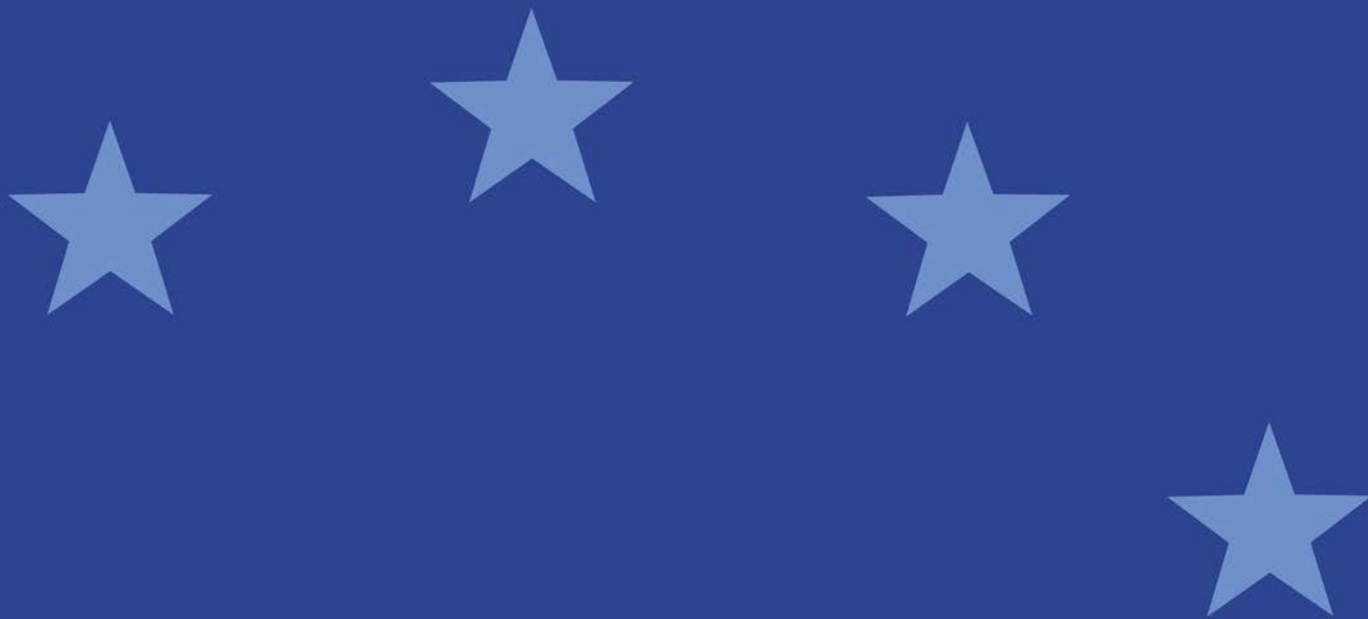


## **Reply form for the Guidelines on asset segregation under the AIFMD**



## Responding to this paper

The European Securities and Markets Authority (ESMA) invites responses to the specific questions listed in the ESMA Consultation Paper - Guidelines on asset segregation under the AIFMD, published on the ESMA website.

### **Instructions**

Please note that, in order to facilitate the analysis of the large number of responses expected, you are requested to use this file to send your response to ESMA so as to allow us to process it properly. Therefore, please follow the instructions described below:

- i. use this form and send your responses in Word format;
- ii. do not remove the tags of type <ESMA\_QUESTION\_G\_AIFMD\_1> - i.e. the response to one question has to be framed by the 2 tags corresponding to the question; and
- iii. if you do not have a response to a question, do not delete it and leave the text "TYPE YOUR TEXT HERE" between the tags.

Responses are most helpful:

- i. if they respond to the question stated;
- ii. contain a clear rationale, including on any related costs and benefits; and
- iii. describe any alternatives that ESMA should consider

### **Naming protocol:**

In order to facilitate the handling of stakeholders responses please save your document using the following format:

ESMA\_CE\_G\_AIFMD\_NAMEOFCOMPANY\_NAMEOFDOCUMENT.

E.g. if the respondent were ESMA, the name of the reply form would be ESMA\_CE\_G\_AIFMD\_AIXX\_REPLYFORM or ESMA\_CE\_G\_AIFMD\_AIXX\_ANNEX1

Responses must reach us by **30 January 2015**.

All contributions should be submitted online at [www.esma.europa.eu](http://www.esma.europa.eu) under the heading 'Your input/Consultations'.

### **Publication of responses**

All contributions received will be published following the end of the consultation period, unless otherwise requested. **Please clearly indicate by ticking the appropriate checkbox in the website submission form if you do not wish your contribution to be publicly disclosed. A standard confidentiality statement in an email message will not be treated as a request for non-disclosure.** Note also that a confidential response may be requested from us in accordance with ESMA's rules on access to documents. We may consult you if we receive such a request. Any decision we make is reviewable by ESMA's Board of Appeal and the European Ombudsman.

### **Data protection**

Information on data protection can be found at [www.esma.europa.eu](http://www.esma.europa.eu) under the heading 'Disclaimer'.

**Q1: Which of the two identified options do you prefer?**

<ESMA\_QUESTION\_G\_AIFMD\_1>

We would prefer Option 1. In our opinion this is the most consistent with the principals of asset segregation as set out in art. 21(8) AIFMD and art. 99(1) of the Level 2 Regulation and the general purpose of AIFMD, improving investor protection.

<ESMA\_QUESTION\_G\_AIFMD\_1>

**Q2: Would you suggest any alternative option which is compatible with the AIFMD and its implementing measures? If yes, please provide details.**

<ESMA\_QUESTION\_G\_AIFMD\_2>

PGGM not only directs its custodians to apply individual segregation to its accounts on AIF basis but also to apply individual segregation on AIF basis with respect to the accounts held at the relevant sub-custodians. This would be consistent with Option 5. We do not share ESMA's view that Option 5 is not compatible with the provisions of the AIFMD and its implementing measures nor do we believe that such conclusion would be in line with the purpose of the AIFMD, being investor protection. We strongly believe that the possibility to opt for fully segregated accounts at both the custody as the sub-custody level should remain available to investors that view the 'marginal benefit' of fully segregated account more important than the 'marginal cost' of such increased level of asset segregation.

<ESMA\_QUESTION\_G\_AIFMD\_2>

**Q3: Do you have knowledge of the impact that each of the two options identified would have on your business in terms of restructuring of existing delegation arrangements in Europe and third countries? Please quantify the one-off and ongoing costs as well as the type of costs for each of the two options or any alternative option that you may prefer.**

<ESMA\_QUESTION\_G\_AIFMD\_3>

We are of the opinion that we do not have to restructure existing delegation arrangements as we have already tried to achieve a level of segregation in which each of our AIFs has its own segregated accounts as a matter of policy since the inception of all of our AIFs prior to the implementation of AIFMD.

<ESMA\_QUESTION\_G\_AIFMD\_3>

**Q4: Do you see merit in foreseeing a specific treatment for certain types of arrangement (e.g. collateral management arrangements)? If yes, please specify how your proposal would ensure compliance with the relevant requirements of the AIFMD and Level 2 Regulation.**

<ESMA\_QUESTION\_G\_AIFMD\_4>

For collateral management arrangements there may be merit in using omnibus accounts in order to achieve more efficient use of assets. In such cases we would advocate the use of an omnibus account per depositary for AIFs managed by the same AIFM.

<ESMA\_QUESTION\_G\_AIFMD\_4>

**Q5: Do you agree with ESMA's approach to discarding the third, fourth and fifth options described in Section 5 of the CBA? If not please provide data and information that support your view.**

<ESMA\_QUESTION\_G\_AIFMD\_5>

As explained above under Q2 we do not agree with discarding Option 5 as this level of asset segregation should remain open to investors that desire such level of asset protection and are able to agree with their custodian to implement such level of asset segregation. We believe that this is fully in line with the purpose of AIFMD, being improvement of investor protection.

<ESMA\_QUESTION\_G\_AIFMD\_5>