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PRESS RELEASE

CESR simplifies access to EU mutual funds:

CESR publishes its final guidelines
on simplification of the cross-border notification procedure of UCITS

In order to simplify access by investors to mutual funds created under the UCITS directive in the EU single market, CESR is issuing guidelines to facilitate cross border notification of UCITS. Having listened attentively to the comments from market participants during two rounds of consultations and following careful consideration of the 53 written contributions received, CESR publishes today its final guidelines (Ref. CESR/06-120b), together with a feedback statement (Ref. CESR/06-301) regarding the cross-border notification procedure of UCITS.

Within the boundaries of the existing legal framework of the *acquis communautaire* of the UCITS Directive, the guidelines have tried to address several of the requests for simplification of the cross border notification process, proposed by markets participants.

The following key issues were raised during the second consultation and the improvements to the text of the guidelines made as a result and agreed by CESR are highlighted below:

- UCITS can submit the notification letter in a language common in the sphere of international finance to the Host competent Authority where this is not contrary to the domestic legislation or regulations;
- Once a complete notification has been filed, the notification procedure should not exceed the two-month period and possibly reduced as an average to a shorter period. The Host Member State Authority shall inform the UCITS about the incompleteness and missing information and documents as soon as possible and in any case, within one month from the date of the receipt of the incomplete notification;
- As suggested by the respondents during the second consultation, in order to simplify the practices and reduce costs, competent Authorities will rely on self-certification of copies of original attestations by the notifying UCITS, the original attestation should include an English version to be provided by the UCITS.
- Regarding new sub-funds, which are added to the umbrella fund with the intention to be marketed in the Host Member State, where the marketing arrangements are already familiar to the Host country competent Authority, CESR has agreed that the necessary time for the Host Authority to check should be significantly less than the two-month period. To simplify the processing by the Host competent Authority of the notification of umbrella funds with a large numbers of sub-funds to be marketed, CESR recommends that umbrella funds with a large number of sub-funds should have one full prospectus.



The Chairman of CESR Expert Group on Investment Management and Chairman of, CONSOB Mr Lamberto Cardia noted:

“I believe that CESR's guidelines represent a significant improvement after the first and second consultations. In the guidelines, there is a commitment by the CESR Members to evaluate the functioning of the notification mechanism within two years. I am convinced that the monitoring of compliance by the Members will therefore be part of the next crucial step to ensure that these newly adopted guidelines delivers in reality a tangible improvement to the notification procedure. We expect this review of implementation to begin during the second half of 2007”.



Notes for Editors:

1. CESR has worked to develop the guidelines on the basis of the results of two rounds of consultations (Ref. CESR/05-484 and Ref. CESR/06-120, see also the press releases Ref. CESR/05-620 and Ref. CESR/06-196), on which CESR received a total of 53 contributions, 30 to the first consultation and 23 to the second.
2. Preparation of CESR's guidelines 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, Mrs Lucie Anna Matolinova assists the Chairman and acts as Rapporteur of the Expert Group.
3. Furthermore, a consultative working group composed of 16 market practitioners and consumers has also been formed 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. For a full list of the individuals, please visit the page dedicated to Investment Management on the CESR website.
4. 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.
5. 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. Bulgaria and Romania participate in CESR as observers.
6. For further information please contact:

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