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Status: Answer Published

Additional Information

Level 1 Regulation

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

Topic

ELTIF

Subject Matter

Redemption policy

Question

Pursuant to Article 23(4) point (d) of the ELTIF Regulation, shall the ELTIF disclose in its rules or instruments of incorporation a minimum (and not only a maximum, as per the requirements of Article 18(2) point d) of the ELTIF Regulation) percentage of liquid assets referred to in article 9(1) point (b) to be used for redemption requests?

ESMA Answer

Answer provided by the European Commission

No, while not required by the ELTIF Regulation or Delegated Regulation (EU) 2024/2759, this would only be relevant in cases where the ELTIF manager has selected to calibrate the percentage set out in Article 18(2)(d) based on Annex II of Delegated Regulation (EU) 2024/2759. In such cases, a minimum percentage of liquid assets under Annex II could be considered as a key feature of the manager's redemption policy. That is because the minimum percentage of liquid assets set out in Annex II of Delegated Regulation (EU) 2024/2759 represents an essential feature of the ELTIF's redemption policy and determines the rights and obligations of the ELTIFs unit- or shareholders and of the ELTIF manager. As a consequence, a minimum percentage of liquid assets should be disclosed in the redemption policy of the ELTIF as per Article 5(1) of Delegated Regulation (EU) 2024/2759.

In other cases, notably when ELTIFs select Annex I of Delegated Regulation (EU) 2024/2759 or when ELTIFs are closed-ended, the ELTIF Regulation does not require the ELTIF or its manager, who may only decide to do so voluntarily, to disclose a minimum percentage of liquid assets.

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