

Investment Company Cost Disclosure Bill to be discussed with new HM Treasury Minister

As followers of Gravis will know, we have been working tirelessly to encourage resolution of the double counting of costs for listed investment companies.

Headway had been made with Baroness Ross Altmann's Private Members Bill; however, the General Election in May dissolved Parliament and ended the progress of the Bill, effectively cancelling it.

Following this disappointment, there is good news to share.

Baroness Sharon Bowles, a leading campaigner of the cost disclosure campaign, submitted a bid for a new Private Member's Bill, and was successful in the Ballot on Friday, 19th July 2024.

Shortly thereafter speaking in the House of Lords on 22nd July 2024, in the 'Debate on the Address: Economic growth, infrastructure and employment', Baroness Bowles encouraged the new HM Treasury Minister, Lord Livermore, to meet with her and discuss her Private Members Bill.

At the conclusion of the debate, and in response, Lord Livermore confirmed that he "continues to believe that the Noble Lady makes a persuasive case for action and the Government will consider all options available to address the issues she raises" and that he will be "happy to meet with her" to discuss her Private Members Bill in further detail.

We await the outcome of this meeting with some anticipation. It could potentially lead to a most welcome return to a clearer presentation of information for investors and resolve a situation which has plagued the sector for 6 ½ years.

Please see Baroness Bowles' speech [here](#).

Please see Lord Livermore's response [here](#).

The difference between the two Bills

Baroness Altmann's Bill sought to remove London Listed Closed-ended Investment Companies (LCIC) from the Alternative Investment Fund Managers Regulations 2013 (AIFMR) and the subsequent regulations under the Markets in Financial Instruments Directive (MiFID). There's a clue to the misapplication of the rules – LCIC's are Companies and AIFMR applies to Funds (open-ended funds); many believe the boundary of AIFMR went too far, when LCICs were included. In effect, Baroness Altmann's PMB aimed to put right an historical wrong.

Baroness Bowles's PMB takes a different approach but is intended to deliver the same outcome; it looks forward and seeks to clarify the definition and classification of Listed Investment Companies. Baroness Bowles will encourage the Government to adopt her Bill (see below), which if successful, will accelerate its passage through the Lords and Commons. If the Government chooses not to, the First Reading of the Bill will take place on Thursday 5th September in the Lords.

The long title of the Bill reads: A Bill to make provision about listed investment companies; the classification and characteristics of those companies; and for connected purposes. It will address the following issues:

- Removal of LCICs from the Consumer Collective Investment directive
- Role of the market and share price and treatment as a going concern
- Transparency and presentation of information by execution platforms

Like the Altmann Bill, the Bowles Bill will aim to treat LCICs as companies, much like any other plc.