POURING OLD WINE INTO NEW SKINS?

UCITS & ASSET MANAGEMENT IN THE EU AFTER MiFID

A CEPS-ECMI TASK FORCE REPORT

CHAIRMAN: ALAIN LECLAIR
Chairman, AFG (French Asset Management Association)

RAPPORTEURS: KAREL LANNOO
Chief Executive Officer &
Senior Research Fellow, CEPS

JEAN-PIERRE CASEY
Associate Research Fellow, CEPS &
Manager, Compliance Advisory, Barclays Wealth

WITH CONTRIBUTIONS FROM: GIOVANNI CANDIGLIOTA &
ALESSANDRA CHIRICO

CENTRE FOR EUROPEAN POLICY STUDIES
EUROPEAN CAPITAL MARKET INSTITUTE
BRUSSELS
List of Tables

Table 1. Number of fund mergers (as a percentage of total number of funds) ........28
Table 2. EU regulatory framework for retail investment products (long-term) .......49
Table 3. MiFID provisions that apply to UCITS .................................................53
Table 4. Provisions that apply to UCITS: MiFID or member state discretion ......54
Table A.1 Total assets of investment funds, pension funds and insurance companies, 2005 (€ billion and % of GDP) ........................................71
Table A.2 UCITS investment funds asset spread in the EU, June 2007
(€ million and as % of total) .............................................................................72
Table A.3 Asset allocation of insurance companies, 2005 (as a % of total) .......73
Table A.4 Asset structure of pension funds, 2005 (as a % of total) ..............74

List of Figures

Figure 1. Share of UCITS products by country of legal domicile, June 2007 ......13
Figure 2. Comparison of average investment fund size in the EU and US
(end 2006) ........................................................................................................14
Figure 3. The European hedge fund industry ....................................................17
Figure 4. Outsourcing levels in the European fund management sector
(€ billion) ........................................................................................................27
Figure 5. Retrocession fee by country (as a % of management fee) ..............31
Figure 6. Total expense ratios (TER), by country ...........................................33
Figure A.I Type of investment funds as % of total net fund assets in EU .......75

List of Boxes

Box 1. Questions on the future of hedge funds to be borne in mind
by regulators .....................................................................................................22
Box 2. Substantive references to UCITS and collective investments in MiFID
(2004/39/EC) and Implementing Directive ...................................................61
Box 3. Critical questions on the ‘MiFID-isation’ of non-harmonised products ......68