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Additional Information

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

Topic
Disclosures

Subject Matter
Issuer concentration

Question
Article 54 of Directive 2009/65/EC permits competent authorities to authorise UCITS to invest up to 100% of their assets in transferable securities issued by certain issuers e.g. sovereigns. Do the six different issues mentioned in Article 54(1), third sub-paragraph of the UCITS Directive refer to any kinds of issues of transferable securities and money market

instruments or must they be guaranteed by a Member State, one or more of its local authorities, a third country or a public international body to which one or more Member States belong? If the UCITS holds more than six different issues, must all of these issues comply with the 30 % limit?

ESMA Answer

01-02-2023

Original language

[ESMA 34-43-392 UCITS Q&A, Section 1, 5c]

Pursuant to article 54(1) of the UCITS Directive, UCITS cannot invest up to 100% of their assets in transferable securities or money markets instruments that are not issued nor guaranteed by a Member State, one or more of its local authorities, a third country or a public international body to which one or more Member States belong. In addition, Article 54(1) of the UCITS Directive unambiguously provides that if a UCITS holds more than six issues in transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country or a public international body to which one or more Member States belong, all the issues should respect the 30% limit (i.e. even if the UCITS holds more than 6 issues).