

**Submission Date**

14/03/2025

# ESMA\_QA\_2478

Status: Answer Published

## **Additional Information**

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### **Level 1 Regulation**

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

### **Topic**

ELTIF

### **Subject Matter**

Redemption policy

### **Question**

Given the requirements set out in Article 17(1)(a) and Article 18(2)(a) of the ELTIF Regulation, as well as in Article 3 of the ELTIF Delegated Regulation, is the minimum holding period, referred to in Article 18(2)(a) of the ELTIF Regulation, (assessed in relation to the launch date of the ELTIF for all investors, or is it applied at each new subscription and on the basis of the date of each capital contribution if there is more than one investment by an individual investor?

## ESMA Answer

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14-03-2025

Original language

### ***Answer provided by the European Commission***

Both should be possible and remain at the discretion of the ELTIF manager, subject to relevant disclosure requirements and provided that the redemption policy of the ELTIF ensures that investors are treated fairly. Notably, an ELTIF manager may have the discretion to put in place the minimum holding period assessed in relation to the launch date of the ELTIF for all investors, as well as apply the minimum holding period at each new subscription and on the basis of the date of each capital contribution if there is more than one investment by an individual investor.

Neither Article 18(2)(a) of the ELTIF Regulation, nor other provisions in Commission Delegated Regulation (EU) 2024/2759 prevent the manager from applying minimum holding periods after the ramp-up period throughout the life cycle of the ELTIF. The ELTIF Regulation and Commission Delegated Regulation (EU) 2024/2759 do not define or impose operational requirements to the implementation of the minimum holding period and managers should have the discretion to determine which option is the most appropriate, whether by reference to the initial deployment, or to the ongoing deployment of capital on a rolling basis or otherwise, for instance for open-ended/evergreen funds which do not have a fixed investment period, subject to the requirements set out in Article 3 of Commission Delegated Regulation (EU) 2024/2759 and the respective disclosure obligations set out in the ELTIF Regulation.

### ***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.*