Collective investment transferable securities UCITS: management companies, simplified prospectuses (amend. Directive 85/611/EEC)

1998/0242(COD) - 21/01/2002 - Final act

PURPOSE : to amend the UCITS Directive 85/611/EEC in order to update the rules on management companies. COMMUNITY MEASURE : Directive 2001/107/EC of the European Parliament and of the Council amending Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) with a view to regulating management companies and simplified prospectuses. CONTENT : the Directive contains harmonised rules relating to market access rules and operating conditions for such companies. The Directive stipulates that the competent authorities shall not grant authorisation to a management company unless : - the management company has an initial capital of at least EUR 125 000: - when the value of the portfolios of the management company, exceeds EUR 250 000 000, the management company shall be required to provide an additional amount of own funds. This additional amount of own funds shall be equal to 0,02% of the amount by which the value of the portfolios of the management company exceeds EUR 250 000 000. The required total amount of initial capital and the additional amount shall not, however, exceed EUR 10 000 000. Management companies may provide up to 50% of the additional amount of own funds if they benefit from a guarantee given by a credit institution or an assurance undertaking. The Directive provides specific rules for investment companies. The Directive also extends the range of activities which the management companies may be allowed to carry out. In the future, management companies may be authorised to carry out the activity of management of portfolios of investments on a client-to-client basis including the management of pension funds as well as some specific non-core activities linked to the main business. Lastly, with a view to the improving information to investors, the Directive introduces, a complete prospectus, a new type of prospectus for the UCITS (simplified prospectus). This prospectus should give basic information on UCITS in a clear way which is easily understood. It should always be offered free of charge to the subscribers before the conclusion of the contract. ENTRY INTO FORCE : 13/02/2002. IMPLEMENTATION : 13/08/2003. The Member States shall apply these measures no later than 13/02/2004.