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PRESS STATEMENT

The European Commission extends the deadline for CESR's technical advice concerning eligible assets for UCITS

Following the extension by the European Commission of CESR's deadline for its advice to the Commission on clarification of definitions concerning eligible assets for UCITS funds to invest in, CESR announces today a revised timetable for its work in this area. This change in the deadline now makes it possible for CESR to consult stakeholders for a second time during the autumn of 2005. A new indicative timeline for the work is attached to this press statement.

CESR had originally been asked by the Commission to deliver its technical advice by the end of October 2005. CESR published its first consultation paper on its draft technical advice (CESR/05-064b) on 18th March 2005. The consultation closed on 10th June 2005 and CESR received more than 50 responses. Many consultation respondents asked for the possibility of a second consultation, taking into account the difficult nature of this exercise and the interests involved. In response to this feedback, CESR requested an extension of the mandate from the Commission, of its original deadline of end of October 2005 to mid-January 2006. The Commission has confirmed its consent to the prolongation of the deadline of the mandate.

Background

In the context of the implementation of the so-called UCITS III Directive (Directive 85/611/EEC as amended by Directives 2001/107/EC and 2001/108/EC), the issue has arisen whether or to what extent some financial instruments could be considered eligible investments (i.e. "eligible assets") for a UCITS in compliance with the relevant provisions of the UCITS Directive, in particular the definitions of "transferable securities" under Art. 1 (8), of "money market instruments" under Art. 1 (9) and the list of authorised investments under Art. 19.

The even implementation and interpretation of EU legislation is a crucial dimension of the building up of the internal market in financial services. The European Commission has identified the need to clarify certain definitions of eligible assets of the UCITS Directive as short term priority for the implementation of the amendments made by Directive 2001/108/EC of 21 January 2002 to the UCITS Directive. This approach was endorsed at the European Securities Committee meeting of 5th July 2004.

In view of this, DG Internal Market has indicated that it intends to make use of the delegated powers conferred by Art. 53a of the UCITS Directive to the Commission, to clarify some of the definitions pertaining to eligible assets which are contained in the UCITS Directive. In its preparation of possible draft comitology instruments, the Commission requested technical advice of CESR by publishing a mandate to CESR on 28th October 2004: "The Formal Mandate to CESR for Advice on Possible Modifications to the UCITS Directive in the Form of Clarification of Definitions concerning Eligible Assets for Investments of UCITS".

The adoption of implementing legislation on eligible assets of UCITS has been included into the list of priority actions in the Commission Green Paper on the enhancement of the EU framework for investment funds, published 14th July 2005.



Notes for Editors:

1. Preparation of CESR's advice on this mandate is being 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 Syrtilä assists the Chairman and acts as rapporteur of the Expert Group.
2. 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.
3. Each Member State of the European Union has one member in 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.
4. For further information please contact:

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Indicative CESR work plan on the clarification of definitions of the UCITS Directive

