

**MEMO# 20416**

September 27, 2006

## **ICI Submits Letter to the FSA on Significant Filing Thresholds Applicable in the UK**

©2006 Investment Company Institute. All rights reserved. Information may be abridged and therefore incomplete. Communications from the Institute do not constitute, and should not be considered a substitute for, legal advice. [20416] September 27, 2006 TO: INTERNATIONAL MEMBERS No. 24-06 INTERNATIONAL INVESTING SUBCOMMITTEE No. 22-06 RE: ICI SUBMITS LETTER TO THE FSA ON SIGNIFICANT FILING THRESHOLDS APPLICABLE IN THE UK Last week, the Institute filed a comment letter with the UK Financial Services Authority (FSA) in response to the FSA's consultation paper on implementing the European Union's Transparency Directive (TD).<sup>1</sup> In its consultation paper, the FSA addressed (among other things) the filing thresholds that will apply to significant shareholdings in the UK. The letter expresses our disappointment that the FSA consultation does not appear to address the current UK distinction between EU managers and non-EU managers for filing purposes. We believe that the implementation of the TD provides a perfect opportunity to harmonize the filing thresholds in the UK, and we express our hope that the FSA and the UK Department of Trade and Industry (DTI) will work together to do so. We also express concerns about the two-tier system of filing thresholds that the FSA proposes for EU managers – a 3% initial filing threshold with respect to issuers whose “home state” is the UK and 5% for other issuers. In the letter, we express our belief that that this two-tier system is not necessary to properly inform the markets of large holdings, particularly with respect to investment managers that are not investing for control. Instead, we ask that the FSA simply use the initial filing threshold of 5% set out in the TD for all issuers. Robert C. Grohowski Senior Counsel - International Affairs Attachment (in .pdf format) Note: Not all recipients receive the attachment. To obtain a copy of the attachment, please visit our members website (<http://members.ici.org>) and search for memo 20416, or call the ICI Library at (202) 326-8304 and request the attachment for memo 20416. 1 CP 06/4, Implementation of the Transparency Directive and Investment Entities Listing Review, March 2006.