

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

1998/0243(COD) - 30/05/2000 - Modified legislative proposal

In this amended proposal the Commission has made two types of amendments. Firstly, in response to the first reading by the European Parliament, a number of new provisions have been accepted, some with adapted wording. The majority of these serve either to reduce ambiguities or to elaborate further on the original proposal. Some new ideas expand on the original text but do not change the fundamental principles. Secondly, the Commission has made some changes to ensure consistency between this text and other applicable Community legislation and to ensure internal consistency within the text itself. The key changes are: - Over-the-counter (OTC) derivatives: these instruments were excluded on prudential grounds. Parliament, the Council Working Group and the Economic and Social Committee strongly insist on the inclusion of OTC derivatives. These are now included and prudential concerns are covered, through provisions which include a ceiling for OTC derivatives as proposed by Parliament. - index tracking funds: the Commission accepts Parliament's proposal to lower the single issuer limit of 35% and to extend the provision to debt securities indices. - investments in bank deposits: since Parliament expressed its concerns in regard to liquidity and counter-party risk of these deposits, the amended proposal includes the requirements proposed by Parliament. - Investments in units of non-harmonised funds: under the Commission's original proposal, a harmonised fund (UCITS) would have been able to invest all of its assets in a number of non-harmonised funds. The Parliament called for a more cautious 30% limit for investments of harmonised funds (UCITS) into the units of non-harmonised funds. The amended proposal integrates the 30% threshold.