

Compliance: Helping you to tick the boxes

Undertakings for Collective Investment in Transferable Securities (UCITS).

The financial industry is facing many challenges; one of them is compliance with complex international directives and regulations. With its comprehensive, high-quality, global data offering, SIX Financial Information supports financial market players to be compliant.



What do I need to know about UCITS III?

“Undertakings for Collective Investment in Transferable Securities” (or UCITS) are a set of European Union directives that aim to allow collective investment schemes to operate freely throughout the EU on the basis of a single authorisation from one member state. In practice, many EU member nations have imposed additional regulatory requirements that have impeded free operation with the effect of protecting local asset managers. UCITS constitute an undertaking, the sole objective of which is the collective investment of capital (raised from the public) in various financial instruments, the units of which are repurchased or redeemed (at the request of the holders) out of the assets of the undertaking.

The first UCITS directive was adopted in 1985. In July 1998 the EU Commission published a new proposal which was drafted in two parts (a product proposal and a service provider proposal), which sought to amend the 1985 Directive. These proposals, UCITS III, were finally adopted in December 2001 and came fully into effect on 13 February 2007. In July 2008,

the EU announced details of the proposed amendments as UCITS IV to improve the effectiveness of UCITS III. UCITS III funds are enabled to use derivatives such as ETFs and structured products for investment purposes, creating scope for synthetic short selling and leverage.

Who is affected?

Those fund management companies who want to profit from the European passport scheme and operate throughout the EU, have decided to be UCITS compliant. Investors benefit from cross-border investment funds, enjoy greater clarity by abiding by the same rules, gain improved transparency, and increased investor protection.

How does SIX Financial Information help you to be compliant?

The UCITS III relevant data provided by SIX Financial Information helps you to comply with the UCITS III concentration rules. You can easily identify the risk exposure of your portfolios.



SIX Financial Information Data Offering

What data does SIX Financial Information offer for UCITS III?

To be able to measure the risk exposure of your portfolio, “linkage” information concerning the financial instrument is of particular importance. SIX Financial Information offers specific linkage data:

- Data describing how the derivatives are linked to the relevant underlying.
- Data describing how the financial instruments are linked to the issuers.
- Data describing how the issuers are linked to their ultimate parents.
- SIX Financial Information also provides various classifications of the instruments that are relevant in terms of UCITS.

SIX Financial Information supports you to achieve compliance with its high-quality, global data offering:

- Know which data is relevant in terms of regulatory compliance.
- Know the risk exposure of your portfolio.
- Base your analyses on consistent, reliable data from SIX Financial Information’s high-quality data pool.
- Stay up-to-date on all UCITS regulations relevant for the financial industry where the issuer’s information is lacking.

For more information, please contact your local SIX Financial Information office and a representative will be happy to assist you.

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