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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
KIID Financial indices

Question
Should underlying financial indices composing financial indices in which UCITS invest comply with the guidelines on financial indices?

ESMA Answer

24-03-2014

Original language

[ESMA 34-43-392 UCITS Q&A, section 3, Q&A 7g]

Underlying financial indices should comply with section XIII of the guidelines except paragraphs 48, 49, 50 and 53 of the guidelines. This means that underlying financial indices do not need to satisfy the diversification requirements laid down in Article 9 of the Eligible Assets Directive.

However, to fulfil the guidelines of paragraphs 53, UCITS that invest in indices of indices should take into account the rebalancing frequency of the underlying indices.