



TB/26-069

22/12/2006

### **Comments of BEAMA on the EC White Paper on Investment Funds**

These comments are a selection of the observations made during the BEAMA meeting on the White Paper of 20/12/2006 (TB/26-068).

Only those comments not already present in the EFAMA document 06-307 Comments on the agenda of the White Paper Workshop, are mentioned below.

#### **Removing administrative barriers to cross-border marketing**

BEAMA supports the Expert Groups proposal to reduce the maximum waiting period to 20 days.

Additional host-country requirements should be minimized.

The divergent requirements regarding the content of the national annexes are a source of inefficiency. Is more harmonization possible?

The local intermediary should be responsible for compliance with local marketing and advertising rules.

The translation of documents should be a commercial decision by the fundmanager, not a regulatory requirement.

#### **Facilitating cross-border fund mergers**

BEAMA proposes that EFAMA puts before the ECJ a generic (but concrete) case, as to create a precedent. This would prevent everybody waiting for everybody because no one company would want to bear all the costs and energy in being the first starting a case (e.g. Focus-Bank case).

#### **Asset pooling**

Entity pooling, esp. master-feeder structures, is simpler and more transparent and therefore to be preferred. The aim should be to allow master-feeder structures under the UCITS regime.

A regime for mergers of feeder with master funds should also be developed. This would make possible a further rationalization of portfolio management (less need for cross-border mergers and other economies).

#### **Distribution systems: putting investor interests first**

The impact of consumer organizations in the aim for more transparency, is clearly visible. One should however see to it that a (too) heavy regulation does not lead to a switch to less regulated, less transparent, less controlled products e.g. notes, unit-linked products. This evolution would not give the retail client a higher degree of protection and would not be in his best interest.