



**COUNCIL OF
THE EUROPEAN UNION**

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9343/10

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REPORT

from : General Secretariat
to : Permanent Representatives Committee

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. STATE OF PLAY

1. The above-mentioned proposal was most recently examined by Coreper on 10 March 2010 in view of the adoption of the general approach at ECOFIN on 16 March 2010. At that point in time there was a qualified majority emerging to support the adoption of the general approach. The Presidency decided, however, to withdraw the item from the agenda of ECOFIN in order to continue the negotiations with a view to reaching the broadest possible agreement on the general approach.
2. The Working Party on Financial Services (Attcuhés) met on 26 April 2010 to take stock of the situation. It appeared in that meeting that further reflection had not lead to any major changes in the positions of delegations. A vast majority of them were ready to go along with the adoption of the general approach at the ECOFIN on 18 May 2010 on the basis of the Presidency compromise proposal, as already prepared for the ECOFIN of March (doc. 7377/10 EF 22 ECOFIN 154 CODEC 189). On the other hand some delegations were of the view that the adoption should be still postponed to another Council meeting in order to reach the widest possible agreement on the text.

3. The Presidency has pursued informal contacts with the European Parliament during the past weeks in order to seek convergence between the views of the Council and the European Parliament on key issues of the draft Directive. The European Parliament's ECON Committee is foreseen to adopt its report on 17 May, and the EP is ready to enter into formal negotiations with the Council immediately thereafter in order to reach a first reading agreement during the next couple of months.

II. CONCLUSION

4. Against this background, the Permanent Representatives Committee is invited to:
 - verify, if there is either unanimity or a qualified majority supporting the adoption of the general approach, as set out in doc. 7377/10, and if this is the case,
 - recommend to the Council to confirm the agreement, and
 - recommend to the Council to invite the Presidency to start negotiations with the European Parliament on the basis of this general approach with a view to reaching an agreement at first reading.