



Date: 9 June 2004
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PRESS RELEASE

CESR STARTS WORK ON ITS AGENDA FOR INVESTMENT MANAGEMENT

CESR publishes today a mandate (Ref: CESR/04-160) and work programme for its work in the field of investment management. Market participants are invited to comment **by 9 July 2004** on the mandate and work programme.

CESR's work programme establishes the priorities for future work in the field of investment management.

The short-term priority of the newly formed working group (established by CESR in December 2003) will be to focus on ensuring the single market on investment funds is fully functional.

As such, the working group will concentrate initially on two aspects related to the harmonised implementation of the UCITS Directives, namely:

- **The application of the transitional provisions of the amending Directives:** For example, UCITS I enabled firms to passport a fund but following the adoption of UCITS III it became unclear if those companies not yet applying UCITS III by 13 February 2007 would be able to continue to issue new 'passportable' funds.
- **Clarification of some key definitions in the Directives:** It is anticipated that CESR will receive mandates from the European Commission during the second half of 2004. To be ready to respond to this request, CESR has identified this as an area on which they may be called to provide advice to the Commission. A specific call for evidence (and an indicative timetable) will be published as soon as CESR receives a formal mandate from the European Commission.

Next, CESR will work on the simplification of the registration procedure for UCITS, conduct of business rules in collective investment management, outsourcing and issues related to non-harmonized funds.

For example, the requirements for fund registration and the documents required differ from market to market. CESR therefore intends to streamline fund registration by building on the initial work undertaken in relation to transitional provisions and in this second phase, to develop consistent standards for the registration requirements foreseen by the UCITS Directives. A further example of the work foreseen relates to un-harmonised funds which at present are not able to benefit from the single market. CESR proposes to undertake an inventory of non-harmonised collective investment schemes marketed throughout Europe and to establish a harmonised framework of prudential rules and adequate disclosure.

CESR's will also focus on the consistency between the UCITS Directives and other EU Directives and ensuring the convergence of supervisory systems in the different jurisdictions.

Attached to this press release is an indicative timetable for CESR's work on the application of the transitional provisions to the amended UCITS Directives. CESR will provide further indicative timelines for future work as and when each respective call for evidence is issued.

Call for evidence

CESR is inviting all interested parties to submit views as to what CESR should consider in its future work on investment management generally but especially comments related to the



priorities identified as urgent in particular, in relation to the application of the transitional provisions of the amending UCITS Directives. All contributions can be submitted online via CESR's website at www.cesr-eu.org by 9 July, 2004

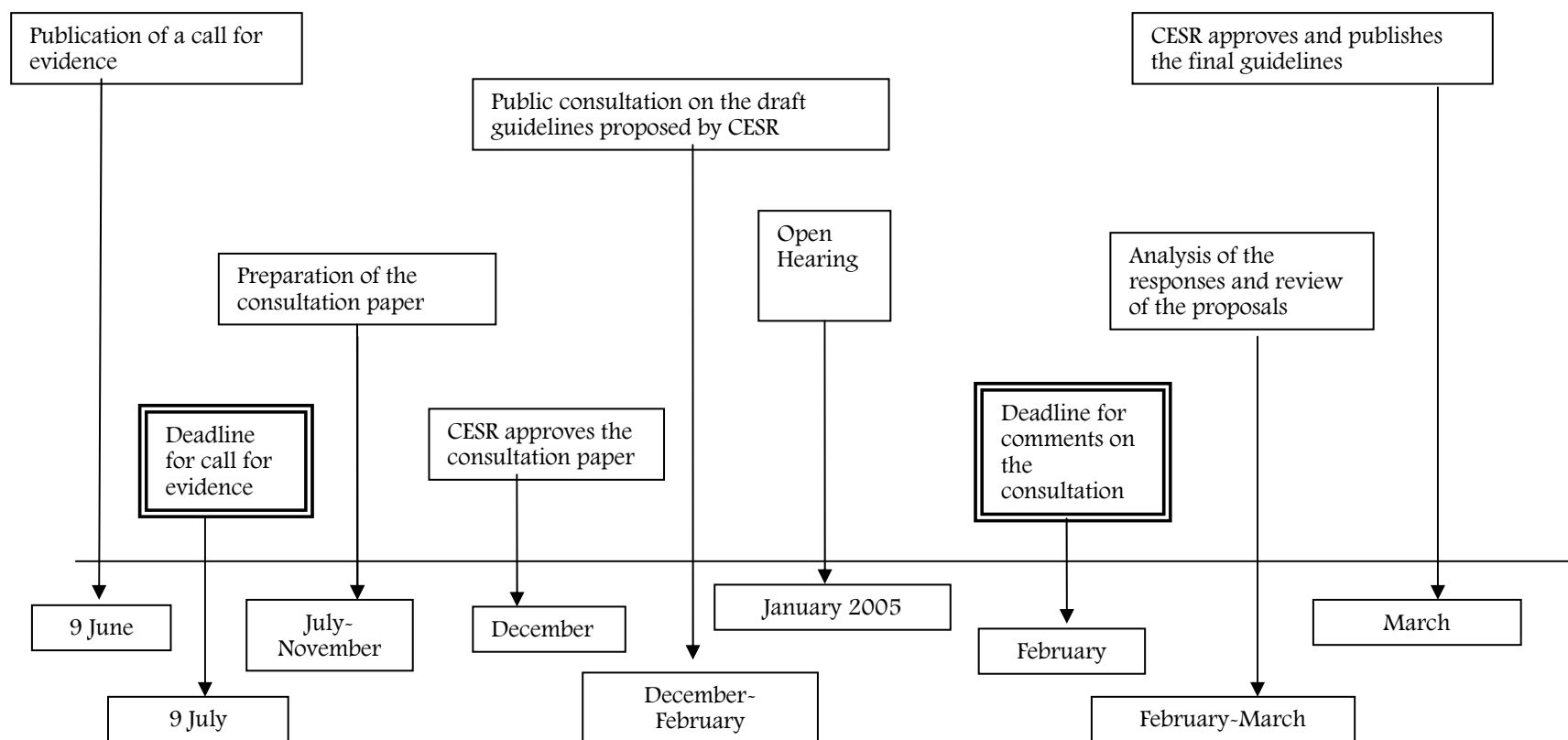
Background

The Ecofin Council of 3 December 2002 endorsed the final report of the Economic and Financial Committee (EFC) on the extension of the Lamfalussy procedure and subsequent arrangements to the other financial sectors, including UCITS. On 5 November 2003, the Commission presented a legislative package to extend the Lamfalussy procedure already used in the securities sector to banking, insurance and UCITS. This package has been accepted by the European Parliament and Council early 2004. The transfer of responsibility for UCITS to CESR will formally come into effect when the legislative package is published, presumably autumn 2004.

On 30 October 2003, CESR published a consultation paper and invited all interested parties to submit views on the future role of CESR in the regulation and supervision of UCITS and asset management in the EU (CESR/03-378b). The purpose of this consultation document was to seek comments on the presentation of its views on the role that CESR will play in the regulation and supervision of UCITS and asset management. The responses were published on 19 December 2003.

Indicative timetable for CESR's work on investment management
(Extract from the Call for Evidence Ref. CESR/04-267)

1. Work on the transitional provisions of the amending UCITS Directives



N.B. This indicative timetable refers to the entirety of CESR's work regarding transitional provisions. However, certain provisions require urgent guidance, and CESR will provide this well before March 2005. To establish which transitional provisions require urgent guidance, CESR will take into account (amongst other things), any comments received on this issue following this call for evidence.



Notes to Editors

1. **CESR's Expert Group** : This work will be undertaken by the CESR Expert Group on Investment Management, which is chaired by Mr Lamberto Cardia, Chairman of the Italian securities regulator, the Commissione nazionale per le società e la Borsa (CONSOB). A permanent member of the CESR Secretariat, Mr Jarkko Syyrilä assists the Chairman and acts as rapporteur of the Expert Group.
2. The outcome of CESR's work on investment management will mainly be on Level 3 as described under the Lamfalussy process, and therefore reflected in common guidelines which do not constitute European Union legislation but would be included in the regulatory practices of CESR members. These guidelines will not prejudice, in any case, the role of the Commission as guardian of the Treaties.
3. As described in the mandate of the Expert Group, the work of the Group relating to the clarification of definitions needs to be based on a future Level 2 mandate from the European Commission on the basis of Art. 53a of the UCITS Directive.
4. **The formation of a Consultative Working Group** : A new consultative group composed of market practitioners and consumers has also been appointed to provide technical advice to the Expert Group on Investment Management. The market participants are experts in different fields of investment management drawn from across the European markets. They are not intended to represent national or a specific firms' interest and do not replace the important process of full consultation with all market participants.
5. The following 16 external experts form the Consultative Working Group:

Mr Martin Burda, Member of the Board and Chief Investment Officer, Investiční společnost České spořitelny, a.s.

Mr François Delooz, Global Head of Risk Management, Compliance and Legal, BNP Paribas Asset Management

Dr Stefan Duchateau, Chairman of the Board of KBC Asset Management (Mr. Duchateau will join the Group after the end of his term as Chairman of the Belgian Association of Investment Funds and Companies)

Mr Göran Espelund, President, Lannebo Fonder AB

Mr James Firn, General Counsel - Europe, Middle East and Africa of Russell Investment Group

Mr Rafik Fischer, Chief Operations Officer, Kredietbank S.A. Luxembourgeoise

Mr Felix López Gamboa, Chairman, BBVA Gestión

Dr Wolfgang Mansfeld, Member of the Board, Union Asset Management Holding AG (Mr Mansfeld will join the Group after the end of his term as President of FEFSI)

Mr Marco Mazzucchelli, CEO, Sanpaolo WM Group

Mr Zoltán Nagy, Deputy Managing Director and Chief Investment Officer, Europool Investment Fund Management Ltd.

Mr William Nott, Chief Executive Officer, M&G International Investments Ltd

Mr Jean-Pierre Paelinck, Secretary General, Euroshareholders

Mr Vesa Puttonen, Professor in Finance, Helsinki School of Economics

Mr Peter Reisenhofer

Mr E. Willem van Someren Gréve, Senior Executive Vice President, Robeco Asset Management

Ms Ana Rita Viana, Deputy Manager, AF Investimento – Fundos Mobiliários, SA



THE COMMITTEE OF EUROPEAN SECURITIES REGULATORS

6. CESR is an independent Committee of European Securities Regulators. The role of the Committee is to:

- Improve co-ordination among securities regulators;
- Act as an advisory group to assist the EU Commission, in particular in its preparation of draft implementing measures in the field of securities;
- Work to ensure more consistent and timely day to day implementation of community legislation in the member states.

The Committee was established under the terms of the European Commission's decision of 6 June 2001 (2001/1501/EC). It is one of the two committees envisaged in the Final Report of the group of Wise Men on the regulation of European securities markets. Baron Alexandre Lamfalussy chaired this group. The report itself was endorsed by the European Council and the European Parliament. The relevant documents are available on the CESR website.

7. Each Member State of the European Union has one member on the Committee. The members are nominated by the Member States and are the Heads of the national public authorities competent in the field of securities. The European Commission has nominated the Director General of the DG Market, as its representative. Furthermore, the securities authorities of Norway and Iceland are also represented at a senior level.

8. For further information please contact:

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