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01/10/2016

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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

When there is transfer of title, can the collateral be held by a custodian that is not the depositary of the UCITS?

ESMA Answer

01-10-2016

Original language

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

Yes, but only if the UCITS' depositary has delegated the custody of the collateral to a sub-custodian and the depositary remains liable if the collateral is lost by the sub-custodian.