

Press Release
For immediate release
Brussels, 10 September 2008

EFAMA'S NEW RECOMMENDATIONS TO IMPROVE EFFICIENCY IN FUND PROCESSING

Brussels, 10 September 2008 – EFAMA today has published new recommendations to increase efficiency in the processing of fund orders and achieve cost savings. The report was prepared by EFAMA's Fund Processing Standardization Group (FPSG). It consolidates the recommendations that were published by EFAMA in 2005 to facilitate an increase in the level of automation and straight-through processing within the European fund industry. It also extends the recommendations in three service areas:

- Holding and transaction reporting. The recommendations focus on the frequency and timeliness of the reporting of holdings and transactions provided by fund administrators with a view to increasing services to distributors and institutional holders.
- Commission handling. The recommendations aim at streamlining the remuneration of fund distributors. Standardized distribution agreements to ensure the correct and timely calculation and reporting of fund distributor remuneration should be put in place between the fund sponsor and anyone to whom fees or commissions are to be paid. Distributors should be more easily identified (by BIC codes) to provide the "commission calculation agent" with the information necessary to allocate the payment correctly.
- Settlement cycles. A further recommendation has been included concerning settlement, to encourage harmonization around a T+3 cycle in line with direction of the markets of other securities, except where it would be inappropriate in view of the underlying fund assets.

Mathias Bauer, President of EFAMA, adds: "Despite good progress in recent years, the level of straight-through processing of orders remains low in Europe, particularly to handle the orders of cross-border and third-party funds. With this new report, EFAMA aims at accelerating progress by extending standardization solutions for the whole value chain. We are convinced that the coherent implementation of the proposed standards by all industry players will rationalize the processing of cross-border funds further in Europe, thereby helping to increase the attractiveness of the UCITS brand worldwide."

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For further information:

Peter De Proft
Director General
EFAMA
Peter.Deproft@efama.org
+32-2-513 39 69
cc: info@efama.org

Bernard Delbecque
Director of Economics and Research
EFAMA
Bernard.Delbecque@efama.org
+32-2-513 39 69
cc: info@efama.org

Rudolf Siebel
Chairman of the FPSG
Managing Director
BVI
+49-69-15 40 90-255
Rudolf.Siebel@bvi.de
cc: presse@bvi.de

Notes to the editors:

- **EFAMA** is the representative association for the European investment management industry. EFAMA represents through its 24 member associations and 42 corporate members about EUR14 trillion in assets under management of which EUR7.3 trillion managed by around 52,000 investment funds at end June 2008. For more information, please visit www.efama.org.
- The **Fund Processing Standardization Group** (FPSG) is made up of experts representing the European investment fund industry, i.e. fund management companies, custodians, transfer agents, fund processing hubs and existing standard setting organizations.
- To obtain a copy of the **New FPSG Report**, please visit EFAMA's website: www.efama.org (under 'Standards').