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Date

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31 August 2010

Dr. Rudorfer/Na

Re: CESR Konsultation UCITS

The Bank and Insurance Division of the Austrian Federal Economic Chamber legally representing all Austrian credit institutions and Investment Fund Management Companies appreciates the possibility to comment on CESR's Consultation regarding

1. CESR's level 3 guidelines on the selection and presentation of performance scenarios in the Key Investor Information document (KII) for structured UCITS
2. Guidelines for the transition from the Simplified Prospectus to the Key Investor Information document
3. Guide to clear language and layout for the Key Investor Information document (KII)
4. Consultation on CESR's template for the Key Investor Information document.

I. General Remarks

For the Austrian fund industry, while preparing for the implementation and practical application of all the aspects of the revised UCITS Directive, every kind of template and guidance close to the requirements of practice is helpful and thus welcome.

We would like to make some specific remarks as follows:

II. Specific Remarks

Ad 2. Guidelines for the transition from the Simplified Prospectus to the Key Investor Information document

We welcome the considerations about how to obtain a preferably simultaneous change of documents for the particular product groups. Nevertheless we want to stress that a perfectly concurrent coordination of the adjustment might not be feasible, on the basis of individual regulations in the various Member states. Thus, there will unavoidably be

some differences in the presentation of retail investor information during the transition period.

Ad Question “Are there any other matters which the guidelines should address?”

We are of the opinion that there should be a clarification regarding the relations between the information contained in prospectuses and KIIs as well as CESR’s Level III document on Risk measurement and the calculation of global exposure and counterparty risk for UCITS (CESR/10-788). It is important to clearly state that these new requirements can only apply to new funds and funds that have so far been compliant with these requirements. Otherwise, a legal uncertainty would arise, as not all UCITS funds comply with the CESR regulation on risk management. Investment funds that already exist and do not comply with the new rules could then fail to achieve their objectives according to the descriptions in the investor information documents like the prospectus. We would therefore request to confirm that existing funds do not have to act contrary to the content of their (stated) legal investor information.

Ad 3. Guide to clear language and layout for the Key Investor Information document (KII)

There are several different words in use when it comes to considerations regarding the addressees of the KII, e.g. “layman”, “investor”, “potential investor”. In our opinion it is necessary to determine that all of these different appellations always mean the *average retail investor* and that this has to be the common understanding (see Art. 36 (4) Commission Regulation (EU) No 583/2010).

Ad 4. Consultation on CESR’s template for the Key Investor Information document

The existence of a model for the KII is highly welcomed, because this is an important contribution to the intention of both making investor information comprehensive and short, but enabling an informed investment decision-making. Moreover, the product information will become more comparable throughout the EU. These effects that are intended to be achieved by changing the presentation of information to potential retail investors are most welcome in order to approach a level playing field for the European investment fund industry.

Despite the overall positive impression, we would like to point out that in the template-draft for the KII, section “Objectives and Investment Policy”, the statement “*(not copy-out of the prospectus)*” should be deleted, because with this wording the content is shortened inappropriately as in the Consultation on “Guide to clear language and layout for the Key Investor Information document (KII)” the regulation is worded more differentiated:

Page 3 „Part 1: Introduction (...) We suggest that you do not copy any text from the prospectus or an SP *unless you have critically reviewed it in the light of this guide.*”

Page 9 “Part 4: Guidance for each section of the KII (...) Do not copy from the prospectus *unless that is in clear language.*”

With regard to the above quoted instructions we do not see a need to use a wording within the template for the KII, which can be understood as a strict prohibition of copying *any* parts from the prospectus or SP into the KII.

Sincerely,

Dr. Herbert Pichler

Managing Director
Division Bank and Insurance