

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

1998/0242(COD) - 17/02/2000 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted the report (co-decision procedure) by Mr. Olle Schmidt (ELDR, S) on a proposal for a European Parliament and Council directive amending Directive 85/611/EEC on the co-ordination of laws, regulations and administrative provisions relating to undertakings for collective investments in transferable securities (UCITS). The scope of the Directive would be extended and the necessary conditions for the introduction of a 'European passport' for financial services. The Parliament's amendments seek to strengthen the protection of investors and concern the supervision and the relating to the percentage of investments offered by certain types of placements. One of the amendments adopted seeks to ensure that the new legislation is compatible with the existing Community Directive governing investment services. Several technical amendments were adopted. For example, the Parliament asks that UCITS which has adequate risk management controls may invest in financial derivative instruments, provided the investment in over-the-counter financial derivatives may not result in an overall daily exposure measured by its mark to market value exceeding 30% of its total assets. Another amendment seeks to reduce the maximum amount of an investment in stock indices from 35%, as proposed by the Commission, to 20% in order to limit risk and ensure the respect of the principle of risk-spreading.