ESMA_QA_2472

Submission Date
14/03/2025

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

14-03-2025

Original language

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.

Disclaimer

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.