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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 purpose 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 assets of the financial derivative instrument under the following arrangement? The role of the counterparty only involves implementing a set of rules and this set of rules is

agreed in advance with the UCITS management company and does not allow the exercise of any discretion by the counterparty.

ESMA Answer

09-01-2015

Original language

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

No, in such circumstances the counterparty to the financial derivative instrument will not be considered as having any discretion over the composition of the underlying assets of the financial derivative instrument.