Undertakings for collective investment in transferable securities UCITS

1993/0453(COD) - 22/09/1993

The Committee adopted, with some modifications, the draft report by Mr Carlos Perreau de Pinninck Domenech (RDE/E). The rapporteur recalled that, when Directive No 85/611/EEC was adopted, it was agreed that it would subsequently be amended to provide, inter alia, for the inclusion within its scope of application of certain types of UCITS which were not covered. He welcomed the proposal, but felt that some aspects needed correction, particularly with a view to strengthening the guarantees offered to shareholders. One of the important modifications proposed in the report related to placement in the form of deposits with credit institutions: the proposal for a Directive made it possible for UCITS freely to place up to 100% of their assets in the form of deposits with credit institutions (cash funds). On the other hand, the report proposed that a UCITS should not be able to invest more than 20% of its assets in deposits with credit institutions. With regard to that percentage, however, a derogation was granted to UCITS complying with certain specific conditions. Another derogation was granted in connection with the placement of accessory liquid assets held by a UCITS of any type. Moreover, with regard to 'funds of funds' (UCITS which placed their assets in shares issued by other UCITS), the report proposed a derogation from the rule whereby a UCITS fund might not place more than 20% of its assets in a single UCITS, going so far as to allow, in certain cases, placement of all the assets of a UCITS's fund in a single UCITS ('feeder funds').