

MEMO# 22765

August 4, 2008

European Commission Adopts UCITS Proposal

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TO: INTERNATIONAL OPERATIONS ADVISORY COMMITTEE No. 9-08 RE: EUROPEAN COMMISSION ADOPTS UCITS PROPOSAL

The European Commission recently adopted its proposal for the revision of the UCITS Directive. The proposal includes reforms of:

- Notification Procedure: The new notification procedure will be a regulator-to-regulator communication, after which the distribution of the fund can start immediately.
- Disclosure: The simplified prospectus will be replaced by a new concept of “key investor information,” which will be contained in a short document conveying key facts to retail investors in a clear and understandable manner.
- Asset Pooling: The proposal will allow for the possibility of setting up master-feeder structures.
- Fund Mergers: Fund mergers will be allowed on both a domestic and cross-border basis, and their authorization procedure and the required level of information to be provided to investors will be harmonized.
- Cooperation Mechanisms: The cooperation mechanisms between national supervisors will be improved.

Reform of the management company passport was not included in the UCITS proposal. Instead, the Commission determined to provide the Committee of European Securities Regulators with a mandate to provide advice to the Commission on the provisions necessary to allow for the introduction of the management company passport. [\[1\]](#)

The UCITS proposal now passes to the European Parliament and Council (and CESR). The press release announcing the Directive and Frequently Asked Questions are attached. More

information is available at

http://ec.europa.eu/internal_market/investment/legal_texts/index_en.htm.

If you have any questions about the UCITS proposal, please contact me at 202-326-5837 (emykolenko@ici.org).

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[Attachment](#)

endnotes

[1] See Memorandum to International Members No. 6-08, dated July 25, 2008, available at <http://members.ici.org/getMemoPDF.do?file=22734.ICINET.DOC.pdf>.

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