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**About the protection of investors and savings (namely consumers) in U.C.I.T.S.**

It is not enough to claim for consumer's protection and transparency in investment contracts. We need to suggest some concrete and clear enforcements to put into effect such principles. I suggest the following ones.

1. **Risk disclosure in Prospectus** Simplicity in Prospectus should be warranted. But also the complete and clear information is necessary. First of all the Prospectus should declare if the investor will risk :
  - a) the invested capital; in this case the risk involves also the interest
  - b) only interest; in this case the capital repayment is warrantedThe Prospectus should analytically disclose what are the risk factors.
2. **APY disclosure** Some UCITS are sold together with loan contract. In that case, the professional borrows money to the consumer to let the him investing in UCITS. That means the contract consists in both, contract of credit and contract of investment; namely there is a cost (loan APR) that is sure and a yield that is not sure. It is obvious that in this case it is not easy for the consumer to appreciate the convenience of the investment, also considering that there is a risk factors. That is only an example among several to show how much the requirement of disclosure of actual yield is necessary. So that the actual APY (Annual Percentage Yield) disclosure, expressing the balance between the expected yield and all negative costs burdening the consumer, should be enforced. As for Consumer Credit Directive, a formula and criteria for calculating the expected actual APY should be enforced. According to the above point 1, even the risk factors which can affect the yield should be clearly specified, monitored and the consumer should be immediately informed about its variations .
3. **The conflict of interest** There are cases where Bank debtors are present in Bank corporate governance or vice versa. In that cases the investments in UCITS who bear such kind of conflicts of interests should be enforced to be proposed only to the professional investors. That means that the sale of such UCITS to the consumers should be forbidden. This is to avoid cases like Parmalat, Cirio, etc.