

THE UK CCI REGIME – WHAT PRIVATE FUND MANAGERS NEED TO KNOW

The UK's new retail disclosure regime for Consumer Composite Investments ("**CCIs**") entered its transitional implementation period on 6 April 2026 and will replace the UK Packaged Retail and Insurance-based Investment Products ("**PRIIPs**") and Undertakings for Collective Investment in Transferable Securities ("**UCITS**") disclosure regimes in full from 8 June 2027.

The new rules are outlined in the Financial Conduct Authority ("**FCA**") Product Disclosure sourcebook ("**DISC**"). DISC applies to products that are or may be distributed to UK investors which qualify as "retail clients" under Section 3 of the Conduct of Business Sourcebook ("**COBS**") of the FCA Handbook. For example, "retail clients" could include employees of the fund manager or any individual who cannot be opted up to elective professional status.

This briefing sets out the background, the changes implemented by the regime and what those changes mean in practice.

BACKGROUND

Following the repeal of assimilated EU law under the Financial Services and Markets Act 2023, the Financial Conduct Authority ("**FCA**") consulted during 2024 and 2025 on a new product information framework to replace the UK PRIIPs and UCITS disclosure regimes, with a single framework. We compared the UK PRIIPs key information document ("**KID**") with the proposed CCI product summary in our [June 2025 client briefing](#).

The FCA published its final rules in policy statement PS25/20 on 8 December 2025. These rules move away from rigid, templated KIDs and UCITS key investor information documents ("**KIIDs**") towards a flexible, disclosure framework, underpinned by a focus on consumer understanding and informed decision-making. During the implementation period, manufacturers can choose between producing a product summary or continue producing a KID or KIID. From 8 June 2027, the new rules will become mandatory.

WHAT IS IN SCOPE OF THE CCI REGIME?

A CCI is defined broadly as an investment where the returns are dependent on the performance of, or changes in the value of, underlying or reference assets. For example, open and closed ended investment funds constitute CCIs.

WHO IS IN SCOPE OF THE CCI REGIME?

The CCI regime applies to firms involved in the manufacture or distribution of a CCI to UK retail clients and applies to both authorised and unauthorised firms, which will capture overseas product manufacturers.

A manufacturer is a person who creates, develops, designs, issues, manages, operates, or carries out a CCI – in the context of a private fund, this would typically be the fund's manager. A distributor is a person who offers, advises on, or sells a CCI, or provides investment services relating to a CCI to retail clients – this could include a placement agent appointed to market a private fund.

OBLIGATIONS ON MANUFACTURERS

Product summary

From 8 June 2027, manufacturers will be required to produce a product summary and provide it to distributors, along with the core information disclosures (see below). The product summary is a short and concise document, for which there is no prescribed template or page limit. It must set out the essential characteristics of the CCI, convey as a minimum the core information disclosures, be clearly separate from other marketing materials, and contain enough information within itself, without relying on cross-references (save to limited parts of the prospectus or private placement memorandum), to give retail clients a reasonable and sufficient understanding of the nature, investment objectives, risks and costs of the product. Copies of product summaries must be kept by manufacturers for at least 3 years. Manufacturers must also provide distributors with relevant information on the target market, the product's value assessment, identified retail-investor risks and the distribution strategy.

DETAILS OF THE CORE INFORMATION DISCLOSURES

The table summarises the principal DISC 4–7 requirements relevant to private funds; it is not an exhaustive statement of the detailed rules:

Category	Principal requirements
Product characteristics (DISC 4)	Identity and investment approach. The product summary must identify the CCI (including its name, identifier and type), its manufacturer and the date of preparation or revision. It must describe the investment objectives and strategy, underlying assets or reference values and material market exposures, together with any environmental or social objectives, insurance benefits (including when payable), formula-based returns or conditions on capital guarantees. Holding period, exit and investor protections. The summary must explain any investment term, maturity date or recommended holding period, including a warning where early withdrawal may be inappropriate, and disclose exit restrictions, fees and penalties. It must explain how to complain, any relevant ombudsman, dispute-resolution and compensation arrangements, and where investors can obtain further product documents and information. Additional information for funds. The summary must state the fund's regulatory status and identify its operator or AIFM. For a feeder fund, it must also provide the master fund's regulatory status and operator or AIFM, and either state that feeder and master fund returns will be very similar or explain how and why they may differ.

Risk and return (DISC 5)	Score. The manufacturer must determine a risk and return score from 1 to 10, generally using volatility data (including simulated past performance data or a suitable benchmark where past performance data is not available). Prescribed higher initial scores apply to certain products, including those with less than five years of volatility history, infrequent pricing or materially risk-increasing leverage. The score must be assessed and adjusted where required: low liquidity generally adds one point (unless the score is already 9 or above), and exposure to losses exceeding the amount invested requires a score of 10. Disclosure. The product summary must show the final score prominently on a horizontal 1-to-10 scale, explain it and describe material risks not captured by volatility, including relevant liquidity, leverage and exit risks, alongside applicable warnings and information on drivers of returns. Records. The calculation and subsequent adjustments must be documented and retained for at least five years.
Costs and charges (DISC 6)	Disclosure. The manufacturer must disclose direct and indirect costs and charges in four calculated categories: ■ one-off entry costs; ■ one-off exit costs; ■ ongoing costs; and ■ transaction costs. One-off entry, exit and ongoing cost figures are generally shown as a percentage and a sterling cash amount; transaction costs as a percentage. Applicable indirect costs, including costs incurred through investee funds, must be reflected. For non-sterling products, costs must be calculated in sterling with the exchange rate stated. The product summary must explain the impact of costs and identify estimates. Calculation and treatment of costs and charges. The starting point for calculated costs is the applicable assumed investment amount, the preceding 12 months and a gross basis (including relevant taxes). Important qualifications are: ■ transaction costs are generally annualised using the previous 36 months, or reasonably estimated where the product has operated for less than 36 months; ■ the rules provide for estimates for new products, known future costs and adjustments where historical costs would mislead; and ■ performance fees and carried interest need not be included as standardised calculated figures, but their operation and terms must be explained in plain English, with a worked example for a hypothetical £10,000 investment (subject to a modified requirement for indirect fees).
Performance (DISC 7)	Period and graph. Where past performance information is available, the summary must show a line graph for the shorter of the last 10 years and the period since the CCI was created, with data ending no earlier than 60 days before the summary is prepared or updated. The graph tracks a hypothetical £10,000 investment (or a comparable amount in another currency), at least monthly, net of costs and charges. For funds, distributable income is assumed to be reinvested. Exceptions and warnings. A graph may be omitted where less than three months of performance data exist, provided the summary explains that the history is insufficient. The graph must carry a prominent warning that past performance is not a guide to future performance, with an additional warning for records of one year or less. Further requirements. The summary must identify the period and source of data; special rules cover benchmarks and, for relevant listed closed-ended funds, share-price and net-asset-value information. For funds, material changes to objectives and strategy during the period must be flagged on the graph.

Manufacturers must review the core information disclosures regularly and at least every 12 months and update the disclosures and product summary as necessary. An earlier review may be required, particularly following a material change in investment objectives or strategy, or market events or circumstances capable of materially changing the product's risk and return information. Updated information must be provided to distributors.

Manufacturers must also make those core information disclosures that are reasonably capable of being provided in machine-readable form available to distributors free of charge, in an easily accessible location on the manufacturer's website, with instructions for using the files. The machine-readable requirement does not apply where the CCI is distributed solely by its manufacturer and/or the manufacturer's associates.

OBLIGATIONS ON DISTRIBUTORS

Distributors of CCIs are subject to the following obligations:

- **Pre-sale product summary** - distributors must make the product summary available to retail clients at an appropriate stage in the provision of the service or carrying on of the distribution activities. The appropriate stage will normally be early in the investment journey and before the investor has initiated the transaction to buy or invest in the CCI or provided instructions to the firm to arrange it for them.
- **Promote engagement by the retail client** – the firm must take reasonable steps to promote engagement by the retail client with the information about the CCI, including: (i) its characteristics; (ii) its ongoing, one-off entry and one-off exit costs figure; (iii) applicable performance fees or carried interest; (iv) its risk and return score and relevant material risks and (v) any applicable warnings.
- **Durable medium** – the firm must provide the retail client with a copy of the product summary in a durable medium at the time the sale is concluded or as soon as reasonably practicable afterwards and before the retail client is bound by any agreement to buy or invest in the CCI.

PRACTICAL IMPLICATIONS FOR PRIVATE FUND MANAGERS

Private fund managers should focus on the following:

- **Scoping the investor base:** confirm whether any prospective UK investors are retail clients under COBS 3. Individuals are retail clients unless they satisfy the elective professional opt-up conditions. Satisfying a financial promotion exemption (as a certified high net worth or sophisticated investor, for example) does not achieve the same result.
- **Documenting the carve-out:** where a fund is professional-investor only, evidence that position: fund marketing materials clearly marked as not for retail, a distribution strategy and placement agent arrangements consistent with that marking, and onboarding and subscription controls that prevent a retail client being admitted inadvertently.
- **Systems and data:** for a fund made available to UK retail clients, producing the product summary and supporting data is a substantive implementation exercise: risk scoring (including any minimum score and liquidity adjustment), cost calculations and indirect-cost data, explanations and illustrations for performance fees or carried interest, and a compliant past performance graph where required.

FOR MORE INFORMATION

If you would like more information about the topics raised in this briefing, please speak to your regular contact at Weil or to the authors listed below.



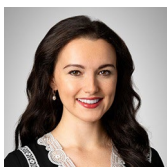
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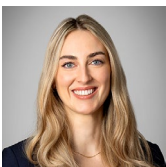
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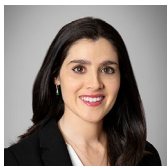
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