptable risks. However, the clear message from responses to the consultation was that differences between the regulation of investment trust companies on the one hand and authorised unit trusts

and OEICS on the other, do not give rise to “gaps” that would justify additional regulation.

**4.11** On balance, the Government has concluded that options a) to c) in the consultation paper would not result in better regulation than could be delivered using existing FSA rule making powers. However, whilst the Government accepts that the case has not been made for a change in the structure of regulation as it applies to investment trust companies, it is important that the current regime remains robust and proportionate.

### **Maintaining standards**

**4.12** An advantage of the current regime highlighted by a number of respondents was that it was both effective and responsive. The FSA’s prompt tightening of the Listing Rules in the wake of the problems experienced by the splits sector was quoted in support. The Government welcomes the FSA’s forthcoming review of the Listing Rules applicable to investment companies as an opportunity to ensure that the regulatory regime remains both robust and proportionate, in the context of the Listing Rules generally, and wider regulatory developments.

**4.13** The investment trust industry must also ensure that it continues to operate to the highest standards. The Government welcomes the steps taken by the AITC to improve governance standards amongst its member firms and hopes that this emphasis will continue.

### **Extending the jurisdiction of the FOS**

**4.14** While the FOS cannot investigate complaints against an investment trust company itself, it can investigate complaints against financial advisers, brokers, and anyone who promotes investment trust shares – as long as the complainant is ‘eligible’ and the complaint relates to a specified activity carried on by the authorised persons. The result is that investors who buy investment trust shares on an execution only basis do not have recourse to FOS, because the activity carried on is only that of executing the order of the client to purchase the shares. (The position would be similar in relation to claims to the FSCS.)

**4.15** The Government has considered carefully the suggestion, not unanimously supported by respondents, that this creates a regulatory ‘gap’ that should be closed. The industry’s proposal to address this ‘gap’ would require the FOS to consider complaints from consumers who had acquired shares direct from a company on first issue in addition to those who had acquired them using an execution only broker. (The FSCS would also be extended to cover such investors.)

**4.16** Although this suggestion may be superficially attractive, it would in fact represent a significant extension of FOS’s jurisdiction.

**4.17** The proposal would allow FOS to consider complaints about financial promotions where the consumer had no relationship with the promoter. This would be a significant departure from the existing situation, where FOS’s jurisdiction requires a customer or other specified relationship between the consumer and the firm. The proposal implies that firms should be subjected to new FSA rules about complaints from people who are not clients which would be complex for the FSA to create and for firms to follow.

**4.18** Even if it were accepted that such an extension was appropriate, it would be difficult to limit it to investors in the shares of investment trust companies. An extension beyond the investment trust sector to other listed companies would raise significant questions about the role of FOS, the cost of considering complaints and who should pay.

**4.19** The proposal could have the unintended effect of increasing the cost of execution only investment. It could also inhibit participation by individuals in initial public offers and flotations, and trusts might limit their offerings only to wholesale or professional investors.

**4.20** In any event, it would be difficult for a consumer to establish a causative link between the financial promotion, any action she/he took and any detriment she/he may have suffered. This makes it unlikely that there would be sufficient evidence for FOS to make a finding in the consumer's favour, which raises further questions about the likelihood of being able to make a positive cost/benefit case for the change. In cases where it was clear that the material in the promotion was factually wrong, this might be possible, but there would remain issues where there was wide public comment about the promotion and the extent of any duty on the consumer to exercise reasonable care and diligence and then reach a reasonable judgement.

**4.21** The Government is not therefore convinced of the case for extending the jurisdiction of the FOS (and the FSCS) as suggested.

### **Financial promotions**

**4.22** Requiring all financial promotions relating to shares in an investment trust company to warn that recourse to the FOS and the FSCS is not available to direct investors was put forward by some respondents as a counter to the suggested extension of the FOS's jurisdiction. **The Government has invited the FSA to consider this suggestion as part of its wider review of the financial promotion rules. Any new regulatory requirement must, of course, be subject to rigorous cost/benefit analysis.**



# A

## LIST OF RESPONDENTS

Aberdeen Asset Management	Finsbury Growth & Income Trust PLC
Aberforth Smaller Companies Trust plc	Foreign & Colonial Eurotrust PLC
Active Capital Trust plc	Foreign & Colonial Investment Trust PLC
Advance UK Trust plc	F&C Emerging Markets Investment Trust PLC
Advance Developing Markets Trust plc	F&C Income Growth Investment Trust PLC
Alliance Trusts	F&C ISIS Smaller Companies Trust plc
Allianz Global Investors	F&C ISIS UK Select Trust plc
Association of Investment Trust Companies	Framlington Income & Capital Trust PLC
Association of Private Client Investment Managers and Stockbrokers	Gartmore Asia Pacific Trust PLC
Baillie Gifford	Gartmore Investment Trust Limited
Baillie Gifford Japan Trust PLC	Gartmore Global Trust PLC
Baillie Gifford Pacific Horizon Investment Trust PLC	Gartmore Growth Opportunities plc
Baillie Gifford Scottish Mortgage Investment Trust PLC	Gartmore Smaller Companies Trust plc
Baillie Gifford Shin Nippon PLC	Mr P Gifford
Bankers Investment Trust PLC	Mr J Hancox
Baring Emerging Europe PLC	Hansa Trust PLC
Ms S Bates	Alex Hammond-Chambers & Company
Britannic UK Income Trust	Mr M Hazar
British American Investment Trust PLC	Henderson Global Investors
British Assets Trust plc	Henderson TR Pacific Investment Trust PLC
British Venture Capital Association	Hermes Investment Management Limited
Mr R Burns	Independent Investment Trust PLC
Caledonia Investments	Institute of Chartered Accountants
Candover	International Financial Data Services
Cazenove	INVESCO Asset Management Limited
City of London Investment Trust PLC	Investment Management Association
City of London Law Society	Investors Capital Trust plc
Mr R Clark	International Biotechnology Trust plc
Close Brothers Securities	Mr T Kidman
Hon J M Corbett	Law Debenture Corporation plc
Depository and Trustee Association	Law Society's Company Law Committee
Eastern European Trust PLC	Mr N Lewis
Edinburgh Investment Trust plc	Lindsell Train Investment Trust PLC
Edinburgh Worldwide Investment Trust plc	Mr J Luce
Ernst & Young	
Establishment Investment Trust PLC	
Fidelity Asian Values PLC	
Fidelity European Values PLC	
Fidelity Investments	
Fidelity Japanese Values PLC	
Fidelity Special Values PLC	
Financial Ombudsman Service	
Financial Services Consumer Panel	

Mr A MacDonald  
Majedie Investments PLC  
Martin Currie Investment Management Limited  
Martin Currie Portfolio Investment Trust PLC  
Monks Investment Trust PLC  
J P Morgan Fleming American Investment Trust plc  
J P Morgan Fleming Asset Management  
J P Morgan Fleming Chinese Investment Trust plc  
J P Morgan Fleming Income & Capital Investment Trust plc  
J P Morgan Fleming Mercantile Investment Trust plc  
J P Morgan Fleming Mid Cap Investment Trust plc  
J P Morgan Overseas Investment Trust plc  
J P Morgan Fleming US Discovery Investment Trust plc  
Murray Extra Return Investment Trust PLC  
New Zealand Investment Trust  
Mr R Oldfield  
Pacific Assets Trust plc  
Polar Capital Technology Trust PLC  
Premier Utilities Trust PLC  
Progressive Asset Management Limited  
Rights and Issues Investment Trust PLC  
RIT Capital Partners plc  
Mr A Salvesen  
Schroder AsiaPacific Fund plc  
Schroder Income Growth Fund plc  
Schroder Japan Growth Fund plc  
Schroder Split Investment Fund plc  
Schroder UK Growth Fund plc  
Schroder UK Mid & Small Cap Fund plc  
Scottish American Investment Company PLC  
Scottish Investment Trust PLC  
Scottish Oriental Smaller Companies Trust PLC  
Shires Income plc  
Sinclair Henderson  
Speirs & Jeffrey Ltd  
Standard Life European Private Equity Trust PLC  
Temple Bar Investment Trust PLC  
Throgmorton Trust PLC  
Tribune Trust plc  
UBS Investment Bank  
Value and Income Trust plc  
Witan Investment Trust PLC  
3i Group plc