

ZENTRALER KREDITAUSSCHUSS

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Committee of European
Securities Regulators (CESR)
11-13 avenue de friedland
75008 PARIS
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10178 Berlin, 14 August 2008
Burgstrasse 28
Ref. ZKA: EG-INV-RE
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Call for Evidence on the Request for Advice to CESR on the UCITS Asset Management Company Passport

Dear Sir, Madam,

Thank you for giving us the opportunity to provide some input into the advice that is to be submitted by CESR on the UCITS asset management company passport. We regret that the European Commission did not make any provision for a European passport for asset management companies in its proposal for a directive of 16 July 2008, although such a passport has for many years been a permanent feature of the debate on the proposed amendment of the UCITS Directive.

At the same time, we see the Commission's request for advice to CESR as a chance for inclusion of the passport in the amended UCITS Directive after all.

The European asset management company passport is in our view an integral part of a flexibilised internal market for investment funds. In the same way that it is possible to market European investment fund units unbureaucratically in another member state outside the home country of the fund, it should be possible to manage European investment fund units from another country.

At the present time, cross-border fund management is only possible to a limited extent and results in considerable extra costs that ultimately have to be borne by investors.

More flexible management of UCITS funds is, however, necessary to create a fully integrated market for investment fund business and cost-saving potential in the long term. This is why we believe that the introduction of a passport is not only logical, but in fact also essential. It would also be consistent with the principle of freedom to provide services in the EU, which has already been incorporated into many European capital market directives.

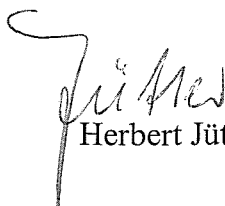
While we take the supervisory issues raised by the European Commission seriously, we believe that these are manageable. The aim must of course be for the "UCITS fund" brand, which is recognized not only in Europe, but also in Asia and the US, to retain its high quality standard.

The concerns voiced about effective supervision of fund management can be dispelled in our view through effective cooperation between supervisors, especially also by electronic means. Strengthening supervisory cooperation and reducing unnecessary costs and bureaucracy have always been underlined as targets for the upcoming amendment of the UCITS Directive. The introduction of a European asset management company passport would be a particularly good opportunity to achieve these targets.

We should be grateful if CESR could make clear to the European Commission that such a European passport not only makes economic sense, but can also be introduced legally without encountering any insurmountable hurdles.

Please do not hesitate to contact us should you have any questions concerning our above comments.

Yours sincerely,
for the Zentraler Kreditausschuss
Association of German Banks



Herbert Jütten



Patrick Arora