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To CESR
(Web-reply)

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Consultation paper: CESR Technical Advice to the European Commission in the Context of the MiFID Review –Investor Protection and Intermediaries

The Swedish Investment Fund Association¹ (SIFA) is a member of the European Fund and Asset Management Association (EFAMA). SIFA wishes to put extra emphasis on EFAMA's reply to the consultation relating to part 3 (questions 21-23) of the consultation. SIFA hereby gives the following additional comments in this respect.

UCITS should continue to be categorized as non-complex instruments for the purpose of Article 19 (6) in the MiFID-directive, according to CESR's proposal in Para. 167. The reasons for this is that UCITS are conceived as retail products, are well regulated and transparent as well as provide for a high level of investor protection. Units in UCITS are also generally liquid and subject to strict rules regarding risk management and diversification. Also, the information to be provided to investors is regulated in detail, and will be further harmonized after the introduction of the Key Investor Information Document under the UCITS IV-directive.

Therefore, SIFA does not support the idea that ESMA should produce binding technical standards to distinguish which UCITS should be complex for the purpose of the appropriateness test. A partial exclusion from the definition of non-complex instruments for some UCITS should be avoided as this would cause serious problems for distributors and advisors in terms of defining the UCITS as well as when it comes to access to information regarding underlying investment strategies.

THE SWEDISH INVESTMENT FUND ASSOCIATION

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¹ The Swedish Investment Fund Association is an association of 37 fund management companies representing approximately 95 percent of the Swedish fund market.