

Public consultation on the review of the European long-term investment funds (ELTIF) regulatory framework

Fields marked with * are mandatory.

Introduction

The **short version** of this consultation is also available in [German](#) and [French](#).

Die **kurze Version** dieser öffentlichen Konsultation ist auch auf [Englisch](#) und [Französisch](#) verfügbar.

La **version courte** de cette consultation est également disponible en [allemand](#) et en [anglais](#).

Disclaimer

This public consultation is a working document of the Commission services for consultation and does not prejudice the final decision that the Commission may take.

The views reflected on this consultation paper provide an identification on the approach the Commission services may take but do not constitute a final policy position or a formal proposal by the European Commission.

1. Background of this public consultation

[Regulation \(EU\) 2015/760 on European long-term investment funds \(ELTIF\)](#) is a pan-European framework for Alternative Investment Funds (AIFs)¹ that invest in longer term real economy investments such as social and infrastructure projects, real estate and SMEs. ELTIFs can serve as important conduits of investments to support the [capital markets union](#), the [European green deal](#) and the [digital single market](#).

The ELTIF regime is intended to facilitate investment in these assets by pension funds, insurance companies, professional and retail investors providing an alternative non-banking source of finance. Such long-term finance is critical to enabling the development of the European economy on the path of smart, sustainable and inclusive growth, while supporting job creation and improving overall economic competitiveness and resilience to systemic shocks. The

ELTIF Regulation lays down uniform rules on the authorisation, investment policies and operating conditions of EU AIFs and marketed in the Union as ELTIFs. ELTIFs may also, under certain conditions, be marketed to retail investors under a pan-European passport.

Since the adoption of the ELTIF legal framework in April 2015, only a small number of ELTIFs have launched with a relatively small amount of net assets under management (total AuM below EUR 2 billion). There are currently approximately 27 ELTIFs in the EU, while only 22 ELTIFs are estimated to be marketed and a number of Member States have no domestic ELTIFs. The failure of the ELTIF market to develop as expected highlights the need to complete a review of the regulation to better understand the reasons behind the low uptake and develop policy options to improve the attractiveness of the ELTIF regime. By reviewing the legal and policy elements of the ELTIF framework, the Commission aims to enhance attractiveness of the ELTIF legal framework for long-term investment projects, increase the number of ELTIF funds and overall investment in the real economy.

In June 2020, the [High Level Forum on the Capital Markets Union \(HLF\)](#) has made a set of specific recommendations calling for a review of the ELTIF Regulation broadening the scope of eligible assets and reducing potential barriers to investment. The Commission is currently assessing the HLF's recommendations as part of the ELTIF review and the [CMU action plan](#).

Under Article 37 of the ELTIF Regulation, the Commission is required to review the framework and submit a report to the co-legislators assessing the contribution of the ELTIF Regulation and of ELTIFs to the development of the capital markets union and smart, sustainable and inclusive economic growth. If deemed necessary, the report will be accompanied by a legislative proposal.

2. High-Level Forum's recommendations for the review of the ELTIF regime

Since the publication of the [first capital markets union \(CMU\) action plan in 2015](#), many actions were taken to develop adequate sources of long-term funding. The CMU is built on the understanding that it will enable EU companies to access more stable and long-term financing. Tackling the climate crisis and managing the energy transition to a low carbon economy, as well as other environmental and social challenges requires a real long-term horizon and long-term investments. The success of investments in new technologies and infrastructures requires effective regulatory frameworks, robust and cost-effective financial structures.

Furthermore, financing for projects such as transport infrastructure, sustainable energy generation or distribution, social infrastructure (housing or hospitals), the roll-out of new technologies and systems that reduce the use of resources and energy, or the further growth of SMEs, can be scarce. As the financial crisis has shown, complementing bank financing with a wider variety of financing sources that better mobilise capital markets could help tackle financing gaps. ELTIFs can play a crucial role in this respect, and can also mobilise capital by attracting retail and third-country investors.

In June 2020, the [High Level Forum on the CMU issued a number of recommendations for the review of the ELTIF Regulation](#) by both amending and/or adding new provisions to the existing legal framework, such as reducing barriers to investments and broadening the scope of eligible assets and investments.

The Commission has committed to conducting an impact assessment of the ELTIF regime that will explore whether targeted amendments to the legislation can deliver a more proportionate regulatory environment and facilitate the improvement of the ELTIF framework. The objective of this process is to improve the effectiveness of the regulatory regime for ELTIFs and their managers, alleviate the administrative burden where possible while ensuring that ELTIFs are the fund structure of choice for channelling funding to long-term investment projects, while maintaining adequate investor protection safeguards.

This public consultation will support the policy work of the Commission services in assessing the ELTIF regulatory framework and preparing policy proposals in this area. The Commission services are committed to comprehensively evaluating the functioning of the ELTIF regulatory framework and exploring options to tailor and, where appropriate, amend the provisions of the ELTIF Regulation and the implementing EU legislation.

This public consultation will also contribute to the Report of the European Commission to the European Parliament and the Council pertaining to the functioning of the ELTIF Regulation and fulfil the legal mandate set out in Article 37 of the ELTIF Regulation.

3. Responding to this consultation and follow up to the consultation

In this context and in line with the [better regulation principles](#), the Commission will launch an open public consultation to gather evidence and stakeholders' feedback on the challenges, barriers and opportunities for improvements to the ELTIF regulatory framework.

While responding to the regulatory barriers and regulatory opportunities, two principles should be kept in mind. First, the review of regulatory issues in the ELTIF regime should not undermine the effectiveness of its investor protection safeguards. Second, while the focus of this public consultation is on the evaluation and the intended improvement of the ELTIF regime, this public consultation will also take into account the parallel consultations and/or review processes, irrespective of the timing, of the other EU financial acquis, such as that of the AIFMD and the MiFID II/MiFIR.

In order to collect further evidence, the Commission is seeking for views on the main reasons behind the slow uptake in ELTIFs across the Union, as well as reasoned and numerically supported suggestions for an improved functioning of the ELTIF regime.

The consultation will allow stakeholders to either respond to the short version of the questionnaire comprising general questions on the ELTIF framework, or a the full version of the questionnaire comprising both general and targeted questions on the operation of the ELTIF regime.

Interested parties are invited to provide feedback on the questions raised in this online questionnaire.

Views are welcome from anyone.

If you are representing Member States, national competent authorities and/or ESMA, market participants, such as asset managers, investment firms, credit institutions, financial intermediaries, stock exchanges, institutional and retail investors, consumer and investor organisations, manufacturers and distributors of financial products and services, financial and legal advisers or other services providers, as well as academics and policy think-tanks, you are kindly requested to disclose your affiliation below.

We invite you to add any documents and/or data that you would deem useful to your replies at the end of this questionnaire, and **only through the questionnaire**.

Please explain your responses and, as far as possible, illustrate them with concrete examples and substantiate them numerically with supporting data and empiric evidence. Where appropriate, provide specific operational suggestions to questions raised. This will allow further analytical elaboration.

You are not required to answer every questions and you may respond to only those questions that you deem the most relevant.

You are requested to read the [privacy statement attached to this consultation](#) for information on how your personal data and contribution will be dealt with.

¹ In the context of the [public consultation on the functioning of the Directive 2011/61/EU on alternative investment fund managers \(AIFMD\)](#), it should be clarified that this public consultation on [Regulation \(EU\) 2015/760 on European long-term investment funds \(ELTIF\)](#) should be considered as a separate workstream. Stakeholders are hereby invited to provide any ELTIF regime specific feedback and/or data within the remits of this consultation.

Please note: In order to ensure a fair and transparent consultation process **only responses received through our online questionnaire will be taken into account** and included in the report summarising the responses. Should you have a problem completing this questionnaire or if you require particular assistance, please contact fisma-eltif-public-consultation@ec.europa.eu.

More information on

- [this consultation](#)
- [the consultation document](#)
- [investment funds](#)
- [the protection of personal data regime for this consultation](#)

About you

* Language of my contribution

- ☐ Bulgarian
- ☐ Croatian
- ☐ Czech
- ☐ Danish
- ☐ Dutch
- ☒ English
- ☐ Estonian
- ☐ Finnish
- ☐ French
- ☐ Gaelic
- ☐ German
- ☐ Greek
- ☐ Hungarian
- ☐ Italian
- ☐ Latvian
- ☐ Lithuanian
- ☐ Maltese
- ☐ Polish
- ☐ Portuguese
- ☐ Romanian

- ☐ Slovak
- ☐ Slovenian
- ☐ Spanish
- ☐ Swedish

* I am giving my contribution as

- | | | |
|---|---|--|
| <input type="radio"/> Academic/research institution | <input type="radio"/> EU citizen | <input type="radio"/> Public authority |
| <input checked="" type="radio"/> Business association | <input type="radio"/> Environmental organisation | <input type="radio"/> Trade union |
| <input type="radio"/> Company/business organisation | <input type="radio"/> Non-EU citizen | <input type="radio"/> Other |
| <input type="radio"/> Consumer organisation | <input type="radio"/> Non-governmental organisation (NGO) | |

* First name

Leonardo

* Surname

Giani

* Email (this won't be published)

leonardo.giani@assogestioni.it

* Organisation name

255 character(s) maximum

Assogestioni is the Italian investment management association. Our members include UCITS managers, AIFs, portfolio managers and open-ended pension schemes. We represent the interest of all Italian investment managers and the majority of foreign AM.

* Organisation size

- ☐ Micro (1 to 9 employees)
- ☒ Small (10 to 49 employees)
- ☐ Medium (50 to 249 employees)

- ☐ Large (250 or more)

Transparency register number

255 character(s) maximum

Check if your organisation is on the [transparency register](#). It's a voluntary database for organisations seeking to influence EU decision-making.

89046007765-76

* Country of origin

Please add your country of origin, or that of your organisation.

- | | | | |
|---|--|--|--|
| <input type="radio"/> Afghanistan | <input type="radio"/> Djibouti | <input type="radio"/> Libya | <input type="radio"/> Saint Martin |
| <input type="radio"/> Åland Islands | <input type="radio"/> Dominica | <input type="radio"/> Liechtenstein | <input type="radio"/> Saint Pierre and Miquelon |
| <input type="radio"/> Albania | <input type="radio"/> Dominican Republic | <input type="radio"/> Lithuania | <input type="radio"/> Saint Vincent and the Grenadines |
| <input type="radio"/> Algeria | <input type="radio"/> Ecuador | <input type="radio"/> Luxembourg | <input type="radio"/> Samoa |
| <input type="radio"/> American Samoa | <input type="radio"/> Egypt | <input type="radio"/> Macau | <input type="radio"/> San Marino |
| <input type="radio"/> Andorra | <input type="radio"/> El Salvador | <input type="radio"/> Madagascar | <input type="radio"/> São Tomé and Príncipe |
| <input type="radio"/> Angola | <input type="radio"/> Equatorial Guinea | <input type="radio"/> Malawi | <input type="radio"/> Saudi Arabia |
| <input type="radio"/> Anguilla | <input type="radio"/> Eritrea | <input type="radio"/> Malaysia | <input type="radio"/> Senegal |
| <input type="radio"/> Antarctica | <input type="radio"/> Estonia | <input type="radio"/> Maldives | <input type="radio"/> Serbia |
| <input type="radio"/> Antigua and Barbuda | <input type="radio"/> Eswatini | <input type="radio"/> Mali | <input type="radio"/> Seychelles |
| <input type="radio"/> Argentina | <input type="radio"/> Ethiopia | <input type="radio"/> Malta | <input type="radio"/> Sierra Leone |
| <input type="radio"/> Armenia | <input type="radio"/> Falkland Islands | <input type="radio"/> Marshall Islands | <input type="radio"/> Singapore |
| <input type="radio"/> Aruba | <input type="radio"/> Faroe Islands | <input type="radio"/> Martinique | <input type="radio"/> Sint Maarten |
| <input type="radio"/> Australia | <input type="radio"/> Fiji | <input type="radio"/> Mauritania | <input type="radio"/> Slovakia |
| <input type="radio"/> Austria | <input type="radio"/> Finland | <input type="radio"/> Mauritius | <input type="radio"/> Slovenia |
| <input type="radio"/> Azerbaijan | <input type="radio"/> France | <input type="radio"/> Mayotte | <input type="radio"/> Solomon Islands |

<input type="radio"/> Bahamas	<input type="radio"/> French Guiana	<input type="radio"/> Mexico	<input type="radio"/> Somalia
<input type="radio"/> Bahrain	<input type="radio"/> French Polynesia	<input type="radio"/> Micronesia	<input type="radio"/> South Africa
<input type="radio"/> Bangladesh	<input type="radio"/> French Southern and Antarctic Lands	<input type="radio"/> Moldova	<input type="radio"/> South Georgia and the South Sandwich Islands
<input type="radio"/> Barbados	<input type="radio"/> Gabon	<input type="radio"/> Monaco	<input type="radio"/> South Korea
<input type="radio"/> Belarus	<input type="radio"/> Georgia	<input type="radio"/> Mongolia	<input type="radio"/> South Sudan
<input type="radio"/> Belgium	<input type="radio"/> Germany	<input type="radio"/> Montenegro	<input type="radio"/> Spain
<input type="radio"/> Belize	<input type="radio"/> Ghana	<input type="radio"/> Montserrat	<input type="radio"/> Sri Lanka
<input type="radio"/> Benin	<input type="radio"/> Gibraltar	<input type="radio"/> Morocco	<input type="radio"/> Sudan
<input type="radio"/> Bermuda	<input type="radio"/> Greece	<input type="radio"/> Mozambique	<input type="radio"/> Suriname
<input type="radio"/> Bhutan	<input type="radio"/> Greenland	<input type="radio"/> Myanmar /Burma	<input type="radio"/> Svalbard and Jan Mayen
<input type="radio"/> Bolivia	<input type="radio"/> Grenada	<input type="radio"/> Namibia	<input type="radio"/> Sweden
<input type="radio"/> Bonaire Saint Eustatius and Saba	<input type="radio"/> Guadeloupe	<input type="radio"/> Nauru	<input type="radio"/> Switzerland
<input type="radio"/> Bosnia and Herzegovina	<input type="radio"/> Guam	<input type="radio"/> Nepal	<input type="radio"/> Syria
<input type="radio"/> Botswana	<input type="radio"/> Guatemala	<input type="radio"/> Netherlands	<input type="radio"/> Taiwan
<input type="radio"/> Bouvet Island	<input type="radio"/> Guernsey	<input type="radio"/> New Caledonia	<input type="radio"/> Tajikistan
<input type="radio"/> Brazil	<input type="radio"/> Guinea	<input type="radio"/> New Zealand	<input type="radio"/> Tanzania
<input type="radio"/> British Indian Ocean Territory	<input type="radio"/> Guinea-Bissau	<input type="radio"/> Nicaragua	<input type="radio"/> Thailand
<input type="radio"/> British Virgin Islands	<input type="radio"/> Guyana	<input type="radio"/> Niger	<input type="radio"/> The Gambia
<input type="radio"/> Brunei	<input type="radio"/> Haiti	<input type="radio"/> Nigeria	<input type="radio"/> Timor-Leste
<input type="radio"/> Bulgaria	<input type="radio"/> Heard Island and McDonald Islands	<input type="radio"/> Niue	<input type="radio"/> Togo
<input type="radio"/> Burkina Faso	<input type="radio"/> Honduras	<input type="radio"/> Norfolk Island	<input type="radio"/> Tokelau
<input type="radio"/> Burundi	<input type="radio"/> Hong Kong	<input type="radio"/> Northern Mariana Islands	<input type="radio"/> Tonga

<input type="radio"/> Cambodia	<input type="radio"/> Hungary	<input type="radio"/> North Korea	<input type="radio"/> Trinidad and Tobago
<input type="radio"/> Cameroon	<input type="radio"/> Iceland	<input type="radio"/> North Macedonia	<input type="radio"/> Tunisia
<input type="radio"/> Canada	<input type="radio"/> India	<input type="radio"/> Norway	<input type="radio"/> Turkey
<input type="radio"/> Cape Verde	<input type="radio"/> Indonesia	<input type="radio"/> Oman	<input type="radio"/> Turkmenistan
<input type="radio"/> Cayman Islands	<input type="radio"/> Iran	<input type="radio"/> Pakistan	<input type="radio"/> Turks and Caicos Islands
<input type="radio"/> Central African Republic	<input type="radio"/> Iraq	<input type="radio"/> Palau	<input type="radio"/> Tuvalu
<input type="radio"/> Chad	<input type="radio"/> Ireland	<input type="radio"/> Palestine	<input type="radio"/> Uganda
<input type="radio"/> Chile	<input type="radio"/> Isle of Man	<input type="radio"/> Panama	<input type="radio"/> Ukraine
<input type="radio"/> China	<input type="radio"/> Israel	<input type="radio"/> Papua New Guinea	<input type="radio"/> United Arab Emirates
<input type="radio"/> Christmas Island	<input checked="" type="radio"/> Italy	<input type="radio"/> Paraguay	<input type="radio"/> United Kingdom
<input type="radio"/> Clipperton	<input type="radio"/> Jamaica	<input type="radio"/> Peru	<input type="radio"/> United States
<input type="radio"/> Cocos (Keeling) Islands	<input type="radio"/> Japan	<input type="radio"/> Philippines	<input type="radio"/> United States Minor Outlying Islands
<input type="radio"/> Colombia	<input type="radio"/> Jersey	<input type="radio"/> Pitcairn Islands	<input type="radio"/> Uruguay
<input type="radio"/> Comoros	<input type="radio"/> Jordan	<input type="radio"/> Poland	<input type="radio"/> US Virgin Islands
<input type="radio"/> Congo	<input type="radio"/> Kazakhstan	<input type="radio"/> Portugal	<input type="radio"/> Uzbekistan
<input type="radio"/> Cook Islands	<input type="radio"/> Kenya	<input type="radio"/> Puerto Rico	<input type="radio"/> Vanuatu
<input type="radio"/> Costa Rica	<input type="radio"/> Kiribati	<input type="radio"/> Qatar	<input type="radio"/> Vatican City
<input type="radio"/> Côte d'Ivoire	<input type="radio"/> Kosovo	<input type="radio"/> Réunion	<input type="radio"/> Venezuela
<input type="radio"/> Croatia	<input type="radio"/> Kuwait	<input type="radio"/> Romania	<input type="radio"/> Vietnam
<input type="radio"/> Cuba	<input type="radio"/> Kyrgyzstan	<input type="radio"/> Russia	<input type="radio"/> Wallis and Futuna
<input type="radio"/> Curaçao	<input type="radio"/> Laos	<input type="radio"/> Rwanda	<input type="radio"/> Western Sahara
<input type="radio"/> Cyprus	<input type="radio"/> Latvia	<input type="radio"/> Saint Barthélemy	<input type="radio"/> Yemen

- ☐ Czechia
- ☐ Lebanon
- ☐ Saint Helena
Ascension and
Tristan da
Cunha
- ☐ Zambia
- ☐ Democratic
Republic of the
Congo
- ☐ Lesotho
- ☐ Saint Kitts and
Nevis
- ☐ Zimbabwe
- ☐ Denmark
- ☐ Liberia
- ☐ Saint Lucia

* Which of the following fields of activities or sectors best describe yourself / your organisation (if applicable):

at least 1 choice(s)

- ☒ Asset manager (e.g. fund manager, hedge funds, private equity funds, venture capital funds, money market funds)
- ☐ Investment bank
- ☐ Independent research provider
- ☐ Sell-side firm
- ☐ Buy-side entity
- ☐ Corporate
- ☐ Issuer
- ☐ Institutional investor
- ☐ Retail/private investor
- ☐ Consumer association
- ☐ Accounting firm
- ☐ Auditing firm
- ☐ Credit rating agency
- ☐ Other

* Publication privacy settings

The Commission will publish the responses to this public consultation. You can choose whether you would like your details to be made public or to remain anonymous.

☐ **Anonymous**

Only your type of respondent, country of origin and contribution will be published. All other personal details (name, organisation name and size, transparency register number) will not be published.

☒ **Public**

Your personal details (name, organisation name and size, transparency register number, country of origin) will be published with your contribution.

☒ I agree with the [personal data protection provisions](#)

Choose your questionnaire

* Please indicate whether you wish to respond to the short version (6 questions) or full version (42 questions) of the questionnaire.

The short version only covers the general aspects of the ELTIF regime.

The full version comprises 36 additional questions addressing more technical features.

Note that only the questions that are part of the short version are also available in French and German.

- ☐ I want to respond only to the **short version of the questionnaire** (6 questions)
- ☒ I want to respond to the **full version of the questionnaire** (42 questions)

1. Introductory questions

Question 1. Please specify to what extent you agree with the statements below?

	1 (fully disagree)	2 (somewhat disagree)	3 (neutral)	4 (somewhat agree)	5 (fully agree)	Don't know - No opinion - Not applicable
The ELTIF framework has been successful in achieving its objective of raising and channelling capital towards European long-term investments in the real economy	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The scope of the ELTIF authorisation is appropriate	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The costs of launching and operating an ELTIF, and the regulatory and administrative burdens are appropriate	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The ELTIF regime is relevant to the needs and challenges in EU asset management	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
The existing ELTIF regime is consistent with the CMU objectives	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
The ELTIF regime has brought added value to investors in and the financing of long-term projects	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The ELTIF investor protection framework is appropriate	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

Question 1.1 Please explain your position on your responses to question 1, providing key arguments to support your answers:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The ELTIF Regulation provides for investment vehicles that are focused on the long-term financing of the European economy. They allow to invest, inter alia, in the capital of unlisted companies (including SMEs), in private debt or in real assets requiring significant initial investment, such as infrastructure. However, the ELTIF regulatory framework has not managed to achieve its original objective of raising and channeling capital towards European long-term investments in the real economy. This is evidenced by the low number of ELTIFs launched and the low overall amount of AuM collected, which are claimed in this consultation itself, where it is written that “The failure of the ELTIF market to develop as expected highlights the need to complete a review of the regulation (...)”.

Nonetheless, we agree with the statement that the ELTIF regime is relevant to the needs and challenges in EU asset management (although this regime needs revision, detailed in our answers to the Questions made in this consultation). The ELTIF, with a regulatory framework appropriately revised, should become the EU product vehicle of choice for greater retail participation in less-liquid, enabling individuals to invest a part of their wealth over the long-term and further diversify their exposure away from public markets.

Question 2. Please indicate the areas and provisions in the ELTIF regime where policy action would be most needed to improve the functioning of the ELTIF regulatory framework? Please rate as follows:

	1 (no policy action needed)	2 (policy action could be considered)	3 (policy action desirable)	4 (policy action needed)	5 (policy action very strongly needed)	Don't know - No opinion - Not applicable
General principles and definitions used in the ELTIF Regulation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Market capitalisation threshold defining an SME equity or debt issuer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Authorisation requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Operational conditions	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Passportability of ELTIFs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Rules pertaining to eligible investments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Clarification and/or practical guidance on the eligibility requirements, notably in relation to investments in real assets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Rules pertaining to the prohibition to undertake certain activities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Rules concerning the qualifying portfolio undertakings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

Conflict of interests related rules, including the ban on co-investment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Portfolio composition and diversification rules and their application	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Concentration limits	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Rules and limitations related to the borrowing of cash	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Redemption related rules and life-cycle of ELTIFs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Rules concerning the disposal of ELTIF assets	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Transparency requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Prospectus-related provisions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Cost disclosure related rules	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Rules pertaining to the facilities available to investors for making subscriptions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Requirements concerning the marketing and distribution of ELTIFs to investors	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Specific provisions concerning the depositary of an ELTIF marketed to retail investors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Provisions and rules pertaining to the marketing of ELTIFs to retail investors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

Provisions integrating the EU Taxonomy for sustainable activities into the ELTIF framework	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Inconsistent or duplicative application of the ELTIF related requirements by Member States	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Issues arising from the supervisory practices within Member States	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cross-border marketing related challenges	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Excessive reliance on distribution networks to market ELTIFs	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Excessive costs of setting up and operating ELTIFs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Competition from existing national fund structures	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Taxation related issues	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Other aspects	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

Question 2.1 Please explain your position on your answer to question 2, providing your arguments, and where appropriate, concrete examples and data to support your answers:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

For further details, please see the following answers.

Stimulating indirect investments

To improve the investment strategies of the ELTIFs, Assogestioni believes that indirect investments in eligible investment assets should also be favored by extending the possibility of the ELTIF to invest in other closed-ended AIFs (in addition to ELTIF, EuVECA and EuSEF, as currently envisaged) and allowing to set up funds of funds. This would allow investors to access to investment portfolios that are more diversified and that can be more easily liquidated. Furthermore, with reference to Article 13 (portfolio composition and diversification) Assogestioni deems it appropriate: (i) raise the limit of capital investment in units or shares of a single AIF pursuant to Article 10, paragraph 1, letter d), from 10% to 20%; (ii) delete paragraph 3, where it is provided that the aggregate value of units or shares of ELTIFs, EuVECAs and EuSEFs in an ELTIF portfolio shall not exceed 20% of the value of the capital of the ELTIF.

In the same perspective, the investment in securitisations of eligible investment assets should also be allowed, in line with the Commission's objective of strengthening this market, as identified in Action 6 of the CMU Action plan. Please see our answer to Question 6 and Question 9.

Increasing the current 30% limit of UCITS-eligible assets

Increasing the current 30% limit of UCITS-eligible assets to a maximum of 40%. This increase would make the ELTIF more liquid, especially when offered to retail investors, preserving, at the same time, its nature as a mainly illiquid instrument, with the consequent benefits in terms of product yield.

Other suggestions for improvement of investment strategy

The consultation offers the opportunity for market operators to address a number of issues that can give greater impetus to a tool that has not yet fully expressed its potential. In this regard, Assogestioni has identified a series of additional observations.

Specifically, the Association deems it necessary:

- to review the parameters that define qualifying portfolio undertakings, increasing the maximum market capitalization threshold from 500 million euros to at least one billion euros, in order to allow investment even in larger companies;
- to allow ELTIFs to invest in credits;
- to provide a more precise definition of real assets as well as to consider the reduction of the current threshold of ten million euros, in order to give to the asset managers the possibility of considering even smaller projects;
- to provide further clarifications in relation to the general mention of "benefit the European economy" pursuant to recital (4) of the ELTIF Regulation;
- to clarify the scope of Article 12 of the ELTIF Regulation on conflict of interest, recognizing co-investment and indirect investment strategies by the asset manager aimed at facilitating funding and offering greater leverage in negotiating the terms of the underlying investments of ELTIFs, also for the benefit of investors.

Assogestioni does not believe that the 30% limit for the borrowing of cash provided under Article 16(1)(a) should be raised. However, Assogestioni proposes to delete the limit on encumbrances granted over assets provided under Article 16(1)(e) while maintaining the limit for leverage. The limit on encumbrances does not really increase the level of investors' protection. On the other hand, it might increase the cost of funding since it is market standard that securities normally exceed the value of borrowed cash (limited to 30% of ELTIFs' capital).

More flexible mechanism for redemption

Assogestioni is in favour of the possibility of introducing a more flexible mechanism for redemptions, providing, for example, that the overall amount of redemptions within any given period is not limited to a percentage of assets of the ELTIF which are referred to in point (b) of Article 9(1), but also to the assets liquidated in the event of a disposal before the end of the life of the ELTIF according to Article 22 paragraph 3. Please see our answer to Question 23.

Expanding the definition of the investor's financial portfolio

Assogestioni believes that insurance-based investment products should also be included in the determination of the investor's financial portfolio. Please see our answer to Question 32.

Simplifying the disclosure to the investor

Assogestioni believes that the disclosure to be provided to the investor should be simplified. Please see our answer to Question 38.

Alignment of the distribution rules with the MIFID discipline

The ELTIF requirements for the assessment of retail investor's suitability should be aligned with the requirements in MiFID II, even only through a reference to this discipline.

Simplification of the authorization process

Assogestioni believes that simplification of the regulatory provisions is needed. Please see our answers to Question 4 and Question 35.

Question 3. Please rate the following characteristics of the ELTIF framework their impact is, as follows:

	-2 significant negative impact	-1 negative impact	0 no imp
Broad scope of eligible assets under the ELTIF regime	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Long-term and illiquid nature of the investments of an ELTIF	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Operational conditions	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Transparency requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Availability of ELTIFs to retail investors	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Requirements and safeguards for marketing of ELTIFs to retail investors	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Validity of an authorisation as an ELTIF for all Member States	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other aspects	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Question 3.1 Please explain your position on your answer to question 3, providing your arguments, and where appropriate, concrete examples and data to support your answers:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Assogestioni will consider all of the individual aspects in the above table separately and in greater depth under the relevant questions of this full questionnaire.

2. Scope of the ELTIF authorisation and process

Question 4. Is the scope of the ELTIF authorisation and operating conditions appropriate?

Please explain your answer.

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Further simplification of the regulatory provisions is needed, including a precise list of the required documentation (with reference, for example, to the request for a written agreement concluded with the depositary (Article 5, paragraph 2), being sufficient the certification of the depositary to be authorized by the competent Authority to carry out the role of depositary of investment funds).

Question 5. Should the ELTIF framework be amended to enhance the use of the ELTIF passport?

- ☒ Yes
- ☐ No

- ☐ Other
- ☐ Don't know / no opinion / not relevant

Question 5.1 Please explain how you think the ELTIF framework should be amended to enhance the use of the ELTIF passport.

Please explain your suggestions, including benefits and disadvantages as well as potential costs thereof, where possible:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The revised Regulation should achieve greater clarity around several notions, particularly those defining eligible investment assets.

3. Investment universe, eligible assets and qualifying portfolio undertakings

Question 6. Should any of the following investments be eligible under the revised ELTIF framework? Please rate as follows:

	-2 investments should be strongly discouraged	-1 investments should be discouraged	0 no impact	1 investments should be encouraged	2 investments should be strongly encouraged	Don't know - No opinion - Not applicable
Investments in innovative technologies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Investments in green, sustainable and/or climate related projects	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Investments in projects that classify as sustainable under the EU taxonomy for sustainable activities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Post-COVID 19 recovery related projects	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Any financial assets with long-term maturities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Investments in digital assets and infrastructure	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Investments in social infrastructure and social cohesion	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Investments in energy infrastructure and energy efficiency	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Any real estate assets, including commercial and residential real estate without a perceived economic or social benefit under the Union's energy, regional and cohesion policies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

The scope of the investment universe of ELTIFs and eligible assets as currently set out in the ELTIF Regulation be further expanded to other areas and asset classes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
The scope of the investment universe of ELTIFs and eligible assets as currently set out in the ELTIF Regulation be more restricted or limited to a narrower set of assets/investments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Other types of assets and investment targets, and/or other regulatory approaches should be pursued	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

Please specify what are the other types of assets and investment targets, and /or other regulatory approaches should be pursued you refer to in your reply to question 6:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

We believe the revised ELTIF regime must remain flexible in terms of asset/investment eligibility.

In terms of “other types of assets and investment targets”, worth including is certainly also a clear reference to the eligibility of:

- (i) securitisations, alongside direct holdings of real assets. In this regard, we note that recital (17) of the current Regulation appears to exclude securitised assets altogether. Such outcome deprives ELTIF managers of additional investment opportunities and is also at odds with the Commission’s September 2020 Communication on a “new” CMU Action Plan, where the intent is to scale-up the EU market for securitisation (Action 6) via a review of the relevant framework. Consequently, the Commission should consider amending recital (17) to remove the exclusion of securitised assets from the eligible investment universe, while clearly expanding it to the latter via the insertion of an appropriate letter “f)” at the end of the current Article 10 of the Regulation related to eligible investment assets. Examples of eligible assets for securitisation of credits are the following: assets constituting the working capital of industrial SMEs, including invoices; credits (medium-long term loans to SMEs); loans to real estate and infrastructures with an ESG impact and social impact. Examples of eligible real assets for securitisations are the following: infrastructures (e.g. photovoltaic systems); real estate (e.g. student halls, residences for the elderly); inventories of fungible physical goods or warehouse (SMEs’ working capital).
- (ii) credits.

Question 6.1 Please explain your position on your responses to question 6, including the benefits and disadvantages as well as potential costs thereof, w h e r e p o s s i b l e .

In particular, please indicate if you consider that any changes in the ELTIF regime are necessary, and if so which ones, and why? Should you be of the opinion that investments in certain eligible assets be strongly encouraged, please provide further details on the possible definitions and scope of such different assets (e.g. references to existing or new legal definitions, examples, etc.):

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.



Question 7. Should some of the definitions related to the investment universe of ELTIFs and eligible assets used in the ELTIF Regulation, such as “long-term”, “capital”, “social benefit”, “debt”, “sustainable”, “energy, regional and cohesion policies” and “speculative investments” be revised to enhance the clarity and certainty around the application of the ELTIF regime?

If so, how should those definitions be amended and why?

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Yes.

Assogestioni believes that it is necessary to introduce a more precise definition of “real assets” in Article 2 of the ELTIF Regulation.

In this respect, Assogestioni considers that a possible definition of real assets should take into account what provided in recital (18) of the ELTIF Regulation, specifying that these assets include, inter alia, infrastructures, intellectual property, vessels, equipment, machinery, aircraft or rolling stock. These assets should be in addition to other assets that give rise to economic or social benefit, such as education, counselling, research and development, and including commercial property or housing only where they are integral to, or an ancillary element of, a long-term investment project that contributes to the Union objective of smart, sustainable and inclusive growth.

In order to favour a sustainable and inclusive growth of the European economy, Assogestioni believes the ELTIF Regulation is not completely clear as regards to when the investments in commercial property or housing are permitted. Therefore, we deem that it should be further specified that investments in real estate assets, including commercial and residential real assets, are permitted to the extent they are accessory or functional to the financing of unlisted companies, or listed small and medium-sized enterprises.

Assogestioni also believes that further clarifications are needed by the Commission, or in the form of ESMA guidelines, in relation to the general mention of “benefit the European economy” pursuant to recital (4) of the ELTIF Regulation. This reference is not sufficient to allow managers to determine what minimum share must be invested in assets based in EU Member States. National supervisors tend to interpret this general requirement quite differently, resulting in little certainty.

Question 8. Is the ELTIF framework appropriate in respect of the provisions related to investments in third countries?

- ☐ Yes
- ☒ No
- ☐ Don't know / no opinion / not relevant

Question 8.1 Please explain your answer to question 8.

In particular, please describe in detail any necessary adjustments to enhance legal certainty, for instance, with respect to the proportion invested in EU Member States with a view to benefit the ELTIF market, their managers and the broader European economy.

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

As anticipated in answering to Question 7, Assogestioni believes that further clarifications are needed by the Commission, or in the form of ESMA guidelines, in relation to the general mention of “benefit the European economy” pursuant to recital (4) of the ELTIF Regulation. This reference is not sufficient to allow managers to determine what minimum share must be invested in assets based in EU Member States. National supervisors tend to interpret this general requirement quite differently, resulting in little certainty.

Question 9. Which provisions and requirements related to the eligibility of investments and investment assets set out in the ELTIF Regulation should be updated to improve the functioning of the ELTIF framework? Please rate as follows:

	1 (no policy action needed)	2 (policy action could be considered)	3 (policy action desirable)	4 (policy action needed)	5 (policy action very strongly needed)	Don't know - No opinion - Not applicable
A size requirement of at least EUR 10 000 000 for eligible real assets investments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
A condition for an exposure to real estate through a direct holding or indirect holding through qualifying portfolio undertakings of individual real assets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Limitation on eligible investment assets to units or shares of ELTIFs, EuVECAs and EuSEFs, as opposed to other potential fund categories	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Inability to invest in a “financial undertaking”	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
EUR 500 000 000 market capitalisation threshold set out in the ELTIF Regulation for investing in listed issuers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Rules related to investments in third-country undertakings	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other conditions and requirements related to eligible investment assets and qualifying portfolio undertakings						
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Please specify what are the other conditions and requirements related to eligible investment assets and qualifying portfolio undertakings you refer to in question 9:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Assogestioni believes that it is necessary to allow ELTIFs to invest in securitisations of eligible investment assets, with the same perspective of encouraging indirect investments (as better explained below in relation to the set-up of funds of funds) and in line with the Commission's objective of strengthening this market, as identified in Action 6 of the CMU Action plan. To achieve this purpose, Assogestioni believes that recital (17) of the ELTIF Regulation should be amended and a letter "f)" should be added to Article 10 of the ELTIF Regulation, in order to explicitly provide that among the eligible investment assets are also included "securitisations of investment assets that are eligible according to what provided in the previous points". Examples of eligible assets for securitisation of credits are the following: assets constituting the working capital of industrial SMEs, including invoices; credits (medium-long term loans to SMEs); loans to real estate and infrastructures with an ESG impact and social impact. Examples of eligible real assets for securitisations are the following: infrastructures (e.g. photovoltaic systems); real estate (e.g. student halls, residences for the elderly); inventories of fungible physical goods or warehouse (SMEs' working capital).

Assogestioni believes that it is also appropriate to lower the current threshold of 10 million euros for investments in "real assets" as provided in Article 10, letter e) of the ELTIF Regulation, thus expanding the choices for managers to consider smaller investment projects.

Assogestioni also believes that it is necessary to increase the maximum market capitalization threshold that defines a "qualifying portfolio undertaking" (Article 11, paragraph 1, letter b) of the ELTIF Regulation) from 500 million euros to at least 1 billion euros, in order to allow to invest in larger companies.

Assogestioni believes that it is necessary to allow ELTIFs to invest in credit.

Question 9.1 Please provide your assessment of the adequacy and effectiveness of the ELTIF framework with respect to the execution of fund-of-fund investment strategies, real assets investment strategies and any restrictions on investments in other funds throughout the ELTIF's life.

Please explain and provide your suggestions which specific provisions of the ELTIF Regulation may benefit from improvements, and why:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Assogestioni believes that, in order to improve the investment strategies of ELTIFs, indirect investments in eligible investment assets should also be favored by extending the possibility of the ELTIF to invest in other closed-ended AIFs (in addition to ELTIF, EuVECA and EuSEF, as currently envisaged) and allowing to set up funds of funds. This would allow investors to access more diversified and more easily saleable investment portfolios.

To follow up on what was stated above, Article 10, paragraph 1, letter d) should be modified and the rules that are currently linked to the limitation of the possibility of investing in other closed AIFs should be adjusted, allowing for the establishment of funds of funds (for example, recitals (21) and (25) and Article 15 of the ELTIF Regulation). Furthermore, with reference to Article 13 (portfolio composition and diversification) Assogestioni deems it appropriate:

- raise the limit of capital investment in units or shares of a single AIF pursuant to Article 10, paragraph 1, letter d), from 10% to 20%;
- delete paragraph 3, where it is provided that the aggregate value of units or shares of ELTIFs, EuvECAs and EuSEFs in an ELTIF portfolio shall not exceed 20% of the value of the capital of the ELTIF.

4. Types of investors and effective investor protection

Question 10. Please describe key barriers to the development of the ELTIF market, whether regulatory or of another nature, if any, to institutional investments that you consider reduce the attractiveness of the ELTIFs for institutional investors?

Please explain:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 11. Should any of the following provisions of the ELTIF legal framework be amended, and if so how, to improve the participation and access of retail investors to ELTIFs?

Please explain which of the following provisions should be amended and give specific examples

where possible and explain the benefits and disadvantages of your suggested approach, as well as potential effects and costs of the proposed changes.

a) Amendment of the size of the initial minimum amount for retail investors, and net worth requirements

- ☐ Yes
- ☒ No
- ☐ Don't know / no opinion / not relevant

Please explain your answer to question 11.a, as well as your suggested approach if you responded yes:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

b) Amendment of the specific requirements concerning the distribution of ELTIFs to retail investors (suitability test)

- ☒ Yes
- ☐ No
- ☐ Don't know / no opinion / not relevant

Please explain your answer to question 11.b, as well as your suggested approach if you responded yes:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The ELTIF requirements for the assessment of retail investor's suitability should be aligned with the requirements in MiFID II, even only through a reference to this discipline.

c) Withdrawal period of two weeks

- ☐ Yes
- ☐ No
- ☒ Don't know / no opinion / not relevant

d) Possibility to allow more frequent redemptions for retail investors

- ☒ Yes
- ☐ No
- ☐ Don't know / no opinion / not relevant

Please explain your answer to question 11.d, as well as your suggested approach if you responded yes:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Please see our answer to Question 23.

e) Procedures and arrangements to deal with retail investors complaints

- ☐ Yes
- ☐ No
- ☒ Don't know / no opinion / not relevant

f) Provisions related to the marketing of ELTIFs

- ☒ Yes
- ☐ No
- ☐ Don't know / no opinion / not relevant

Please explain your answer to question 11.f, as well as your suggested approach if you responded yes:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Assogestioni considers satisfactory the current rules that allow non-professional investors with a financial portfolio not exceeding 500 thousand euros to invest in ELTIF according to the thresholds set out in Article 30, paragraph 3 of the ELTIF Regulation, provided they receive appropriate financial advice. In this context, Assogestioni believes that insurance investment products should also be included in the determination of the customer's financial instrument portfolio.

g) Other provisions and requirements related to retail investors

- ☐ Yes
- ☐ No
- ☒ Don't know / no opinion / not relevant

Question 12. Which safeguards, if any, should be introduced to or removed from the ELTIF framework to ensure appropriate suitability assessment and effective investor protection, while considering the specific risk and liquidity profile of ELTIFs, including sustainability risks, investment time horizon and risk-adjusted performance?

Please give examples where possible and present the benefits and disadvantages of your suggested approach, as well as potential costs of the change:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

No additional safeguards are required.

5. Conflict of interests

Question 13. Are mandatory disclosures under the ELTIF framework sufficient for investors to make informed investment decisions?

- ☒ Yes
- ☐ No
- ☐ Other
- ☐ Don't know / no opinion / not relevant

Question 13.1 Please explain your position on your responses to question 13, including benefits and disadvantages of the potential changes as well as costs:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 14. Which elements of mandatory disclosure requirements, if any, should be tailored to the specific type of investor?

Please explain your position, including benefits and disadvantages of the potential changes as well as costs:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 15. Are the ELTIF rules on conflicts of interest appropriate and proportionate?

- ☐ Yes
- ☒ No
- ☐ Other
- ☐ Don't know / no opinion / not relevant

Question 15.1 Please explain how you think how should such rules on conflicts of interest be amended.

Please explain the benefits and disadvantages of the potential changes as well as costs, as well as how specifically such amendments could facilitate the effective management of conflicts of interests, co-investment strategies and indirect investment strategies:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Assogestioni deems it necessary to clarify the scope of Article 12 of the ELTIF Regulation on conflict of interest, in order to allow for co-investment and indirect investment strategies by the asset manager aimed at facilitating funding and offering greater leverage in negotiating the terms of the underlying investments to ELTIF, also for the benefit of investors.

6. Borrowing of cash and leverage

Question 16. Which of the following policy choices related to the leverage of the ELTIF funds do you find most appropriate?

- ☐ Increasing total allowed leverage
- ☐ Decreasing total allowed leverage
- ☐ Maintaining the current leverage-related rules set out in the ELTIF regime intact
- ☒ Other
- ☐ Don't know / no opinion / not relevant

Please specify what other policy choice(s) related to the leverage of the ELTIF funds you would find most appropriate:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Assogestioni does not believe that the 30% limit for the borrowing of cash provided under Article 16(1)(a) should be raised.

However, Assogestioni proposes to delete the limit on encumbrances granted over assets provided under Article 16(1)(e) while maintaining the limit for leverage. The limit on encumbrances does not really increase the level of investors' protection. On the other hand, it might increase the cost of funding since it is market standard that securities normally exceed the value of borrowed cash (limited to 30% of ELTIFs' capital).

Question 16.1 Please explain your response to question 16 with the description of the advantages and disadvantages of your proposed approach, including its implications for ELTIF managers, the performance and risk and liquidity profile of the fund, the risk-adjusted returns of investors and the attractiveness of the ELTIF regime:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 17. What should be the optimal maximum allowed net leverage
a l l o w e d f o r E L T I F f u n d s ?**

Please explain:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Please refer to our answer to Question 16 above.

Question 18. How should regulation of leverage for ELTIFs marketed to retail investors be different from that of the ELTIFs marketed solely to professional investors?

Which safeguards are particularly relevant and appropriate, and why?

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The safeguard of the maximum level of leverage admissible is relevant and appropriate for retail investors in ELTIFs, but the constraint with respect to encumbrance of assets makes the leverage to ELTIF even more limited than the current 30% limit and it makes it more expensive than it would be if there were not this encumbrance limit.

Question 19. Do the requirements related to the “contracting in the same currency” as the assets to be acquired with borrowed cash, maturity-related rules and other limits on the borrowing of cash constitute significant limitations to the operations and leverage strategy of ELTIFs?

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 20. Please explain which regulatory safeguards, if any, you deem appropriate to ensure the effective management of liquidity, subscriptions and the financing of assets in the investment portfolio.

In addition, please explain if you consider it appropriate to provide for any alternative regulatory approach for the borrowing of cash rules specifically during the ramp-up period in the ELTIFs' life:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

7. Rules on portfolio composition and diversification

Question 21. Which of the following policy choices pertaining to the ELTIF rules on diversification do you consider most appropriate?

- ☒ Requiring greater diversification
- ☐ Requiring less diversification
- ☐ Fewer regulatory requirements and more flexibility by ELTIF managers with respect to portfolio composition and diversification
- ☐ Maintaining the current rules pertaining to the portfolio composition and diversification set out in the ELTIF regime intact
- ☐ Other

Question 21.1 Please explain your response to question 21 with the description of the advantages and drawbacks of your preferred policy

a p p r o a c h .

In particular, should you consider that the diversification and portfolio composition related rules under the ELTIF Regulation need to be amended, please explain, to what extent and why?

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

We believe that the portfolio composition and related diversification provisions of the Regulations deserve to be amended to introduce greater diversification. This could be achieved by (i) increasing the current 30% limit of UCITS-eligible assets to a maximum of 40%, while (ii) further diversifying the remaining portion of the portfolio of (non-listed) eligible investment assets between other asset classes including other fund structures, real assets, companies with a market capitalisation above the current 500 million euros threshold.

Finally, in relation to the portfolio composition and diversification requirements of Article 13(2) of the Regulation, managers' experience when managing real asset portfolios suggests that the 10% exposure limit to instruments issued by, or loans granted to, a single portfolio undertaking remains too low. A higher limit could be considered – for instance, of at least 20% - with the possibility for this to be breached on a temporary (six to twelve month) basis during the ELTIF's capital accumulation phase.

Question 22. Do you consider the minimum threshold of 70% of eligible assets laid down in Article 13(1) of the ELTIF Regulation to be appropriate?

- ☐ Yes
- ☒ No
- ☐ Other
- ☐ Don't know / no opinion / not relevant

Question 22.1 Please explain your position on your response to question 22 by assessing the advantages and drawbacks of your preferred policy option pertaining to asset diversification rules:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Please see our answer to Question 21.

8. Redemption rules and life of ELTIFs

Question 23. Please provide a critical assessment of the impacts of the ELTIF Regulation rules on redemption policy and the life-cycle of ELTIFs, including the appropriateness of the ELTIF Regulation for the structuring of the ELTIF funds, taking into account the legitimate interests of the investors and achieving the stated investment objective of ELTIFs:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Assogestioni is in favor of the possibility of providing for greater ease of reimbursement for ELTIFs. However, Assogestioni believes that this should be done with caution and balance, without distorting either the discipline or the characteristics of this type of fund. In fact, based on a principle of logical consistency, we believe that the more illiquid a product is, the more safeguards must be envisaged in relation to redemptions and liquidity management.

It should also be noted that Article 18, paragraph 2, of the ELTIF Regulation already provides that, under certain conditions, the rules or the instruments of incorporation of the ELTIF may provide for the possibility of redemptions before the end of the life of the ELTIF. In this regard, therefore, we believe that it should be intervened on the conditions set out in Article 18, paragraph 2, in order to facilitate the possibility of providing for redemptions. For example, Article 18, paragraph 2, point d) could be modified to prescribe that the redemption policy of the ELTIF shall ensure that the overall amount of redemptions within any given period is not limited to a percentage of assets of the ELTIF which are referred to in point (b) of Article 9(1), but also to the assets liquidated in the event of a disposal before the end of the life of the ELTIF according to Article 22 paragraph 3.

Question 24. If longer-term investments were to be limited only to those with certain maturities, what threshold might be considered appropriate?

- ☐ Shorter maturity of between 5 to 10 years
- ☐ Maturity of 5 years and more
- ☐ Only investments with a maturity +10 years
- ☐ Only investments with a maturity + 15 years
- ☐ Other possible maturity
- ☒ Don't know / no opinion / not relevant

Question 24.1 Please explain your answer to question 24:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 25. If shorter-term investments were allowed to be included into the portfolio, what proportion of the portfolio should be permitted?

- ☐ 0% to 15%
- ☐ 15% to 30%
- ☐ Above 30%
- ☐ Other options
- ☒ Don't know / no opinion / not relevant

Question 25.1 Please explain your answer to question 25:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Please refer to our answers above. Shorter-term assets would tend to coincide with those that are UCITS-eligible. As indicated, to attract greater retail participation, we believe their respective proportion within the total ELTIF portfolio could be increased until maximum of 40% of the portfolio's total invested capital.

Question 26. Do you consider that “mid-term” redemption should be allowed?

- ☐ Yes
- ☐ No
- ☐ Other
- ☒ Don't know / no opinion / not relevant

Question 26.1 Please explain your position on your responses to question 26 and provide for advantages and disadvantages of your policy choice from the perspective of ELTIF managers, ELTIF liquidity and risk profile, returns of investors, and other regulatory aspects:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Please see our answer to Question 23.

Question 27. Do you consider it appropriate to allow for regular redemptions or an “evergreen” vehicle approach (no maturity)?

- ☐ Yes
- ☐ No
- ☒ Other
- ☐ Don't know / no opinion / not relevant

Please specify what you mean by other in your response to question 27:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Please see our answer to Question 23.

Question 27.1 How frequent should ELTIF redemptions be, and if so, which additional safeguards would you consider necessary to cater for the illiquidity, redemptions and other fund cycle related aspects of the ELTIF framework?

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 28. Is it appropriate to provide for any alternative regulatory approach with respect to the redemption rules or portfolio composition, diversification rules, etc. for ELTIFs during the ramp-up period in the ELTIFs' life-cycle?

- ☒ Yes
- ☐ No
- ☐ Other
- ☐ Don't know / no opinion / not relevant

Question 28.1 Please explain your position and provide for advantages and disadvantages of your policy choice:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Possibility to derogate to concentration limits. Please see our answer to Question 23.

9. Secondary market and issuance of new units or shares

Question 29. Are the provisions of the ELTIF Regulation pertaining to the admission to the secondary market and the publication of “periodical reports” clear and appropriate?

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 30. Are the limitations of the ELTIF Regulation regarding the issuance of the new units or shares at a price below their net asset value without a prior offering of those units or shares at that price to existing investors clear and appropriate?

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 31. Should the provisions in the ELTIF framework related to the issuance of new units or shares be amended, and if so how?

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

10. Marketing strategy for ELTIFs and distribution related aspects

Question 32. What are the key limitations stemming from the ELTIF framework that you consider reduce the attractiveness of the ELTIF fund structure or the cross-border marketing and distribution of ELTIFs across the Union ?

Please explain:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Assogestioni considers satisfactory the current rules that allow non-professional investors with a financial portfolio not exceeding 500 thousand euros to invest in ELTIF according to the thresholds established in Article 30, paragraph 3 of the ELTIF Regulation, provided that they receive adequate financial advice. In this regard, Assogestioni believes that insurance-based investment products should also be included in the determination of the investor's financial portfolio.

Question 33. Do you consider that review of the ELTIF rules related to the equal treatment of investors is warranted?

- ☐ Yes
- ☐ No
- ☐ Other
- ☒ Don't know / no opinion / not relevant

Question 33.1 Please explain your position on your answer to question 33:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 34. Is it necessary to clarify the ELTIF framework with regard to the application of the principle of equal treatment of investors at the level of individual share classes, and any other specific arrangements for individual investors/group of investors?

If possible, please provide a specific suggestion:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

11. Miscellaneous

Question 35. Is the effectiveness of the ELTIF framework impaired by national legislation or existing market practices? Please provide any examples you may have of “goldplating” or wrong application of the EU acquis.

Please explain:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Assogestioni believes that the effectiveness of the ELTIF framework is impaired by the practice of national authorities that subordinate the marketing authorization process to the presentation of the actual target market of the ELTIF defined by each distributor.

Question 36. Are you aware of any national practices or local facility requirements for ELTIF managers or distributors of ELTIFs that require a local presence or otherwise prevent the marketing of ELTIFs on a cross-border basis ?

Please explain and provide specific examples:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 37. Which features of the current ELTIF framework, if any, should be defined in more detail and which should be left to contractual arrangements ?

Please explain:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 38. Which specific provisions in the ELTIF framework could be amended, and how, in order to lower costs and reduce compliance, administrative or other burdens in a manner that would not lead to an increase in material risks from the perspective of effective supervision or investor protection?

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Assogestioni believes that it is necessary to simplify the disclosure to be provided to the investor, intervening on Article 23 of the ELTIF Regulation on the subject of transparency to eliminate the reference to the information of the Prospectus Directive 2003/71/EC (and consequently exclude closed-ended investment funds from the scope of the Prospectus Directive, now replaced by the Prospectus Regulation).

With this in mind, the prospectus of ELTIFs should contain - in addition to the information that must be disclosed to investors pursuant to Article 23 of Directive 2011/61/EU (AIFMD) - the additional and specific information on the ELTIF contained in Article 23 of the ELTIF Regulation for the hypothesis of marketing the product to non-professional investors referred to in the aforementioned Article 30.

It is also necessary to develop uniform rules so that the documents for all countries are standard and it would not be necessary to reconcile the provision of the ELTIF Regulation with the national regulations.

Question 39. Please elaborate on whether and to what extent the current ELTIF regime is appropriate for the AIFMs falling under Article 3(2) of Directive 2011/61/EU to have an incentive to market ELTIFs.

Please explain:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 40. Please provide examples of any national taxation regimes towards long-term investment funds that are either discriminatory or that you deem materially reduce the relative attractiveness of the ELTIF framework vis-à-vis other (national) fund vehicles, also taking into account the interaction with foreign tax systems? Please provide specific examples of such cases:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Not relevant. In Italy there is no specific taxation regime for ELTIFs. ELTIFs are subject to the ordinary taxation regime provided for investment funds, which distinguishes between investment funds other than real estate ones and real estate funds. In general, the fund is not subject to taxation (except for some limited types of capital income) and the taxation is applied to the investors at the time of distribution of the proceeds or at the time of redemption, sale or liquidation of the fund's units. The rules about the so called "PIR" can be applied to ELTIFs and, subject to the conditions provided for by the PIR legislation, an exemption from taxation of income deriving from participation to the ELTIF is conceded to investors who are natural persons resident in Italy, compulsory social security institutions and supplementary pension schemes (for natural persons there is also an exemption from inheritance tax).

Question 41. You are kindly invited to make additional comments on this consultation if you consider that some areas have not been adequately covered. Please elaborate, more specifically, which amendments of the ELTIF framework could be beneficial in providing additional clarity and practical guidance in facilitating the pursuit of the ELTIF strategy. Please include examples and evidence on any issues, including those not explicitly covered by the questions raised in this public consultation:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 42. Would you be willing to provide additional clarifications or follow-up input upon a direct request from the Commission services?

- ☒ Yes
- ☐ No
- ☐ Under certain conditions

Question 42.1 Please specify under which conditions you would be willing to provide additional clarifications or follow-up input upon a direct request from the Commission services:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Additional information

Should you wish to provide additional information (e.g. a position paper, report) or raise specific points not covered by the questionnaire, you can upload your additional document(s) here:

The maximum file size is 1 MB.

You can upload several files.

Only files of the type pdf,txt,doc,docx,odt,rtf are allowed

Useful links

[More on this consultation \(https://ec.europa.eu/info/publications/finance-consultations-2020-eltif-review_en\)](https://ec.europa.eu/info/publications/finance-consultations-2020-eltif-review_en)

[Consultation document \(https://ec.europa.eu/info/files/2020-eltif-review-consultation-document_en\)](https://ec.europa.eu/info/files/2020-eltif-review-consultation-document_en)

[More on investment funds \(https://ec.europa.eu/info/business-economy-euro/growth-and-investment/investment-funds_en\)](https://ec.europa.eu/info/business-economy-euro/growth-and-investment/investment-funds_en)

Specific privacy statement (https://ec.europa.eu/info/law/better-regulation/specific-privacy-statement_en)

More on the Transparency register (<http://ec.europa.eu/transparencyregister/public/homePage.do?locale=en>)

Contact

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