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## Euribor ACI Short Term European Paper Task Force

To the Members of the

Drafting sub-group of the EFMLG on the legal aspects of short-term securities

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First of all we would like to thank you again for the great support you are providing to our Euribor-ACI Short Term Paper Task Force through your report on Legal Aspects of Short Term Securities. The quality and thoroughness of your work has again been very much appreciated by our group when we met in Luxembourg on 21May.

Our meeting was almost entirely devoted to the preparation of our white paper, and our main concern relates to the Article 19 of the UCITS directive as the interpretation of this text has far-reaching consequences on our recommendations for the organisation of the market.

It may well be that the uncertainty derives from the text itself, but would it be possible for you to explicit the requirements for short term papers to be purchased without restriction by UCITS as stated in Article 19 of the new UCITS directive, and more specifically out of the 10% cap:

- What kind of regulation would be required on the short term paper market for them to be exempted of the 10% cap?
- Which existing domestic markets in Europe (e.g. the French CP markets “Billets de Tresorie”) could be considered regulated under the new UCITS directive?
- Would a listing automatically clear the 10% cap and what would it need to avoid the regulatory requirement of an exchange listing?

Please do not hesitate to contact Ralph or myself should you require more information on the question we raise.

Best regards,

Thierry Roland  
Chairman

Ralph Haeuser  
Secretary