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Additional Information

Level 1 Regulation
European Long-Term Investment Funds Regulation (ELTIF) Regulation (EU) 2015/760

Topic
ELTIF

Subject Matter
Life-Cycle of ELTIFS

Question
Can Member States introduce limitations on the life and/or the life-cycles of ELTIFs under Regulation (EU) 2015/760, as revised, by imposing for instance a mandatory cap on the maximum life of ELTIFs?

ESMA Answer

06-12-2024

Original language

Answer from the European Commission:

No, Member States are not allowed to introduce limitations on the life and/or the life-cycles of ELTIFs. Article 1(3) of the ELTIF Regulation (EU) 2015/760, as revised, prohibits Member States to add any further requirements in the field covered by the ELTIF Regulation. Both the life of ELTIFs and the life-cycles of ELTIFs are already regulated, among others, by Article 18(1), (2) and (3) of the ELTIF Regulation and Commission Delegated Regulation (EU) 2024/2759, which sets out further circumstances in which the life of an ELTIF is considered compatible with the life-cycles of each of the individual assets of the ELTIF. The ELTIF Regulation enables ELTIFs to have a life and/or a life-cycle determined by the ELTIF managers on a case-by-case basis. In practice, ELTIF managers can set up ELTIFs with the life and the life-cycle they deem appropriate, subject to the requirements of the ELTIF Regulation. Setting up a perpetual ELTIF is also a possibility. Against this background, the ELTIF legal framework sets out extensive investor safeguards and obligations pertaining to the life and the life-cycles of ELTIFs.

The answers clarify provisions already contained in the applicable legislation. They do not extend in any way the rights and obligations deriving from such legislation nor do they introduce any additional requirements for the concerned operators and competent authorities. The answers are merely intended to assist natural or legal persons, including competent authorities and Union institutions and bodies in clarifying the application or implementation of the relevant legal provisions. Only the Court of Justice of the European Union is competent to authoritatively interpret Union law. The views expressed in the internal Commission Decision cannot prejudge the position that the European Commission might take before the Union and national courts.