

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

1998/0243(COD) - 17/02/2000 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted the report (co-decision, first reading) drafted by Mr. Olle Schmidt (ELDR, S) on the co-ordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) with a view to regulating management companies and simplified prospectuses. This report was adopted subject to amendment. These amendments concern, in particular, the issue of authorisation and the amount of capital: - Authorisation: the Member States' competent authorities shall not grant authorisation or withdraw authorisation from a UCITS where there is evidence that the entity has opted for the legal system of one Member State for the purpose of evading the stricter standards in force in another Member State. - Amount of capital: it has initial capital of at least EUR 150 000. In addition, it shall maintain certain capital requirements that are at least equivalent to the higher of the following amounts: - an amount of capital to be determined in accordance with the rules laid in Directive 93/6/EEC, having regard to the nature of the services provided; - an amount of capital to be determined by applying the following scale to the total amount of the assets managed: - 0.1% up to EUR 1000 million managed; - EUR 1 000 000 plus 0.02% of assets managed in excess of EUR 1000 million, subject to a ceiling of EUR 10 million. Another amendment adopted relates to the management companies. The competent authorities of the home Member State may permit management companies to delegate specific investment decisions to intermediaries that are subject to prudential supervision, in accordance with investment-allocation criteria periodically laid down by the management companies. With respect to the prospectuses, these must include a clear and easily understandable explanation of the fund's risk profile (independent of whether or not derivatives are used and independent of the type of securities invested in).