



FUND SERVICES - UCIS

Gallium specialises in the creation and operation of unregulated collective investment schemes (“UCIS”). Essentially, we provide a complete package of regulated activities to enable our clients to proceed with the launch and operation of their UCIS. This includes support in respect of marketing, technical issues, administrative functions and, in certain circumstances, equity raising. However, we only work in those areas where it would be more efficient for our clients to use our experience, usually because of a shortage of internal management resources or because the expertise is not available in-house. The precise configuration of our responsibilities depends on the needs of the client. Our clients find this particularly helpful as they can control precisely the extent of our involvement, and so avoid unnecessary duplication of resources. It also means that our clients can focus fully on the businesses in which their fund is to invest.

The work we carry out:

- shortens the time it takes to launch a vehicle;
- ensures that technical structural problems are identified as early as possible;
- enables our clients to reduce overheads and to minimise the diversion of management time on administration.

We assist clients on a confidential basis and there is no pressure to promote particular services or sources of finance. Therefore, clients are free to work with whichever adviser or financial institution they consider best suited for the project. Our services will accommodate a variety of investment vehicles, on or off shore, including companies, partnerships, limited partnerships, limited liability partnerships, trust vehicles and syndicates. The directors have experience in launching UCIS for numerous asset classes including residential property, commercial property, bridging loans, mezzanine funding, films, PFI projects, traded endowment policies, fine art, commodities, stocks, shares and intellectual property.

What are UCIS?

Many different types of collective investment schemes are sold to investors in the UK. Regulated collective investment schemes are those which are authorised by the FCA or are non-UK collective investment schemes that are recognised by the FCA (i.e. if certain specified criteria are met).

If the FCA has not authorised or recognised a collective investment scheme then it will be classified as a UCIS. A UCIS may be established, operated and/or managed in the UK or in a jurisdiction outside the UK. UCIS are described as unregulated because they are not subject to the same restrictions as a regulated collective investment scheme (e.g. in terms of their investment powers and how they are run).

Although the schemes themselves are not authorised or recognised, persons carrying on regulated activities in the UK in relation to UCIS (including providing personal recommendations, arranging deals and establishing, operating and managing schemes) will be subject to FCA regulation, including Handbook requirements (e.g. the Conduct of Business Sourcebook).

What is an Operator?

The FCA describes an Operator as ‘any entity which, under the constitution or founding arrangements of a UCIS, is responsible for the management of the property held for or within the UCIS’. Therefore, if an investment scheme is a UCIS it is required to have an FCA authorised operator.

The constitution or founding agreements should state that the entity who has been appointed operator to the UCIS is actually responsible for managing the property held for the UCIS. Property means all the assets of the UCIS, including cash, real assets, shares and rights. Although some of the operator services may be delegated to another entity, the responsibility for these services must remain with the operator, and the operator should monitor the performance of such services.

Areas where Gallium can assist

The Gallium team is experienced in the development of solutions for the structure of funds, identification of investors, management of the launch process and management of the regulatory aspects once the fund is launched.

Establishment services

Gallium can assist clients with the establishment of UCIS as follows:

- Assisting and advising on the fund structure.
- Compliance with regulatory requirements.
- Acting as the project manager for the launch of the UCIS.
- Assistance with the launch process, including liaison with professional advisers (lawyers, tax advisers, etc.).
- Assistance with the preparation of the Information Memorandum and generally with the level and type of information to be included in all presentation material.
- Checking and verifying these documents before they are circulated.
- Approving these documents as being clear, fair and not misleading.
- Assisting with corporate governance issues and the management structure of proposed funds (for example the relationships and responsibilities between the investors, operator, asset managers, project managers, etc.).





- appropriate disclosures are made in respect of the treatment of investors.
- Assisting with financial structure issues, including the definition of the optimal level and terms for any bank leverage.
- Financial modelling (in order to highlight the issues considered most important by investors), and to provide an independent check of financial models.
- Incorporation of the schemes/vehicles at Companies House.
- Setting up fund bank accounts.
- Processing investor applications, carrying out anti money laundering and investor due diligence checks.
- Processing the subscriptions of new investors, including approving the new investors, updating the investor register and carrying out the necessary anti-money laundering and investor due diligence checks.
- Processing the transfer for existing investors, including approving the transferee, updating investor register and carrying out the necessary anti-money laundering and investor due diligence checks.
- Approving the appointment of an asset manager to the UCIS.
- Monitoring the performance of the service providers and managers of the UCIS and entities to which the operator has delegated certain of its services.

Operating services

Gallium can assist clients with the operation and on-going administration of UCIS as follows:

- Management and administration of the investment vehicle.
- Maintenance of the accounts, books and records of the UCIS.
- Preparation of the annual accounts, including approving the appointment of the auditor if required, and any necessary tax returns.
- Maintaining the register of investors of the UCIS.
- Maintenance of statutory books and records, in particular minutes of meetings and statutory registers and the preparation and posting of all notices for any meetings of the UCIS.
- Circulation of the notice, agenda and minutes relating to meetings of investors in the UCIS.
- Preparation and distribution of periodic statement to investors.
- Preparation and distribution of tax information to investors, to be included in their tax returns.
- Monitoring fund performance.
- Monitoring investor cash flows throughout the fund structure.
- Ensuring the procedures for investment into the underlying asset class is correctly followed.
- Safeguarding investors' cash and assets.
- Approving and making the payment of distributions to investors and the withholding or payment of any taxes necessary on these distributions.
- Opening, operating and reconciling bank accounts in the name of the UCIS.
- Accepting responsibility for investment advice and the arrangement of the underlying investments.
- Liaison with and reporting to regulatory authorities.
- Liaison with and reporting to investors.
- Ensuring that all communications with investors are clear, fair and not misleading and that any required public notices are made.
- Ensuring that all statutory filings in respect to the UCIS are made.

Termination of the UCIS

The winding up of a UCIS is also a regulated activity and the Operator will usually carry out the services as Liquidating Trustee of the UCIS.

Gallium can assist clients with the winding-up of UCIS as follows:

- Arranging for the orderly sale of the asset(s) of the UCIS.
- Dissolution of the UCIS and associated fund entities.
- Calculation of final returns to investors.
- Calculation and monitoring of liquidating costs.
- Checking the calculation of any performance fees to the management team.
- Ensuring that all statutory filings in respect to the winding-up of the UCIS are made.
- Preparation of the final statutory accounts and any necessary tax returns.
- Arranging for the distribution of net proceeds to investors.

Why Gallium?

- ✓ The executive team of Gallium has more than 30 years of experience in the creation and operation of UCIS.
- ✓ The Gallium team has assisted many of the leading institutional and professional investment managers.
- ✓ Gallium is an independent Operator.
- ✓ Gallium can accommodate any asset class.
- ✓ Gallium works with both institutional and private investors.
- ✓ Gallium is vastly experienced and cost effective

Gallium has the expertise and the in-depth knowledge to identify and implement a suitable structure and mechanism for launching and operating alternative investment opportunities

Next Step

If you are interested in the UCIS Fund Services then please contact us to obtain further information and to arrange a meeting to discuss your requirements in more detail.



Gallium Fund Solutions Limited is authorised and regulated by the Financial Conduct Authority
Registered Office: Suite A, 4th Floor, South Tower, Tubs Hill House, London Road, Sevenoaks, Kent TN13 1BL
Registered in England No. 06634506