

MEMO# 16234

September 10, 2003

REPORT OF THE UCITS CONTACT COMMITTEE ON THE SIMPLIFIED PROSPECTUS

[16234] September 10, 2003 TO: INTERNATIONAL COMMITTEE No. 60-03 RE: REPORT OF THE UCITS CONTACT COMMITTEE ON THE SIMPLIFIED PROSPECTUS In July 2003, the UCITS Contact Committee adopted a final report on the simplified prospectus. We recently have obtained a copy of the report, which is attached. Because the report is not available publicly, we ask members not to circulate the report. Under Article 27 of the UCITS Directive, a UCITS fund must provide a simplified prospectus, which includes key information about the fund in summary form. The UCITS Contact Committee, which is required to assist the Commission with respect to the uniform application of the Directive, created a task force to develop a common interpretation of the contents of the simplified prospectus. Specifically, the Committee requested that the Task Force's report cover several issues, including: (1) the definition and presentation of information on investment strategy and risk profile; (2) the definition and presentation of performance, including the use of benchmarks; (3) the definition and presentation of costs (fees/commissions), including use of the total expense ratio, and (4) other crucial aspects, such as umbrella funds, exchange-traded funds, and taxation. The report is intended to provide the main conclusions of the Task Force and to identify areas where agreement could be reached among the Task Force members and potential compromises where there was controversy among members. The report affirmed that, regardless of areas in which compromises could not be reached, the simplified prospectus must be accepted by all Member States and that host Member States may not request additional information from a UCITS fund beyond what is required in the simplified prospectus. Jennifer S. Choi Associate Counsel Attachment (in .pdf format)