

Réf.: C2.10-0539

Luxembourg, 28 May 2010

To all undertakings for collective investment

Concerns: Application of the reporting threshold for undertakings for collective investment starting their activities

Ladies and Gentlemen,

We should like to refer to the circulars BCL 2007/211 and BCL 2009/227 describing the principles of the statistical data collection for monetary and non monetary undertakings for collective investment (UCIs) as well as to the circular letter C2.09-0842 concerning the application of exemption thresholds for the statistical data collection.

In this context, we have come to the conclusion that the application of exemption thresholds for the UCIs that start their activity with a net asset value (NAV) being higher than the exemption threshold implies important drawbacks as far as concerns the compilation of transactions. Indeed, when implementing the new statistical data collection a specific data collection on transactions has been avoided in order to avoid additional reporting burden on UCIs. However, the derivation of transactions by using stocks does only provide accurate results if the following conditions are satisfied:

- data is submitted within the reporting deadline and with appropriate quality
- reports referring to different periods must be consistent; a specific error for a given month generates inconsistent transactions
- the transmission of reports from the first month if the net asset value is higher than the exemption threshold

Therefore, in order to guarantee that transactions can be accurately derived from stock positions, the UCIs that start their activity with a NAV that is higher than the exemption threshold do not benefit from the application of the exemption threshold and must provide statistical reports as soon as they start their activity.

The BCL is only able to update its database and earmark the statistical reports of a given UCI as mandatory when it has received the first prudential report O 1.1. In addition, without information on the investment policy the UCIs are by default classified in the category «Other» that has an exemption threshold of 20 million euro. Therefore, the BCL will inform the fund administrations of the reports to submit by each UCI that start its activities as soon as the BCL has all the necessary information.

We should therefore like to ask you to take the necessary measures in order to comply to the aforementioned changes.

In this context, some UCIs that started their activities later than December 2008 with a NAV above the exemption threshold, the BCL will request the statistical reports for the period during which the UCI started activities. Although the transmission of these reports has not been mandatory, we must stress the importance of UCIs providing these reports in order to compile accurate statistics.

Yours sincerely,

BANQUE CENTRALE DU LUXEMBOURG

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