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Additional Information

Level 1 Regulation

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

Topic

ELTIF

Subject Matter

Redemption policy

Question

Can ELTIFs set a percentage of liquid assets referred to in Article 9(1)(b) of the ELTIF Regulation that is lower than the maximum percentage referred to in Annexes I or II of Delegated Regulation 2024/2759?

ESMA Answer

Answer provided by the European Commission

Yes, ELTIFs can set a lower percentage. Article 18(2)(d) of the ELTIF Regulation sets the maximum percentage of redemptions permitted at each redemption date. However, Article 18(2)(d) of the ELTIF Regulation does not prevent the ELTIF from applying a lower redemption limit (e.g. defined as a fixed percentage of the net assets, or a pre-defined absolute redemption, or with reference to a certain NAV percentage, or otherwise) than that stipulated in Article 18(2)(d) of 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 prejudice the position that the European Commission might take before the Union and national courts.