

**Response to  
CESR's consultation paper on guidelines for supervisors regarding the  
notification procedure according to Section VIII of the UCITS Directive  
(Ref. CESR/05-484)**

Deutsche Bank welcomes the opportunity to comment on CESR's consultation paper on guidelines regarding the notification procedure for UCITS. In our view, simplification of the notification procedure constitutes a precondition for enhancing the pan-European distribution of investment funds.

When agreeing guidelines, CESR member should particularly take into account that the provisions of the UCITS Directive dealing with the notification procedure have remained more or less unchanged since the Directive originally came into force, and are thus still based on a model of host member state involvement which has since been given up by comparable Directives, such as the Prospectus Directive (2003/71/EC) for security prospectuses. In our view, in order to enhance pan-European distribution as long as the respective provision of the UCITS Directive have not been modernised, this needs to be counterbalanced by a maximum of "simplification-friendly" interpretation and handling of the current rules.

In our response, we would like to restrict ourselves to the points which we regard as absolutely essential for an effective simplification of the notification procedure. However, in addition to the following points, we fully support the comments made by EFAMA and the BVI in their respective responses.

The two-month-period (Q 2): CESR should agree rules which ensure that the notification procedure is, except for the existence of special circumstances, completed in significantly less than the maximum two month period provided for by the UCITS Directive. This could be achieved by the setting of something like a standard review time - applying in the absence of exceptional circumstances, which in our view should be set at not more than four weeks.

In addition, CESR members should agree that the review during the notification procedure covers all aspects relating to distribution of the fund in the host country. In particular, there should not be a separate process for the review of marketing material outside the general notification procedure, as applied by some authorities today. The UCITS Directive clearly allows only one procedure to check compliance with host member state rules in the

distribution of funds, of which review of the planned marketing measures indeed constitutes the most important part.

Translation (Q 4): The UCITS Directive allows host member state authorities to accept other languages than the official local one. Given that the need to have all documents translated into the official languages of all host member states creates a substantial hurdle in terms of cost and time for the pan-European offering of investment funds, we see the need for CESR members making use of that clause. The recently introduced Prospectus Directive strikes a good balance between the need of investors and those of funds, in that it principally allows the use of a language customary in the sphere of international finance, but requires the translation of a summary into local languages. We regard this as a model also for the UCITS Directive, where it should as well be principally sufficient to have documents available in an "international" language; only the simplified prospectus should have to be translated into the official local languages.

Sub-funds (Q 5): CESR should agree that the two-month period does not apply to the notification of further sub-funds after the notification process for the umbrella structure as such has been completed, as long as the marketing arrangements are the same as set out in the original notification. In terms of the involvement of host member state authorities, the setting up of new sub-funds has the same quality as changes to already existing (and notified) sub-funds, or indeed non-umbrella funds, for which there is undoubtedly no room for a two-month notification procedure, but only a simple requirement for notification applies. The host member state regulator's authorities are, after all, limited to the marketing arrangements for the whole fund, whether of an umbrella type or not.