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30 January 2006
NFR/ALW

Consultation Paper (Ref: CESR/05-484)

"CESR's guidelines for supervisors regarding the notification procedure according to Section VIII of the UCITS Directive"

Dear Sir or Madam,

PricewaterhouseCoopers AG, Frankfurt welcomes the opportunity to respond to CESR's Consultation Paper "CESR's guidelines for supervisors regarding the notification procedure according to Section VIII of the UCITS Directive".

Below you may find our primary concerns and proposals under a German point of view in connection with this consultation process:

Q1: Is the starting of the two-month period dealt with in a practicable way in your view?

Generally, we agree with the approach of CESR. However, in case of incompleteness of the first notification, we are of the opinion that the host Member States shall require that the

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UCITS submits the missing documents and information within a defined time period which is harmonised and commonly accepted by all other member states (e.g. max. 6 months).

This would increase in particular the pressure on the involved home Member State competent authorities to co-operate more effectively with the UCITS by re-approving any amended documents or producing other official fund documentation which is required by the host Member State regulator in order to confirm the completeness of the notification file.

Q2: Managing the two months period: Respondents are asked to provide their view on the practicability of the proposed approach

We welcome the approach that the host Member State competent authority may inform the UCITS in a written procedure via a duly motivated communication, that there are convincing arguments for making a reasoned decision preventing the UCITS to start marketing. This should discourage any attempt of the competent authorities to prevent the public marketing of incoming UCITS for reasons that do not fall under the scope of application of Directive und which are not covered from the intention and the wording of Art. 44(1) of the Directive.

Nonetheless, we do not consider it appropriate that the non-compliance communication via the host Member State competent authorities should trigger an extension of the regular two-month period. Provided that the host Member State has not taken a final reasoned decision within the meaning of Art. 46, the two-month period shall remain as an ultimate deadline for the beginning of the public marketing in the host Member State.

Q3: Certification of documents: Respondents are asked to provide their view on the practicability of the proposed approach

In our view the certification procedure should encompass the full prospectus, as well. Indeed, the simplified prospectus is the key tool to make well informed investment decisions, in particular, in case of cross-border unit distribution. However, the full prospectus remains an essential information source for the investor, since it contains detailed information especially regarding the legal structure of the UCITS, the service providers and the investment policy of the fund. In case of umbrella funds, it is actually common that general information as well as general guidelines for the fund's investment strategy is described only in the full prospectus. Furthermore, according to the intention of the UCITS Directive the simplified prospectus shall be just an additional, rather than an exclusive source of information for the

investors replacing the full prospectus. In view of the high importance of the full prospectus we consider that this document should be subject to certification, as well.

We welcome the proposal that the publication of the prospectuses on an official website of the home Member State authority shall represent a sufficient "certification" by the competent authorities of this Member State. Additionally, we recommend that the same website includes a list of all latest versions of the fund's documents which are relevant for the notification procedure. Based on this "track record", it may be easier for the host Member State authorities to check as to whether the submitted documents correspond with the latest versions already filed or approved by the home Member State authorities.

Q5: Umbrella funds: Do you consider the suggested approach as appropriate?

We take the view that the inclusion of all sub-funds in a single notification procedure should be possible. If the UCITS intends to market in the host Member State only a part of the sub-funds already existing in the umbrella structure, this should be generally possible, as well.

However, in this case it is important that the fund's documentation distributed in the host Member State embraces information referring only to the sub-funds that are registered for public marketing in the host Member State. The Member States have to develop a common approach on this issue.

Q6: Content of the file: Do you consider the suggested approach as appropriate?

Generally, we would agree. Additionally, we suggest that in the case of umbrella funds the UCITS attestation also includes a list of the sub-funds which are currently being approved by the home Member State competent authorities. The UCITS attestation should also be written in the official language of the home Member State.

Q9: Which issue could have been dealt with in more detail?

A possible shortening of the 2 month period should be more thoroughly discussed.

Q10: Which Issues if any related to the notification procedure should have been dealt with in this consultation paper?

We would suggest the following topics be addressed:

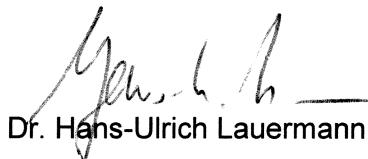
- If a Fund issues simplified prospectuses for each sub-fund, must a simplified prospectus also be issued for those sub-funds that are not active?
- May an investment fund issue a simplified prospectus for each share class?
- If a fund would like to include additional information for investors of a particular country in the simplified prospectus, how comprehensive must/may it be, i.e. equal to that of the standard prospectus or may the information agent be named without further reference to the paying agent?
- How soon must the host Member State regulatory authority be informed of changes? For example, is it sufficient to notify the authority of changes the next time modified documents are submitted?
- In which cases must the "Notices to Shareholders" be filed with the host Member State authority?
- Must the issue and redemption price be published in the host Member State or is this dependant upon the legal requirements of the home Member State?

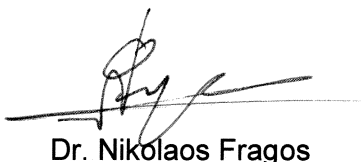
Hopefully, our comments and proposals will help CESR in its aim to develop guidelines which are easy to understand and to use, and which at the same time provide an efficient and adequate response for the protection of investors and for the development and the competitiveness of the single European investment fund market.

In case of queries please do not hesitate to contact us at your convenience.

Yours sincerely,

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