ZENTRALER KREDITAUSSCHUSS

MITGLIEDER: BUNDESVERBAND DER DEUTSCHEN VOLKSBANKEN UND RAIFFEISENBANKEN E.V. BERLIN · BUNDESVERBAND DEUTSCHER BANKEN E.V. BERLIN
BUNDESVERBAND ÖFFENTLICHER BANKEN DEUTSCHLANDS E.V. BERLIN · DEUTSCHER SPARKASSEN- UND GIROVERBAND E.V. BERLIN-BONN
VERBAND DEUTSCHER PFANDBRIEFBANKEN E.V. BERLIN

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CESR's Consultation Papers regarding the arrangement of the Key Investor Information document (KII)
Ref.: CESR/10-530 ; CESR/10-532 ; CESR/10-672 ; CESR/10-794
ZKA-Ref.: EG-INV-RE

Dear Sir or Madam,

Thank you very much for the opportunity to comment on the above mentioned CESR's consultation papers regarding the arrangement of the Key Investor Information document (KII). Please find hereafter the Comments of the *Zentraler Kreditausschuss* (ZKA)[1] on the specific guidelines to the Commission Regulation (EU) 583/2010 implementing Directive 2009/65/EC.

We agree with the vast majority of the descriptions and assessments in the consultation papers. However, we would like to make some comments and suggestions on the proposals:

According to consultation paper CESR/10-530 (Box 2, No. 5) and the given examples in the Annex of the paper the potential performance of the structured UCITS shall be illustrated in at least three scenarios showing the performance under favourable, unfavourable and medium market conditions in separated tables or graphs. The unfavourable scenario shall always be explained first.

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1 The ZKA is the joint committee operated by the central associations of the German banking industry. These associations are the Bundesverband der Deutschen Volksbanken und Raiffeisenbanken (BVR) for the cooperative banks, the Bundesverband deutscher Banken (BdB) for the private commercial banks, the Bundesverband Öffentlicher Banken Deutschlands (VÖB) for the public-sector banks, the Deutscher Sparkassen- und Giroverband (DSGV) for the savings banks financial group and the Verband deutscher Pfandbriefbanken (VdP), for the mortgage banks. Collectively, they represent more than 2,200 banks.

Considering the limited number of only 3 pages for the KII regarding structured UCITS we suggest the scenarios optionally being illustrated together in one table or graph. We also fear that the method of describing the unfavourable scenario first would create a wrong and unrealistic impression of the described product to the customer.

Besides that, we doubt that it is helpful for the investor that the returns have to be displayed as annualised rates of growth. In most cases, the client will buy the fund unit after its initial offering and accordingly at price different from the original offering price. In this case, the figures shown are misleading. We suggest that there should be at least an option to present the returns under the different scenarios in the form of the actual payout amounts.

We naturally support the objective of a clear and plain language in the key investor document according to consultation paper CESR/10-532 (part 2). On the other hand the prescription of binding standards and concrete criteria should be avoided.

If you have any questions please do not hesitate to contact us.

Yours faithfully,
For
ZENTRALER KREDITAUSSCHUSS
Deutscher Sparkassen- und Giroverband

Henning Bergmann   Seydel

p.p. Dr. Henning Bergmann   p.p. Dr. Birgit Seydel