



**COUNCIL OF
THE EUROPEAN UNION**

**Brussels, 4 December 2013
(OR. en)**

**17094/13
ADD 1 COR 1**

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REPORT

From: Presidency

To: Permanent Representatives Committee (Part 2)

Subject: Directive of the European Parliament and of the Council amending Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards depositary functions, remuneration policies and sanctions (UCITS V)

- *General approach (Declarations for the minutes)*

1. On page 5 of the document 17094/13 ADD 1, 'Declaration by Portugal' should read as follows:

"DECLARATION BY PORTUGAL AND SPAIN"

PT **and ES** consider that the rule allowing for the appointment of sub-custodians from third countries which are not subject to effective prudential regulations (expressed in art. 22a(3)) is not appropriate.

It is of utmost importance to mitigate the risk of losses associated with financial instruments held by those third country entities, particularly considering that as this directive regulates funds targeted to retail investors, the eligible assets should be liquid and traded in regulated markets or equivalent markets.

We are able to support the mandate for the Presidency to negotiate on the basis of the proposed global package but we expect this subject to be revisited in the course of the trialogues."