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Additional Information

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

Topic
ETFs

Subject Matter
ESMA's guidelines on ETFs and other UCITS issues - Secondary market

Question
If a UCITS ETF is open for direct redemption for secondary market investors, what should be the redemption price?

ESMA Answer

11-07-2013

Original language

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

If secondary market investors are given the possibility to redeem directly at the level of the UCITS ETF, the redemption price should be the Net Asset Value (NAV) from which costs may be deducted. According to paragraph 24 of the guidelines the costs of direct redemptions should not be excessive.