

Corporate & Financial Weekly Digest

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FSA Secures Winding-Up Orders Against Unauthorized Operators of Collective Investment Schemes

On December 9, the UK Financial Services Authority (FSA) announced that it had obtained winding-up orders in the High Court against two UK entities: Bio Partners Ltd and Zambia Alpha One LLP. Each was a firm that was not FSA authorized and was operating a collective investment scheme (CIS) in breach of the “general prohibition” of the UK Financial Services and Markets Act 2000.

The firms operated a CIS which invested in a bio-fuel crop grown in Africa. They had collected almost £1 million (approximately \$1.6 million) from the UK. The FSA petitioned the High Court for winding-up orders in the interests of consumer protection.

Margaret Cole, the FSA’s managing director of enforcement and financial crime, said: “Operating a collective investment scheme is a serious business requiring FSA authorization. Without the proper authorization, neither Bio Partners or Zambia Alpha had any business running one of these schemes and put [sic] investors’ money at risk.”

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