

28 November 2003

M. Fabrice Demarigny,
Secretary General
CESR

Dear M. Demarigny,

Ref: CESR/03-378b: The role of CESR in the regulation and supervision of UCITS and Asset Management activities in the EU

Fidelity Investments welcomes the chance to comment on the consultation paper published by CESR in October 2003 on its role in the regulation and supervision of UCITS and Asset Management activities in the EU.

The Fidelity International group of companies in the UK, which employs over 2000 staff, offers a variety of fund management services to private and institutional clients principally in the UK and Europe. In conjunction with FMR Corp., a US company and affiliate, Fidelity International globally manages and distributes a wide range of funds in the US, Canada, Hong Kong, Japan and elsewhere as well as distributing or offering managed funds in some 25 jurisdictions around the world. The combined assets under management of the two Fidelity organisations exceed US\$ 1 trillion.

We congratulate CESR on its willingness to consult in this way. An open and cooperative attitude towards its new role will enable the industry to work with CESR to ensure that regulation works to help firms run their affairs and gives investors greater confidence in the products they buy. With this in mind, Fidelity stands ready to work with CESR in the Expert or Consultative Working Groups that are being set up.

Priorities

The importance CESR has placed on the need to set clear priorities for its work is to be welcomed. We believe that the over-riding principle guiding any consideration of priorities should be the extent to which individual initiatives will contribute to the consolidation of the Single Market.

More immediately, we believe that CESR needs to tackle the various problems that have arisen from different interpretations of the UCITS Directives. We currently face the prospect that certain important features of the Directives (e.g. the passport for Management Companies, the Simplified Prospectus) will be almost completely neutered by the failure of the Member States to implement them correctly, consistently and on time.

At the same time, it is vital to ensure that the UCITS Directive is implemented in a way that does not conflict with other Directives, eg. the Distance Marketing and E-Commerce Directives.

Finally, the UCITS Directives envisaged further work in a number of specific areas. We hope that CESR will play an active part in that process and help identify those areas that need to be reviewed in order to achieve a genuine single market (e.g. easing registration requirements, fund mergers, pooling etc.).

John Ingamells

Public Affairs

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