

Headlines

• **EC: consultation on the UCITS depositary function**

On 15 September 2009, *ALFI and ABBL submitted their joint response* to the consultation on the UCITS depositary function to the European Commission. This response was prepared by the Depositary Bank Forum, which regroups experts from the depositary function in Luxembourg.

The *consultation paper* covered the following topics:

- depositary's duties:
 - o safe-keeping duties;
 - o supervisory duties;
 - responsibility regime:
 - o liability regime in case of improper performance;
 - o liability regime of depositaries in cases of delegation;
 - o default (bankruptcy);
 - organisational requirements;
 - eligible depositary institutions (the type of eligible institution);
 - supervision issues:
 - o supervision by auditors;
 - o supervision by national regulators;
- other protection issues (calculation of the net asset value of the UCITS shares and units by an independent valuator).

• **CESR consultation regarding Level 2 measures on the management company passport**

In July 2009, CESR published its draft advice to the European Commission on the regulatory framework that should underpin the management company passport for UCITS. CESR's draft advice covered the organisational requirements that companies managing UCITS need to fulfill, and conflicts of interest those companies must avoid. The advice also included details on the companies' rules of conduct, depositaries and risk management, as well as on supervisory cooperation. CESR sought views on its proposals by 10 September 2009 and will prepare its final advice for submission to the Commission by the end of October.

ALFI response.

Headlines (cont.)

• **CESR's consultation on the Key Investor Information Disclosures**

CESR published a consultation on its draft advice to the European Commission on the format and content of key investor information disclosures for UCITS (Ref. CESR/09-552). The document set out a number of proposals as to the description of a UCITS' investment policy in the "KID", the options for disclosing risk and reward as well as charges, and the display of past performance.

[ALFI's response](#) to this consultation is a continuation of its response to consultations CESR/07-6691 and CESR/09-047.

• **CESR's technical advice to the EC on level 2 measures relating to mergers of UCITS, master-feeder UCITS structures and cross-border notification of UCITS**

CESR invites responses to this [consultation paper](#) by 17 November 2009.

• **IOSCO : due diligence good practices for investment managers**

The International Organization of Securities Commissions' (IOSCO) Technical Committee has published a final report - IOSCO Good Practices in relation to Investment Managers' Due Diligence When Investing in Structured Finance Instruments (Investment Manager Due Diligence Practices) – which contains guidelines aimed at assisting both investment management industry Participants and regulatory bodies, in assessing the quality of their due diligence procedures regarding investments in structured finance instruments (SFI) by collective investment schemes (CIS) offered to retail investors. [Read more](#)

• **IOSCO: Regulatory Standards for Funds of Hedge Funds**

Following the June 2008 Funds of Hedge Funds-Report, IOSCO recently published its [final report](#) on elements of international regulatory standards on funds of hedge funds related issues based on best market practices. Those standards aim to address regulatory issues of investor protection and contain proposals with regard to both the dealing with liquidity risk and the performance of due diligence processes.

Headlines (cont.)

• **German regulator : guidance on foreign UCITS**

In August, the German supervisory authority BaFin issued a Questionnaire regarding the notification procedure pursuant to § 132 of the German Investment Act and the marketing of shares of foreign UCITS.

The so called “FAQ Foreign UCITS” provide clarification in terms of questions regularly submitted to the regulator.

The document particularly focuses on the following aspects:

- partially registered umbrella funds: necessary disclosures and translations;
- full and simplified prospectus forming a consolidated document;
- information on Germany partially included in the original prospectuses;
- simplified prospectus referring to the full prospectus;
- notices to shareholders by mail;
- notices to shareholders and the German information agent address.

• **Luxembourg signs treaties with Switzerland and Liechtenstein**

End of August, the Minister of Finance, Luc Frieden and Liechtenstein’s Prime Minister and Minister of Finance, signed a treaty on the avoidance of double taxation between the two countries which fully complies with the OECD Model convention. In Switzerland, a protocol providing for the exchange of information upon request between the tax authorities of the two countries was signed.

This brings to 16 the number of double tax treaties signed by Luxembourg that are in compliance with the OECD model in the matter of the exchange of information. (source: Ministry of Finance)

• **ALFI on LinkedIn**

ALFI is present on the social network LinkedIn. The group called “The Luxembourg fund industry group by ALFI” is open to anyone interested (both ALFI members and non members).

We welcome participants to start discussions, ask industry-related questions and network.

Join us on: http://www.linkedin.com/groups?gid=2249034&trk=hb_side_g

- **New ALFI flyer:**

Discover Luxembourg as

Centre of Excellence for Microfinance Investment Vehicles

[*Download the PDF*](#)

- **ALFI Newsletter September 2009**

This bi-annual publication keeps you updated about regulation, conferences, inside ALFI and statistics : [*PDF*](#) or ask to have your copy sent [*info@alfi.lu*](mailto:info@alfi.lu)

Recent events review

- **22-23 September ALFI & NICSA conference**

The 18th Annual Global Investment Funds Forum in Luxembourg proved a success, with nearly 700 registrations and 40 exhibitors.

One year after the collapse of Lehman Brothers, ALFI Chairman Claude Kremer announced in his opening speech to the ALFI - NICSA conference that, to respond to the challenges that are facing the investment fund industry, [*ALFI will deploy five initiatives over the next two years.*](#)

ALFI Upcoming Events

- **24 & 25 November – ALFI European AIF Conference**

[*Programme*](#) and [*exhibition information*](#)

[*On-line registration*](#) **Early bird deadline: 9 October**

- **1 December - ALFI roadshow to Frankfurt**

Open for sponsorship until 6 October

[*Sponsorship details and agreement form.*](#)

Have a look at the updated [*ALFI's 2009*](#) and [*2010 events agenda*](#)

LuxembourgforFinance Events

- **28 – 29 September : Roadshow to Marseille and Nice**

Invitations [Marseille](#) and [Nice](#)

- **20 – 26 October: Roadshow to Hong Kong, Singapore & Beijing**

[Draft programme](#)

- **17-18 November : Mission to Madrid & Barcelona**

The Agency Luxembourg for Finance will participate in the trade mission to Madrid and Barcelona organised by the Chamber of Commerce of the Grand – Duchy of Luxembourg. Financial seminars will be organised in both cities: in Madrid, three parallel streams will take place for Investment Funds, Wealth Management and Captive Reinsurance, whereas, in Barcelona, a common seminar will be presented on those three topics.

Please find here the [invitation letter](#) and the [registration form](#) of the Chamber of Commerce who is taking care of the general coordination as well as the [flight and hotel bookings](#).

Impressum

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