



16 October 2008

Mr Carlo Comporti  
Secretary General  
The Committee of European Securities Regulators  
11-13 Avenue de Friedland  
75008 Paris  
France

Dear Mr Comporti,

**CESR Consultation on Risk Management Principles for UCITS**

The Depository and Trustee Association (DATA) represents all depositaries and trustees of UK-based authorised unit trusts and open-ended investment companies. At the end of July 2008, the members of DATA were responsible for safeguarding £425.2 billion of funds under management.

DATA welcome CESR's timely proposals on principles of risk management for UCITS. Over the last 12 months investment funds of all types have experienced tests to their risk management processes and harmonised principles for UCITS will go some way to addressing this issue. However, retail investors do not only have access to UCITS and we strongly recommend that pressure is applied by CESR to European Regulators to address the increased differential between UCITS and competitor products. We also believe that publishing of the guidance should not be done until consideration has been given to the second consultation concerning the technical aspects of risk management.

With respect to the draft guidance, we have had an opportunity to review IMA's comments and we agree with their proposed amendments.

We look forward to hearing from you in due course.

Yours sincerely

Kevin Tomlin  
**DATA Chairman**

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