

# **ESMA\_QA\_2468**

Status: Forwarded to EC/Public Consultation/Other

## **Additional Information**

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### **Level 1 Regulation**

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

### **Topic**

ELTIF

## **Subject Matter**

Indirect investment

## **Question**

Certain industry practices often involve equity or quasi-equity instruments that are issued by an intermediate holding company or SPV of which the QPU is a majority owned subsidiary, especially when multiple investors are involved in a single deal. Should the requirements of Article 10(1) point (a)(iii) of the ELTIF Regulation be understood as covering such investment?

Which other types of investments are the requirements of Article 10(1) point (a)(iii) referring to?

Do “intermediary entities”, as referred to in recital 12 of the ELTIF regulation, fall within the only scope of Article 10(1) point (a)(iii)?

Should “intermediary entities”, as referred to in recital 12 of the ELTIF Regulation, only invest in ‘eligible investment assets’ as referred to Article 9(1) point (a) of the ELTIF Regulation? If not, can investments in UCITS eligible assets via a SPV be accounted for as “eligible assets” as referred to in Article (9)(1)(b), and, in the case of an open-ended ELTIF, as also referred to in Article 18(2)(d) of the ELTIF Regulation?

Should “intermediary entities”, as referred to in recital 12 of the ELTIF Regulation, be considered as a qualifying portfolio undertaking if they fulfil the requirements of Article 11 of the ELTIF Regulation? In such a case, which requirements are applicable to the assets within these intermediary entities?

In relation to the “possibility of conducting minority co-investment” as referred to in recital 12 of the ELTIF Regulation, should these terms be understood as introducing a threshold for indirect investments?