

KBC Asset Management NV

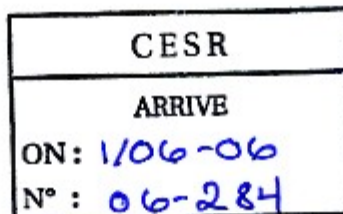
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Brussels, 24 May 2006

Re: Consultation Notification Procedures

Dear,

We refer to your 2nd consultation paper (CESR/06-120) containing guidelines to simplify the notification procedure of UCITS.

We welcome CESR's initiative to harmonise Member States procedures in this field.

However we would like to draw your attention to the impact of Guideline 10. Guideline 10 is particularly threatening for the Belgian market.

As you may know, in Belgian regulation allows to have a full prospectus per sub-fund (besides a rather small full prospectus at sicav-level). Guideline 10 seems to overrule this practice.

Besides the fact that this would push the Belgian industry again into a massive UCITS III-like operation for the prospectuses we also see reasons in the interest of the investors to allow a full prospectus per subfund.

1. the investor is investing into a particular sub-fund. In the full prospectus he should not be confused with information on other sub-funds that happen to exist under the same umbrella.

2. in sicavs with many sub-funds a full prospectus at sicav level leads to huge documents. We have a Luxemburg sicav with a full prospectus exceeding 1500 pages. We were actually planning a conversion to Belgian approach and making full prospectuses at sub-fund level since we are convinced that this would facilitate everyones work and would increase the readability for the investors.

3. in our view one cannot expect that an investor actually reads a document of the abovementioned size. The chance that the investor reads the prospectus is much bigger if all information given to him is effectively relevant to his sub-fund (simplified and full). This is the case in the Belgian way of drafting prospectuses. This is not the case if the full prospectus contains more information on sub-funds other than his'.

Best regards,


Erwin Schoeters
Managing Director


Stefan Duchateau
President of the Executive Committee