

MEMO# 11367

November 1, 1999

INSTITUTE SUBMITS COMMENT LETTER ON PROPOSAL TO AMEND UCITS DIRECTIVE

[11367] November 1, 1999 TO: INTERNATIONAL COMMITTEE No. 45-99 RE: INSTITUTE
SUBMITS COMMENT LETTER ON PROPOSAL TO AMEND UCITS DIRECTIVE

_____ In connection with an experts meeting held by the Economic and Monetary Affairs Committee of the European Parliament on October 18, 1999 regarding proposed amendments to the UCITS Directive, the Institute submitted a letter expressing its views on the proposal to broaden the circumstances in which a collective investment fund may invest in another collective investment fund. A copy of the comment letter is attached. The Institute generally supported the initiatives, which would permit fund of funds arrangements in certain circumstances. The Institute, however, recommended that the proposed amendments to the Directive be expanded to permit other types of fund of funds arrangements that do not involve investor protection concerns, such as master-feeder arrangements. We also urged the European Union not to adopt a recommendation by the Parliamentary Committee on Legal Affairs and Citizens' Rights that would prohibit a UCITS from investing in other collective investment funds that are not covered by the UCITS Directive. Jennifer S. Choi
Assistant Counsel Attachment

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