

CESR
ARRIVE
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Mr. Fabrice Demarigny
Secretary General,
Committee of European Securities
Regulators – C.E.S.R.
11/13 Avenue de Friedland
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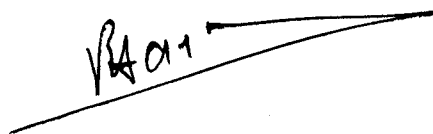
**Answers of CREDIT LYONNAIS ASSET MANAGEMENT and CREDIT AGRICOLE
ASSET MANAGEMENT
to the questions raised in
*The role of CESR in the regulation and supervision of UCITS and Asset Management
activities in the EU***

Dear Sir,

Credit Lyonnais Asset Management and Crédit Agricole Asset Management thank you to have organised the public hearing on 20th November 2003 on the consultation paper "the role of CESR in regulation and supervision of UCITS and asset management activities in the EU" to which we participated, and to give asset management firms the opportunity to express their opinions on the consultation paper.

We are pleased to give you below the answers to the questions you raised in the consultation paper, even if the AFG, the trade association representing the French Investment management industry, to which the above mentioned companies are members, has submitted on its side, but with our collaboration, a written answer to the consultation.

Yours sincerely,



Paul-Henri de La Porte du Theil

1. Background

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 totally the views of CESR on the need for its future involvement in the areas of UCITS and Asset management. We think that CESR work can ease the harmonization of European regulations and fasten the creation of an integrated European market for Asset managers.

Nevertheless, we would like to point out that, even if the harmonization of European regulations is a priority, CESR should keep in mind the importance of a level playing field with other countries such as the USA and Switzerland ; there should be no distortion of competition with countries outside the European Union.

We agree that CESR works in facilitating convergence of the regulation on the "buy side".

2. Areas of work by CESR in the asset management activities

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

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

We agree with the four areas of possible intervention proposed by CESR. The four areas are all important for our industry, even if, for Credit Lyonnais Asset Management and Crédit Agricole Asset Management, we consider currently that parts B "Areas where input to ensure the harmonized implementation of the UCITS Directive " and D "Areas where consistency with other EU Directives are needed" are more important and should be considered as priorities.

In part B, we think that the "scope of the passport of asset management companies" is the top priority point to be worked on, because we consider that an integrated European market can be built only if marketing and sales of UCITS within Europe in each Member State can be made easier. In other words it is important that CESR will survey the implementation of European regulation in each Member State, to ensure there is no distortion of competition in the European Union.

We would like to draw the attention of CESR that we were surprised to read in the consultation paper that CESR should not work on subjects such as the simplified prospectus

because the UCITS Contact Committee is currently working on it. Nevertheless, we consider the simplified prospectus as a key document for improving the sales & marketing of UCITS within all the European Community. The "simplified prospectus" could be included in part B. We think that CESR could play a very important role in ensuring that the simplified prospectus should be defined with the same standards within all European countries.

Moreover, we point out that consistency with the ISD is in the part D the most important point, specifically regarding the European passport issues and the harmonization of conduct of business rules.

We think that CESR work must concentrate on what is useful to the implementation of a single market. CESR work's target should be to enable asset management companies to market and sell their products more easily within the European Community, to create easily complex products and at the same time to ensure a complete and honest information to the investors, and, to enable the European asset management industry to develop in a harmonized manner.

3. Organisation of CESR work

Do Market participants agree with this approach?

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?

We agree that CESR should set up an Expert Group on UCITS and Asset management activities.

We also agree with the approach to consultation. We appreciate the open consultation hearing with the various opinions and reactions of all the concerned parties.

The fact that CESR makes public its work enable the concerned participants to be well aware of all issues on a subject, and the fact that CESR asks the participants to express their opinion enable them to be conscious of the possible discrepancies of interpretation and of the need to find a single solution .

At last, we agree with the creation of a specific Consultative Group for the "buy side".