

Headlines

• **UCITS IV update**

Against the background of the current revision of the European legislative framework UCITS (this revision will be known as UCITS IV) and following negotiations between the EU Parliament, Council and Commission, the European Parliament adopted on 13 January 2009 the "Klinz report" in a plenary session. The resolution was adopted with 589 votes in favour, 28 against and 38 abstentions. The Rapporteur, Mr Wolf Klinz, included provisions intended to implement the management company passport.

The Directive still needs to be approved by the Council (most likely under the Czech Presidency in the first half of 2009), which can either adopt the proposed act or adopt a diverging common position and send it to the European Parliament. In the latter case, a final text will be adopted as soon as the Parliament and the Council come to an agreement. The directive is expected to be adopted in a single reading.

As an EU directive must be transposed into national law, UCITS IV is expected to be included into Member States' legislation by 1 July 2011, taking into account that it shall be up to the national authorities to choose the form and methods of implementation.

• **ALFI statement on the Madoff affair**

A document giving ALFI's views on the Madoff affair and its implications for the Luxembourg fund industry was presented at the EFAMA Management Committee meeting held on Tuesday, 20 January. It was also distributed to members of the press attending a breakfast at the Luxembourg embassy in Paris on the morning of the same day.

Please [click here](#) for the document in English and [here](#) for the French version.

• **EFAMA press release on the Madoff affair**

In a press release published on 15 January, EFAMA gave its position on the affair. Please [click here](#) for the document.

Headlines (cont.)

• **CSSF press release on the Madoff affair**

On 23 January, the CSSF published a press release giving the names of the 17 Luxembourg-domiciled funds or sub-funds affected by the Madoff case. The CSSF concludes by stating that these fund units are “currently exposed up to EUR 1.7 billion” in this affair.

For any further information, the CSSF's contact persons are as follows: Christiane Streef (Tel. 26-251-451); Serge Eicher (26-251-515) and Jean-Paul Heger (26-251-527). The CSSF can also be contacted by e-mail: opc@cssf.lu

Please [click here](#) for the press release.

• **European Commission statement on UCITS depositaries**

On 26 January 2008, the European Commission published a statement in the form of a FAQ on issues around the responsibilities of depositaries of UCITS funds. The Commission intends to conduct a review of this matter in collaboration with CESR. The conclusions of this document will help the Commission decide whether additional measures should be taken and whether legislative changes are required. The Commission will not integrate any proposed changes into UCITS.

The document continues by stating that no significant difficulties have been experienced regarding safe keeping duties of the UCITS asset depositaries since the first UCITS directive was implemented in 1985. Today's issues have materialised due to exceptional circumstances which are difficult to foresee and the Commission remains confident in the UCITS regulatory model.

The Commission adds that, as of yet, UCITS funds have weathered the financial crisis well. The regulatory model has withstood the pressure and apart from few temporary suspensions, UCITS funds have not defaulted.

Please [click here](#) for the full text of the statement.

Headlines (cont.)

- **European Commission adopts measures to strengthen supervisory bodies**

The European Commission has adopted a set of decisions to strengthen the supervisory framework for EU financial markets, in order to improve supervisory cooperation and convergence between Member States and to reinforce financial stability.

Under the new rules, the three committees that supervise, respectively, the securities, banking and insurance sectors (CESR, CEBS and CEIOPS) will benefit from a clearer operational framework and more efficient decision-making. It also is proposed that these committees should be given financial support from the EU budget. The proposal for financial support will now pass to the European Council and Parliament for consideration.

Please [click here](#) for a press release concerning this matter.

- **European Commission consultation on review of Prospectus Directive**

On 9 January 2009 the European Commission launched a consultation on its review of the application of the Prospectus Directive (Directive 2003/71/EC), including some proposals to improve and simplify this Directive. The Prospectus Directive aims to ensure that investors are provided with clear and comprehensive information when making investment decisions. The European Commission now wishes to assess the potential impact of its proposals and the merit of any alternative approaches. The proposal is a key element of the European Commission's action plan to reduce administrative burdens on EU companies. All interested stakeholders, in particular businesses, investors and consumers, are invited to participate. The closing date for replies is 10 March 2009.

Please [click here](#) for the consultation document.

Comments should be sent to the following e-mail address: MARKT-G3@ec.europa.eu.

Headlines (cont.)

- **EU Commission consultation on alternative dispute resolution in finance**

The European Commission has launched a public consultation on alternative dispute resolution (ADR) for financial services. Not all EU member states currently have ADR schemes - such as ombudsmen, mediators or complaint boards - for resolving disputes between consumers and financial service providers.

The consultation document asks, notably, the following two questions:

- Should adherence to an ADR scheme be mandatory to all financial service providers?
- Should financial service providers be obliged to inform customers about the possibility to resolve disputes through ADR scheme? Should this information be part of the contractual information?

Please [click here](#) for the consultation document.

- **CESR consultation on transparency in corporate bond, structured finance product and credit derivatives markets**

CESR has recently published a consultation paper on the transparency of corporate bond, structured finance product and credit derivatives markets. The consultation seeks to gather views that will assist CESR in analysing the role of trade transparency on markets for corporate bonds, structured finance products and credit derivatives.

Please note that in this paper, CESR is reviewing its pre-liquidity crisis position that no extension of MiFID transparency requirements to non-equity markets was necessary, and a recommendation for action is now much more likely.

Please [click here](#) for the full document and [here](#) for the accompanying press release.

- **CESR conference 2009 – Preparing for the future: where to now for regulation in the field of securities?**

On 23 February, in Paris, CESR will hold a conference on what regulatory changes securities supervisors may need to consider in the light of recent events. From a European perspective, it seeks to evaluate what more needs to be done to create an integrated Single Market which addresses the needs of retail investors (for example through tailored prospectuses in the field of investment management); ensures adequate market transparency in increasingly interdependent global financial markets (where comparative financial information provided through IFRS is key) and addresses a critical element of successful financial markets: effective enforcement across an integrated market."

For more information, visit the conference website:

<https://cesr.phileog.com/>

- **European Commission conference on private equity and hedge funds**

On 26-27 February 2009, the European Commission is organising a high-level conference on private equity and hedge funds, to be held in Brussels.

The conference will bring together representatives of the hedge fund and private equity industries, investors, members of the regulatory community and other experts to discuss emerging policy issues in these sectors. The conference will focus in particular on financial stability, transparency and investor protection. The conclusions from these discussions, coupled with the results of an ongoing public consultation on hedge funds, will feed in to the European Commission's review of the adequacy of supervisory and regulatory arrangements for all financial market actors in the context of the financial crisis.

Further information is available on the Commission's website:

http://ec.europa.eu/internal_market/investment/alternative_investments_en.htm

- **EFAMA conference on pensions**

18 February, Brussels.

Efama has commissioned Professor Raimond Maurer to conduct an independent study on asset management solutions for payouts of funded pensions. Professor Maurer will present his findings and wide-ranging discussions will be held on relevant topics in this field.

Please [click here](#) for further details.

Recent events review.

- **LFF roadshow to Switzerland**

On Monday 26 and Tuesday 27 January 2009, ALFI participated in a roadshow to Switzerland (Zürich, Geneva) organised by LuxembourgForFinance.

Over 300 participants attended the specific fund seminars and were given an update on UCITS 3, the forthcoming UCITS 4 but also on hedge, private equity and real estate funds "made in Luxembourg". Deputy Director General Charles Muller commented on the implications of the Madoff case for Luxembourg, while ALFI Chairman Claude Kremer discussed the impact of the financial crisis and the challenges for 2009. He concluded with the words: "2008 has been a year for taking stock, asking questions and reacting to extraordinary events. In 2009, we must move forward and prepare for the world after the crisis".

ALFI Upcoming Events

• 17 & 18 March – ALFI Spring conference

The conference is open for registration now. Please [click here](#) to view the programme.

Highlights of the programme include: Fund industry post credit crunch - Shaping the future of regulation - Safety of Assets – a view from the sell side - Implementing UCITS IV

[Click here](#) for registration details, sponsorship and exhibition opportunities and other details.

• 14 & 15 May – ALFI Roadshow USA

The ALFI roadshow will visit New York and Boston. These events are open for sponsorship. Details will soon be available. For queries contact events@alfi.lu

• ALFI Operations Conference

This event - which had been scheduled for 21-22 April - has been postponed and will now take place in October 2009. Exact dates and details are still to be confirmed; ALFI members will be informed thereof in due course.

For ALFI's 2009 events agenda, [click here](#).

LuxembourgforFinance Events

• 30 March – Roadshow to Hamburg

Please [click here](#) for the invitation. Potential participants should complete the input form ([click here](#)). For further information and registration, please contact

Ms Bettina Milewski (Tel: +352 27 20 21 1; fax: +352 27 20 21 399;
Bettina.milewski@lff.lu).

For LFF's 2009 events agenda, [click here](#).

Impressum

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