

**EFAMA reply to CESR's Consultation Paper on
template for the Key Investor Information document**

EFAMA is the representative association for the European investment management industry. Through its 26 member associations and 42 corporate members, EFAMA represents about EUR 13 trillion in assets under management, of which EUR 7 trillion managed by 53,000 investment funds at end 2009.

We welcome the opportunity to comment on CESR's Consultation Paper on the template for the Key Investor Information Document.

1. Do you find the attached template useful?

A large majority of EFAMA members find the template useful in so far as it lays out what should be included in the document, thereby allowing people who are in charge of developing KIID to check if they have properly understood the level 1 and level 2 provisions and that they have included all the mandatory items in the document.

In this context, however, it should be noted that the proposed template does not include all the compulsory items required in the regulation for each specific type of fund (e.g. specific information about share classes, fund of funds, feeder UCITS...).

It would therefore be very useful if CESR could prepare different templates to cater for the different types of UCITS (e.g. UCITS with share classes, feeder UCITS, structured UCITS...).

Several EFAMA members also regretted that CESR did not produce a "mock up" of the KIID, or included examples of concrete wording in the template, which would be even more useful.

2. Do you have any other suggestions?

Concerning the layout and the contents of the template, EFAMA would like to make the following suggestions:

- **Title** – Some of our members suggested that it would be useful to include in the KIID (in the paragraph under the title “Key Investor Information”) a mention that the product it describes is a UCITS regulated by EU Directive 2009/65/EC. Indeed, if national regulators were to decide to extend the use of such document to other national products, investors should be in a position to make the difference between UCITS and nationally regulated products.
- **Objectives and investment policy** – We suggest deleting from the section on Objectives and investment policy the mention “(*not copy-out from the prospectus*)” as we do not see the use of a wording within the template which can be understood as a strict prohibition of copying any parts from the prospectus into the KII. Indeed, it would be contradictory with the guidance given in the consultation paper on “Guide to clear language and layout for the KIID” which indicates that copying a text from the prospectus should be avoided, unless it has been critically reviewed and it is in clear language (respectively, pages 3 and 9 of the consultation paper).
- **Charges** – the reference to specific page numbers in the prospectus (“*for more information about charges, please see pages x to x of the fund’s prospectus,...*”) does not seem to be appropriate as it would require an update of the KID each time there would be changes in the page numbering of the prospectus. Instead, we suggest that a reference to the “Charges section in the fund’s prospectus” should be sufficient.
- **Other suggestions:**
 - It would be very useful if CESR could provide some specific guidance about the use of branding (logo, watermark paper...) in the KIID.
 - It would also be helpful if CESR could clarify if the inclusion of elements such as page number, reference about the version of the document,

repetition of the name of the fund on the second page of the KIID, etc... is allowed.

We hope these comments will be of assistance and remain at your complete disposal for any clarification.

Peter De Proft
Director General

13 September 2010.

[10-4081]