

Submission Date

01/10/2016

ESMA_QA_1141

Status: Answer Published

Additional Information

Level 1 Regulation

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

Topic

UCITS global exposure

Subject Matter

KIID Collateral management

Question

Do the ESMA guidelines require that counterparty risk exposures be aggregated across both financial derivative instruments and efficient portfolio management techniques?

ESMA Answer

01-10-2016

Original language

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

Yes. According to paragraph 41 of the ESMA guidelines, both exposures should be combined when calculating the counterparty risk limits of Article 52 of the UCITS Directive.