



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 11 March 2010

7378/10

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REPORT

from : Permanent Representatives Committee
to : Council

No. Cion prop.: 9494/09 EF 67 ECOFIN 341 CODEC 682

Subject : Proposal for a Directive of the European Parliament and of the Council on
Alternative Investment Fund Managers and amending Directives 2004/39/EC and
2009/65/EC
- General approach

I. INTRODUCTION

1. On 30 April 2009 the Commission transmitted to the Council its proposal for a Directive of the European Parliament and of the Council on Alternative Investment Fund Managers and amending Directives 2004/39/EC and 2009/65/EC.
2. The proposal has been examined by the Working Party on Financial Services at several meetings during the Czech, Swedish and Spanish Presidencies, and discussed by Coreper on 4 and 11 March 2010.
3. The European Central Bank delivered its opinion on the proposal on 19 October 2009 (doc. 15162/09 EF 158 ECOFIN 681 CODEC 1249). The opinion of the Economic and Social Committee is still pending.

4. The European Parliament's Committee on Economic and Monetary Affairs is expected to adopt its report in early April in view of the final adoption by the Plenary at first reading in June or July 2010. The Presidency has already pursued informal contacts with the European Parliament in order to facilitate convergence between the Parliament and the Council on the proposed Directive, with a view to ultimately reaching an agreement in first reading.

II. STATE OF PLAY

5. Following the latest discussion in Coreper on 11 March 2010, a qualified majority is emerging to support the current Presidency compromise proposal (doc. 7377/10 EF 22 ECOFIN 154 CODEC 189) subject to the finalisation by one delegation of its scrutiny of the text.
6. However, the UK, CZ, IE, FR, MT and AT delegations maintain reservations on certain parts of the text, which relate in particular to:
 - UK (depository – article 17, third country issues – articles 34a-35, remuneration – Annex II, information to competent authorities – article 21 and review clause – article 50)
 - CZ (depository – articles 17 and third country issues – articles 34a-35)
 - IE (depository – article 17 and valuation – article 16)
 - FR (depository transitional period – article 51 and remuneration – Annex II)
 - MT (depository transitional period – article 51)
 - AT (discharge of depository's liability – article 17 and information to competent authorities – article 21).

III. CONCLUSION

7. Against this background the Council is invited to:

- agree by a qualified majority on the general approach, as set out in doc. 7377/10 EF 22 ECOFIN 154 CODEC 189, and
- invite the Presidency to start negotiations with the European Parliament on the basis of this general approach with a view to reaching an agreement in first reading.
