



8 December 2004

The Committee of European Securities Regulators
11-13 Avenue de Friedland
75008 Paris
FRANCE

Dear Sir

CESR's draft guidelines for supervisors regarding the transitional provisions of the amending UCITS Directives

The Institutional Money Market Funds Association (IMMFA) is grateful for the opportunity to comment on CESR's draft guidelines for supervisors regarding the transitional provisions of the amending UCITS Directives.

IMMFA is the trade body representing promoters of triple-A rated money market funds¹. IMMFA members cover nearly all of the major promoters of this type of fund outside the USA. Total assets in IMMFA members' funds were in excess of US\$ 206.5 billion, as at 1 October 2004². You may obtain further information on AAA-rated money market funds from our website, www.immfa.org.

IMMFA has reviewed the detailed comments on CESR's guidelines which were prepared by the Investment Management Association (IMA). IMMFA endorses IMA's comments. In particular, we would like to emphasise our position on the transitional arrangements for grandfathered umbrella funds, because AAA-rated money market funds are typically arranged within umbrellas.

CESR's draft guidelines propose that UCITS I subfunds may be launched in a grandfathered umbrella fund until 31 December 2005, at which point they must convert to UCITS III,

The proposed deadline for the conversion of grandfathered umbrella funds has been brought forward from 13 February 2007 to 31 December 2005. Although this is likely to increase the costs of conversion, we nevertheless recognise that it is preferable to a situation in which different supervisors implement the transitional provisions on a different basis, which would give rise to inconsistencies in the Single Market. However, we note that the earlier deadline is likely to increase the work of supervisors in the period leading up to 31 December 2005. December is a busy time of year for regulators, when they face increased demands to process new fund authorisations in advance of the year-end. It is also a time when their resources are stretched due to

¹ References to triple-A rated money market funds in this letter means funds rated, specifically, AAAM by Standard & Poors, Aaa/MR1+ by Moody's and AAA/V-1+ by Fitch.

² Source: iMoneyNet IMMFA Money Fund Report.



seasonal leave and public/bank holidays. The proposed 31 December 2005 deadline for converting grandfathered UCITS I funds will merely add to these existing pressures.

IMMFA therefore recommends that grandfathered UCITS I umbrella funds must have sought (rather than obtained) authorisation under UCITS III from their home state supervisor by 31 December 2005. Failing that, it is essential that supervisors give a commitment to fast-tracking such applications.

Furthermore, CESR should clarify that the 31 December 2005 deadline for conversion relates to authorisation under the revised Directive by the home state supervisor, and in no way requires any re-registration with the host state supervisor of the Member States in which the UCITS is registered for distribution.

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

Travis Barker