



## AUTHORISED CORPORATE DIRECTOR

Gallium tailors the ACD service to suit clients' needs, providing fund management companies with a comprehensive level of service. We also assist with fund accounting, fund administration, share transfers, performance monitoring and promotions.

### What is an Authorised Corporate Director?

A corporate body and an authorised person given powers and duties under the Financial Conduct Authority ("FCA") regulations to operate an open ended investment company ("OEIC").

### What is an OEIC?

Essentially an OEIC is a pooled investment fund, of variable size, in corporate form. It owns investment assets, for example stocks and shares, gilts, bonds and certain other financial instruments. The size of an OEIC varies reflecting the market value of its underlying investments. It will also fluctuate as investors buy and sell shares as the OEIC has more or less assets to invest. It is in this sense that it is open-ended.

An OEIC's investors own shares in the company rather than units as in a unit trust. The shareholders have the right to sell their shares back to the OEIC on any dealing day when trading has not been suspended. Unlike a unit trust an OEIC's shareholders have no rights to the underlying assets; but they do have rights to participate in the income which can be paid as dividends or reinvested, and/or profits arising from the management of and transactions in the scheme property.

### The ACD Role

The responsibilities of an OEIC's ACD are set out in the Open-Ended Investment Companies (Investment Companies with Variable Capital) Regulation 2001 and the FCA's Collective Investment Schemes Sourcebook. These include dealing with the day to day operation of the company. The ACD's responsibilities include managing the company's investments, buying and selling own shares on demand, and ensuring accurate pricing of shares at net asset value.

An ACD must be authorised by the FCA.

### OEIC - Directors and the Board

An OEIC must have a board to govern its affairs. The board may consist of only one director. But if there is only one, that director must be a body corporate authorised under the Financial Services and Markets Act 2000 (*FSMA*).

All of the OEIC's directors must be approved by the FCA as fit and proper, and the board must have appropriate expertise. The directors will be accountable to the OEIC's shareholders for the way in which they discharge their respective functions. No changes to the board will be permitted unless the FCA has been notified in writing.

### Additional Directors

Where an OEIC has directors additional to the ACD, these directors have a general duty of oversight of the company's affairs, including checking that the ACD is fulfilling its duties in a competent manner. The additional directors will be responsible for taking steps to improve matters if they feel that the ACD is deficient. In extreme cases they can and should replace the ACD. The duties of the additional directors also include non-compliance matters such as strategy and marketing policy, although these functions can be delegated to, for example, the ACD.

### How Can Gallium Help?

Gallium is authorised by the FCA to establish, operate and wind-up regulated collective investment schemes such as OEICs. In particular, Gallium is assisting a number of clients with the creation of new Property Alternative Investment Funds ("PAIFs") and Fund of Alternative Investment Funds ("FAIFs").

Gallium provides a full suite of services and act as the Authorised Corporate Director for OEICs.





#### Our ACD service includes:

- Regulatory and operational management.
- Reporting to the FCA.
- Monitoring investment activities and ensuring compliance with investment criteria.
- Monitoring of company borrowing and ensuring compliance with borrowing restrictions.
- Assisting with the OEIC application with the FCA.
- Preparation and verification of the company Prospectus.
- Preparation and verification of other marketing material.
- Risk monitoring & management.
- Assisting with distribution and platform registration.
- Assisting with the creation of new share classes.
- Ensuring the timely publication of share pricing.
- Preparation of periodic company reports.
- Monitoring and operation of the bank accounts.
- Company accounting and administration services.

**We work closely with our clients to deliver a bespoke and effective service**

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#### Next Step

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

