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

1998/0242(COD) - 30/05/2000 - Modified legislative proposal

In the light of developments in the European Parliament and the proceedings of the Council's Working Group, the Commission has drafted an amended proposal, the main amendments being the following: -the inclusion of OTC derivatives as eligible instruments requires reviewing the issue of ongoing capital requirements which were not included in the initial proposal. -the amended proposal raises the initial capital requirement to EUR 125 000. This is consistent with the provisions on capital adequacy for investment firms in Directive 93/06/EEC. -By the same reasoning, the amended proposal introduces further ongoing capital requirements. -on the delegation of management functions, Parliament's amendment intended to limit the application of the provision on delegation solely to the delegation of the core function of investment management. The Commission's amended proposal does not follow this limited approach. The proposed provision still applies to the possible delegation of one or several functions included in the broad activity of collective portfolio management, but the change makes the provision more operational by requiring prior information to the competent authorities only, instead of prior approval.