ESMA_QA_948

Submission Date
01/10/2016

Status: Answer Published

Additional Information

Level 1 Regulation
Undertakings for Collective Investment in Transferable Securities Directive (UCITS) Directive 2009/65/EC

Topic
Disclosures

Subject Matter
Regulated markets under the UCITS Directive

Question
Can the term “regulated market in a Member State” in Article 50(1)(b) of the UCITS Directive be understood to include a “multilateral trading facility” (MTF) as defined in Article 4(1)(15) of MiFID?

ESMA Answer

01-10-2016

Original language

[ESMA 34-43-392 UCITS Q&A, Section 1, 3a]

Yes. An MTF operated in the EU is a regulated market within the scope of the UCITS framework as long as it meets the requirements set out in Article 50(1)(b). Instruments in which a UCITS invests that are traded on such an MTF on behalf of a UCITS must comply with the Eligible Assets Directive[1], in particular with its Article 2(1). If a UCITS proposes to invest in such an instrument, it should actively seek and review information regarding the liquidity and negotiability of that instrument in order to be satisfied that that the presumptions of liquidity and negotiability in the last sub-paragraph of Article 2(1) are well-founded.

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[1] Commission Directive 2007/16/EC of 19 March 2007 implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards the clarification of certain definitions (“Eligible Assets Directive”)