



What is the state of play?

Latest update as at 18 August 2011



European Union Member States were given until July 1, 2011 to pass the UCITS IV directive into their national laws. As part of our Intellectual Capital series on this crucial issue for asset managers, we are monitoring the latest state of play in the leading UCITS markets. They have been selected based on Assets Under Management according to the European Fund and Asset Management Association. You can follow their progress by glancing at the traffic lights below. Each country is rated red (no formal legal process yet), amber (in parliamentary process) or green (implemented).

For more information on UCITS IV, please check our website at www.rbcdexia.com/UCITSIV. We will post regular updates on the passage of the UCITS IV directive into the national laws of the leading markets until each one achieves a green light.

- Belgium, Italy
- Spain, Switzerland*
- Germany, Luxembourg, Ireland, UK, France

* Not an EU Member State.

How leading European markets are passing the UCITS IV directive into national law

● Belgium

The Belgian Financial Services Market Authority has published a draft law to implement the UCITS IV directive, but the interim government is unlikely to implement it before mid-October. The legislative process has been complicated by the uncertain political situation in Belgium, and it is still unclear when this will be resolved.

● France

The French government has now confirmed passage of the UCITS IV legislation in to its national law. It was published in the official journal on August 2, 2011. Prior to publication, France had given permission to asset managers to use UCITS IV reforms, such as cross-border fund mergers, master-feeder fund structures and the Management Company Passport.

● Germany

The changes to the German fund law (Investmentgesetz) as proposed by the Finance Commission (Finanzausschuss), under which UCITS IV will be implemented, were approved by the Bundestag on April 8, 2011. On Friday June 3, 2011 Germany became the second leading UCITS market to successfully transpose the directive into its national law.

● Ireland

On February 17, 2011 the Central Bank of Ireland published revised UCITS notices for consultation that proposed implementing the directive without amendment. The bank gave Management Companies until the end of May to submit documents explaining how they would comply with the UCITS IV rules. On June 29, 2011 the Irish Minister for Finance signed legislation that transposed UCITS IV into Irish law in anticipation of the transition to UCITS IV.

● Italy

Asset managers had a deadline of June 10, 2011 to provide feedback on proposed changes to domestic rules that would be necessary to implement UCITS IV. Financial regulator Consob and Banca d'Italia wanted feedback on proposals to change regulations on Master-Feeders and cross-border mergers. Italian draft law, presented in mid-April 2011, was not implemented by the July 1, 2011 deadline and there are, as yet, no clear indications of when the law will be approved. Among proposals under discussion is that KII should be adopted by fund promoters by 29 February, 2012.

● Luxembourg

Luxembourg became the first European Union Member State to transpose UCITS IV into national law. Various provisions came into force on 1 January, 2011 replacing the law of 20 December, 2002 which had implemented UCITS III in Luxembourg.

● Spain

On April 20, 2011, Spain's Council of Ministers agreed that a proposed bill to pass UCITS IV and part of the EU Directive 2010/78/CE into national law could proceed to a vote in the national parliament. While the bill was subject to "urgent procedure" it was not approved on time and was not in force by the July 1 deadline. Parliament is now expected to officially pass the bill in early October.

● Switzerland

Switzerland's Federal Department of Finance (FDF) has been in consultation with the Swiss Fund Association to adapt the Swiss Collective Investment Schemes Ordinance (CISO). These changes will enter into force on July 15, 2011 and will now make it possible for UCITS funds registered in Switzerland to replace the Simplified Prospectus of UCITS III with the KII requirement of UCITS IV. However, the formal requirements applicable to the KIIs in Switzerland are still to be clarified.

● United Kingdom

After a period of detailed industry consultation by the Financial Services Authority and HM Treasury, the documents to transpose the UCITS IV amendments into UK law were placed before Parliament on June 13, 2011. From the outset of the UCITS IV process the UK government had stated that this law change would be in place by the deadline of July 1, 2011 which was confirmed on June 28, 2011.