

MEMO# 6091

August 4, 1994

PROPOSED AMENDMENTS TO THE UCITS DIRECTIVE

August 4, 1994 TO: INTERNATIONAL COMMITTEE NO. 14-94 RE: PROPOSED AMENDMENTS TO THE UCITS DIRECTIVE _____

Attached for your information is a copy of the most recent proposal to amend the UCITS Directive, adopted by the European Commission on July 22, 1994. If the Council of Ministers adopts the proposal as a common position, it will be voted on by the European Parliament. The changes would be scheduled to take effect in July 1996. The proposal would expand the UCITS Directive to cover money market funds and master/feeder funds, where both the master and all feeder funds consist of UCITS. The proposal also would amend the investment limits imposed under the Directive. Currently, the Directive provides that a fund manager cannot acquire, with respect to all the UCITS funds it manages, voting stock in an amount where it would be possible for the manager to exercise a significant influence over an issuer. This proposal would amend the Directive by adding new provisions to the effect that holding 10 percent of an issuer's securities would create a rebuttable presumption of the potential for significant influence. We will keep you informed of developments. Mary S. Podesta Associate Counsel - International Attachment

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