

PRESS RELEASE 11/10

■ UCI PROSPECTUSES: CHANGES IN THE CSSF VISA PROCEDURE FOLLOWING THE INTRODUCTION OF THE KEY INVESTOR INFORMATION DOCUMENT (“KIID”)

As a general rule, the CSSF applies a Visa on the prospectuses (complete and simplified prospectuses) of Luxembourg UCIs. This Visa confirms that the CSSF has read the prospectus and has no objection (*“nihil obstat”*) to its publication. This Visa does however not represent a positive appreciation by the CSSF as concerns the quality of the securities offered and the Visa may under no circumstances be used as a sales argument.

The CSSF will continue the administrative practice of applying its Visa on the complete prospectuses of UCITS.

The concept of simplified prospectus, which was introduced by the law of 20 December 2002 relating to undertakings for collective investments (the “2002 Law”), has been cancelled by the new law dated 17 December 2010 relating to undertakings for collective investment (the “2010 Law”) and replaced by the “Key Investor Information Document” or “KIID”, governed by Articles 159 to 163 of the 2010 Law.

Pursuant to Article 163 of the 2010 Law, the main elements of the KIID must be kept up-to-date and UCITS must transmit to the CSSF their initial KIID and any subsequent amendment to it. Moreover, Article 160 of the 2010 Law specifies that key investor information must be consistent with the relevant parts of the complete prospectus. KIIDs are drafted and published under the responsibility of the directors of the investment company or management company for each of the *fonds commun de placement* which it manages.

The CSSF will not apply any Visa on the KIIDs of UCITS. Indeed, the CSSF considers that the KIID format and content are sufficiently detailed in the following EU documents to allow market participants to prepare the KIID:

- Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS);
- Commission Regulation (EU) No 583/2010 of 1 July 2010; and
- CESR Level 3 Recommendations to the European Commission on:
 - synthetic risk and reward indicator (CESR/10-673);
 - methodology for calculation of the ongoing charges (CESR/10-674);
 - performance scenarios for structured UCITS (CESR/10-1318);
 - transition from the Simplified Prospectus to the KIID (CESR/10-1319);
 - language and layout for the KIID (CESR/10-1320);
 - template for the KIID (CESR/10-1321).

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Transitional phase from the 2002 Law to the 2010 Law

The KIIDs of existing UCITS which switch from the 2002 Law to the 2010 Law and, as a consequence, from the simplified prospectus to the KIID, will not be subject to a prior approval by the CSSF. However, pursuant to Article 163 of the 2010 Law, these UCITS must transmit their initial KIID to the CSSF (and any subsequent amendment to it).

The KIIDs of newly created UCITS under the 2010 Law will, on the other hand, be integrated in the context of the UCITS approval process before being put at the disposal of the investors.

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The CSSF remains competent for controlling compliance with the KIID rules. The CSSF has the power to require the withdrawal of any KIID, in particular where the KIID does not comply with the legal provisions in force.

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Luxembourg, 1 April 2011

