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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
Financial derivative instruments - KIID

Question
For the purposes of paragraph 39 of the guidelines, would the counterparty to a financial derivative instrument be considered as having discretion over the composition of the underlying of the financial derivative instrument under the following arrangement? The counterparty to the financial derivative instrument can decide on the composition of the

underlying of the financial derivative instrument or the UCITS investment portfolio without the prior consent of the UCITS management company.

ESMA Answer

09-01-2015

Original language

[ESMA 34-43-392 UCITS Q&A, section 3, Q&A 5d]

Yes, because the counterparty to the financial derivative instrument has discretion over the composition of the underlying of the financial derivative instrument or the UCITS' investment portfolio.