

ASSOCIATION OF GREEK INSTITUTIONAL INVESTORS

Mr. Fabrice Demarigny
Secretary General
Committee of European Securities Regulators-C.E.S.R.
11/13 Avenue de Friedland
75008 Paris, France

Athens, 1 December 2003

Ref.: CESR/03-378b
“The role of CESR in the regulation and supervision of UCITS and asset management activities in the EU”

Dear Sirs,

We are grateful for the opportunity to comment on the first CESR consultation paper for the regulation and supervision of UCITS and asset management activities in the EU.

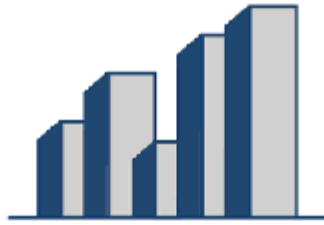
A.G.I.I. is the trade association representing the Greek investment funds industry: 29 Fund Management Companies managing assets of nearly 30 billion Euro through 261 funds (end October 2003), and 31 closed-end funds listed on the Athens Stock Exchange with total assets of nearly 2 billion Euro (mid- November 2003). A.G.I.I. is an active member of FEFSI (Federation des Fonds et Societes d'Investissement), and, together with our member companies, we have taken part in previous CESR Consultation Papers (Market Abuse and Market Integrity, Harmonization of Conduct of Business Rules, Stabilization and Allotment).

We believe that involvement of CESR in the fields of UCITS and Asset Management is a positive development occurring at a turning point of our industry with the pending implementation of EU Directives 2001/107 and 2001/108, and we look forward to a close cooperation between CESR and the industry towards a unified investment management market in Europe.

Please find attached herewith our answers to the questions raised in the consultation paper. We will be pleased to provide you with any further information you may require.

Yours Sincerely

Marina Vassilicos
International Relations Manager



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Answers of A.G.I.I. on the questions in the Consultation Paper

Questions 1.1. Do market participants share the views of CESR on the need for its future involvement in the areas of UCITS and asset management? Do market participants agree with the proposed role of CESR in facilitating convergence of the regulation and supervision on the “buy side”?

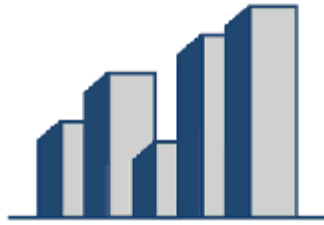
We share the view that CESR involvement in the areas of UCITS and asset management is necessary, especially in view of the coming into force of Directives 2001/107/EU and 2001/108/EU in February 2004 and of the important secondary legislation or regulatory measures that will be required in order to achieve greater harmonisation at European level through the implementation at national level of the UCITS Directives. We also trust that the application of the Lamfalussy procedure will be beneficial to the integration process of European investment management.

However, although there are synergies with the securities pillar in which investment management is for the time being integrated, we believe that an argument can be made for a different separation of tasks amongst pillars. Indeed, whereas pensions have been integrated in the insurance pillar, to a large extent they are part of investment management. Also, contrary to the point made in the Consultation paper, there are differences to be made between collective and individual portfolio management, a primary one being that in collective investment, beside regulation and supervision of the manager, we are also dealing with products that are extensively regulated and supervised. Furthermore the depository in collective portfolio management has not only safekeeping duties but also control functions. Finally, regarding the “buy-side” issue, here again, although fund management is dealing with securities, a diversification should be made as, from the regulatory and supervisory viewpoint, fund managers have a duty to serve and protect investors.

Question 2.1 Do market participants agree with the list of general points and the definition of priorities and possible input by CESR as set out above?

Current priorities are well reflected in the CESR consultation paper. However we believe that a different prioritisation would be more beneficial to the industry.

Point 2.1.C is one such example. The Contact Committee is working on issues which, although implementation of the Directives is barely 2.5 months away, are far from resolved such as the simplified prospectus and the use of derivatives, while the industry has absolutely no feedback on the state of things as no information is made available publicly. We believe that CESR involvement in these two issues will allow for more transparency and will also provide the industry with a much needed consultation procedure on the Contact Committee’s proposals before they are finalized at their next meeting.



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Questions 2.2 & 2.3 Are there any areas on which CESR should concentrate? Which areas of work do you consider to be a priority?

Part B seems to us to be the area of first priority, followed by Part D, Part C and finally Part A which includes more theoretical general issues and where cross border sales data should be added.

Question 3.1 Do Market participants agree with this approach?

We believe that it would be in the interest of efficiency to create the permanent group right away, which could start working in the way described in 3(a) and when competences are transferred to CESR would automatically become “official” as well. We fully support the allocation of an expert permanent member of the Secretariat to this task

Questions 3.2, 3.3 and 3.4 Do Market participants agree with the approach to consultation? Do Market participants agree to create a specific Consultative Working Group in order to reflect the specificity of the “buy side”? Do Market participants see other areas of expertise that the Consultative Working Group should benefit from?

The area of UCITS and asset management will greatly benefit from the open consultation procedure that CESR has already applied to other directives with all interested parties participating. We also support the creation of a Consultative Working Group of market participants and stress the importance for it to work closely with the Permanent Expert Group especially in preparation of consultative papers before their public consultation. We believe that a representative from FEFSI should be part of the Consultative Working Group and depositories, which are an essential part of the asset management industry, could be included as well. Therefore, in view of the areas of expertise that will be required it may be necessary to review upwards the number of participants in the Consultative Working Group.