

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Transposition of the Recast Undertakings for Collective Investment in Transferable Securities (UCITS IV) Directive	
Lead Department/Agency	HM Treasury	
Stage	Final	
Origin	European	
Date submitted to RPC	12/04/11	
RPC Opinion date and reference	12/05/2011	RPC11-HMT-0560(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The costs and benefits have been adequately assessed. The IA would benefit from including more information on how the estimates of costs to industry and regulator were developed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Assumptions.</i> As noted in the RPC opinion of 26/10/2010 on the consultation-stage IA, a number of assumptions are made in this IA regarding the costs to industry and regulator of the proposals with only limited supporting evidence. The final-stage IA says “we have drawn on published data where available, together with information supplied by a limited number of UK asset management firms in response to a short survey which we carried out in the summer of 2010 and then followed up after the consultation period” (page 8). The Department has provided additional information to clarify this point and we are therefore satisfied that the costs and benefits have been adequately assessed. Some of this additional information could usefully be included in the IA.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As this proposal is of European origin, it is out of scope of One-in, One-out. There are two instances where the IA sets out proposals that do not appear to be directly required by the EU directive: complaints-handling and investor compensation. However since both of these already apply to UK firms and would only affect non-UK firms “passporting” in to the UK, these would not be relevant in the context of One-in, One-out and therefore no OUT needs to be identified.</p>		
Signed 	Michael Gibbons, Chairman	