

**Submission Date**

11/07/2013

# ESMA\_QA\_1107

Status: Answer Published

## **Additional Information**

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### **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**

When the UCITS ETF is open for direct redemptions, should UCITS management companies arrange the redemptions directly with secondary market investor of the UCITS ETF?

## ESMA Answer

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11-07-2013

Original language

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

In most cases, UCITS ETFs do not have a direct relationship with secondary market investors of UCITS ETFs. Therefore, UCITS management companies are not required to be directly in contact with the secondary market investors of the UCITS ETF but should make sure that appropriate processes are in place in order to allow direct redemptions when needed. In this context, the reference to unit-holders in Article 92 of the UCITS Directive should be understood as including secondary market investors of UCITS ETFs.