

Press release, 15 March 2018, Luxembourg

Cross-border distribution of collective investment funds:

ALFI statement following the publication of the European Commission's Proposal amending UCITS and AIFM Directives

ALFI, the Association of the Luxembourg Fund Industry, has been engaged in the Capital Markets Union initiative from the outset and has actively responded to the European Commission's 2016 consultation on barriers to the cross-border distribution of investment funds.

ALFI, as Europe's largest investment fund hub, with a wide and long standing experience in cross-border distribution, acknowledges the intention and efforts of the European Commission in its recently published proposal amending Directive 2009/65/EC and Directive 2011/61/EU to remove barriers to cross-border distribution of collective investment funds while ensuring the requirement for a high level of investor protection.

ALFI however, takes the view that the Proposal could have been given greater scope and effectiveness in particular with regards to the notions of marketing and pre-marketing which have not been extended beyond the AIFM Directive context. ALFI supports an approach where ESMA would provide guidelines and examples to ensure a common understanding and implementation in the EU.

ALFI also considers that the text as proposed does not provide for the level of harmonization required to effectively achieve the removal of practices that have been identified as barriers to cross-border distribution of investment funds in the EU. ALFI notes that the framework outlined for pre-marketing, the conditions set for the de-registration of investment funds and the requirements for local administrative agents remain too restrictive in the context of actual practice.

ALFI intends to pursue its commitment towards the removal of barriers to cross-border distribution of investment funds and towards the Capital Markets Union initiative as a whole and will provide the European Commission with detailed feedback on its proposal and accompanying impact assessment in due course.

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For further information:

Mihaela Mercier

Communications Manager

Tel: +352 22 30 26 - 1

communications@alfi.lu

Notes to editors:

The Association of the Luxembourg Fund Industry (ALFI) is the representative body of the Luxembourg investment fund community. Created in 1988, the Association today represents over 1500 Luxembourg domiciled investment funds, asset management companies and a wide range of service providers such as custodian banks, fund administrators, transfer agents, distributors, legal firms, consultants, tax experts, auditors and accountants, specialist IT providers and communication companies. The Luxembourg Fund industry is the largest fund domicile in Europe and a worldwide leader in crossborder distribution of funds. Luxembourg-domiciled investment structures are distributed on a global basis in more than 70 countries with a particular focus on Europe, Asia, Latin America and the Middle East. For further information, do not hesitate to consult our website at www.alfi.lu

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