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Additional Information

Level 1 Regulation

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

Topic

UCITS eligible assets and investment restrictions

Subject Matter

KIID Collateral management

Question

Are tripartite agreements for collateral management in the context of efficient portfolio management techniques and OTC financial derivative transactions forbidden by paragraph 40(g) of the guidelines?

ESMA Answer

01-10-2016

Original language

[ESMA 34-43-392 UCITS Q&A, section 3, Q&A 6d]

No. Tripartite agreements are possible under paragraph 40(g) as long as there is no title transfer and the collateral is held by a third party custodian subject to prudential supervision and that is unrelated to the provider of the collateral.