

Undertakings for collective investment in transferable securities UCITS: marketing (amend. Directive 85/611/EEC)

1998/0243(COD) - 05/06/2001 - Council position

In its common position, the Council included fully, partly or in essence 20 of the 24 European Parliament amendments, and has made some changes of its own. Those amendments that were accepted include: - UCITS to be permitted to invest in market instruments. - the principles governing certain choices of financial instrument and associated management techniques. As a general rule, UCITS should not invest more than 5% of their assets in transferable securities or money market instruments issued by the same body. The risk exposure to a single counterparty should not exceed 5% of the assets of the UCITS, unless the counterparty is a credit institution, in which case the Council has opted for the higher exposure limit of 10% in view of the lower risk involved. Certain amendments were not accepted: - the Council has decided not to set specific limit to UCIT's investment in OTC derivative instruments. - it is not necessary to include a specific provision on securities lending - The Council disagrees with Parliament over the appropriate investment limit for deposits, which the Council believes should be 20% in view of the low risk.