



2021/0377(COD)

26.4.2022

AMENDMENTS

76 - 286

Draft report
Michiel Hoogeveen
(PE719.930v01-00)

Amending Regulation (EU) 2015/760 as regards the scope of eligible assets and investments, the portfolio composition and diversification requirements, the borrowing of cash and other fund rules and as regards requirements pertaining to the authorisation, investment policies and operating conditions of European long-term investment funds

Proposal for a regulation
(COM(2021)0722 – C9-0435/2021 – 2021/0377(COD))



Amendment 76

Ondřej Kovařík, Stéphanie Yon-Courtin, Caroline Nagtegaal, Gilles Boyer

Proposal for a regulation

Recital 3

Text proposed by the Commission

(3) Certain characteristics of the ELTIF market, including the low number of funds, the small net asset size, the low number of jurisdictions in which ELTIFs are domiciled, and a portfolio composition that is skewed towards certain eligible investment categories, demonstrate the concentrated nature of that market, both geographically and in terms of investment type. It is therefore necessary to review the functioning of the ELTIF legal framework to ensure that more investments are channelled to businesses in need of capital and to long-term investment projects.

Amendment

(3) Certain characteristics of the ELTIF market, including the low number of funds, the small net asset size, the low number of jurisdictions in which ELTIFs are domiciled, and a portfolio composition that is skewed towards certain eligible investment categories, demonstrate the concentrated nature of that market, both geographically and in terms of investment type. It is therefore necessary to review the functioning of the ELTIF legal framework to ensure that more investments are channelled to businesses in need of capital and to long-term investment projects. ***In addition, further action is needed to remove existing tax barriers and introduce tax incentives, in order to ensure an adequate level playing field across Europe that would pave the way for a truly cross-border market for this type of funds.***

Or. en

Amendment 77

Fabio Massimo Castaldo

Proposal for a regulation

Recital 3

Text proposed by the Commission

(3) Certain characteristics of the ELTIF market, including the low number of funds, the small net asset size, the low number of jurisdictions in which ELTIFs are domiciled, and a portfolio composition that is skewed towards certain eligible investment categories, demonstrate the concentrated nature of that market, both

Amendment

(3) Certain characteristics of the ELTIF market, including the low number of funds, the small net asset size, the low number of jurisdictions in which ELTIFs are domiciled, and a portfolio composition that is skewed towards certain eligible investment categories, demonstrate the concentrated nature of that market, both

geographically and in terms of investment type. It is therefore necessary to review the functioning of the ELTIF legal framework to ensure that more investments are channelled to businesses in need of capital and to long-term investment projects.

geographically and in terms of investment type. It is therefore necessary to review the functioning of the ELTIF legal framework to ensure that more investments are channelled to businesses in need of capital and to long-term investment projects.

ELTIFs have not captured investment flows also due to a lack of awareness and financial education, but most importantly an adequate level of trust and reliability in the finance industry. Promoting independent financial literacy is fundamental to make ELTIFs more accessible and popular among individual investors.

Or. en

Amendment 78
Elisabetta Gualmini, Alfred Sant

Proposal for a regulation
Recital 4

Text proposed by the Commission

(4) ELTIFs have a potential to facilitate long-term investments in the real economy. Long-term investments in projects, undertakings, and infrastructure projects in third countries can bring capital to ELTIFs and thereby benefit the economy of the Union. Such benefits can originate in multiple ways, including through investments that promote the development of border regions, enhance commercial, financial and technological cooperation and facilitate investments in environmental and sustainable energy projects. Investments in third country qualifying undertakings and eligible assets may bring **substantial** benefits to investors and ELTIF managers and to the economies, infrastructure, climate and environmental sustainability and citizens of such third countries. **It** should therefore be allowed **that the** majority of **such** assets and investments or the main revenue or profit

Amendment

(4) ELTIFs have a potential to facilitate long-term investments in the real economy. Long-term investments in projects, undertakings, and infrastructure projects in third countries can bring capital to ELTIFs and thereby benefit the economy of the Union. Such benefits can originate in multiple ways, including through investments that promote the development of border regions, enhance commercial, financial and technological cooperation and facilitate investments in environmental and sustainable energy projects. Investments in third country qualifying undertakings and eligible assets may bring benefits to investors and ELTIF managers and to the economies, infrastructure, climate and environmental sustainability and citizens of such third countries **and** should therefore be allowed. **However, the main objective of the ELTIF Regulation is to channel capital towards European**

generation of such assets and investments *are* located *in a third country*.

long-term investments in the real economy, and therefore a majority of the ELTIF assets and investments or the main revenue or profit generation of such assets and investments should be located within the Union.

Or. en

Justification

Based on ESMA's recommendation, this is to ensure that a majority of an ELTIF's assets are invested into long-term investments projects located within the EU.

Amendment 79

Claude Gruffat

on behalf of the Verts/ALE Group

Proposal for a regulation

Recital 5

Text proposed by the Commission

(5) The rules for ELTIFs are almost identical for both professional and retail investors, including rules on the use of leverage, on the diversification of assets and composition of the portfolios, on concentration limits and on limits on the eligible assets and investments. Both types of investors, however, have different time horizons, risk tolerances and investment needs. Because of those almost identical rules *and the consequential high administrative burden and associated costs for ELTIFs destined for professional investors*, asset managers have been reluctant to offer tailored products to *such* investors. Professional investors have a higher risk tolerance than retail investors and may have, due to their nature and activities, different time horizon and return objectives. It is therefore appropriate to provide for specific rules for ELTIFs that are *destined to be* marketed to professional investors, in particular with regard to the *diversification and composition of the portfolio concerned, the minimum*

Amendment

(5) The rules for ELTIFs are almost identical for both professional and retail investors, including rules on the use of leverage, on the diversification of assets and composition of the portfolios, on concentration limits and on limits on the eligible assets and investments. Both types of investors, however, have different time horizons, risk tolerances and investment needs. Because of those almost identical rules, asset managers have been reluctant to offer tailored products to *professional* investors. Professional investors have a higher risk tolerance than retail investors and may have, due to their nature and activities, different time horizon and return objectives. It is therefore appropriate to provide for specific rules for ELTIFs that are marketed to professional investors, in particular with regard to the *fund structure* and the borrowing of cash.

threshold for eligible assets, the concentration limits, and the borrowing of cash.

Or. en

Amendment 80
Markus Ferber

Proposal for a regulation
Recital 5

Text proposed by the Commission

(5) The rules for ELTIFs are almost identical for both professional and retail investors, including rules on the use of leverage, on the diversification of assets and composition of the portfolios, on concentration limits and on limits on the eligible assets and investments. Both types of investors, however, have different time horizons, risk tolerances *and* investment needs. Because of those almost identical rules and the consequential high administrative burden and associated costs for ELTIFs destined for professional investors, asset managers have been reluctant to offer tailored products to such investors. Professional investors have a higher risk tolerance than retail investors and may have, due to their nature and activities, different time horizon and return objectives. It is therefore appropriate to provide for specific rules for ELTIFs that are destined to be marketed to professional investors, in particular with regard to the diversification and composition of the portfolio concerned, the minimum threshold for eligible assets, the concentration limits, and the borrowing of cash.

Amendment

(5) The rules for ELTIFs are almost identical for both professional and retail investors, including rules on the use of leverage, on the diversification of assets and composition of the portfolios, on concentration limits and on limits on the eligible assets and investments. Both types of investors, however, have different time horizons, risk tolerances, investment needs *and capabilities to analyse investment opportunities*. Because of those almost identical rules and the consequential high administrative burden and associated costs for ELTIFs destined for professional investors, asset managers have been reluctant to offer tailored products to such investors. Professional investors have a higher risk tolerance than retail investors and may have, due to their nature and activities, different time horizon and return objectives. It is therefore appropriate to provide for specific rules for ELTIFs that are destined to be marketed to professional investors, in particular with regard to the diversification and composition of the portfolio concerned, the minimum threshold for eligible assets, the concentration limits, and the borrowing of cash.

Or. en

Amendment 81

Claude Gruffat

on behalf of the Greens/EFA Group

Proposal for a regulation

Recital 6

Text proposed by the Commission

(6) It is necessary to enhance the flexibility of asset managers in investing in a broad categories of real assets. Direct or indirect holdings of real assets should therefore be deemed to form a category of eligible assets, provided that those real assets have value due to their nature or substance. Such real assets comprise immovable property, communication, environment, energy or transport infrastructure, social infrastructure, including retirement homes or hospitals, as well as infrastructure for education, health and welfare support or industrial facilities, installations, and other assets, including intellectual property, vessels, equipment, machinery, *aircraft or rolling stock*, and immovable property.

Amendment

(6) It is necessary to enhance the flexibility of asset managers in investing in a broad categories of real assets. Direct or indirect holdings of real assets should therefore be deemed to form a category of eligible assets, provided that those real assets have value due to their nature or substance. Such real assets comprise immovable property, communication, environment, energy or transport infrastructure, social infrastructure, including retirement homes or hospitals, as well as infrastructure for education, health and welfare support or industrial facilities, installations, and other assets, including intellectual property, vessels, equipment, machinery, and immovable property.

Or. en

Amendment 82

Elisabetta Gualmini, Jonás Fernández, Paul Tang, Alfred Sant

Proposal for a regulation

Recital 7

Text proposed by the Commission

(7) Investments in commercial property, in facilities or installations for education, research, sports or development, or in housing, including in senior residents or social housing, should also be deemed to be eligible assets due to the capacity of such assets to contribute to the objectives of smart, sustainable and inclusive growth. To enable real investment strategies in areas where direct investments in real

Amendment

(7) Investments in commercial property, in facilities or installations for education, research, sports or development, or in housing, including in senior residents or social housing, should also be deemed to be eligible assets due to the capacity of such assets to contribute to the objectives of smart, sustainable and inclusive growth. To enable real investment strategies in areas where direct investments in real

assets are not possible or uneconomical, eligible investments in real assets should also comprise investments in water rights, forest rights, building rights and mineral rights.

assets are not possible or uneconomical, eligible investments in real assets should also comprise investments in water rights, forest rights, building rights and mineral rights. ***Eligible investment assets should exclude speculative investment assets, such as art, manuscripts, jewellery or other similar types of investment assets, which do not represent long-term investments in the Union's real economy.***

Or. en

Amendment 83
Fabio Massimo Castaldo

Proposal for a regulation
Recital 7

Text proposed by the Commission

(7) Investments in commercial property, in facilities or installations for education, research, sports or development, or in housing, including in senior residents or social housing, should also be deemed to be eligible assets due to the capacity of such assets to contribute to the objectives of smart, sustainable and inclusive growth. ***To enable real investment strategies in areas where direct investments in real assets are not possible or uneconomical, eligible investments in real assets should also comprise investments in water rights, forest rights, building rights and mineral rights.***

Amendment

(7) Investments in commercial property, in facilities or installations for education, research, sports or development, or in housing, including in senior residents or social housing, should also be deemed to be eligible assets due to the capacity of such assets to contribute to the objectives of smart, sustainable and inclusive growth, ***while taking into consideration the questions raised by the further privatisation of quasi-public goods.***

Or. en

Amendment 84
Jessica Polfjärd

Proposal for a regulation
Recital 8 a (new)

(8 a) To increase the attractiveness of ELTIFs, open-ended fund structures alongside the existing closed-end structure should be introduced. Combining the introduction of open-ended structures with clear rules for redemption rights would increase flexibility for investors and enable increased participation.

Or. en

Amendment 85

Elisabetta Gualmini, Jonás Fernández, Paul Tang

Proposal for a regulation

Recital 9

Text proposed by the Commission

Amendment

(9) It is necessary to increase the attractiveness of ELTIFs for asset managers and broaden the range of investment strategies available to ELTIF managers and thus to avoid the undue limitation of the scope of the eligibility of assets and investment activities of ELTIFs. The eligibility of real assets should not depend on their nature and objective or upon environmental, sustainability or social and governance related disclosures and conditions, which are already covered by Regulation (EU) 2019/2088 of the European Parliament and of the Council¹² and by Regulation (EU) 2020/852 of the European Parliament and of the Council¹³.

deleted

¹² ***Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (OJ L 317, 9.12.2019, p. 1).***

¹³ ***Regulation (EU) 2020/852 of the European Parliament and of the Council***

of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).

Or. en

Amendment 86

Claude Gruffat

on behalf of the Verts/ALE Group

Proposal for a regulation

Recital 9

Text proposed by the Commission

(9) It is necessary to increase the attractiveness of ELTIFs for asset managers and broaden the range of investment strategies available to ELTIF managers and thus to avoid the undue limitation of the scope of the eligibility of assets and investment activities of ELTIFs. The eligibility of real assets should *not depend on their nature and objective or upon environmental, sustainability or social and governance related disclosures and conditions, which are already covered by Regulation (EU) 2019/2088 of the European Parliament and of the Council¹² and by Regulation (EU) 2020/852 of the European Parliament and of the Council¹³.*

¹² Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-

Amendment

(9) It is necessary to increase the attractiveness of ELTIFs for asset managers and broaden the range of investment strategies available to ELTIF managers and thus to avoid the undue limitation of the scope of the eligibility of assets and investment activities of ELTIFs. The eligibility of real assets should *take into account the investments needed to finance the Green transition and therefore, eligible assets should include assets that comply with the sustainability criteria defined in the delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) Regulation (EU) 2020/852 of the European Parliament and of the Council¹². Additionally, ELTIFs should not invest in assets the underlying economic activities of which do significantly harm any of the environmental objectives set out in Article 9 of Regulation (EU) 2020/852 in accordance with Article 17 and the delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of that Regulation.*

¹² Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-

related disclosures in the financial services sector (OJ L 317, 9.12.2019, p. 1).

¹³ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).

related disclosures in the financial services sector (OJ L 317, 9.12.2019, p. 1).

Or. en

Amendment 87

Claude Gruffat

on behalf of the Verts/ALE Group

Proposal for a regulation

Recital 9 a (new)

Text proposed by the Commission

Amendment

(9 a) The Commission estimates that additional investments of EUR 260 billion will be needed in the Union to reach the 2030 energy and climate target. At the same time, investors, and in particular retail investors, are showing a growing interest in sustainable investment. The long-term horizon of ELTIFs makes them a suitable instrument to match investors' demand for sustainable products with the need to increase capital flows towards green investments. Therefore, a new "environmentally-sustainable ELTIF" category should be created to collect capital from investors looking for sustainable investment. This environmentally-sustainable ELTIF should be subject to stricter requirements with regard to the list of eligible assets. Such an ELTIF should invest exclusively in assets that comply with the requirements laid down in the delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852.

Amendment 88
Jessica Polfjärd

Proposal for a regulation
Recital 9 a (new)

Text proposed by the Commission

Amendment

(9 a) Regulation (EU) 2015/760 currently prevents investments by ELTIFs in credit institutions, investment firms, insurance undertakings and other financial undertakings. Such financial undertakings may play an important role in promoting digital innovation and an overall efficiency of Union financial markets, job creation and contributing to the resilience and stability of Union financial infrastructure and the Capital Markets Union at large. It is therefore necessary to remove that limitation and permit ELTIFs to invest in any financial undertakings where such undertakings are dedicated to promoting the objectives of Regulation (EU) 2015/760.

Or. en

Justification

Innovative digital companies in the financial sphere tend to grow and scale up by seeking out a license at a very early stage of their existence. Under the current regime ELTIFs would be unnecessarily prevented from investing in such firms, which tend to contribute to EU financial markets, financial infrastructure and the CMU in general.

Amendment 89
Elisabetta Gualmini, Paul Tang, Alfred Sant

Proposal for a regulation
Recital 9 a (new)

Text proposed by the Commission

Amendment

(9 a) The objective of Regulation (EU) 2015/760 is to channel capital towards

long-term investments in the Union's real economy. To ensure that ELTIFs channel capital flows towards projects that put the Union economy on a path towards smart, sustainable and inclusive growth, an ELTIF should be required to invest at least 37% of its investments in environmentally sustainable economic activities in accordance with Regulations (EU) 2020/852 and 2019/2088.

Or. en

Amendment 90

Paul Tang, René Repasi, Jonás Fernández, Margarida Marques

Proposal for a regulation

Recital 9 a (new)

Text proposed by the Commission

Amendment

(9 a) ELTIFs are intended to promote long-term economic growth in the Union and as such sustainability considerations are at their heart. ELTIFs thus either promote, among other characteristics, environmental or social characteristics or have sustainable investment as their objective. Therefore, ELTIFs should be subject to the requirements of either Article 8 or 9 of Regulation (EU) 2019/2088.

Or. en

Amendment 91

Elisabetta Gualmini, Jonás Fernández, Paul Tang

Proposal for a regulation

Recital 9 b (new)

Text proposed by the Commission

Amendment

(9 b) In order to encourage the redirection of private capital flows towards more environmentally sustainable

investments, it is necessary to extend the scope of eligible assets so that ELTIFs are also able to invest in green bonds to be issued under the prospective regulation based on the Commission proposal on European green bonds (COM(2021)0391) and in financial products that have sustainable investments as their objective, in accordance with Article 9 of Regulation (EU) 2019/2088.

Or. en

Amendment 92
Claude Gruffat
on behalf of the Verts/ALE Group

Proposal for a regulation
Recital 9 b (new)

Text proposed by the Commission

Amendment

(9 b) Green washing practices should be avoided and investors should be able to assess the investment practices of ELTIF managers. Thus, ELTIFs should be subject to additional disclosure requirements. In particular, ELTIFs should disclose the share of their assets that comply with the taxonomy requirements.

Or. en

Amendment 93
Claude Gruffat
on behalf of the Greens/EFA Group

Proposal for a regulation
Recital 10

Text proposed by the Commission

Amendment

(10) It is necessary to extend the scope of eligible assets and promote the

deleted

investments of ELTIFs in securitised assets. It should therefore be clarified that, where the underlying assets consist of long-term exposures, eligible investment assets should also include simple, transparent and standardised (STS) securitisations as referred to in Article 18 of Regulation (EU) 2017/2402 of the European Parliament and of the Council¹⁴. Those long-term exposures comprise securitisations of residential loans that are secured by one or more mortgages on residential immovable property (residential mortgage backed securities (RMBS)), commercial loans that are secured by one or more mortgages on commercial immovable property, corporate loans, including loans which are granted to small and medium enterprises (SMEs), and trade receivables or other underlying exposures that the originator considers to form a distinct asset type, provided that the proceeds from securitising those trade receivables or other underlying exposures are used for financing or refinancing long-term investments.

¹⁴ *Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 (OJ L 347, 28.12.2017, p. 35).*

Or. en

Amendment 94
Markus Ferber

Proposal for a regulation
Recital 10

(10) It is necessary to extend the scope of eligible assets and promote the investments of ELTIFs in securitised assets. It should therefore be clarified that, where the underlying assets consist of long-term exposures, eligible investment assets should also include *simple, transparent and standardised (STS)* securitisations *as referred to in Article 18 of Regulation (EU) 2017/2402 of the European Parliament and of the Council*¹⁴. Those long-term exposures comprise securitisations of residential loans that are secured by one or more mortgages on residential immovable property (residential mortgage backed securities (RMBS)), commercial loans that are secured by one or more mortgages on commercial immovable property, corporate loans, including loans which are granted to small and medium enterprises (SMEs), and trade receivables or other underlying exposures that the originator considers to form a distinct asset type, provided that the proceeds from securitising those trade receivables or other underlying exposures are used for financing or refinancing long-term investments.

(10) It is necessary to extend the scope of eligible assets and promote the investments of ELTIFs in securitised assets. It should therefore be clarified that, where the underlying assets consist of long-term exposures, eligible investment assets should also include securitisations. Those long-term exposures comprise securitisations of residential loans that are secured by one or more mortgages on residential immovable property (residential mortgage backed securities (RMBS)), commercial loans that are secured by one or more mortgages on commercial immovable property, corporate loans, including loans which are granted to small and medium enterprises (SMEs), and trade receivables or other underlying exposures that the originator considers to form a distinct asset type, provided that the proceeds from securitising those trade receivables or other underlying exposures are used for financing or refinancing long-term investments.

¹⁴ *Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 (OJ L 347, 28.12.2017, p. 35).*

Or. en

Amendment 95

Proposal for a regulation

Recital 10

Text proposed by the Commission

(10) It is necessary to extend the scope of eligible assets and promote the investments of ELTIFs in securitised assets. It should therefore be clarified that, where the underlying assets consist of long-term exposures, eligible investment assets should also include *simple, transparent and standardised (STS) securitisations as referred to in Article 18 of Regulation (EU) 2017/2402 of the European Parliament and of the Council*¹⁴. Those long-term exposures comprise securitisations of residential loans that are secured by one or more mortgages on residential immovable property (residential mortgage backed securities (RMBS)), commercial loans that are secured by one or more mortgages on commercial immovable property, corporate loans, including loans which are granted to small and medium enterprises (SMEs), and trade receivables or other underlying exposures that the originator considers to form a distinct asset type, provided that the proceeds from securitising those trade receivables or other underlying exposures are used for financing or refinancing long-term investments.

¹⁴ *Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 (OJ L 347, 28.12.2017, p. 35).*

Amendment

(10) It is necessary to extend the scope of eligible assets and promote the investments of ELTIFs in securitised assets. It should therefore be clarified that, where the underlying assets consist of long-term exposures, eligible investment assets should also include securitisations. Those long-term exposures comprise securitisations of residential loans that are secured by one or more mortgages on residential immovable property (residential mortgage backed securities (RMBS)), commercial loans that are secured by one or more mortgages on commercial immovable property, corporate loans, including loans which are granted to small and medium enterprises (SMEs), and trade receivables or other underlying exposures that the originator considers to form a distinct asset type, provided that the proceeds from securitising those trade receivables or other underlying exposures are used for financing or refinancing long-term investments.

Or. en

Justification

Expanding the scope beyond STS securitisations would not only make the ELTIF more attractive, it would furthermore free up more balance sheets to allow for further lending to the economy.

Amendment 96

Ondřej Kovařík, Caroline Nagtegaal

Proposal for a regulation

Recital 10

Text proposed by the Commission

(10) It is necessary to extend the scope of eligible assets and promote the investments of ELTIFs in securitised assets. It should therefore be clarified that, where the underlying assets consist of long-term exposures, eligible investment assets should also include *simple, transparent and standardised (STS)* securitisations as referred to in Article 18 of Regulation (EU) 2017/2402 of the European Parliament and of the Council¹⁴. Those long-term exposures comprise securitisations of residential loans that are secured by one or more mortgages on residential immovable property (residential mortgage backed securities (RMBS)), commercial loans that are secured by one or more mortgages on commercial immovable property, corporate loans, including loans which are granted to small and medium enterprises (SMEs), and trade receivables or other underlying exposures that the originator considers to form a distinct asset type, provided that the proceeds from securitising those trade receivables or other underlying exposures are used for financing or refinancing long-term investments.

¹⁴ Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a

Amendment

(10) It is necessary to extend the scope of eligible assets and promote the investments of ELTIFs in securitised assets. It should therefore be clarified that, where the underlying assets consist of long-term exposures, eligible investment assets should also include securitisations as referred to in Article 2(1) of Regulation (EU) 2017/2402 of the European Parliament and of the Council¹⁴. Those long-term exposures comprise securitisations of residential loans that are secured by one or more mortgages on residential immovable property (residential mortgage backed securities (RMBS)), commercial loans that are secured by one or more mortgages on commercial immovable property, corporate loans, including loans which are granted to small and medium enterprises (SMEs), and trade receivables or other underlying exposures that the originator considers to form a distinct asset type, provided that the proceeds from securitising those trade receivables or other underlying exposures are used for financing or refinancing long-term investments.

¹⁴ Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a

specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 (OJ L 347, 28.12.2017, p. 35).

specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 (OJ L 347, 28.12.2017, p. 35).

Or. en

Amendment 97

Elisabetta Gualmini, Jonás Fernández, Paul Tang, Alfred Sant

Proposal for a regulation

Recital 10 a (new)

Text proposed by the Commission

Amendment

(10 a) To ensure alignment with other Union legislative acts that promote long-term sustainable investments and equitable economic development, including Regulation (EU) 2020/852, ELTIFs should have measures in place to protect social rights and minimum social safeguards.

Or. en

Amendment 98

Jessica Polfjärd

Proposal for a regulation

Recital 11

Text proposed by the Commission

Amendment

(11) In order to improve access of investors to more up-to-date and complete information on the ELTIF market, it is necessary to increase the granularity and the timeliness of the central public register referred to in Article 3(3), second subparagraph, of Regulation (EU) 2015/760 ('ELTIF register'). The ELTIF register should therefore contain additional

(11) In order to improve access of investors to more up-to-date and complete information on the ELTIF market, it is necessary to increase the granularity and the timeliness of the central public register referred to in Article 3(3), second subparagraph, of Regulation (EU) 2015/760 ('ELTIF register'). The ELTIF register should therefore contain additional

information to the information that that register contains already, including, where available, the Legal Entity Identifier ('LEI') and the national code identifier of the ELTIF, the name, address and the LEI of the ELTIF manager, the International Securities Identification Numbers ('ISIN') codes of the ELTIF and of each separate share or unit class, the competent authority of the ELTIF and the home Member State of that ELTIF, the Member States where the ELTIF is marketed, whether the ELTIF can be marketed to retail investors or can solely be marketed to professional investors, the date of the authorisation of the ELTIF, and the date on which the marketing of the ELTIF has commenced. ***In addition, to enable ELTIF investors to analyse and compare existing ELTIFs, the ELTIF register should contain up-to-date links to the ELTIF documentation, including to the rules or instruments of incorporation of the ELTIF concerned, the annual reports, the prospectus and, where available, the Key Information Document drawn up in accordance with Regulation (EU) No 1286/2014 of the European Parliament and of the Council¹⁵.*** To ensure an up-to-date status of the ELTIF register, it is appropriate to require competent authorities to communicate to ESMA any changes to the information on an ELTIF, including authorisations and withdrawals of such authorisations, on a *monthly* basis.

¹⁵ ***Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs) (OJ L 352, 9.12.2014, p. 1).***

information to the information that that register contains already, including, where available, the Legal Entity Identifier ('LEI') and the national code identifier of the ELTIF, the name, address and the LEI of the ELTIF manager, the International Securities Identification Numbers ('ISIN') codes of the ELTIF and of each separate share or unit class, the competent authority of the ELTIF and the home Member State of that ELTIF, the Member States where the ELTIF is marketed, whether the ELTIF can be marketed to retail investors or can solely be marketed to professional investors, the date of the authorisation of the ELTIF, and the date on which the marketing of the ELTIF has commenced. To ensure an up-to-date status of the ELTIF register, it is appropriate to require competent authorities to communicate to ESMA any changes to the information on an ELTIF, including authorisations and withdrawals of such authorisations, on a *quarterly* basis.

Or. en

Amendment 99
Claude Gruffat

Proposal for a regulation

Recital 11

Text proposed by the Commission

(11) In order to improve access of investors to more up-to-date and complete information on the ELTIF market, it is necessary to increase the granularity and the timeliness of the central public register referred to in Article 3(3), second subparagraph, of Regulation (EU) 2015/760 ('ELTIF register'). The ELTIF register should therefore contain additional information to the information that that register contains already, including, where available, the Legal Entity Identifier ('LEI') and the national code identifier of the ELTIF, the name, address and the LEI of the ELTIF manager, the International Securities Identification Numbers ('ISIN') codes of the ELTIF and of each separate share or unit class, the competent authority of the ELTIF and the home Member State of that ELTIF, the Member States where the ELTIF is marketed, whether the ELTIF can be marketed to retail investors or can solely be marketed to professional investors, the date of the authorisation of the ELTIF, and the date on which the marketing of the ELTIF has commenced. In addition, to enable ELTIF investors to analyse and compare existing ELTIFs, the ELTIF register should contain up-to-date links to the ELTIF documentation, including to the rules or instruments of incorporation of the ELTIF concerned, the annual reports, the prospectus and, where available, the Key Information Document drawn up in accordance with Regulation (EU) No 1286/2014 of the European Parliament and of the Council¹⁵. To ensure an up-to-date status of the ELTIF register, it is appropriate to require competent authorities to communicate to ESMA any changes to the information on an ELTIF, including authorisations and withdrawals of such authorisations, on a monthly basis.

Amendment

(11) In order to improve access of investors to more up-to-date and complete information on the ELTIF market, it is necessary to increase the granularity and the timeliness of the central public register referred to in Article 3(3), second subparagraph, of Regulation (EU) 2015/760 ('ELTIF register'). The ELTIF register should therefore contain additional information to the information that that register contains already, including, where available, the Legal Entity Identifier ('LEI') and the national code identifier of the ELTIF, the name, address and the LEI of the ELTIF manager, the International Securities Identification Numbers ('ISIN') codes of the ELTIF and of each separate share or unit class, the competent authority of the ELTIF and the home Member State of that ELTIF, the Member States where the ELTIF is marketed, whether the ELTIF can be marketed to retail investors or can solely be marketed to professional investors, the date of the authorisation of the ELTIF, and the date on which the marketing of the ELTIF has commenced. In addition, to enable ELTIF investors to analyse and compare existing ELTIFs, the ELTIF register should contain up-to-date links to the ELTIF documentation, including to the rules or instruments of incorporation of the ELTIF concerned, the annual reports, the prospectus and, where available, the Key Information Document drawn up in accordance with Regulation (EU) No 1286/2014 of the European Parliament and of the Council¹⁵. To ensure an up-to-date status of the ELTIF register, it is appropriate to require competent authorities to communicate to ESMA any changes to the information on an ELTIF, including authorisations and withdrawals *and refusals* of such authorisations, on a

monthly basis.

¹⁵ Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs) (OJ L 352, 9.12.2014, p. 1).

¹⁵ Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs) (OJ L 352, 9.12.2014, p. 1).

Or. en

Amendment 100
Jessica Polfjärd

Proposal for a regulation
Recital 12 a (new)

Text proposed by the Commission

Amendment

(12 a) The reference value used for determining limits on diversification and borrowing should be relevant and provide an up-to-date and accurate image of an ELTIF. Therefore, net asset value should be used as the reference value for determining limits for an ELTIF, instead of the value of its capital.

Or. en

Amendment 101
Gunnar Beck

Proposal for a regulation
Recital 12 a (new)

Text proposed by the Commission

Amendment

(12 a) The capital approach set out in Regulation (EU) 2015/760 does not always accurately reflect the evolution of the value of units or shares of ELTIFs. Defining the diversification and borrowing limits through a net asset value approach would be more accurate.

Amendment 102**Markus Ferber****Proposal for a regulation****Recital 13***Text proposed by the Commission*

(13) Due to concerns that fund-of-funds strategies can give rise to investments that would not fall within the scope of eligible investment assets, Regulation (EU) 2015/760 currently contains restrictions on investments in other funds throughout the ELTIF's life. Fund-of-fund strategies are, however, a common and very effective way of obtaining rapid exposure to illiquid assets, in particular in respect of real estate and in the context of fully paid-in capital structures. It is therefore necessary to give ELTIFs the possibility to invest in other funds, because that would enable ELTIFs to ensure a faster deployment of capital. Facilitating fund-of-fund investments by ELTIFs would also allow reinvestment of excess cash into funds as different investments with distinct maturities may lower the cash drag of the ELTIF. It is therefore necessary to expand the eligibility of funds-of-funds strategies for ELTIF managers beyond investments in European venture capital funds (EuVECAs) or European social entrepreneurship funds (EuSEFs). The scope of collective investment undertakings in which ELTIFs can invest should thus be broadened to undertakings for collective investment in transferable securities (UCITS) and to EU alternative investment funds (EU AIFs) managed by EU AIF managers. However, in order to ensure effective investor protection, it is also necessary to set out that where an ELTIF invests in other ELTIFs, in European venture capital funds (EuVECAs), in European social

Amendment

(13) Due to concerns that fund-of-funds strategies can give rise to investments that would not fall within the scope of eligible investment assets, Regulation (EU) 2015/760 currently contains restrictions on investments in other funds throughout the ELTIF's life. Fund-of-fund strategies are, however, a common and very effective way of obtaining rapid exposure to illiquid assets, in particular in respect of real estate and in the context of fully paid-in capital structures. It is therefore necessary to give ELTIFs the possibility to invest in other funds, because that would enable ELTIFs to ensure a faster deployment of capital. Facilitating fund-of-fund investments by ELTIFs would also allow reinvestment of excess cash into funds as different investments with distinct maturities may lower the cash drag of the ELTIF. It is therefore necessary to expand the eligibility of funds-of-funds strategies for ELTIF managers beyond investments in European venture capital funds (EuVECAs) or European social entrepreneurship funds (EuSEFs). The scope of collective investment undertakings in which ELTIFs can invest should thus be broadened to undertakings for collective investment in transferable securities (UCITS) and to EU alternative investment funds (EU AIFs) managed by EU AIF managers. However, in order to ensure effective investor protection, it is also necessary to set out that where an ELTIF invests in other ELTIFs, in European venture capital funds (EuVECAs), in European social

entrepreneurship funds (EuSEFs), in UCITS and EU AIFs managed by EU AIFMs, those collective investment undertakings should also invest in eligible investments and have not themselves invested more than **10** % of their capital in any other collective investment undertaking.

entrepreneurship funds (EuSEFs), in UCITS and EU AIFs managed by EU AIFMs, those collective investment undertakings should also invest in eligible investments and have not themselves invested more than **25** % of their capital in any other collective investment undertaking.

Or. en

Amendment 103
Jessica Polfjärd

Proposal for a regulation
Recital 13

Text proposed by the Commission

(13) Due to concerns that fund-of-funds strategies can give rise to investments that would not fall within the scope of eligible investment assets, Regulation (EU) 2015/760 currently contains restrictions on investments in other funds throughout the ELTIF's life. Fund-of-fund strategies are, however, a common and very effective way of obtaining rapid exposure to illiquid assets, in particular in respect of real estate and in the context of fully paid-in capital structures. It is therefore necessary to give ELTIFs the possibility to invest in other funds, because that would enable ELTIFs to ensure a faster deployment of capital. Facilitating fund-of-fund investments by ELTIFs would also allow reinvestment of excess cash into funds as different investments with distinct maturities may lower the cash drag of the ELTIF. It is therefore necessary to expand the eligibility of funds-of-funds strategies for ELTIF managers beyond investments in European venture capital funds (EuVECA)s or European social entrepreneurship funds (EuSEFs). The scope of collective investment undertakings in which ELTIFs can invest should thus be broadened to undertakings

Amendment

(13) Due to concerns that fund-of-funds strategies can give rise to investments that would not fall within the scope of eligible investment assets, Regulation (EU) 2015/760 currently contains restrictions on investments in other funds throughout the ELTIF's life. Fund-of-fund strategies are, however, a common and very effective way of obtaining rapid exposure to illiquid assets, in particular in respect of real estate and in the context of fully paid-in capital structures. It is therefore necessary to give ELTIFs the possibility to invest in other funds, because that would enable ELTIFs to ensure a faster deployment of capital. Facilitating fund-of-fund investments by ELTIFs would also allow reinvestment of excess cash into funds as different investments with distinct maturities may lower the cash drag of the ELTIF. It is therefore necessary to expand the eligibility of funds-of-funds strategies for ELTIF managers beyond investments in European venture capital funds (EuVECA)s or European social entrepreneurship funds (EuSEFs). The scope of collective investment undertakings in which ELTIFs can invest should thus be broadened to undertakings

for collective investment in transferable securities (UCITS) and to EU alternative investment funds (EU AIFs) managed by EU AIF managers. However, in order to ensure effective investor protection, it is also necessary to set out that where an ELTIF invests in other ELTIFs, in European venture capital funds (EuVECAs), in European social entrepreneurship funds (EuSEFs), in UCITS and EU AIFs managed by EU AIFMs, those collective investment undertakings should also invest in eligible investments and have not themselves invested more than **10** % of their *capital* in any other collective investment undertaking.

for collective investment in transferable securities (UCITS) and to EU alternative investment funds (EU AIFs) managed by EU AIF managers. However, in order to ensure effective investor protection, it is also necessary to set out that where an ELTIF invests in other ELTIFs, in European venture capital funds (EuVECAs), in European social entrepreneurship funds (EuSEFs), in UCITS and EU AIFs managed by EU AIFMs, those collective investment undertakings should also invest in eligible investments and have not themselves invested more than **20** % of their *net asset value* in any other collective investment undertaking.

Or. en

Justification

The reference value used for determining limits to diversification and borrowing should be relevant and give an updated and accurate image of the ELTIF. Therefore, net asset value should be used instead of capital as reference value for determining limits for the ELTIF.

Amendment 104

Fabio Massimo Castaldo

Proposal for a regulation

Recital 13

Text proposed by the Commission

(13) Due to concerns that fund-of-funds strategies can give rise to investments that would not fall within the scope of eligible investment assets, Regulation (EU) 2015/760 currently contains restrictions on investments in other funds throughout the ELTIF's life. Fund-of-fund strategies are, however, a common and very effective way of obtaining rapid exposure to illiquid assets, in particular in respect of real estate and in the context of fully paid-in capital structures. It is therefore necessary to give ELTIFs the possibility to invest in other funds, because that would enable ELTIFs

Amendment

(13) Due to concerns that fund-of-funds strategies can give rise to investments that would not fall within the scope of eligible investment assets, Regulation (EU) 2015/760 currently contains restrictions on investments in other funds throughout the ELTIF's life. Fund-of-fund strategies are, however, a common and very effective way of obtaining rapid exposure to illiquid assets, in particular in respect of real estate and in the context of fully paid-in capital structures. It is therefore necessary to give ELTIFs the possibility to invest in other funds, because that would enable ELTIFs

to ensure a faster deployment of capital. Facilitating fund-of-fund investments by ELTIFs would also allow reinvestment of excess cash into funds as different investments with distinct maturities may lower the cash drag of the ELTIF. It is therefore necessary to expand the eligibility of funds-of-funds strategies for ELTIF managers beyond investments in European venture capital funds (EuVECA)s or European social entrepreneurship funds (EuSEFs). The scope of collective investment undertakings in which ELTIFs can invest should thus be broadened to undertakings for collective investment in transferable securities (UCITS) and to EU alternative investment funds (EU AIFs) managed by EU AIF managers. However, in order to ensure effective investor protection, it is also necessary to set out that where an ELTIF invests in other ELTIFs, in European venture capital funds (EuVECA)s, in European social entrepreneurship funds (EuSEFs), in UCITS and EU AIFs managed by EU AIFMs, those collective investment undertakings should also *invest in eligible investments and have not themselves invested more than 10 % of their capital in any other collective investment undertaking*.

to ensure a faster deployment of capital. Facilitating fund-of-fund investments by ELTIFs would also allow reinvestment of excess cash into funds as different investments with distinct maturities may lower the cash drag of the ELTIF. It is therefore necessary to expand the eligibility of funds-of-funds strategies for ELTIF managers beyond investments in European venture capital funds (EuVECA)s or European social entrepreneurship funds (EuSEFs). The scope of collective investment undertakings in which ELTIFs can invest should thus be broadened to undertakings for collective investment in transferable securities (UCITS) and to EU alternative investment funds (EU AIFs) managed by EU AIF managers. However, in order to ensure effective investor protection, it is also necessary to set out that where an ELTIF invests in other ELTIFs, in European venture capital funds (EuVECA)s, in European social entrepreneurship funds (EuSEFs), in UCITS and EU AIFs managed by EU AIFMs, those collective investment undertakings should also *comply with the portfolio composition, diversification, concentration and investment restriction rules applying to ELTIFs, thereby offering a risk profile similar to that of ELTIFs*.

Or. en

Amendment 105

Elisabetta Gualmini, Jonás Fernández, Paul Tang

Proposal for a regulation

Recital 13

Text proposed by the Commission

(13) Due to concerns that fund-of-funds strategies can give rise to investments that would not fall within the scope of eligible investment assets, Regulation (EU)

Amendment

(13) Due to concerns that fund-of-funds strategies can give rise to investments that would not fall within the scope of eligible investment assets, Regulation (EU)

2015/760 currently contains restrictions on investments in other funds throughout the ELTIF's life. Fund-of-fund strategies are, however, a common and very effective way of obtaining rapid exposure to illiquid assets, in particular in respect of real estate and in the context of fully paid-in capital structures. It is therefore necessary to give ELTIFs the possibility to invest in other funds, because that would enable ELTIFs to ensure a faster deployment of capital. Facilitating fund-of-fund investments by ELTIFs would also allow reinvestment of excess cash into funds as different investments with distinct maturities may lower the cash drag of the ELTIF. It is therefore necessary to expand the eligibility of funds-of-funds strategies for ELTIF managers beyond investments in European venture capital funds (EuVEECAs) or European social entrepreneurship funds (EuSEFs). The scope of collective investment undertakings in which ELTIFs can invest should thus be broadened to undertakings for collective investment in transferable securities (UCITS) and to EU alternative investment funds (EU AIFs) managed by EU AIF managers. However, in order to ensure effective investor protection, it is also necessary to set out that where an ELTIF invests in other ELTIFs, in European venture capital funds (EuVEECAs), in European social entrepreneurship funds (EuSEFs), in UCITS and EU AIFs managed by EU AIFMs, those collective investment undertakings should also invest in eligible investments and have not themselves invested more than 10 % of their capital in any other collective investment undertaking.

2015/760 currently contains restrictions on investments in other funds throughout the ELTIF's life. Fund-of-fund strategies are, however, a common and very effective way of obtaining rapid exposure to illiquid assets, in particular in respect of real estate and in the context of fully paid-in capital structures. It is therefore necessary to give ELTIFs the possibility to invest in other funds, because that would enable ELTIFs to ensure a faster deployment of capital. Facilitating fund-of-fund investments by ELTIFs would also allow reinvestment of excess cash into funds as different investments with distinct maturities may lower the cash drag of the ELTIF. It is therefore necessary to expand the eligibility of funds-of-funds strategies for ELTIF managers beyond investments in European venture capital funds (EuVEECAs) or European social entrepreneurship funds (EuSEFs). The scope of collective investment undertakings in which ELTIFs can invest should thus be broadened to undertakings for collective investment in transferable securities (UCITS) and to EU alternative investment funds (EU AIFs) managed by EU AIF managers. However, in order to ensure effective investor protection, it is also necessary to set out that where an ELTIF invests in other ELTIFs, in European venture capital funds (EuVEECAs), in European social entrepreneurship funds (EuSEFs), in UCITS and EU AIFs managed by EU AIFMs, those collective investment undertakings should also invest in eligible investments and have not themselves invested more than 10 % of their capital in any other collective investment undertaking. ***While facilitating fund-of-fund investments by ELTIFs could provide potential investors with higher levels of diversification and lower volatility, it is important to ensure that such strategies do not lead to an excessive layering of fees for retail investors investing in fund-of-fund strategies.***

Amendment 106**Gunnar Beck****Proposal for a regulation****Recital 13***Text proposed by the Commission*

(13) Due to concerns that fund-of-funds strategies can give rise to investments that would not fall within the scope of eligible investment assets, Regulation (EU) 2015/760 currently contains restrictions on investments in other funds throughout the ELTIF's life. Fund-of-fund strategies are, however, a common and very effective way of obtaining rapid exposure to illiquid assets, in particular in respect of real estate and in the context of fully paid-in capital structures. It is therefore necessary to give ELTIFs the possibility to invest in other funds, because that would enable ELTIFs to ensure a faster deployment of capital. Facilitating fund-of-fund investments by ELTIFs would also allow reinvestment of excess cash into funds as different investments with distinct maturities may lower the cash drag of the ELTIF. It is therefore necessary to expand the eligibility of funds-of-funds strategies for ELTIF managers beyond investments in European venture capital funds (EuVECAs) or European social entrepreneurship funds (EuSEFs). The scope of collective investment undertakings in which ELTIFs can invest should thus be broadened to undertakings for collective investment in transferable securities (UCITS) and to EU alternative investment funds (EU AIFs) managed by EU AIF managers. However, in order to ensure effective investor protection, it is also necessary to set out that where an ELTIF invests in other ELTIFs, in European venture capital funds (EuVECAs), in European social

Amendment

(13) Due to concerns that fund-of-funds strategies can give rise to investments that would not fall within the scope of eligible investment assets, Regulation (EU) 2015/760 currently contains restrictions on investments in other funds throughout the ELTIF's life. Fund-of-fund strategies are, however, a common and very effective way of obtaining rapid exposure to illiquid assets, in particular in respect of real estate and in the context of fully paid-in capital structures. It is therefore necessary to give ELTIFs the possibility to invest in other funds, because that would enable ELTIFs to ensure a faster deployment of capital. Facilitating fund-of-fund investments by ELTIFs would also allow reinvestment of excess cash into funds as different investments with distinct maturities may lower the cash drag of the ELTIF. It is therefore necessary to expand the eligibility of funds-of-funds strategies for ELTIF managers beyond investments in European venture capital funds (EuVECAs) or European social entrepreneurship funds (EuSEFs). The scope of collective investment undertakings in which ELTIFs can invest should thus be broadened to undertakings for collective investment in transferable securities (UCITS) and to EU alternative investment funds (EU AIFs) managed by EU AIF managers. However, in order to ensure effective investor protection, it is also necessary to set out that where an ELTIF invests in other ELTIFs, in European venture capital funds (EuVECAs), in European social

entrepreneurship funds (EuSEFs), in UCITS and EU AIFs managed by EU AIFMs, those collective investment undertakings should also invest in eligible investments and have not themselves invested more than 10 % of their *capital* in any other collective investment undertaking.

entrepreneurship funds (EuSEFs), in UCITS and EU AIFs managed by EU AIFMs, those collective investment undertakings should also invest in eligible investments and have not themselves invested more than 10 % of their *net asset value* in any other collective investment undertaking.

Or. en

Amendment 107

Claude Gruffat

on behalf of the Verts/ALE Group

Proposal for a regulation

Recital 14

Text proposed by the Commission

(14) In order to better use the expertise of the ELTIF managers and because of diversification benefits, in certain cases it can be beneficial for ELTIFs to invest all or almost all of their assets into the diversified portfolio of the master ELTIF. ELTIFs should therefore be allowed to pool their assets and make use of master-feeder structures by investing in master ELTIFs.

Amendment

(14) In order to better use the expertise of the ELTIF managers and because of diversification benefits, in certain cases it can be beneficial for ELTIFs to invest all or almost all of their assets into the diversified portfolio of the master ELTIF. ELTIFs should therefore be allowed to pool their assets and make use of master-feeder structures by investing in master ELTIFs. ***However, as master-feeder structures are more complex, retail investors might not have sufficient knowledge and expertise to assess the risks associated with their investment. This type of strategy may also increase the fees for retail investors. Therefore, the use of master-feeder structure should be allowed only for ELTIFs marketed to professional investors.***

Or. en

Amendment 108

Ondřej Kovařík, Caroline Nagtegaal

Proposal for a regulation

Recital 15

Text proposed by the Commission

(15) The diversification requirements laid down in the current version of Regulation (EU) 2015/760 were introduced to ensure that ELTIFs can withstand adverse market circumstances. Those diversification thresholds imply, however, that ELTIFs are, on average, required to make ten distinct investments. In relation to investment in projects or infrastructures of large scale, the requirement to make ten investments per ELTIF may be difficult to achieve, and costly in terms of transactional costs and capital allocation. To reduce transaction and administrative costs for ELTIFs and ultimately their investors, ELTIFs should therefore be able to pursue more concentrated investment strategies and thus to be exposed to fewer eligible assets. It is therefore necessary to adjust the diversification requirements for ELTIFs' exposures to single qualifying portfolio undertakings, single real assets, collective investment undertakings and certain other eligible investment assets, contracts and financial instruments. That additional flexibility in the portfolio composition of ELTIFs and the reduction in the diversification requirements should not materially affect the capacity of ELTIFs to withstand market volatility, since ELTIFs typically invest in assets that often do not have a readily available market quotation, may be highly illiquid, and frequently have long-term maturity or time horizon.

Amendment

(15) The diversification requirements laid down in the current version of Regulation (EU) 2015/760 were introduced to ensure that ELTIFs can withstand adverse market circumstances. Those diversification thresholds imply, however, that ELTIFs are, on average, required to make ten distinct investments. In relation to investment in projects or infrastructures of large scale, the requirement to make ten investments per ELTIF may be difficult to achieve, and costly in terms of transactional costs and capital allocation. To reduce transaction and administrative costs for ELTIFs and ultimately their investors, ELTIFs should therefore be able to pursue more concentrated investment strategies and thus to be exposed to fewer eligible assets. It is therefore necessary to adjust the diversification requirements for ELTIFs' exposures to single qualifying portfolio undertakings, single real assets, collective investment undertakings and certain other eligible investment assets, contracts and financial instruments. That additional flexibility in the portfolio composition of ELTIFs and the reduction in the diversification requirements should not materially affect the capacity of ELTIFs to withstand market volatility, since ELTIFs typically invest in assets that often do not have a readily available market quotation, may be highly illiquid, and frequently have long-term maturity or time horizon. ***Those diversification thresholds should not be applicable, in any case, to funds that are marketed as fund-of-fund structures.***

Or. en

Amendment 109 **Markus Ferber**

Proposal for a regulation

Recital 15

Text proposed by the Commission

(15) The diversification requirements laid down in the current version of Regulation (EU) 2015/760 were introduced to ensure that ELTIFs can withstand adverse market circumstances. Those diversification thresholds imply, however, that ELTIFs are, on average, required to make ten distinct investments. In relation to investment in projects or infrastructures of large scale, the requirement to make ten investments per ELTIF may be difficult to achieve, and costly in terms of transactional costs and capital allocation. To reduce transaction and administrative costs for ELTIFs and ultimately their investors, ELTIFs should therefore be able to pursue more concentrated investment strategies and thus to be exposed to fewer eligible assets. It is therefore necessary to adjust the diversification requirements for ELTIFs' exposures to single qualifying portfolio undertakings, single real assets, collective investment undertakings and certain other eligible investment assets, contracts and financial instruments. That additional flexibility in the portfolio composition of ELTIFs and the reduction in the diversification requirements should not materially affect the capacity of ELTIFs to withstand market volatility, since ELTIFs typically invest in assets that often do not have a readily available market quotation, may be highly illiquid, and frequently have long-term maturity or time horizon.

Amendment

(15) The diversification requirements laid down in the current version of Regulation (EU) 2015/760 were introduced to ensure that ELTIFs can withstand adverse market circumstances. Those diversification thresholds imply, however, that ELTIFs are, on average, required to make ten distinct investments. ***Those provisions have proven to be too restrictive.*** In relation to investment in projects or infrastructures of large scale, the requirement to make ten investments per ELTIF may be difficult to achieve, and costly in terms of transactional costs and capital allocation. To reduce transaction and administrative costs for ELTIFs and ultimately their investors, ELTIFs should therefore be able to pursue more concentrated investment strategies and thus to be exposed to fewer eligible assets. It is therefore necessary to adjust the diversification requirements for ELTIFs' exposures to single qualifying portfolio undertakings, single real assets, collective investment undertakings and certain other eligible investment assets, contracts and financial instruments. That additional flexibility in the portfolio composition of ELTIFs and the reduction in the diversification requirements should not materially affect the capacity of ELTIFs to withstand market volatility, since ELTIFs typically invest in assets that often do not have a readily available market quotation, may be highly illiquid, and frequently have long-term maturity or time horizon.

Or. en

Amendment 110

Claude Gruffat

on behalf of the Greens/EFA Group

Proposal for a regulation
Recital 15

Text proposed by the Commission

(15) The diversification requirements laid down in the current version of Regulation (EU) 2015/760 were introduced to ensure that ELTIFs can withstand adverse market circumstances. Those diversification thresholds imply, however, that ELTIFs are, on average, required to make ten distinct investments. In relation to investment in projects or infrastructures of large scale, the requirement to make ten investments per ELTIF may be difficult to achieve, and costly in terms of transactional costs and capital allocation. To reduce transaction and administrative costs for ELTIFs and ultimately their investors, ELTIFs should therefore be able to pursue more concentrated investment strategies and thus to be exposed to fewer eligible assets. It is therefore necessary to adjust the diversification requirements for ELTIFs' exposures to single qualifying portfolio undertakings, single real assets, ***collective investment undertakings*** and certain other eligible investment assets, contracts and financial instruments. That additional flexibility in the portfolio composition of ELTIFs and the reduction in the diversification requirements should not materially affect the capacity of ELTIFs to withstand market volatility, since ELTIFs typically invest in assets that often do not have a readily available market quotation, may be highly illiquid, and frequently have long-term maturity or time horizon.

Amendment

(15) The diversification requirements laid down in the current version of Regulation (EU) 2015/760 were introduced to ensure that ELTIFs can withstand adverse market circumstances. Those diversification thresholds imply, however, that ELTIFs are, on average, required to make ten distinct investments. In relation to investment in projects or infrastructures of large scale, the requirement to make ten investments per ELTIF may be difficult to achieve, and costly in terms of transactional costs and capital allocation. To reduce transaction and administrative costs for ELTIFs and ultimately their investors, ELTIFs should therefore be able to pursue more concentrated investment strategies and thus to be exposed to fewer eligible assets. It is therefore necessary to adjust the diversification requirements for ELTIFs' exposures to single qualifying portfolio undertakings, single real assets and certain other eligible investment assets, contracts and financial instruments. That additional flexibility in the portfolio composition of ELTIFs and the reduction in the diversification requirements should not materially affect the capacity of ELTIFs to withstand market volatility, since ELTIFs typically invest in assets that often do not have a readily available market quotation, may be highly illiquid, and frequently have long-term maturity or time horizon.

Or. en

Amendment 111
Claude Gruffat
on behalf of the Greens/EFA Group

Proposal for a regulation

Recital 16

Text proposed by the Commission

Amendment

(16) Unlike retail investors, professional investors may, in certain circumstances, have a longer time horizon, distinct financial returns objectives, more expertise, possess higher risk tolerance to adverse market conditions and higher capacity to absorb losses. Such professional thus require less investor protection measure than retail investors. It is therefore appropriate to remove the diversification requirements for ELTIFs that are solely marketed to professional investors.

deleted

Or. en

Amendment 112

Markus Ferber

Proposal for a regulation

Recital 16

Text proposed by the Commission

Amendment

(16) Unlike retail investors, professional investors may, in certain circumstances, have a longer time horizon, distinct financial returns objectives, more expertise, possess higher risk tolerance to adverse market conditions and higher capacity to absorb losses. Such professional thus require *less* investor protection *measure* than retail investors. It is therefore appropriate to remove the diversification requirements for ELTIFs that are solely marketed to professional investors.

(16) Unlike retail investors, professional investors may, in certain circumstances, have a longer time horizon, distinct financial returns objectives, more expertise, possess higher risk tolerance to adverse market conditions and higher capacity to absorb losses. Such professional *investors* thus require *more tailor-made* investor protection *measures that allow for more flexibility* than retail investors. It is therefore appropriate to remove the diversification requirements for ELTIFs that are solely marketed to professional investors.

Or. en

Amendment 113

Elisabetta Gualmini, Alfred Sant

Proposal for a regulation

Recital 16

Text proposed by the Commission

(16) Unlike retail investors, professional investors may, in certain circumstances, have a longer time horizon, distinct financial returns objectives, more expertise, possess higher risk tolerance to adverse market conditions and higher capacity to absorb losses. Such professional thus require *less* investor protection *measure than* retail investors. It is therefore appropriate to remove the diversification requirements for ELTIFs that are solely marketed to professional investors.

Amendment

(16) Unlike retail investors, professional investors may, in certain circumstances, have a longer time horizon, distinct financial returns objectives, more expertise, possess higher risk tolerance to adverse market conditions and higher capacity to absorb losses. Such professional *investors* thus require *a different set of* investor protection *measures as compared to* retail investors. It is therefore appropriate to remove the diversification requirements for ELTIFs that are solely marketed to professional investors.

Or. en

Amendment 114

Elisabetta Gualmini, Jonás Fernández, Paul Tang

Proposal for a regulation

Recital 18

Text proposed by the Commission

(18) Article 30 of Regulation (EU) 2015/760 also requires ELTIF managers or distributors to provide appropriate investment advice when marketing ELTIFs to retail investors. The lack of precision in what constitutes appropriate investment advice in Regulation (EU) 2015/760 and the lack of a cross-reference to Directive 2014/65/EU, which contains a definition of investment advice, have led to a lack of legal certainty and confusion among ELTIF managers and distributors. ***In addition***, the obligation to provide investment advice would require external distributors to be authorised under Directive 2014/65/EU when marketing

Amendment

(18) Article 30 of Regulation (EU) 2015/760 also requires ELTIF managers or distributors to provide appropriate investment advice when marketing ELTIFs to retail investors. The lack of precision in what constitutes appropriate investment advice in Regulation (EU) 2015/760 and the lack of a cross-reference to Directive 2014/65/EU, which contains a definition of investment advice, have led to a lack of legal certainty and confusion among ELTIF managers and distributors. ***Although*** the obligation to provide investment advice would require external distributors to be authorised under Directive 2014/65/EU when marketing

ELTIFs to retail investors. ***That would create unnecessary impediments to the marketing of ELTIFs to those investors.*** The distribution and marketing of ELTIFs should not be subject to stricter requirements than the distribution of other complex financial products, including the requirements for securitisations laid down in Regulation (EU) 2017/2402 of the European Parliament and of the Council¹⁷ and for subordinated eligible liabilities laid down in Directive 2014/59 of the European Parliament and of the Council¹⁸. The obligation to perform a suitability test is sufficient to provide retail investors with the necessary protection and is in line with the existing obligations laid down in Regulation (EU) 2017/2402 and Directive 2014/59. ***It is therefore not necessary to require distributors and managers of ELTIFs to provide retail investors with that investment advice.***

¹⁷ Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 (OJ L 347, 28.12.2017, p. 35).

¹⁸ Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 (OJ L 174, 1.7.2011, p. 1).

ELTIFs to retail investors, the distribution and marketing of ELTIFs should not be subject to stricter requirements than the distribution of other complex financial products, including the requirements for securitisations laid down in Regulation (EU) 2017/2402 of the European Parliament and of the Council¹⁷ and for subordinated eligible liabilities laid down in Directive 2014/59 of the European Parliament and of the Council¹⁸. The obligation to perform, ***communicate the result of, and obtain a positive outcome to, the*** suitability test is sufficient to provide retail investors with the necessary protection and is in line with the existing obligations laid down in Regulation (EU) 2017/2402 and Directive 2014/59.

¹⁷ Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 (OJ L 347, 28.12.2017, p. 35).

¹⁸ Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 (OJ L 174, 1.7.2011, p. 1).

Or. en

Amendment 115
Elisabetta Gualmini, Jonás Fernández, Alfred Sant

Proposal for a regulation
Recital 18 a (new)

Text proposed by the Commission

Amendment

(18 a) To avoid an excessive concentration of a client's financial instrument portfolio in ELTIFs, the manager of the ELTIF or the distributor should issue a clear written alert that informs the client that investing an aggregate amount exceeding 10 % of the client's financial instrument portfolio in ELTIFs could constitute excessive risk taking.

Or. en

Justification

The ELTIF manager or the distributor should issue a clear written alert to indicate and inform the client when he is investing more than 10 % of the financial instrument portfolio ELTIFs and that this may constitute an excessive risk taking.

Amendment 116
Jessica Polfjärd

Proposal for a regulation
Recital 18 a (new)

Text proposed by the Commission

Amendment

(18 a) Given the importance of level playing field among financial products when such products are marketed to end-investors and the effective investor protection safeguards provided for, among others, in this amending Regulation, ELTIFs should not be subject to unnecessary administrative and regulatory burden.

Or. en

Justification

The safeguards under other legislations reiterated in this amending Regulation establish an

effective investor protection framework, including when ELTIFs are marketed to retail investors. To promote an increased uptake of ELTIF, supporting the European economy, and in the interest of ensuring a level playing field among ELTIFs and similar financial products, it is required that the marketing of ELTIFs is not subject to unnecessary administrative and regulatory burdens.

Amendment 117

Elisabetta Gualmini, Jonás Fernández

Proposal for a regulation

Recital 18 b (new)

Text proposed by the Commission

Amendment

(18 b) As required by Article 25 of Directive 2014/65/EU, the suitability assessment should comprise information on the expected duration of the investment and its purpose, as well as the client's investment objectives, risk preferences and financial situation, including the client's ability to bear losses. The result of the assessment should be communicated to the investor. If, following the outcome of the suitability assessment, the ELTIF is not suitable for the retail investor, or in cases where it is not possible to carry out the suitability assessment, the manager of the ELTIF or the distributor should not recommend or sell the ELTIF to the retail client.

Or. en

Amendment 118

Fabio Massimo Castaldo

Proposal for a regulation

Recital 19

Text proposed by the Commission

Amendment

(19) Article 30(3) of Regulation (EU) 2015/760 currently requires, for potential retail investors whose financial instrument portfolio does not exceed EUR

deleted

500 000, an initial minimum investment in one or more ELTIFs of EUR 10 000, and requires that such investors do not invest an aggregate amount exceeding 10 % of that their financial instrument portfolio in ELTIFs. When applied together, the EUR 10 000 minimum initial investment participation and the 10 % limitation on aggregate investment create a significant obstacle for the retail investor to invest in ELTIFs, which conflicts with the goal of an ELTIF to establish a retail alternative investment fund product. It is therefore necessary to remove that EUR 10 000 initial minimum investment requirement and the 10 % limitation on aggregate investment.

Or. en

Amendment 119

Claude Gruffat

on behalf of the Verts/ALE Group

Proposal for a regulation

Recital 19

Text proposed by the Commission

(19) Article 30(3) of Regulation (EU) 2015/760 currently requires, for potential retail investors whose financial instrument portfolio does not exceed EUR 500 000, an initial minimum investment in one or more ELTIFs of EUR 10 000, and requires that such investors do not invest an aggregate amount exceeding 10 % of that their financial instrument portfolio in ELTIFs. When applied together, the EUR 10 000 minimum initial investment participation and the 10 % limitation on aggregate investment create a significant obstacle for the retail investor to invest in ELTIFs, which conflicts with the goal of an ELTIF to establish a retail alternative investment fund product. It is therefore necessary to remove that EUR 10 000 initial minimum investment requirement and the **10 %**

Amendment

(19) Article 30(3) of Regulation (EU) 2015/760 currently requires, for potential retail investors whose financial instrument portfolio does not exceed EUR 500 000, an initial minimum investment in one or more ELTIFs of EUR 10 000, and requires that such investors do not invest an aggregate amount exceeding 10 % of that their financial instrument portfolio in ELTIFs. When applied together, the EUR 10 000 minimum initial investment participation and the 10 % limitation on aggregate investment create a significant obstacle for the retail investor to invest in ELTIFs, which conflicts with the goal of an ELTIF to establish a retail alternative investment fund product. It is therefore necessary to remove that EUR 10 000 initial minimum investment requirement and **raise it to 30**

limitation on aggregate investment.

% the limitation on aggregate investment.

Or. en

Amendment 120

Jessica Polfjärd

Proposal for a regulation

Recital 20

Text proposed by the Commission

(20) Article 10, point (e), of Regulation (EU) 2015/760 currently requires that eligible investment assets, where those assets are individual real assets, have a value of at least EUR 10 000 000. Real assets portfolios, however, are often composed of a number of individual real assets which have a value of less than EUR 10 000 000. The *value of individual real asset* should therefore be **reduced to EUR 1 000 000. That amount is based on the estimated value of individual real assets which may typically form large real assets portfolios, and may thus contribute to the diversification of an investment portfolio.**

Amendment

(20) Article 10, point (e), of Regulation (EU) 2015/760 currently requires that eligible investment assets, where those assets are individual real assets, have a value of at least EUR 10 000 000. Real assets portfolios, however, are often composed of a number of individual real assets which have a value of less than EUR 10 000 000. The **threshold** should therefore be **removed in order to facilitate the diversification of an investment portfolio and to take into consideration the different conditions in Member States.**

Or. en

Amendment 121

Markus Ferber

Proposal for a regulation

Recital 20

Text proposed by the Commission

(20) Article 10, point (e), of Regulation (EU) 2015/760 currently requires that eligible investment assets, where those assets are individual real assets, have a value of at least EUR 10 000 000. Real assets portfolios, however, are often composed of a number of individual real assets which have a value of less than EUR

Amendment

(20) Article 10, point (e), of Regulation (EU) 2015/760 currently requires that eligible investment assets, where those assets are individual real assets, have a value of at least EUR 10 000 000. Real assets portfolios, however, are often composed of a number of individual real assets which have a value of **significantly**

10 000 000. The value of individual real asset should therefore be reduced to EUR 1 000 000. That amount is based on the estimated value of individual real assets which may typically form large real assets portfolios, and may thus contribute to the diversification of an investment portfolio.

less than EUR 10 000 000. The value of individual real asset should therefore be reduced to EUR 1 000 000. That amount is based on the estimated value of individual real assets which may typically form large real assets portfolios, and may thus contribute to the diversification of an investment portfolio.

Or. en

Amendment 122

Markus Ferber

Proposal for a regulation

Recital 21

Text proposed by the Commission

(21) Article 11(1), point (b)(ii) of Regulation (EU) 2015/760 currently requires that qualifying portfolio undertakings, where those qualifying undertakings are admitted to trading on a regulated market or on a multilateral trading facility, have a market capitalisation of no more than EUR 500 000 000. Many listed companies with a low market capitalisation, however, have a limited liquidity which prevents ELTIF managers from building, within a reasonable time, a sufficient position in such listed companies, which narrows down the range of available investment targets. In order to provide ELTIFs with a better liquidity profile, the market capitalisation of the listed qualifying undertakings in which ELTIFs can invest should therefore be increased from maximum EUR 500 000 000 to maximum **EUR 1 000 000 000**. To avoid potential changes to the eligibility of such investments due to currency fluctuations or other factors, the determination of the market capitalisation threshold should only be made at the time of the initial investment.

Amendment

(21) Article 11(1), point (b)(ii) of Regulation (EU) 2015/760 currently requires that qualifying portfolio undertakings, where those qualifying undertakings are admitted to trading on a regulated market or on a multilateral trading facility, have a market capitalisation of no more than EUR 500 000 000. Many listed companies with a low market capitalisation, however, have a limited liquidity which prevents ELTIF managers from building, within a reasonable time, a sufficient position in such listed companies, which narrows down the range of available investment targets. In order to provide ELTIFs with a better liquidity profile, the market capitalisation of the listed qualifying undertakings in which ELTIFs can invest should therefore be increased from maximum EUR 500 000 000 to maximum **EUR 5 000 000 000**. To avoid potential changes to the eligibility of such investments due to currency fluctuations or other factors, the determination of the market capitalisation threshold should only be made at the time of the initial investment.

Amendment 123**Jessica Polfjärd****Proposal for a regulation****Recital 21***Text proposed by the Commission*

(21) Article 11(1), point (b)(ii) of Regulation (EU) 2015/760 currently requires that qualifying portfolio undertakings, where those qualifying undertakings are admitted to trading on a regulated market or on a multilateral trading facility, have a market capitalisation of no more than EUR 500 000 000. Many listed companies with a low market capitalisation, however, have a limited liquidity which prevents ELTIF managers from building, within a reasonable time, a sufficient position in such listed companies, which narrows down the range of available investment targets. In order to provide ELTIFs with a better liquidity profile, the market capitalisation of the listed qualifying undertakings in which ELTIFs can invest should therefore be increased from maximum EUR 500 000 000 to maximum **EUR 1 000 000 000**. To avoid potential changes to the eligibility of such investments due to currency fluctuations or other factors, the determination of the market capitalisation threshold should only be made at the time of the initial investment.

Amendment

(21) Article 11(1), point (b)(ii) of Regulation (EU) 2015/760 currently requires that qualifying portfolio undertakings, where those qualifying undertakings are admitted to trading on a regulated market or on a multilateral trading facility, have a market capitalisation of no more than EUR 500 000 000. Many listed companies with a low market capitalisation, however, have a limited liquidity which prevents ELTIF managers from building, within a reasonable time, a sufficient position in such listed companies, which narrows down the range of available investment targets. In order to provide ELTIFs with a better liquidity profile, the market capitalisation of the listed qualifying undertakings in which ELTIFs can invest should therefore be increased from maximum EUR 500 000 000 to maximum **EUR 3 000 000 000**. To avoid potential changes to the eligibility of such investments due to currency fluctuations or other factors, the determination of the market capitalisation threshold should only be made at the time of the initial investment.

Or. en

Justification

Broadening the scope of possible investments benefits the European economy as well as the attractiveness of ELTIFs.

Amendment 124

Paul Tang, Aurore Lalucq, René Repasi, Jonás Fernández, Margarida Marques

Proposal for a regulation

Recital 21 a (new)

Text proposed by the Commission

Amendment

(21 a) As ELTIFs aim to finance long-term assets, sufficient attention should be given to the risk of assets becoming stranded due to economic transition away from fossil fuels and other polluting activities. Currently investors tend to underprice the risks of legislative action to address climate change. This means they expose their investors to significant risks and increase the cost of the transition to a sustainable economy. As such, ELTIFs should not invest in assets that have a high risk of becoming stranded due to the economic transition. ESMA should develop regulatory technical standards to indicate which assets fall into this category.

Or. en

Amendment 125

Claude Gruffat

on behalf of the Greens/EFA Group

Proposal for a regulation

Recital 24

Text proposed by the Commission

Amendment

(24) Article 13(1) of Regulation (EU) 2015/760 currently requires that ELTIFs invest at least 70 % of their capital in eligible investment assets. This high threshold for the composition of eligible investment assets in ELTIFs' portfolios was initially established in view of the focus of ELTIFs on long-term investments and the contribution such investments would make to the financing of a sustainable growth of the Union's

deleted

economy. Given the illiquid and idiosyncratic nature of certain eligible investment assets within ELTIFs' portfolios, however, it may prove difficult and costly for ELTIF managers to manage the liquidity of ELTIFs, honour redemption requests, enter into borrowing arrangements, and execute other elements of ELTIFs' investment strategies pertaining to the transfer, valuation and pledging of such eligible investment assets. Lowering the eligible investment assets threshold would enable ELTIF managers to better manage the liquidity of ELTIFs.

Or. en

Amendment 126

Ondřej Kovařík, Caroline Nagtegaal

Proposal for a regulation

Recital 24

Text proposed by the Commission

(24) Article 13(1) of Regulation (EU) 2015/760 currently requires that ELTIFs invest at least 70 % of their capital in eligible investment assets. This high threshold for the composition of eligible investment assets in ELTIFs' portfolios was initially established in view of the focus of ELTIFs on long-term investments and the contribution such investments would make to the financing of a sustainable growth of the Union's economy. Given the illiquid and idiosyncratic nature of certain eligible investment assets within ELTIFs' portfolios, however, it may prove difficult and costly for ELTIF managers to manage the liquidity of ELTIFs, honour redemption requests, enter into borrowing arrangements, and execute other elements of ELTIFs' investment strategies pertaining to the transfer, valuation and pledging of such eligible investment assets.

Amendment

(24) Article 13(1) of Regulation (EU) 2015/760 currently requires that ELTIFs invest at least 70 % of their capital in eligible investment assets. This high threshold for the composition of eligible investment assets in ELTIFs' portfolios was initially established in view of the focus of ELTIFs on long-term investments and the contribution such investments would make to the financing of a sustainable growth of the Union's economy. Given the illiquid and idiosyncratic nature of certain eligible investment assets within ELTIFs' portfolios, however, it may prove difficult and costly for ELTIF managers to manage the liquidity of ELTIFs, honour redemption requests, enter into borrowing arrangements, and execute other elements of ELTIFs' investment strategies pertaining to the transfer, valuation and pledging of such eligible investment assets.

Lowering the eligible investment assets threshold would enable ELTIF managers to better manage the liquidity of ELTIFs.

Lowering the eligible investment assets threshold **down to 50 %** would enable ELTIF managers to better manage the liquidity of ELTIFs.

Or. en

Amendment 127

Ondřej Kovařík, Caroline Nagtegaal

Proposal for a regulation

Recital 25

Text proposed by the Commission

(25) Leverage is frequently used to enable the day-to-day operation of an ELTIF and to carry out a specific investment strategy. Moderate amounts of leverage can amplify returns, and, where controlled adequately, without incurring or exacerbating excessive risks. In addition, leverage can frequently be used by a variety of collective investment undertakings to gain additional efficiencies or operational results. Since the borrowing of cash threshold is currently limited to 30% of the capital of the ELTIF, ELTIF managers may be unable to successfully pursue certain investment strategies, including in the case of investments in real assets, where using higher levels of leverage is an industry norm or is otherwise required to achieve attractive risk-adjusted returns. It is therefore appropriate to increase the flexibility of managers of ELTIFs to raise further capital during the life of the ELTIF. In ***view of the possible*** risks that leverage ***can*** entail, ELTIFs marketed to retail investors should be permitted to borrow cash amounting to up to ***50 %*** of the value ***of the capital of the ELTIF***. ***The 50 % threshold is appropriate given the overall borrowing of cash limits common for funds investing in real assets with a similar liquidity and redemption profile. As for ELTIFs marketed to professional investors,***

Amendment

(25) Leverage is frequently used to enable the day-to-day operation of an ELTIF and to carry out a specific investment strategy. Moderate amounts of leverage can amplify returns, and, where controlled adequately, without incurring or exacerbating excessive risks. In addition, leverage can frequently be used by a variety of collective investment undertakings to gain additional efficiencies or operational results. Since the borrowing of cash threshold is currently limited to 30% of the capital of the ELTIF, ELTIF managers may be unable to successfully pursue certain investment strategies, including in the case of investments in real assets, where using higher levels of leverage is an industry norm or is otherwise required to achieve attractive risk-adjusted returns. It is therefore appropriate to increase the flexibility of managers of ELTIFs to raise further capital during the life of the ELTIF. In ***order to allow ELTIF managers to raise capital more efficiently (while keeping an eye on the potential*** risks that leverage ***could*** entail), ELTIFs marketed to retail investors should be permitted to borrow cash amounting to up to ***100 %*** of the ***Net Asset Value (NAV)***. ***As a consequence of this,*** the borrowing of cash threshold for ELTIFs that are marketed to professional investors should ***equally*** be extended to

however, a higher leverage threshold should be permitted, because professional investors have a higher risk-tolerance than retail investors. The borrowing of cash threshold for ELTIFs that are marketed to professional investors *only* should *therefore* be extended to 100 % of the *ELTIF capital*.

100 % of the *net asset value (NAV)*.

Or. en

Amendment 128
Jessica Polfjärd

Proposal for a regulation
Recital 25

Text proposed by the Commission

(25) Leverage is frequently used to enable the day-to-day operation of an ELTIF and to carry out a specific investment strategy. Moderate amounts of leverage can amplify returns, and, where controlled adequately, without incurring or exacerbating excessive risks. In addition, leverage can frequently be used by a variety of collective investment undertakings to gain additional efficiencies or operational results. Since the borrowing of cash threshold is currently limited to 30% of the capital of the ELTIF, ELTIF managers may be unable to successfully pursue certain investment strategies, including in the case of investments in real assets, where using higher levels of leverage is an industry norm or is otherwise required to achieve attractive risk-adjusted returns. It is therefore appropriate to increase the flexibility of managers of ELTIFs to raise further capital during the life of the ELTIF. In view of the possible risks that leverage can entail, ELTIFs marketed to retail investors should be permitted to borrow cash amounting to up to **50 %** of the value *of the capital* of the ELTIF. The **50 %** threshold is appropriate given the overall borrowing of

Amendment

(25) Leverage is frequently used to enable the day-to-day operation of an ELTIF and to carry out a specific investment strategy. Moderate amounts of leverage can amplify returns, and, where controlled adequately, without incurring or exacerbating excessive risks. In addition, leverage can frequently be used by a variety of collective investment undertakings to gain additional efficiencies or operational results. Since the borrowing of cash threshold is currently limited to 30% of the capital of the ELTIF, ELTIF managers may be unable to successfully pursue certain investment strategies, including in the case of investments in real assets, where using higher levels of leverage is an industry norm or is otherwise required to achieve attractive risk-adjusted returns. It is therefore appropriate to increase the flexibility of managers of ELTIFs to raise further capital during the life of the ELTIF. In view of the possible risks that leverage can entail, ELTIFs marketed to retail investors should be permitted to borrow cash amounting to up to **75 %** of the *net asset* value of the ELTIF. The **75 %** threshold is appropriate given the overall borrowing of cash limits

cash limits common for funds investing in real assets with a similar liquidity and redemption profile. As for ELTIFs marketed to professional investors, however, a higher leverage threshold should be permitted, because professional investors have a higher risk-tolerance than retail investors. The borrowing of cash threshold for ELTIFs that are marketed to professional investors only should therefore be extended to 100 % of the ELTIF *capital*.

common for funds investing in real assets with a similar liquidity and redemption profile. As for ELTIFs marketed to professional investors, however, a higher leverage threshold should be permitted, because professional investors have a higher risk-tolerance than retail investors. The borrowing of cash threshold for ELTIFs that are marketed to professional investors only should therefore be extended to 100 % of the ELTIF *net asset value*.

Or. en

Justification

The reference value used for determining limits to diversification and borrowing should be relevant and give an updated and accurate image of the ELTIF. Therefore, net asset value should be used instead of capital as reference value for determining limits for the ELTIF. In order to facilitate legitimate investment strategies and boost the attractiveness of ELTIFs even further, thresholds for borrowing of cash should be increased further than that set out in the Commission proposal. Double supervision provides sufficient safeguards against any undue risks and concerns.

Amendment 129

Fabio Massimo Castaldo

Proposal for a regulation

Recital 25

Text proposed by the Commission

(25) Leverage is frequently used to enable the day-to-day operation of an ELTIF and to carry out a specific investment strategy. Moderate amounts of leverage can amplify returns, and, where controlled adequately, without incurring or exacerbating excessive risks. In addition, leverage can frequently be used by a variety of collective investment undertakings to gain additional efficiencies or operational results. Since the borrowing of cash threshold is currently limited to 30% of the capital of the ELTIF, ELTIF managers may be unable to successfully pursue certain investment strategies,

Amendment

(25) Leverage is frequently used to enable the day-to-day operation of an ELTIF and to carry out a specific investment strategy. Moderate amounts of leverage can amplify returns, and, where controlled adequately, without incurring or exacerbating excessive risks. In addition, leverage can frequently be used by a variety of collective investment undertakings to gain additional efficiencies or operational results. Since the borrowing of cash threshold is currently limited to 30% of the capital of the ELTIF, ELTIF managers may be unable to successfully pursue certain investment strategies,

including in the case of investments in real assets, where using higher levels of leverage is an industry norm or is otherwise required to achieve attractive risk-adjusted returns. It is therefore appropriate to increase the flexibility of managers of ELTIFs to raise further capital during the life of the ELTIF. In view of the possible risks that leverage can entail, ELTIFs marketed to retail investors should be permitted to borrow cash amounting to up to 50 % of the value of the capital of the ELTIF. The 50 % threshold is appropriate given the overall borrowing of cash limits common for funds investing in real assets with a similar liquidity and redemption profile. As for ELTIFs marketed to professional investors, however, a higher leverage threshold should be permitted, because professional investors have a higher risk-tolerance than retail investors. The borrowing of cash threshold for ELTIFs that are marketed to professional investors only should therefore be extended to 100 % of the ELTIF capital.

including in the case of investments in real assets, where using higher levels of leverage is an industry norm or is otherwise required to achieve attractive risk-adjusted returns. It is therefore appropriate to increase the flexibility of managers of ELTIFs to raise further capital during the life of the ELTIF. In view of the possible risks that leverage can entail, ELTIFs marketed to retail investors should be permitted to borrow cash amounting to up to 50 % of the value of the capital of the ELTIF. The 50 % threshold is appropriate given the overall borrowing of cash limits common for funds investing in real assets with a similar liquidity and redemption profile. As for ELTIFs marketed to professional investors, however, a higher leverage threshold should be permitted, because professional investors have a higher risk-tolerance than retail investors. The borrowing of cash threshold for ELTIFs that are marketed to professional investors only should therefore be extended to 100 % of the ELTIF capital. *At the same time, since cash borrowing is not the only way to get exposure to leverage, the increased thresholds for borrowing cash by ELTIFs should be accompanied by a mandatory cap on leverage.*

Or. en

Amendment 130
Gunnar Beck

Proposal for a regulation
Recital 25

Text proposed by the Commission

(25) Leverage is frequently used to enable the day-to-day operation of an ELTIF and to carry out a specific investment strategy. Moderate amounts of leverage can amplify returns, and, where controlled adequately, without incurring or exacerbating excessive risks. In addition,

Amendment

(25) Leverage is frequently used to enable the day-to-day operation of an ELTIF and to carry out a specific investment strategy. Moderate amounts of leverage can amplify returns, and, where controlled adequately, without incurring or exacerbating excessive risks. In addition,

leverage can frequently be used by a variety of collective investment undertakings to gain additional efficiencies or operational results. Since the borrowing of cash threshold is currently limited to 30% of the capital of the ELTIF, ELTIF managers may be unable to successfully pursue certain investment strategies, including in the case of investments in real assets, where using higher levels of leverage is an industry norm or is otherwise required to achieve attractive risk-adjusted returns. It is therefore appropriate to increase the flexibility of managers of ELTIFs to raise further capital during the life of the ELTIF. In view of the possible risks that leverage can entail, ELTIFs marketed to retail investors should be permitted to borrow cash amounting to up to 50 % of the value *of the capital* of the ELTIF. The 50 % threshold is appropriate given the overall borrowing of cash limits common for funds investing in real assets with a similar liquidity and redemption profile. As for ELTIFs marketed to professional investors, however, a higher leverage threshold should be permitted, because professional investors have a higher risk-tolerance than retail investors. The borrowing of cash threshold for ELTIFs that are marketed to professional investors only should therefore be extended to 100 % of the ELTIF *capital*.

leverage can frequently be used by a variety of collective investment undertakings to gain additional efficiencies or operational results. Since the borrowing of cash threshold is currently limited to 30% of the capital of the ELTIF, ELTIF managers may be unable to successfully pursue certain investment strategies, including in the case of investments in real assets, where using higher levels of leverage is an industry norm or is otherwise required to achieve attractive risk-adjusted returns. It is therefore appropriate to increase the flexibility of managers of ELTIFs to raise further capital during the life of the ELTIF. In view of the possible risks that leverage can entail, ELTIFs marketed to retail investors should be permitted to borrow cash amounting to up to 50 % of the *net asset* value of the ELTIF. The 50 % threshold is appropriate given the overall borrowing of cash limits common for funds investing in real assets with a similar liquidity and redemption profile. As for ELTIFs marketed to professional investors, however, a higher leverage threshold should be permitted, because professional investors have a higher risk-tolerance than retail investors. The borrowing of cash threshold for ELTIFs that are marketed to professional investors only should therefore be extended to 100 % of the *net asset value of the* ELTIF.

Or. en

Amendment 131

Claude Gruffat

on behalf of the Greens/EFA Group

Proposal for a regulation

Recital 25

Text proposed by the Commission

(25) Leverage is frequently used to enable the day-to-day operation of an

Amendment

(25) Leverage is frequently used to enable the day-to-day operation of an

ELTIF and to carry out a specific investment strategy. Moderate amounts of leverage can amplify returns, and, where controlled adequately, without incurring or exacerbating excessive risks. In addition, leverage can frequently be used by a variety of collective investment undertakings to gain additional efficiencies or operational results. Since the borrowing of cash threshold is currently limited to 30% of the capital of the ELTIF, ELTIF managers *may be unable to successfully pursue* certain investment strategies, including in the case of investments in real assets, where using higher levels of leverage is an industry norm or is otherwise required to achieve attractive risk-adjusted returns. *It is therefore appropriate to increase the flexibility of managers of ELTIFs to raise further capital during the life of the ELTIF. In view of the possible risks that leverage can entail*, ELTIFs marketed to retail investors should be *permitted to borrow cash amounting to up to 50 %* of the value of the *capital of the* ELTIF. The 50 % threshold is appropriate given the overall borrowing of cash limits common for funds investing in real assets with a similar liquidity and redemption profile. As for ELTIFs marketed to professional investors, however, a higher leverage threshold should be permitted, because professional investors have a higher risk-tolerance than retail investors. The borrowing of cash threshold for ELTIFs that are marketed to professional investors only should therefore be extended to 100 % of the ELTIF capital.

ELTIF and to carry out a specific investment strategy. Moderate amounts of leverage can amplify returns, and, where controlled adequately, without incurring or exacerbating excessive risks. In addition, leverage can frequently be used by a variety of collective investment undertakings to gain additional efficiencies or operational results. Since the borrowing of cash threshold is currently limited to 30% of the capital of the ELTIF, ELTIF managers *are limited in pursuing* certain investment strategies, including in the case of investments in real assets, where using higher levels of leverage is an industry norm or is otherwise required to achieve attractive risk-adjusted returns. *However, higher leverage entails higher risks.* Therefore *the borrowing cash threshold for* ELTIFs marketed to retail investors should be *kept at 30%* of the value of the ELTIF. The 30 % threshold is appropriate given the overall borrowing of cash limits common for funds investing in real assets with a similar liquidity and redemption profile. As for ELTIFs marketed to professional investors, however, a higher leverage threshold should be permitted, because professional investors have a higher risk-tolerance than retail investors. The borrowing of cash threshold for ELTIFs that are marketed to professional investors only should therefore be extended to 100 % of the ELTIF capital

Or. en

Amendment 132
Elisabetta Gualmini, Jonás Fernández

Proposal for a regulation
Recital 25

(25) Leverage is frequently used to enable the day-to-day operation of an ELTIF and to carry out a specific investment strategy. Moderate amounts of leverage can amplify returns, and, where controlled adequately, without incurring or exacerbating excessive risks. In addition, leverage can frequently be used by a variety of collective investment undertakings to gain additional efficiencies or operational results. ***Since the borrowing of cash threshold is currently limited to 30% of the capital of the ELTIF, ELTIF managers may be unable to successfully pursue certain investment strategies, including in the case of investments in real assets, where using higher levels of leverage is an industry norm or is otherwise required to achieve attractive risk-adjusted returns. It is therefore appropriate to increase the flexibility of managers of ELTIFs to raise further capital during the life of the ELTIF.*** In view of the possible risks that leverage can entail, ELTIFs marketed to retail investors should be permitted to borrow cash amounting to up to 50 % of the value of the capital of the ELTIF. The 50 % threshold is appropriate given the overall borrowing of cash limits common for funds investing in real assets with a similar liquidity and redemption profile. As for ELTIFs marketed to professional investors, however, a higher leverage threshold should be permitted, because professional investors have a higher risk-tolerance than retail investors. The borrowing of cash threshold for ELTIFs that are marketed to professional investors only should therefore be extended to 100 % of the ELTIF capital.

(25) Leverage is frequently used to enable the day-to-day operation of an ELTIF and to carry out a specific investment strategy. Moderate amounts of leverage can amplify returns, and, where controlled adequately, without incurring or exacerbating excessive risks. In addition, leverage can frequently be used by a variety of collective investment undertakings to gain additional efficiencies or operational results. In view of the possible risks that leverage can entail, ELTIFs marketed to retail investors should be permitted to borrow cash amounting to up to 30 % of the value of the capital of the ELTIF. The 30 % threshold is appropriate given the overall borrowing of cash limits common for funds investing in real assets with a similar liquidity and redemption profile. As for ELTIFs marketed to professional investors, however, a higher leverage threshold should be permitted, because professional investors have a higher risk-tolerance than retail investors. The borrowing of cash threshold for ELTIFs that are marketed to professional investors only should therefore be extended to 100 % of the ELTIF capital.

Or. en

Justification

The borrowing of cash threshold for ELTIFs marketed to retail investors will ensure the stability of the financial system, as a whole, and adequate protection to investors.

Considering that ELTIFs invest in the long term and in illiquid assets, an easing of the leverage threshold would not be appropriate to us because it may increase the riskiness of the product, thus exposing investors to excessive risk-taking.

Amendment 133

Markus Ferber

Proposal for a regulation

Recital 26

Text proposed by the Commission

(26) To provide ELTIFs with wider investment opportunities, ELTIFs should be able to borrow in the currency in which the manager of the ELTIF expects to acquire the asset. It is, however, necessary to mitigate the risk of currency mismatches and thus to limit the currency risk for the investment portfolio. ELTIFs should therefore *either put in place adequate hedges of the currency exposure, or should borrow in another currency where foreign currency exposures do not bring about significant currency risks.*

Amendment

(26) To provide ELTIFs with wider investment opportunities, ELTIFs should be able to borrow in the currency in which the manager of the ELTIF expects to acquire the asset. It is, however, necessary to mitigate the risk of currency mismatches and thus to limit the currency risk for the investment portfolio. ELTIFs should therefore *appropriately hedge their* currency exposure.

Or. en

Amendment 134

Claude Gruffat

on behalf of the Greens/EFA Group

Proposal for a regulation

Recital 26

Text proposed by the Commission

(26) To provide ELTIFs with wider investment opportunities, ELTIFs should be able to borrow in the currency in which the manager of the ELTIF expects to acquire the asset. It is, however, necessary to mitigate the risk of currency mismatches and thus to limit the currency risk for the investment portfolio. ELTIFs should therefore *either* put in place adequate

Amendment

(26) To provide ELTIFs with wider investment opportunities, ELTIFs should be able to borrow in the currency in which the manager of the ELTIF expects to acquire the asset. It is, however, necessary to mitigate the risk of currency mismatches and thus to limit the currency risk for the investment portfolio. ELTIFs should therefore put in place adequate hedges of

hedges of the currency exposure, *or should borrow in another currency where foreign currency exposures do not bring about significant currency risks.*

the currency exposure.

Or. en

Amendment 135
Markus Ferber

Proposal for a regulation
Recital 27

Text proposed by the Commission

Amendment

(27) *ELTIFs should be able to encumber their assets to implement their borrowing strategy. To address concerns about shadow banking activities, however, cash borrowed by ELTIFs should not be used to grant loans to qualifying portfolio undertakings. However, to increase the flexibility of ELTIFs in executing their borrowing strategy, the borrowing arrangements should not count as borrowing where that borrowing is fully covered by investors' capital commitments.*

deleted

Or. en

Amendment 136
Gunnar Beck

Proposal for a regulation
Recital 27

Text proposed by the Commission

Amendment

(27) *ELTIFs should be able to encumber their assets to implement their borrowing strategy. To address concerns about shadow banking activities, however, cash borrowed by ELTIFs should not be used to grant loans to qualifying portfolio undertakings. However, to increase the*

deleted

flexibility of ELTIFs in executing their borrowing strategy, the borrowing arrangements should not count as borrowing where that borrowing is fully covered by investors' capital commitments.

Or. en

Amendment 137
Jessica Polfjärd

Proposal for a regulation
Recital 27

Text proposed by the Commission

(27) ELTIFs should be able to encumber their assets to implement their borrowing strategy. *To address concerns about shadow banking activities, however, cash borrowed by ELTIFs should not be used to grant loans to qualifying portfolio undertakings. However, to increase the flexibility of ELTIFs in executing their borrowing strategy, the borrowing arrangements should not count as borrowing where that borrowing is fully covered by investors' capital commitments.*

Amendment

(27) ELTIFs should be able to encumber their assets to implement their borrowing strategy.

Or. en

Justification

Article 16, together with the AIFMD provisions and double NCA supervision, provides sufficient safeguards against any undue risks and concerns about shadow banking activities. The exclusion of loans contradicts the current wording of the ELTIF Regulation, which explicitly recognises that loans granted by the ELTIF to a qualifying portfolio undertakings qualify as eligible investment assets. References to capital commitments deleted in line with suggested change of methodology, to use net asset value instead.

Amendment 138
Ondřej Kovařík, Caroline Nagtegaal

Proposal for a regulation

Recital 27

Text proposed by the Commission

(27) ELTIFs should be able to encumber their assets to implement their borrowing strategy. ***To address concerns about shadow banking activities, however, cash borrowed by ELTIFs should not be used to grant loans to qualifying portfolio undertakings.*** However, to increase the flexibility of ELTIFs in executing their borrowing strategy, the borrowing arrangements should not count as borrowing where that borrowing is fully covered by investors' capital commitments.

Amendment

(27) ELTIFs should be able to encumber their assets to implement their borrowing strategy. However, to increase the flexibility of ELTIFs in executing their borrowing strategy, the borrowing arrangements should not count as borrowing where that borrowing is fully covered by investors' capital commitments.

Or. en

Amendment 139 Elisabetta Gualmini

Proposal for a regulation Recital 28

Text proposed by the Commission

(28) Given the increase of the maximum thresholds for borrowing cash by ELTIFs and the removal of certain limitations on the borrowing of cash in foreign currencies, investors should have more comprehensive information on the borrowing strategy and limits employed by the ELTIF. It is therefore appropriate to require ELTIF managers to explicitly disclose in the prospectus of the ELTIF concerned the borrowing strategy and the borrowing limits and to provide information on how leverage will contribute to the ELTIF strategy and how currency and duration risks will be mitigated.

Amendment

(28) Given the increase of the maximum thresholds for borrowing cash by ELTIFs ***marketed solely to professional investors*** and the removal of certain limitations on the borrowing of cash in foreign currencies, investors should have more comprehensive information on the borrowing strategy and limits employed by the ELTIF. It is therefore appropriate to require ELTIF managers to explicitly disclose in the prospectus of the ELTIF concerned the borrowing strategy and the borrowing limits and to provide information on how leverage will contribute to the ELTIF strategy and how currency and duration risks will be mitigated.

Or. en

Amendment 140

Claude Gruffat

on behalf of the Greens/EFA Group

Proposal for a regulation

Recital 28

Text proposed by the Commission

(28) Given the increase of the maximum thresholds for borrowing cash by ELTIFs and the removal of certain limitations on the borrowing of cash in foreign currencies, investors should have more comprehensive information on the borrowing strategy and limits employed by the ELTIF. It is therefore appropriate to require ELTIF managers to explicitly disclose in the prospectus of the ELTIF concerned the borrowing strategy and the borrowing limits and to provide information on how leverage will contribute to the ELTIF strategy and how currency and duration risks will be mitigated.

Amendment

(28) Given the increase of the maximum thresholds for borrowing cash by ELTIFs **marketed to professional investors** and the removal of certain limitations on the borrowing of cash in foreign currencies, investors should have more comprehensive information on the borrowing strategy and limits employed by the ELTIF. It is therefore appropriate to require ELTIF managers to explicitly disclose in the prospectus of the ELTIF concerned the borrowing strategy and the borrowing limits and to provide information on how leverage will contribute to the ELTIF strategy and how currency and duration risks will be mitigated.

Or. en

Amendment 141

Markus Ferber

Proposal for a regulation

Recital 28

Text proposed by the Commission

(28) Given the increase of the maximum thresholds for borrowing cash by ELTIFs and the removal of certain limitations on the borrowing of cash in foreign currencies, investors should have more comprehensive information on the borrowing strategy and limits employed by the ELTIF. It is therefore appropriate to require ELTIF managers to explicitly disclose in the prospectus of the ELTIF concerned the borrowing strategy and the borrowing limits and to provide

Amendment

(28) Given the increase of the maximum thresholds for borrowing cash by ELTIFs and the removal of certain limitations on the borrowing of cash in foreign currencies, investors should have more comprehensive information on the borrowing strategy and limits employed by the ELTIF. It is therefore appropriate to require ELTIF managers to explicitly disclose in the prospectus of the ELTIF concerned the borrowing strategy and the borrowing limits and to provide **an**

information on how leverage will contribute to the ELTIF strategy and how currency and duration risks will be mitigated.

overview of how leverage will contribute to the ELTIF strategy and how currency and duration risks will be mitigated.

Or. en

Amendment 142

Claude Gruffat

on behalf of the Greens/EFA Group

Proposal for a regulation

Recital 29

Text proposed by the Commission

(29) Article 18(4) of Regulation (EU) 2015/760 currently requires that investors in an ELTIF may request the winding down of that ELTIF where their redemption requests, made in accordance with the ELTIF's redemption policy, have not been satisfied within one year from the date on which those requests were made. Given the long-term orientation of ELTIFs and the often idiosyncratic and illiquid asset profile of ELTIFs' portfolios, the entitlement of any investor or a group of investors to request the winding down of an ELTIF can be disproportionate and detrimental to both the successful execution of the ELTIF investment strategy and the interests of other investors or groups of investors. It is therefore appropriate to ***delete the possibility for investors to require*** the winding down of ***an ELTIF where that ELTIF is unable to satisfy redemption requests.***

Amendment

(29) Article 18(4) of Regulation (EU) 2015/760 currently requires that investors in an ELTIF may request the winding down of that ELTIF where their redemption requests, made in accordance with the ELTIF's redemption policy, have not been satisfied within one year from the date on which those requests were made. Given the long-term orientation of ELTIFs and the often idiosyncratic and illiquid asset profile of ELTIFs' portfolios, the entitlement of any investor or a group of investors to request the winding down of an ELTIF can be disproportionate and detrimental to both the successful execution of the ELTIF investment strategy and the interests of other investors or groups of investors. It is therefore appropriate to ***entitle competent authorities to decide whether*** the winding down of ***the ELTIF is justified.***

Or. en

Amendment 143

Ondřej Kovařík, Caroline Nagtegaal

Proposal for a regulation

Recital 29

Text proposed by the Commission

(29) Article 18(4) of Regulation (EU) 2015/760 currently requires that investors in an ELTIF may request the winding down of that ELTIF where their redemption requests, made in accordance with the ELTIF's redemption policy, have not been satisfied within one year from the date on which those requests were made. Given the long-term orientation of ELTIFs and the often idiosyncratic and illiquid asset profile of ELTIFs' portfolios, the entitlement of any investor or a group of investors to request the winding down of an ELTIF can be disproportionate and detrimental to both the successful execution of the ELTIF investment strategy and the interests of other investors or groups of investors. It is therefore appropriate to delete the possibility for investors to require the winding down of an ELTIF where that ELTIF is unable to satisfy redemption requests.

Amendment

(29) Article 18(4) of Regulation (EU) 2015/760 currently requires that investors in an ELTIF may request the winding down of that ELTIF where their redemption requests, made in accordance with the ELTIF's redemption policy, have not been satisfied within one year from the date on which those requests were made. Given the long-term orientation of ELTIFs and the often idiosyncratic and illiquid asset profile of ELTIFs' portfolios, the entitlement of any investor or a group of investors to request the winding down of an ELTIF can be disproportionate and detrimental to both the successful execution of the ELTIF investment strategy and the interests of other investors or groups of investors. It is therefore appropriate to delete the possibility for investors to require the winding down of an ELTIF where that ELTIF is unable to satisfy redemption requests. ***ELTIF managers should, in any case, be entitled to determine the redemption frequencies.***

Or. en

Amendment 144

Elisabetta Gualmini, Jonás Fernández, Alfred Sant

Proposal for a regulation

Recital 31

Text proposed by the Commission

(31) Article 19(1) of the current version of Regulation (EU) 2015/760 requires that the rules or instruments of incorporation of an ELTIF do not prevent units or shares of the ELTIF from being admitted to trading on a regulated market or on a multilateral trading facility. Despite that possibility, ELTIF managers, investors and market participants have hardly used the secondary trading mechanism by for the trading of

Amendment

(31) Article 19(1) of the current version of Regulation (EU) 2015/760 requires that the rules or instruments of incorporation of an ELTIF do not prevent units or shares of the ELTIF from being admitted to trading on a regulated market or on a multilateral trading facility. Despite that possibility, ELTIF managers, investors and market participants have hardly used the secondary trading mechanism by for the trading of

shares or units of ELTIFs. To promote the secondary trading of ELTIF units or shares, it is appropriate to allow ELTIF managers to put in place a possibility for an early exit of ELTIF investors, before the end of the ELTIF's life. In order to ensure an effective functioning of such a secondary trading mechanism, such an early exit should be possible only where the manager of the ELTIF has put in place a policy for matching potential investors and exit requests. That policy should, among others, specify the transfer process, the role of the ELTIF manager and the ELTIF administrator, the duration of the liquidity window during which the units or shares of the ELTIF could be exchanged, the execution price, pro-ratio conditions, disclosure requirements, fees, costs and charges and other conditions pertaining to such a liquidity window mechanism.

shares or units of ELTIFs. To promote the secondary trading of ELTIF units or shares, it is appropriate to allow ELTIF managers to put in place a possibility for an early exit of ELTIF investors, before the end of the ELTIF's life. In order to ensure an effective functioning of such a secondary trading mechanism, such an early exit should be possible only where the manager of the ELTIF has put in place a policy for matching potential investors and exit requests. That policy should, among others, specify the transfer process, the role of the ELTIF manager and the ELTIF administrator, the duration of the liquidity window during which the units or shares of the ELTIF could be exchanged, the execution price, pro-ratio conditions, disclosure requirements, fees, costs and charges and other conditions pertaining to such a liquidity window mechanism. ***In order to avoid any misperception by retail investors regarding the legal nature of, and the liquidity that is potentially created by, the policy for matching under the optional liquidity window mechanism, the manager of the ELTIF or the distributor should issue a clear written alert to the retail investor that the availability of such a matching policy does not guarantee a match or entitle retail investors to exit or redeem their units or shares of the ELTIF concerned.***

Or. en

Amendment 145

Claude Gruffat

on behalf of the Verts/ALE Group

Proposal for a regulation

Recital 31

Text proposed by the Commission

(31) Article 19(1) of the current version of Regulation (EU) 2015/760 requires that the rules or instruments of incorporation of

Amendment

(31) Article 19(1) of the current version of Regulation (EU) 2015/760 requires that the rules or instruments of incorporation of

an ELTIF do not prevent units or shares of the ELTIF from being admitted to trading on a regulated market or on a multilateral trading facility. Despite that possibility, ELTIF managers, investors and market participants have hardly used the secondary trading mechanism by for the trading of shares or units of ELTIFs. To promote the secondary trading of ELTIF units or shares, it is appropriate to allow ELTIF managers to put in place a possibility for an early exit of ELTIF investors, before the end of the ELTIF's life. In order to ensure an effective functioning of such a secondary trading mechanism, such an early exit should be possible only where the manager of the ELTIF has put in place a policy for matching potential investors and exit requests. That policy should, among others, specify the transfer process, the role of the ELTIF manager and the ELTIF administrator, the duration of the liquidity window during which the units or shares of the ELTIF could be exchanged, the execution price, pro-ration conditions, disclosure requirements, fees, costs and charges and other conditions pertaining to such a liquidity window mechanism.

an ELTIF do not prevent units or shares of the ELTIF from being admitted to trading on a regulated market or on a multilateral trading facility. Despite that possibility, ELTIF managers, investors and market participants have hardly used the secondary trading mechanism by for the trading of shares or units of ELTIFs. To promote the secondary trading of ELTIF units or shares, it is appropriate to allow ELTIF managers to put in place a possibility for an early exit of ELTIF investors, before the end of the ELTIF's life. In order to ensure an effective functioning of such a secondary trading mechanism, such an early exit should be possible only where the manager of the ELTIF has put in place a policy for matching potential investors and exit requests. That policy should, among others, specify the transfer process, the role of the ELTIF manager and the ELTIF administrator, the duration of the liquidity window during which the units or shares of the ELTIF could be exchanged, the execution price, pro-ration conditions, disclosure requirements, fees, costs and charges and other conditions pertaining to such a liquidity window mechanism. *As the secondary market for ELTIFs is still rather limited, the ELTIF manager should clearly indicate that this liquidity window mechanism might not be swiftly actionable at all times.*

Or. en

Amendment 146

Claude Gruffat

on behalf of the Greens/EFA Group

Proposal for a regulation

Recital 34

Text proposed by the Commission

(34) Adequate disclosure of fees and charges is critically important for the evaluation of the ELTIFs as a potential

Amendment

(34) Adequate disclosure of fees and charges is critically important for the evaluation of the ELTIFs as a potential

investment target by investors. *Such disclosure is also important where the ELTIF is marketed to retail investors in the case of master-feeder structures. It is therefore appropriate to require the ELTIF manager to include in the annual report of the feeder ELTIF a statement on the aggregate charges of the feeder ELTIF and the master ELTIF.*

investment target by investors.

Or. en

Amendment 147

Elisabetta Gualmini, Alfred Sant, Paul Tang

Proposal for a regulation

Recital 34

Text proposed by the Commission

(34) Adequate disclosure of fees and charges is critically important for the evaluation of the ELTIFs as a potential investment target by investors. Such disclosure is also important where the ELTIF is marketed to retail investors in the case of master-feeder structures. It is therefore appropriate to require the ELTIF manager to include in the annual report of the feeder ELTIF a statement on the aggregate charges of the feeder ELTIF and the master ELTIF.

Amendment

(34) Adequate disclosure of fees and charges is critically important for the evaluation of the ELTIFs as a potential investment target by investors. Such disclosure is also important where the ELTIF is marketed to retail investors in the case of master-feeder structures. It is therefore appropriate to require the ELTIF manager to include in the annual report of the feeder ELTIF a statement on the aggregate charges of the feeder ELTIF and the master ELTIF. ***In order to protect investors from being charged unjustified additional costs, there should be a prohibition on master ELTIFs charging feeder ELTIFs subscription and redemption fees.***

Or. en

Amendment 148

Jessica Polfjärd

Proposal for a regulation

Recital 40

Text proposed by the Commission

(40) In order to give ELTIF managers sufficient time to adapt to the new requirements, including the requirements pertaining to the marketing of ELTIFs to investors, this Regulation should start to apply six months after its entry into force,

Amendment

(40) In order to give ELTIF managers sufficient time to adapt to the new requirements, including the requirements pertaining to the marketing of ELTIFs to investors, this Regulation should start to apply six months after its entry into force. ***As ELTIFs are long-term by nature, existing ELTIFs should be allowed to benefit from a grandfathering clause in order to safeguard predictability and trust.***

Or. en

Amendment 149

Claude Gruffat

on behalf of the Greens/EFA Group

Proposal for a regulation

Recital 40

Text proposed by the Commission

(40) In order to give **ELTIF** managers sufficient time to adapt to the new requirements, including the requirements pertaining to the marketing of **ELTIFs** to investors, this Regulation should start to apply **six** months after its entry into force,

Amendment

(40) In order to give managers **of existing ELTIF** sufficient time to adapt to the new requirements, including the requirements pertaining to the **portfolio composition and** marketing of **ELTIF** to investors, this Regulation should start to apply **twelve** months after its entry into force,

Or. en

Amendment 150

Markus Ferber

Proposal for a regulation

Recital 40

Text proposed by the Commission

(40) In order to give ELTIF managers sufficient time to adapt to the new requirements, including the requirements

Amendment

(40) In order to give ELTIF managers sufficient time to adapt to the new requirements, including the requirements

pertaining to the marketing of ELTIFs to investors, this Regulation should start to apply *six* months after its entry into force,

pertaining to the marketing of ELTIFs to investors, this Regulation should start to apply *twelve* months after its entry into force,

Or. en

Amendment 151
Elisabetta Gualmini

Proposal for a regulation
Recital 40

Text proposed by the Commission

(40) In order to give ELTIF managers sufficient time to adapt to the new requirements, including the requirements pertaining to the marketing of ELTIFs to investors, this Regulation should start to apply *six* months after its entry into force,

Amendment

(40) In order to give ELTIF managers sufficient time to adapt to the new requirements, including the requirements pertaining to the marketing of ELTIFs to investors, this Regulation should start to apply **12** months after its entry into force,

Or. en

Justification

This proposal would ensure ELTIF managers and Member state an adequate period to adjust their operations and activities to the new rules.

Amendment 152
Elisabetta Gualmini, Jonás Fernández

Proposal for a regulation
Recital 40 a (new)

Text proposed by the Commission

Amendment

(40 a) However, keeping in mind the long-term nature of ELTIFs, and to avoid requiring existing ELTIFs to materially change their portfolio composition and investment strategy, existing ELTIFs should be subject to a grandfathering clause. Moreover, transitional rules should be provided for the benefit of ELTIFs authorised under Regulation

(EU) 2015/760 prior to the entry into force of this Regulation. Therefore, the requirements laid down in this Regulation should not apply to ELTIFs authorised prior to the entry into force of this Regulation, except in cases where an ELTIF makes a request to benefit from the rights, and assume the obligations, provided for by this Regulation.

Or. en

Justification

The introduction of a "grandfathering clause" should be accompanied by the introduction of an "opting-in" principle. Insofar, as the Regulation amending ELTIF introduces positive changes, it could be necessary that this amending Regulation entitles the managers of the ELTIFs that have been authorized under ELTIF Regulation before the date of application of the amending Regulation to "switch", on a voluntary basis, to the new rules and to apply these latter to their ELTIFs.

Amendment 153

Claude Gruffat

on behalf of the Verts/ALE Group

Proposal for a regulation

Article 1 – paragraph 1 – point 1

Regulation (EU) 2015/760

Article 1 – paragraph 2

Text proposed by the Commission

2. The objective of this Regulation is to facilitate the raising and channelling of capital towards long-term investments in the real economy, in line with the Union objective of smart, sustainable and inclusive growth.;

Amendment

2. The objective of this Regulation is to facilitate the raising and channelling of capital towards long-term investments in the real economy, in line with the Union objective of smart, sustainable and inclusive growth ***and of the European Green Deal.***;

Or. en

Amendment 154

Claude Gruffat

on behalf of the Verts/ALE Group

Proposal for a regulation

Article 1 – paragraph 1 – point 2 – point a

Regulation (EU) 2015/760

Article 2 – point 6

Text proposed by the Commission

(6) ‘real asset’ means an asset that has an intrinsic value due to its substance and properties;

Amendment

(6) ‘real asset’ means an asset that has an intrinsic value due to its substance and properties, ***including infrastructure and other assets that give rise to economic or social benefit, such as education, counselling, research and development, and including commercial property or housing;***

Or. en

Amendment 155

Jessica Polfjärd

Proposal for a regulation

Article 1 – paragraph 1 – point 2 – point a a (new)

Regulation (EU) 2015/760

Article 2 – point 7

Text proposed by the Commission

Amendment

(a a) point (7) is deleted.

Or. en

Justification

Innovative digital companies in the financial sphere tend to grow and scale up by seeking out a license at a very early stage of their existence. Under the current regime ELTIFs would be unnecessarily prevented from investing in such firms, which tend to contribute to EU financial markets, financial infrastructure and the CMU in general.

Amendment 156

Claude Gruffat

on behalf of the Verts/ALE Group

Proposal for a regulation

Article 1 – paragraph 1 – point 2 – point a a (new)

Regulation (EU) 2015/760

Article 2 – point 7 – point (ca) new

Text proposed by the Commission

Amendment

(a a) the following point (ca) is inserted in point (7):

(ca) a reinsurance undertaking as defined in Article 13, point (4), of Directive 2009/138/EC;

Or. en

Amendment 157

Claude Gruffat

on behalf of the Verts/ALE Group

Proposal for a regulation

Article 1 – paragraph 1 – point 2 – point b

Regulation (EU) 2015/760

Article 2 – point 14a

Text proposed by the Commission

Amendment

(b) the following point (14a) is inserted:

deleted

*“(14a) ‘simple, transparent and standardised securitisation’ means a securitisation that complies with the conditions set out in Article 18 of Regulation (EU) 2017/2402 of the European Parliament and of the Council^{*1}”;*

*^{*1} Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 (OJ L 347, 28.12.2017, p. 35).’;*

Amendment 158

Jessica Polfjärd

Proposal for a regulation

Article 1 – paragraph 1 – point 2 – point b

Regulation (EU) 2015/760

Article 2 – point 14a

Text proposed by the Commission

(14a) ‘*simple, transparent and standardised*’ securitisation’ means a securitisation *that complies with the conditions set out* in Article 18 of Regulation (EU) 2017/2402 of the European Parliament and of the Council*¹;

Amendment

(14a) ‘securitisation’ means securitisation *as defined* in Article 2, *point (1)*, of Regulation (EU) 2017/2402 of the European Parliament and of the Council*’;

Or. en

Justification

Expanding the scope beyond STS securitisations would not only make the ELTIF more attractive, it would furthermore free up more balance sheets to allow for further lending to the economy.

Amendment 159

Gunnar Beck

Proposal for a regulation

Article 1 – paragraph 1 – point 2 – point d – introductory part

Regulation (EU) 2015/760

Article 2 – point 20

Text proposed by the Commission

(d) the following points (20) *and (21)* *are* added:

Amendment

(d) the following points (20) *is* added:

Or. en

Amendment 160

Gunnar Beck

Proposal for a regulation

Article 1 – paragraph 1 – point 2 – point d

Regulation (EU) 2015/760

Article 2 – point 21

Text proposed by the Commission

Amendment

(21) ‘master ELTIF’ means an ELTIF, or an investment compartment thereof, in which another ELTIF invests at least 85 % of its assets in units of another ELTIF or investment compartment of an ELTIF. *deleted*

Or. en

Amendment 161

Claude Gruffat

on behalf of the Verts/ALE Group

Proposal for a regulation

Article 1 – paragraph 1 – point 2 – point d a (new)

Regulation (EU) 2015/760

Article 2 – point 22 (new)

Text proposed by the Commission

Amendment

(d a) the following point (22) is added:
(22) ‘ELTIF marketed as environmentally sustainable’ means an ELTIF where the fund manager provides investors with a commitment or any form of pre-contractual claim that the fund will invest in economic activities that contribute to an environmental objective as defined in Regulation (EU) 2020/852’.

Or. en

Amendment 162

Jessica Polfjärd

Proposal for a regulation

Article 1 – paragraph 1 – point 3

Regulation (EU) 2015/760

Article 3 – paragraph 3 – subparagraph 1

Text proposed by the Commission

3. The competent authorities of the ELTIFs shall, on a **monthly** basis, inform ESMA of authorisations granted or withdrawn pursuant to this Regulation and of any changes to the information about an ELTIF that is set out in the central public register referred to in the second subparagraph.

Amendment

3. The competent authorities of the ELTIFs shall, on a **quarterly** basis, inform ESMA of authorisations granted or withdrawn pursuant to this Regulation and of any changes to the information about an ELTIF that is set out in the central public register referred to in the second subparagraph.

Or. en

Amendment 163

Gunnar Beck

Proposal for a regulation

Article 1 – paragraph 1 – point 3

Regulation (EU) 2015/760

Article 3 – paragraph 3 – subparagraph 1

Text proposed by the Commission

3. The competent authorities of the ELTIFs shall, on a **monthly** basis, inform ESMA of authorisations granted or withdrawn pursuant to this Regulation and of any changes to the information about an ELTIF that is set out in the central public register referred to in the second subparagraph.

Amendment

3. The competent authorities of the ELTIFs shall, on a **quarterly** basis, inform ESMA of authorisations granted or withdrawn pursuant to this Regulation and of any changes to the information about an ELTIF that is set out in the central public register referred to in the second subparagraph.

Or. en

Amendment 164

Claude Gruffat

on behalf of the Verts/ALE Group

Proposal for a regulation

Article 1 – paragraph 1 – point 3

Regulation (EU) 2015/760

Article 3 – paragraph 3 – subparagraph 1

Text proposed by the Commission

Amendment

3. The competent authorities of the ELTIFs shall, on a monthly basis, inform ESMA of authorisations granted or withdrawn pursuant to this Regulation and of any changes to the information about an ELTIF that is set out in the central public register referred to in the second subparagraph.

3. The competent authorities of the ELTIFs shall, on a monthly basis, inform ESMA of authorisations granted, *denied* or withdrawn pursuant to this Regulation and of any changes to the information about an ELTIF that is set out in the central public register referred to in the second subparagraph.

Or. en

Amendment 165
Jessica Polfjärd

Proposal for a regulation

Article 1 – paragraph 1 – point 3

Regulation (EU) 2015/760

Article 3 – paragraph 3 – subparagraph 2 – point k

Text proposed by the Commission

Amendment

(k) up-to-date links to the ELTIF documentation, including to the rules or instruments of incorporation of the ELTIF, the annual reports, the prospectus and, where available, the Key Information Document;

deleted

Or. en

Amendment 166

Claude Gruffat

on behalf of the Verts/ALE Group

Proposal for a regulation

Article 1 – paragraph 1 – point 3

Regulation (EU) 2015/760

Article 3 – paragraph 3 – subparagraph 3

Text proposed by the Commission

Amendment

The central public register shall be made available in electronic format.;

The central public register shall be made *publicly* available in electronic format.

Or. en

Amendment 167

Claude Gruffat

on behalf of the Verts/ALE Group

Proposal for a regulation

Article 1 – paragraph 1 – point 4 – point a

Regulation (EU) 2015/760

Article 5 – paragraph 1 – subparagraph 2 – point b

Text proposed by the Commission

(b) the name of the proposed manager of the ELTIF;

Amendment

(b) the name of the proposed manager of the ELTIF ***and information on its current and previous fund management history and any other experience relevant for the management of the ELTIF ;***

Or. en

Amendment 168

Claude Gruffat

on behalf of the Verts/ALE Group

Proposal for a regulation

Article 1 – paragraph 1 – point 4 a (new)

Regulation (EU) 2015/760

Article 6 – paragraph 5

Present text

The competent authority of the ELTIF shall communicate to the EU AIF the reason for its refusal to grant authorisation as an ELTIF.

Amendment

(4 a) In Article 6, paragraph 5 is replaced by the following:

""The competent authority of the ELTIF shall communicate to the EU AIF the reason for its refusal to grant authorisation as an ELTIF. The competent authority of the ELTIF shall also communicate its decision to the ESMA which shall keep record of rejected applications. ESMA shall provide information regarding fund managers whose authorisation has been denied to competent authorities upon request.""

Or. en

Amendment 169

Paul Tang, Aurore Lalucq, René Repasi, Jonás Fernández, Margarida Marques

Proposal for a regulation

Article 1 – paragraph 1 – point 4 a (new)

Regulation (EU) 2015/760

Article 7 – paragraph 4

Text proposed by the Commission

Amendment

(4 a) In Article 7, paragraph 4 is added:

‘4. An ELTIF shall comply with the requirements of either Article 8 or of Article 9 of Regulation (EU) 2019/2088.’

Or. en

Justification

As ELTIFs either promote, among other characteristics, environmental or social characteristics or have sustainable investment as its objective, ELTIFs should be subject to the requirements of either article 8 or article 9 of Regulation 2018/2088

Amendment 170

Claude Gruffat

on behalf of the Verts/ALE Group

Proposal for a regulation

Article 1 – paragraph 1 – point 4 b (new)

Regulation (EU) 2015/760

Article 9 – paragraphs 1a and 1b (new)

Text proposed by the Commission

Amendment

(4 b) In Article 9, paragraphs 1a and 1b are inserted:

“1a. An ELTIF shall only invest in assets the underlying economic activities of which do not significantly harm any of the environmental objectives set out in Article 9 of Regulation (EU) 2020/852 in accordance with Article 17 and the delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) or

15(2) of that Regulation.

1b. An ELTIF marketed as environmentally sustainable shall only invest in assets that meet the taxonomy requirements as laid down in the delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852 .";

Or. en

Amendment 171

Claude Gruffat

on behalf of the Verts/ALE Group

Proposal for a regulation

Article 1 – paragraph 1 – point 5

Regulation (EU) 2015/760

Article 10 – paragraph 1

Text proposed by the Commission

1. An asset as referred to in Article 9(1), point (a), shall only be eligible for investment by an ELTIF where it falls into one of the following categories:

Amendment

1. An asset as referred to in Article 9(1), point (a), **and in Article 9(1a)** shall only be eligible for investment by an ELTIF where it falls into one of the following categories:

Or. en

Amendment 172

Claude Gruffat

on behalf of the Greens/EFA Group

Proposal for a regulation

Article 1 – paragraph 1 – point 5

Regulation (EU) 2015/760

Article 10 – paragraph 1 – point b

Text proposed by the Commission

(b) debt instruments issued by a qualifying portfolio undertaking as referred to in Article 11(1);

Amendment

(b) debt instruments issued by a qualifying portfolio undertaking as referred to in Article 11(1) **with a maturity aligned to the life of the ELTIF**;

Amendment 173

Claude Gruffat

on behalf of the Greens/EFA Group

Proposal for a regulation

Article 1 – paragraph 1 – point 5

Regulation (EU) 2015/760

Article 10 – paragraph 1 – point c

Text proposed by the Commission

(c) loans granted by the ELTIF to a qualifying portfolio undertaking as referred to in Article 11(1) with a maturity *that does not exceed* the life of the ELTIF;

Amendment

(c) loans granted by the ELTIF to a qualifying portfolio undertaking as referred to in Article 11(1) with a maturity *aligned with* the life of the ELTIF;

Or. en

Amendment 174

Markus Ferber

Proposal for a regulation

Article 1 – paragraph 1 – point 5

Regulation (EU) 2015/760

Article 10 – paragraph 1 – point d

Text proposed by the Commission

(d) units or shares of one or several other ELTIFs, EuVECAs, EuSEFs, UCITS and *EU* AIFs managed by EU AIFM provided that those ELTIFs, EuVECAs, EuSEFs, UCITS and *EU* AIFs invest in eligible investments as referred to in Article 9(1) and (2) and have not themselves invested more than **10%** of their assets in any other collective investment undertaking.

Amendment

(d) units or shares of one or several other ELTIFs, EuVECAs, EuSEFs, UCITS and AIFs managed by EU AIFM provided that those ELTIFs, EuVECAs, EuSEFs, UCITS and AIFs invest in eligible investments as referred to in Article 9(1) and (2) and have not themselves invested more than **25%** of their assets in any other collective investment undertaking.

Or. en

Amendment 175

Jessica Polfjärd

Proposal for a regulation

Article 1 – paragraph 1 – point 5

Regulation (EU) 2015/760

Article 10 – paragraph 1 – point d

Text proposed by the Commission

(d) units or shares of one or several other ELTIFs, EuVEECAs, EuSEFs, UCITS and EU AIFs managed by EU AIFM provided that those ELTIFs, EuVEECAs, EuSEFs, UCITS and EU AIFs invest in eligible investments as referred to in Article 9(1) and (2) and have not themselves invested more than **10%** of their *assets* in any other collective investment undertaking.

Amendment

(d) units or shares of one or several other ELTIFs, EuVEECAs, EuSEFs, UCITS and EU AIFs managed by EU AIFM provided that those ELTIFs, EuVEECAs, EuSEFs, UCITS and EU AIFs invest in eligible investments as referred to in Article 9(1) and (2) and have not themselves invested more than **20%** of their *net asset value* in any other collective investment undertaking.

Or. en

Amendment 176

Fabio Massimo Castaldo

Proposal for a regulation

Article 1 – paragraph 1 – point 5

Regulation (EU) 2015/760

Article 10 – paragraph 1 – point d

Text proposed by the Commission

(d) units or shares of one or several other ELTIFs, EuVEECAs, EuSEFs, UCITS and EU AIFs managed by EU AIFM provided that those ELTIFs, EuVEECAs, EuSEFs, UCITS and EU AIFs *invest in eligible investments as referred to in Article 9(1) and (2) and have not themselves invested more than 10% of their assets in any other collective investment undertaking.*

Amendment

(d) units or shares of one or several other ELTIFs, EuVEECAs, EuSEFs, UCITS and EU AIFs managed by EU AIFM provided that those ELTIFs, EuVEECAs, EuSEFs, UCITS and EU AIFs *comply with the portfolio composition, diversification, concentration and investment restriction rules applying to ELTIFs, thereby offering a risk profile similar to that of ELTIFs;*

Or. en

Amendment 177

Isabel Benjumea Benjumea

Proposal for a regulation

Article 1 – paragraph 1 – point 5

Regulation (EU) 2015/760

Article 10 – paragraph 1 – point e

Text proposed by the Commission

Amendment

e) *activos reales con un valor mínimo de 1 000 000 EUR, o su equivalente en la moneda en que se efectúe el gasto y en esa fecha;*

suprimido

Or. es

Amendment 178

Gunnar Beck

Proposal for a regulation

Article 1 – paragraph 1 – point 5

Regulation (EU) 2015/760

Article 10 – paragraph 1 – point e

Text proposed by the Commission

Amendment

(e) real assets *with a value of at least EUR 1 000 000 or its equivalent in the currency in which, and at the time when, the expenditure is incurred;*

(e) real assets;

Or. en

Amendment 179

Markus Ferber

Proposal for a regulation

Article 1 – paragraph 1 – point 5

Regulation (EU) 2015/760

Article 10 – paragraph 1 – point e

Text proposed by the Commission

Amendment

(e) real assets *with a value of at least EUR 1 000 000 or its equivalent in the currency in which, and at the time when,*

(e) real assets;

the expenditure is incurred;

Or. en

Amendment 180

Jessica Polfjärd

Proposal for a regulation

Article 1 – paragraph 1 – point 5

Regulation (EU) 2015/760

Article 10 – paragraph 1 – point e

Text proposed by the Commission

Amendment

(e) real assets ***with a value of at least EUR 1 000 000 or its equivalent in the currency in which, and at the time when, the expenditure is incurred;***

(e) real assets;

Or. en

Justification

The proposed threshold appears arbitrary and removing it would broaden the possibility for ELTIFs to contribute to the European economy.

Amendment 181

Claude Gruffat

on behalf of the Greens/EFA Group

Proposal for a regulation

Article 1 – paragraph 1 – point 5

Regulation (EU) 2015/760

Article 10 – paragraph 1 – point f

Text proposed by the Commission

Amendment

(f) ***simple, transparent and standardised securitisations where the underlying exposures correspond to one of the following categories:***

deleted

(i) assets listed in Article 1, points (a)(i), (ii) or (iv), of Commission Delegated Regulation 2019/1851^{1*3};

(ii) assets listed in Article 1, points (a),(vii) and (viii), of Delegated Regulation

2019/1851, provided that the proceeds from the securitisation bonds are used for financing or refinancing long-term investments.

**³ Commission Delegated Regulation (EU) 2019/1851 of 28 May 2019 supplementing Regulation (EU) 2017/2402 of the European Parliament and of the Council with regard to regulatory technical standards on the homogeneity of the underlying exposures in securitisation (OJ L 285, 6.11.2019, p. 1).’;*

Or. en

Amendment 182
Jessica Polfjärd

Proposal for a regulation
Article 1 – paragraph 1 – point 5
Regulation (EU) 2015/760
Article 10 – paragraph 1 – point f – introductory part

Text proposed by the Commission

Amendment

(f) *simple, transparent and standardised* securitisations *where the underlying exposures correspond to one of the following categories:*

(f) securitisations;

Or. en

Justification

Expanding the scope beyond STS securitisations would not only make the ELTIF more attractive, it would furthermore free up more balance sheets to allow for further lending to the economy.

Amendment 183
Markus Ferber

Proposal for a regulation
Article 1 – paragraph 1 – point 5

Regulation (EU) 2015/760
Article 10 – paragraph 1 – point f – introductory part

Text proposed by the Commission

Amendment

(f) ***simple, transparent and standardised*** securitisations ***where the underlying exposures correspond to one of the following categories:***

(f) securitisations;

Or. en

Amendment 184
Markus Ferber

Proposal for a regulation

Article 1 – paragraph 1 – point 5

Regulation (EU) 2015/760

Article 10 – paragraph 1 – point f – point i

Text proposed by the Commission

Amendment

(i) ***assets listed in Article 1, points (a)(i), (ii) or (iv), of Commission Delegated Regulation 2019/1851^{*3};***

deleted

Or. en

Amendment 185
Jessica Polfjärd

Proposal for a regulation

Article 1 – paragraph 1 – point 5

Regulation (EU) 2015/760

Article 10 – paragraph 1 – point f – point i

Text proposed by the Commission

Amendment

(i) ***assets listed in Article 1, points (a)(i), (ii) or (iv), of Commission Delegated Regulation 2019/1851^{*3};***

deleted

Or. en

Amendment 186

Markus Ferber

Proposal for a regulation

Article 1 – paragraph 1 – point 5

Regulation (EU) 2015/760

Article 10 – paragraph 1 – point f – point ii

Text proposed by the Commission

Amendment

(ii) assets listed in Article 1, points (a),(vii) and (viii), of Delegated Regulation 2019/1851, provided that the proceeds from the securitisation bonds are used for financing or refinancing long-term investments. **deleted**

Or. en

Amendment 187

Jessica Polfjärd

Proposal for a regulation

Article 1 – paragraph 1 – point 5

Regulation (EU) 2015/760

Article 10 – paragraph 1 – point f – point ii

Text proposed by the Commission

Amendment

(ii) assets listed in Article 1, points (a),(vii) and (viii), of Delegated Regulation 2019/1851, provided that the proceeds from the securitisation bonds are used for financing or refinancing long-term investments. **deleted**

Or. en

Amendment 188

Elisabetta Gualmini, Jonás Fernández, Paul Tang

Proposal for a regulation

Article 1 – paragraph 1 – point 5

Regulation (EU) 2015/760

Article 10 – paragraph 1 – point f a (new)

Text proposed by the Commission

Amendment

(f a) green bonds issued in accordance with Regulation (EU) .../... [insert reference to the Regulation on European green bonds - COM(2021)0391 after its adoption by the European Parliament and the Council] of the European Parliament and of the Council;

Or. en

Justification

To promote investments in long-term sustainable activities, it is necessary to broaden the scope of eligible assets to include bonds issued in accordance with proposal for a Regulation on European green bonds COM (2021) 391.

Amendment 189

Elisabetta Gualmini, Jonás Fernández, Paul Tang

Proposal for a regulation

Article 1 – paragraph 1 – point 5

Regulation (EU) 2015/760

Article 10 – paragraph 1 – point f b (new)

Text proposed by the Commission

Amendment

(f b) financial products that have sustainable investment as their objective in accordance with Article 9 of Regulation (EU) 2019/2088 of the European Parliament and of the Council;

Or. en

Justification

To promote investments in long-term sustainable activities, it is necessary to broaden the scope of eligible assets to include financial products that have sustainable objective in accordance with Regulation (EU) 2019/2088.

Amendment 190

Christophe Hansen

Proposal for a regulation

Article 1 – paragraph 1 – point 5

Text proposed by the Commission

2. Where an ELTIF has invested in shares or units of other ELTIFs, EuVECAs, EuSEFs, UCITS and EU AIFs managed by EU AIFMs in accordance with paragraph 1, point (d), the assets of the respective ELTIF and other collective investment undertakings are to be combined for the purposes of determining the compliance with limits laid down in Article 13 and Article 16(1).'

Amendment

2. Where an ELTIF has invested in shares or units of other ELTIFs, EuVECAs, EuSEFs, UCITS and EU AIFs managed by EU AIFMs in accordance with paragraph 1, point (d), ***of this Article***, the assets of the respective ELTIF and other collective investment undertakings are to be combined for the purposes of determining the compliance with limits laid down in Article 13(3).

Or. en

Amendment 191

Elisabetta Gualmini, Jonás Fernández, Paul Tang, Alfred Sant

Proposal for a regulation

Article 1 – paragraph 1 – point 5

Regulation (EU) 2015/760

Article 10 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2 a. Eligible investment assets shall be subject to the minimum safeguards referred to in Article 18 of Regulation (EU) 2020/852 of the European Parliament and of the Council.

Or. en

Justification

To ensure alignment with other EU legislation that promotes long-term sustainable investments and ensure an equitable economic development, ELTIFs should have measures in place to protect social rights, in line with the measures stipulated in Art. 18 of the Taxonomy Regulation.

Amendment 192

Jessica Polfjärd

Proposal for a regulation

Article 1 – paragraph 1 – point 6 – point a a (new)

Regulation (EU) 2015/760

Article 11 – paragraph 1 – point a

Text proposed by the Commission

Amendment

(a a) point a is deleted;

Or. en

Justification

Innovative digital companies in the financial sphere tend to grow and scale up by seeking out a license at a very early stage of their existence. Under the current regime ELTIFs would be unnecessarily prevented from investing in such firms, which tend to contribute to EU financial markets, financial infrastructure and the CMU in general.

Amendment 193

Markus Ferber

Proposal for a regulation

Article 1 – paragraph 1 – point 6 – point b

Regulation (EU) 2015/760

Article 11 – paragraph 1 – point b – point ii

Text proposed by the Commission

Amendment

(ii) is admitted to trading on a regulated market or on a multilateral trading facility and has a market capitalisation of no more than EUR 1 000 000 000 at the time of the initial investment;

(ii) is admitted to trading on a regulated market or on a multilateral trading facility and has a market capitalisation of no more than EUR 5 000 000 000 at the time of the initial investment;

Or. en

Justification

The universe of possible investments should be significantly broadened.

Amendment 194

Jessica Polfjärd

Proposal for a regulation

Article 1 – paragraph 1 – point 6 – point b

Regulation (EU) 2015/760

Article 11 – paragraph 1 – point b – point ii

Text proposed by the Commission

Amendment

(ii) is admitted to trading on a regulated market or on a multilateral trading facility and has a market capitalisation of no more than EUR **1 000 000 000** at the time of the initial investment;;

(ii) is admitted to trading on a regulated market or on a multilateral trading facility and has a market capitalisation of no more than EUR **3 000 000 000** at the time of the initial investment;;

Or. en

Justification

Broadening the scope of possible investments benefits the European economy as well as the attractiveness of ELTIFs.

Amendment 195

Gunnar Beck

Proposal for a regulation

Article 1 – paragraph 1 – point 6 – point b

Regulation (EU) 2015/760

Article 11 – paragraph 1 – point b – point ii

Text proposed by the Commission

Amendment

(ii) is admitted to trading on a regulated market or on a multilateral trading facility and has a market capitalisation of no more than EUR **1 000 000 000** at the time of the initial investment;;

(ii) is admitted to trading on a regulated market or on a multilateral trading facility and has a market capitalisation of no more than EUR **3 000 000 000** at the time of the initial investment;

Or. en

Amendment 196

Elisabetta Gualmini, Jonás Fernández, Paul Tang

Proposal for a regulation

Article 1 – paragraph 1 – point 6 – point b a (new)

Regulation (EU) 2015/760

Article 11 – paragraph 1 – point c – point i

Present text

Amendment

(b a) in point (c), point (i) is replaced by the following:

(i) is not a high-risk and non-cooperative jurisdiction identified by the Financial Action Task Force;

"(i) is not a high-risk and non-cooperative jurisdiction identified by the Financial Action Task Force **and is not included in the Union AML/CTF list of high-risk third countries or in a third country subject to restrictive measures, or in Annex I or Annex II of the Union list of non-cooperative jurisdictions for tax purposes;**"

Or. en

(32015R0760)

Justification

ELTIFs should be prohibited from investing into qualifying portfolio undertakings established in a third country that is included in the Union AML/CTF list of high-risk third countries or in a third country subject to restrictive measures, or in Annex I or Annex II of the Union list of non-cooperative jurisdictions for tax purposes.

Amendment 197

Claude Gruffat

on behalf of the Verts/ALE Group

Proposal for a regulation

Article 1 – paragraph 1 – point 6 – point b a (new)

Regulation (EU) 2015/760

Article 11 – paragraph 1 – point c – points iii and iv

Text proposed by the Commission

Amendment

(b a) in point c, points (iii) and iv) are added:

iii) is not on the EU list of third-countries with strategic deficiencies or compliance weaknesses in their AML/CFT regime;

iv) is not a country subject to EU restrictive measures.

Or. en

Amendment 198

Jessica Polfjärd

Proposal for a regulation
Article 1 – paragraph 1 – point 6 a (new)
Regulation (EU) 2015/760
Article 11 – paragraph 2

Text proposed by the Commission

Amendment

(6 a) In Article 11, paragraph 2 is deleted.

Or. en

Justification

Innovative digital companies in the financial sphere tend to grow and scale up by seeking out a license at a very early stage of their existence. Under the current regime ELTIFs would be unnecessarily prevented from investing in such firms, which tend to contribute to EU financial markets, financial infrastructure and the CMU in general.

Amendment 199
Ondřej Kovařík, Caroline Nagtegaal

Proposal for a regulation
Article 1 – paragraph 1 – point 6 a (new)
Regulation (EU) 2015/760
Article 11 – paragraph 3 (new)

Text proposed by the Commission

Amendment

(6 a) in Article 11, the following paragraph is added:

"3. Paragraph 1, point (a), of this Article shall not apply to technology-based financial companies providing financial services that qualify as “financial undertakings” when the company falls into the category of micro, small and medium-sized enterprises (SMEs) as defined in Article 2(1) of the Annex to the Commission Recommendation 2003/361/EC of 6 May 2003.”;

Or. en

Amendment 200
Claude Gruffat

on behalf of the Verts/ALE Group

Proposal for a regulation

Article 1 – paragraph 1 – point 8 – point a – introductory part

Regulation (EU) 2015/760

Article 13

Text proposed by the Commission

Amendment

(a) paragraphs 1, **2 and 3** are replaced by the following:

(a) paragraphs 1 **and 2** are replaced by the following:

Or. en

Amendment 201

Claude Gruffat

on behalf of the Greens/EFA Group

Proposal for a regulation

Article 1 – paragraph 1 – point 8 – point a

Regulation (EU) 2015/760

Article 13 – paragraph 1

Text proposed by the Commission

Amendment

1. An ELTIF shall invest at least **60** % of its capital in eligible investment assets.

1. An ELTIF shall invest at least **70** % of its capital in eligible investment assets ***amongst which at least 50% shall meet the taxonomy requirements as laid down in the delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852.***

Or. en

Amendment 202

Gunnar Beck

Proposal for a regulation

Article 1 – paragraph 1 – point 8 – point a

Regulation (EU) 2015/760

Article 13 – paragraph 1

Text proposed by the Commission

Amendment

1. An ELTIF shall invest at least 60 %

1. An ELTIF shall invest at least 60 %

of its *capital* in eligible investment assets.

of its *net asset value* in eligible investment assets.

Or. en

Amendment 203

Jessica Polfjärd

Proposal for a regulation

Article 1 – paragraph 1 – point 8 – point a

Regulation (EU) 2015/760

Article 13 – paragraph 1

Text proposed by the Commission

1. An ELTIF shall invest at least **60** % of its *capital* in eligible investment assets.

Amendment

1. An ELTIF shall invest at least **50** % of its *net asset value* in eligible investment assets.

Or. en

Amendment 204

Ondřej Kovařík, Caroline Nagtegaal

Proposal for a regulation

Article 1 – paragraph 1 – point 8 – point a

Regulation (EU) 2015/760

Article 13 – paragraph 1

Text proposed by the Commission

1. An ELTIF shall invest at least **60** % of its capital in eligible investment assets.

Amendment

1. An ELTIF shall invest at least **50** % of its capital in eligible investment assets.

Or. en

Amendment 205

Markus Ferber

Proposal for a regulation

Article 1 – paragraph 1 – point 8 – point a

Regulation (EU) 2015/760

Article 13 – paragraph 1

Text proposed by the Commission

Amendment

1. An ELTIF shall invest at least **60 %** of its capital in eligible investment assets.

1. An ELTIF shall invest at least **40%** of its capital in eligible investment assets.

Or. en

Justification

Increases flexibility for the ELTIF.

Amendment 206

Elisabetta Gualmini, Paul Tang

Proposal for a regulation

Article 1 – paragraph 1 – point 8 – point a

Regulation (EU) 2015/760

Article 13 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1 a. An ELTIF shall invest at least 37% of its aggregated investments in environmentally sustainable economic activities, as calculated in accordance with Article 17(1) to (4) of [delegated regulation supplementing Regulation 2019/2088]. For the purpose of calculating the minimum percentage of sustainable assets, where the delegated acts adopted pursuant to Regulation (EU) 2020/852 are amended following the execution of the investment strategy by the manager of the ELTIF, investments that have already been allocated shall not be required to be reallocated.

Or. en

Justification

The proposal establishes that a minimum percentage (of at least 37%) of an ELTIF's aggregated investments should be invested into economic activities defined as environmentally sustainable under the EU Taxonomy Regulation. In addition, the proposal clarifies that investment managers are not required to change their investment strategy in the event that the technical screening criteria for the Delegated Acts under the Taxonomy Regulation are modified.

Amendment 207

Jessica Polfjärd

Proposal for a regulation

Article 1 – paragraph 1 – point 8 – point a

Regulation (EU) 2015/760

Article 13 – paragraph 2 – point a

Text proposed by the Commission

(a) 20 % of its **capital** in instruments issued by, or loans granted to, any single qualifying portfolio undertaking;

Amendment

(a) 20 % of its **net asset value** in instruments issued by, or loans granted to, any single qualifying portfolio undertaking;

Or. en

Amendment 208

Gunnar Beck

Proposal for a regulation

Article 1 – paragraph 1 – point 8 – point a

Regulation (EU) 2015/760

Article 13 – paragraph 2 – point a

Text proposed by the Commission

(a) 20 % of its **capital** in instruments issued by, or loans granted to, any single qualifying portfolio undertaking;

Amendment

(a) 20 % of its **net asset value** in instruments issued by, or loans granted to, any single qualifying portfolio undertaking;

Or. en

Amendment 209

Markus Ferber

Proposal for a regulation

Article 1 – paragraph 1 – point 8 – point a

Regulation (EU) 2015/760

Article 13 – paragraph 2 – point a

Text proposed by the Commission

(a) **20** % of its capital in instruments

Amendment

(a) **25** % of its capital in instruments

issued by, or loans granted to, any single qualifying portfolio undertaking;

issued by, or loans granted to, any single qualifying portfolio undertaking;

Or. en

Amendment 210

Gunnar Beck

Proposal for a regulation

Article 1 – paragraph 1 – point 8 – point a

Regulation (EU) 2015/760

Article 13 – paragraph 2 – point b

Text proposed by the Commission

Amendment

(b) 20 % of its *capital* directly or indirectly in a single real asset;

(b) 20 % of its *net asset value* directly or indirectly in a single real asset;

Or. en

Amendment 211

Jessica Polfjärd

Proposal for a regulation

Article 1 – paragraph 1 – point 8 – point a

Regulation (EU) 2015/760

Article 13 – paragraph 2 – point b

Text proposed by the Commission

Amendment

(b) 20 % of its *capital* directly or indirectly in a single real asset;

(b) 20 % of its *net asset value* directly or indirectly in a single real asset;

Or. en

Amendment 212

Markus Ferber

Proposal for a regulation

Article 1 – paragraph 1 – point 8 – point a

Regulation (EU) 2015/760

Article 13 – paragraph 2 – point b

Text proposed by the Commission

Amendment

(b) 20 % of its capital directly or indirectly in a single real asset;

(b) 25 % of its capital directly or indirectly in a single real asset;

Or. en

Amendment 213

Gunnar Beck

Proposal for a regulation

Article 1 – paragraph 1 – point 8 – point a

Regulation (EU) 2015/760

Article 13 – paragraph 2 – point c

Text proposed by the Commission

Amendment

(c) 20 % of its *capital* in units or shares of any single ELTIF, EuVECA, EuSEF, UCITS or EU AIF managed by an EU AIFM;

(c) 20 % of its *net asset value* in units or shares of any single ELTIF, EuVECA, EuSEF, UCITS or EU AIF managed by an EU AIFM;

Or. en

Amendment 214

Jessica Polfjärd

Proposal for a regulation

Article 1 – paragraph 1 – point 8 – point a

Regulation (EU) 2015/760

Article 13 – paragraph 2 – point c

Text proposed by the Commission

Amendment

(c) 20 % of its *capital* in units or shares of any single ELTIF, EuVECA, EuSEF, UCITS or EU AIF managed by an EU AIFM;

(c) 20 % of its *net asset value* in units or shares of any single ELTIF, EuVECA, EuSEF, UCITS or EU AIF managed by an EU AIFM;

Or. en

Amendment 215

Claude Gruffat

on behalf of the Greens/EFA Group

Proposal for a regulation

Article 1 – paragraph 1 – point 8 – point a

Regulation (EU) 2015/760

Article 13 – paragraph 2 – point c

Text proposed by the Commission

(c) **20** % of its capital in units or shares of any single ELTIF, EuVECA, EuSEF, UCITS or EU AIF managed by an EU AIFM;

Amendment

(c) **10** % of its capital in units or shares of any single ELTIF, EuVECA, EuSEF, UCITS or EU AIF managed by an EU AIFM;

Or. en

Amendment 216

Markus Ferber

Proposal for a regulation

Article 1 – paragraph 1 – point 8 – point a

Regulation (EU) 2015/760

Article 13 – paragraph 2 – point c

Text proposed by the Commission

(c) **20** % of its capital in units or shares of any single ELTIF, EuVECA, EuSEF, UCITS or EU AIF managed by an EU AIFM;

Amendment

(c) **25** % of its capital in units or shares of any single ELTIF, EuVECA, EuSEF, UCITS or EU AIF managed by an EU AIFM;

Or. en

Amendment 217

Jessica Polfjärd

Proposal for a regulation

Article 1 – paragraph 1 – point 8 – point a

Regulation (EU) 2015/760

Article 13 – paragraph 2 – point d

Text proposed by the Commission

(d) 10 % of its **capital** in assets as referred to in Article 9(1), point (b), where those assets have been issued by any single body.

Amendment

(d) 10 % of its **net asset value** in assets as referred to in Article 9(1), point (b), where those assets have been issued by any single body.

Amendment 218

Gunnar Beck

Proposal for a regulation

Article 1 – paragraph 1 – point 8 – point a

Regulation (EU) 2015/760

Article 13 – paragraph 2 – point d

Text proposed by the Commission

(d) 10 % of its **capital** in assets as referred to in Article 9(1), point (b), where those assets have been issued by any single body.

Amendment

(d) 10 % of its **net asset value** in assets as referred to in Article 9(1), point (b), where those assets have been issued by any single body.

Or. en

Amendment 219

Markus Ferber

Proposal for a regulation

Article 1 – paragraph 1 – point 8 – point a

Regulation (EU) 2015/760

Article 13 – paragraph 2 – point d

Text proposed by the Commission

(d) **10** % of its capital in assets as referred to in Article 9(1), point (b), where those assets have been issued by any single body.

Amendment

(d) **25** % of its capital in assets as referred to in Article 9(1), point (b), where those assets have been issued by any single body.

Or. en

Amendment 220

Claude Gruffat

on behalf of the Greens/EFA Group

Proposal for a regulation

Article 1 – paragraph 1 – point 8 – point a

Regulation (EU) 2015/760

Article 13 – paragraph 2 – point d

Text proposed by the Commission

Amendment

(d) **10 %** of its capital in assets as referred to in Article 9(1), point (b), where those assets have been issued by any single body.

(d) **5%** of its capital in assets as referred to in Article 9(1), point (b), where those assets have been issued by any single body.

Or. en

Amendment 221
Markus Ferber

Proposal for a regulation
Article 1 – paragraph 1 – point 8 – point a
Regulation (EU) 2015/760
Article 13 – paragraph 3

Text proposed by the Commission

Amendment

3. The aggregate value of units or shares of ELTIFs, EuvECAs, EuSEFs, UCITS and of EU AIFs managed by EU AIFM in an ELTIF portfolio shall not exceed 40 % of the value of the capital of the ELTIF.;

deleted

Or. en

Justification

Would allow "fund of funds" ELTIFs.

Amendment 222
Claude Gruffat
on behalf of the Greens/EFA Group

Proposal for a regulation
Article 1 – paragraph 1 – point 8 – point a
Regulation (EU) 2015/760
Article 13 – paragraph 3

Text proposed by the Commission

Amendment

3. The aggregate value of units or shares of ELTIFs, EuvECAs, EuSEFs, UCITS and of EU AIFs managed by EU AIFM in an ELTIF portfolio shall not

deleted

exceed 40 % of the value of the capital of the ELTIF.;

Or. en

Amendment 223

Gunnar Beck

Proposal for a regulation

Article 1 – paragraph 1 – point 8 – point a

Regulation (EU) 2015/760

Article 13 – paragraph 3

Text proposed by the Commission

Amendment

3. *The aggregate value of units or shares of ELTIFs, EuvECAs, EuSEFs, UCITS and of EU AIFs managed by EU AIFM in an ELTIF portfolio shall not exceed 40 % of the value of the capital of the ELTIF.;* ***deleted***

Or. en

Justification

Requiring that the aggregate value of units or shares of funds in an ELTIF portfolio shall not exceed 40% of the ELTIF's capital could undermine the effectiveness of fund-of-funds strategies, since such funds generally invest a high percentage of their assets in target funds, which are in any case over 40%.

Amendment 224

Jessica Polfjärd

Proposal for a regulation

Article 1 – paragraph 1 – point 8 – point a

Regulation (EU) 2015/760

Article 13 – paragraph 3

Text proposed by the Commission

Amendment

3. *The aggregate value of units or shares of ELTIFs, EuvECAs, EuSEFs, UCITS and of EU AIFs managed by EU AIFM in an ELTIF portfolio shall not exceed 40 % of the value of the capital of* **3. *deleted***

the ELTIF.;

Or. en

Justification

Allowing for fund-of-funds strategies would increase the attractiveness of ELTIFs and allow for higher levels of diversification and diversification which would be beneficial to especially retail investors.

Amendment 225
Christophe Hansen

Proposal for a regulation
Article 1 – paragraph 1 – point 8 – point a
Regulation (EU) 2015/760
Article 13 – paragraph 3

Text proposed by the Commission

3. The aggregate value of units or shares of ELTIFs, EuvECAs, EuSEFs, UCITS and of EU AIFs managed by EU AIFM in an ELTIF portfolio shall not exceed **40** % of the value of the capital of the ELTIF.;

Amendment

3. The aggregate value of units or shares of ELTIFs, EuvECAs, EuSEFs, UCITS and of EU AIFs managed by EU AIFM in an ELTIF portfolio shall not exceed **100**% of the value of the capital of the ELTIF.;

Or. en

Amendment 226
Ondřej Kovařík, Caroline Nagtegaal

Proposal for a regulation
Article 1 – paragraph 1 – point 8 – point a
Regulation (EU) 2015/760
Article 13 – paragraph 3

Text proposed by the Commission

3. The aggregate value of units or shares of ELTIFs, EuvECAs, EuSEFs, UCITS and of EU AIFs managed by EU AIFM in an ELTIF portfolio shall not exceed 40 % of the value *of the capital of the ELTIF.*;

Amendment

3. The aggregate value of units or shares of ELTIFs, EuvECAs, EuSEFs, UCITS and of EU AIFs managed by EU AIFM in an ELTIF portfolio shall not exceed 40 % of the *net asset* value (*NAV*).

Amendment 227

Claude Gruffat

on behalf of the Verts/ALE Group

Proposal for a regulation

Article 1 – paragraph 1 – point 8 – point b

Regulation (EU) 2015/760

Article 13 – paragraph 3a

Text proposed by the Commission

Amendment

(b) the following paragraph 3a is inserted:

deleted

‘3a. The aggregate value of simple, transparent and standardised securitisations in an ELTIF portfolio shall not exceed 20% of the value of the capital of the ELTIF.’

Amendment 228

Ondřej Kovařík, Caroline Nagtegaal

Proposal for a regulation

Article 1 – paragraph 1 – point 8 – point b

Regulation (EU) 2015/760

Article 13 – paragraph 3a

Text proposed by the Commission

Amendment

3a. The aggregate value of simple, transparent and standardised securitisations in an ELTIF portfolio shall not exceed 20% of the value of the capital of the ELTIF.

3a. The aggregate value of securitisations in an ELTIF portfolio shall not exceed 30 % of the net asset value (NAV).

Amendment 229

Jessica Polfjärd

Proposal for a regulation

Article 1 – paragraph 1 – point 8 – point b

Regulation (EU) 2015/760

Article 13 – paragraph 3a

Text proposed by the Commission

3a. The aggregate value of *simple, transparent and standardised* securitisations in an ELTIF portfolio shall not exceed 20% of the value *of the capital* of the ELTIF.;

Amendment

3a. The aggregate value of securitisations in an ELTIF portfolio shall not exceed 20% of the *net asset* value of the ELTIF.;

Or. en

Justification

Expanding the scope beyond STS securitisations would not only make the ELTIF more attractive, it would furthermore free up more balance sheets to allow for further lending to the economy.

Amendment 230

Markus Ferber

Proposal for a regulation

Article 1 – paragraph 1 – point 8 – point b

Regulation (EU) 2015/760

Article 13 – paragraph 3a

Text proposed by the Commission

3a. The aggregate value of *simple, transparent and standardised* securitisations in an ELTIF portfolio shall not exceed **20%** of the value of the capital of the ELTIF.;

Amendment

3a. The aggregate value of securitisations in an ELTIF portfolio shall not exceed **25%** of the value of the capital of the ELTIF.;

Or. en

Amendment 231

Gunnar Beck

Proposal for a regulation

Article 1 – paragraph 1 – point 8 – point b

Regulation (EU) 2015/760

Article 13 – paragraph 3a

Text proposed by the Commission

Amendment

3a. The aggregate value of simple, transparent and standardised securitisations in an ELTIF portfolio shall not exceed 20% of the value *of the capital* of the ELTIF.;

3a. The aggregate value of simple, transparent and standardised securitisations in an ELTIF portfolio shall not exceed 20% of the *net asset* value of the ELTIF.

Or. en

Amendment 232
Jessica Polfjärd

Proposal for a regulation
Article 1 – paragraph 1 – point 8 – point c
Regulation (EU) 2015/760
Article 13 – paragraph 4

Text proposed by the Commission

Amendment

4. The aggregate risk exposure to a counterparty of the ELTIF stemming from OTC derivative transactions, repurchase agreements, or reverse repurchase agreements shall not exceed 10 % of the value *of the capital* of the ELTIF.;

4. The aggregate risk exposure to a counterparty of the ELTIF stemming from OTC derivative transactions, repurchase agreements, or reverse repurchase agreements shall not exceed 10 % of the *net asset* value of the ELTIF.;

Or. en

Amendment 233
Gunnar Beck

Proposal for a regulation
Article 1 – paragraph 1 – point 8 – point c
Regulation (EU) 2015/760
Article 13 – paragraph 4

Text proposed by the Commission

Amendment

4. The aggregate risk exposure to a counterparty of the ELTIF stemming from OTC derivative transactions, repurchase agreements, or reverse repurchase agreements shall not exceed 10 % of the value *of the capital* of the ELTIF.;

4. The aggregate risk exposure to a counterparty of the ELTIF stemming from OTC derivative transactions, repurchase agreements, or reverse repurchase agreements shall not exceed 10 % of the *net asset* value of the ELTIF.

Or. en

Amendment 234

Ondřej Kovařík, Caroline Nagtegaal

Proposal for a regulation

Article 1 – paragraph 1 – point 8 – point c

Regulation (EU) 2015/760

Article 13 – paragraph 4

Text proposed by the Commission

4. The aggregate risk exposure to a counterparty of the ELTIF stemming from OTC derivative transactions, repurchase agreements, or reverse repurchase agreements shall not exceed 10 % of the value *of the capital of the ELTIF* .;

Amendment

4. The aggregate risk exposure to a counterparty of the ELTIF stemming from OTC derivative transactions, repurchase agreements, or reverse repurchase agreements shall not exceed 10 % of the *Net Asset Value (NAV)*.

Or. en

Amendment 235

Elisabetta Gualmini, Jonás Fernández

Proposal for a regulation

Article 1 – paragraph 1 – point 8 – point c a (new)

Regulation (EU) 2015/760

Article 13 – paragraph 4a (new)

Text proposed by the Commission

Amendment

(c a) the following paragraph is inserted:

'4a. An ELTIF shall invest at least 70% of its capital instruments in qualifying undertakings based in the Union.'

Or. en

Justification

Based on ESMA's recommendation, this is to ensure that a majority of ELTIF's assets (at least 70 %) is invested into EU long-term investment projects.

Amendment 236

Claude Gruffat

on behalf of the Verts/ALE Group

Proposal for a regulation

Article 1 – paragraph 1 – point 8 – point e

Regulation (EU) 2015/760

Article 13 – paragraph 6

Text proposed by the Commission

Amendment

(e) in paragraph 6, the first sentence is replaced by the following: **deleted**

‘By way of derogation from paragraph 2, point (d), an ELTIF may raise the 10 % limit referred to in that point to 25 % where bonds are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders.;’

Or. en

Amendment 237

Claude Gruffat

on behalf of the Verts/ALE Group

Proposal for a regulation

Article 1 – paragraph 1 – point 8 – point f

Regulation (EU) 2015/760

Article 13 – paragraph 8

Text proposed by the Commission

Amendment

(f) the following paragraph 8 is added: **deleted**

‘8. The investment thresholds set out in paragraphs 2 to 4 shall not apply where ELTIFs are marketed solely to professional investors.;’

Or. en

Amendment 238

Ondřej Kovařík, Caroline Nagtegaal

Proposal for a regulation

Article 1 – paragraph 1 – point 8 – point f a (new)

Regulation (EU) 2015/760

Article 13 – paragraph 8a (new)

Text proposed by the Commission

Amendment

(f a) The following paragraph is added:

'8a. The requirements included in paragraph 2 of the present article should not apply to those funds which are marketed as fund-of-fund structures.'

Or. en

Amendment 239

Paul Tang, Aurore Lalucq, René Repasi, Jonás Fernández, Margarida Marques

Proposal for a regulation

Article 1 – paragraph 1 – point 8 a (new)

Regulation (EU) 2015/760

Article 14a (new)

Text proposed by the Commission

Amendment

(8 a) Article 14a is inserted:

'Article 14a

Long term risk of stranded assets

1. ELTIFs shall not invest in assets which carry a significant risk of becoming stranded due to the transition away from fossil fuels and highly polluting economic activities.

2. ESMA shall develop draft regulatory technical standards specifying the asset categories referred to in paragraph 1, taking into account the Union's climate objectives as set out in Regulation (EU) 2021/1119.

3. ESMA shall submit those draft regulatory technical standards to the Commission by ... [12 months after entry into force of this Regulation].

4. Power is delegated to the Commission to adopt the regulatory technical

standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulation (EU) No 1095/2010.’;

Or. en

Justification

As ELTIFs aim to finance long-term assets, sufficient attention should be given to the risk of assets becoming stranded due to out economic transition away from fossil fuels and other polluting activities. Currently investors tend to underprice the risks of legislative action to address climate change. This means they expose their investors to significant risks and increase the cost of the transition to a sustainable economy. As such, ELTIFs should not invest in assets that have a high risks of becoming stranded due to the economic transition. ESMA should develop regulatory technical standards to indicate which assets fall into this category.

Amendment 240

Claude Gruffat

on behalf of the Greens/EFA Group

Proposal for a regulation

Article 1 – paragraph 1 – point 9 – point a

Regulation (EU) 2015/760

Article 15 – paragraph 1

Text proposed by the Commission

1. An ELTIF may acquire no more than 30 % of the units or shares of a single ELTIF, EuVECA, EuSEF, UCITS or of an EU AIF managed by an EU AIFM. ***That limit shall not apply where ELTIFs are marketed solely to professional investors.;***

Amendment

1. An ELTIF may acquire no more than 30 % of the units or shares of a single ELTIF, EuVECA, EuSEF, UCITS or of an EU AIF managed by an EU AIFM;

Or. en

Amendment 241

Claude Gruffat

on behalf of the Verts/ALE Group

Proposal for a regulation

Article 1 – paragraph 1 – point 9 – point b

Regulation (EU) 2015/760

Article 15 – paragraph 2 – subparagraph 2

Text proposed by the Commission

Amendment

(b) in paragraph 2, the following subparagraph is added: *deleted*

‘Those concentration limits shall not apply where ELTIFs are marketed solely to professional investors.’

Or. en

Amendment 242

Ondřej Kovařík, Caroline Nagtegaal

Proposal for a regulation

Article 1 – paragraph 1 – point 10 – point a – point i

Regulation (EU) 2015/760

Article 16 – paragraph 1 – point a

Text proposed by the Commission

Amendment

(a) it represents ***no more than 50 % of the value of the capital of the ELTIF, and*** no more than 100 % of the value of the ***capital of the ELTIF for ELTIFs marketed solely to professional investors;***

(a) it represents no more than 100 % of the value of the ***net asset value (NAV);***

Or. en

Amendment 243

Claude Gruffat

on behalf of the Greens/EFA Group

Proposal for a regulation

Article 1 – paragraph 1 – point 10 – point a – point i

Regulation (EU) 2015/760

Article 16 – paragraph 1 – point a

Text proposed by the Commission

Amendment

(a) it represents no more than ***50 %*** of the value of the capital of the ELTIF, and no more than 100 % of the value of the capital of the ELTIF for ELTIFs marketed solely to professional investors;

(a) it represents no more than ***30 %*** of the value of the capital of the ELTIF, and no more than 100 % of the value of the capital of the ELTIF for ELTIFs marketed solely to professional investors;

Amendment 244
Elisabetta Gualmini

Proposal for a regulation

Article 1 – paragraph 1 – point 10 – point a – point i

Regulation (EU) 2015/760

Article 16 – paragraph 1 – point a

Text proposed by the Commission

(a) it represents no more than **50** % of the value of the capital of the ELTIF, and no more than 100 % of the value of the capital of the ELTIF for ELTIFs marketed solely to professional investors;

Amendment

(a) it represents no more than **30** % of the value of the capital of the ELTIF, and no more than 100 % of the value of the capital of the ELTIF for ELTIFs marketed solely to professional investors;

Or. en

Justification

The borrowing of cash threshold for ELTIFs marketed to retail investors will ensure the stability of the financial system, as a whole, and adequate protection to investors. Considering that ELTIFs invest in the long term and in illiquid assets, an easing of the leverage threshold would not be appropriate to us because it may increase the riskiness of the product, thus exposing retail investors to excessive risk-taking.

Amendment 245
Gunnar Beck

Proposal for a regulation

Article 1 – paragraph 1 – point 10 – point a – point i

Regulation (EU) 2015/760

Article 16 – paragraph 1 – point a

Text proposed by the Commission

(a) it represents no more than 50 % of the value *of the capital* of the ELTIF, and no more than 100 % of the value *of the capital* of the ELTIF for ELTIFs marketed solely to professional investors;

Amendment

(a) it represents no more than 50 % of the *net asset* value of the ELTIF, and no more than 100 % of the *net asset* value of the ELTIF for ELTIFs marketed solely to professional investors;

Or. en

Amendment 246

Jessica Polfjärd

Proposal for a regulation

Article 1 – paragraph 1 – point 10 – point a – point i

Regulation (EU) 2015/760

Article 16 – paragraph 1 – point b

Text proposed by the Commission

(a) it represents no more than **50** % of the value *of the capital* of the ELTIF, and no more than 100 % of the value *of the capital* of the ELTIF for ELTIFs marketed solely to professional investors;

Amendment

(a) it represents no more than **75** % of the *net asset* value of the ELTIF, and no more than 100 % of the *net asset* value of the ELTIF for ELTIFs marketed solely to professional investors;

Or. en

Justification

In order to facilitate legitimate investment strategies and boost the attractiveness of ELTIFs even further, thresholds for borrowing of cash should be increased further than the Commission proposal. Double supervision provides sufficient safeguards against any risks and concerns.

Amendment 247

Markus Ferber

Proposal for a regulation

Article 1 – paragraph 1 – point 10 – point a – point i

Regulation (EU) 2015/760

Article 16 – paragraph 1 – point b

Text proposed by the Commission

(b) it serves the purpose of making investments or providing liquidity, including to pay costs and expenses, *except for loans as referred to in Article 10, point (c)*, provided that the holdings in cash or cash equivalents of the ELTIF are not sufficient to make the investment concerned;

Amendment

(b) it serves the purpose of making investments or providing liquidity, including to pay costs and expenses provided that the holdings in cash or cash equivalents of the ELTIF are not sufficient to make the investment concerned;

Or. en

Amendment 248
Ondřej Kovařík, Caroline Nagtegaal

Proposal for a regulation

Article 1 – paragraph 1 – point 10 – point a – point i

Regulation (EU) 2015/760

Article 16 – paragraph 1 – point b

Text proposed by the Commission

(b) it serves the purpose of making investments or providing liquidity, including to pay costs and expenses, *except for loans as referred to in Article 10, point (c)*, provided that the holdings in cash or cash equivalents of the ELTIF are not sufficient to make the investment concerned;

Amendment

(b) it serves the purpose of making investments or providing liquidity, including to pay costs and expenses provided that the holdings in cash or cash equivalents of the ELTIF are not sufficient to make the investment concerned;

Or. en

Amendment 249
Jessica Polfjärd

Proposal for a regulation

Article 1 – paragraph 1 – point 10 – point a – point i

Regulation (EU) 2015/760

Article 16 – paragraph 1 – point b

Text proposed by the Commission

(b) it serves the purpose of making investments or providing liquidity, including to pay costs and expenses, *except for loans as referred to in Article 10, point (c)*, provided that the holdings in cash or cash equivalents of the ELTIF are not sufficient to make the investment concerned;

Amendment

(b) it serves the purpose of making investments or providing liquidity, including to pay costs and expenses provided that the holdings in cash or cash equivalents of the ELTIF are not sufficient to make the investment concerned;

Or. en

Justification

Article 16, together with the AIFMD provisions and double NCA supervision, provides sufficient safeguards against any undue risks and concerns about shadow banking activities. The exclusion of loans contradicts the current wording of the ELTIF Regulation, which explicitly recognises that loans granted by the ELTIF to a qualifying portfolio undertakings

qualify as eligible investment assets.

Amendment 250

Claude Gruffat

on behalf of the Greens/EFA Group

Proposal for a regulation

Article 1 – paragraph 1 – point 10 – point a – point i

Regulation (EU) 2015/760

Article 16 – paragraph 1 – point c

Text proposed by the Commission

(c) it is contracted in the same currency as the assets to be acquired with the borrowed cash or in another currency where currency exposure has been hedged ***or where it can be otherwise demonstrated that the borrowing in another currency does not expose the ELTIF to material currency risks.***;

Amendment

(c) it is contracted in the same currency as the assets to be acquired with the borrowed cash or in another currency where currency exposure has been hedged ;

Or. en

Amendment 251

Claude Gruffat

on behalf of the Verts/ALE Group

Proposal for a regulation

Article 1 – paragraph 1 – point 10 – point b

Regulation (EU) 2015/760

Article 16 – paragraph 1a

Text proposed by the Commission

(b) ***the following paragraph 1a is inserted:***

‘1a. Borrowing arrangements which are fully covered by investors’ capital commitments shall not be considered to constitute borrowing for the purposes of paragraph 1.’

Amendment

deleted

Or. en

Amendment 252
Christophe Hansen

Proposal for a regulation

Article 1 – paragraph 1 – point 10 – point c a (new)

Regulation (EU) 2015/760

Article 16 – paragraph 2a (new)

Text proposed by the Commission

Amendment

(c a) the following paragraph 2a is added:

"2a. The borrowing limit laid down in this paragraph shall only apply as from the date specified in the rules or instruments of incorporation of the ELTIF.";

Or. en

Justification

This would allow the ELTIF to fully invest over a certain period defined in the instruments of incorporation and allow the manager to borrow more at the launch of the ELTIF, during the investment phase of the ELTIF. Borrowing limits would nevertheless need to be observed once the ELTIF is running throughout the life of the ELTIF.

Amendment 253
Markus Ferber

Proposal for a regulation

Article 1 – paragraph 1 – point 10 – point c

Regulation (EU) 2015/760

Article 16 – paragraph 2

Text proposed by the Commission

Amendment

2. The manager of the ELTIF shall specify in the prospectus of the ELTIF whether or not the ELTIF intends to borrow cash as part of the ELTIF's investment strategy and shall provide a **detailed** presentation of the ELTIF borrowing strategy and limits. In particular, the manager of the ELTIF shall indicate how borrowing will help implement the ELTIF strategy and mitigate borrowing, currency and duration risks.;

2. The manager of the ELTIF shall specify in the prospectus of the ELTIF whether or not the ELTIF intends to borrow cash as part of the ELTIF's investment strategy and shall provide a **high-level** presentation of the ELTIF borrowing strategy and limits. In particular, the manager of the ELTIF shall indicate how borrowing will help implement the ELTIF strategy and mitigate borrowing, currency and duration risks.;

Justification

The borrowing strategy may change over the lifespan of the ELTIF. Hence, only an outline of the strategy is possible in the prospectus.

Amendment 254**Claude Gruffat**

on behalf of the Verts/ALE Group

Proposal for a regulation**Article 1 – paragraph 1 – point 10 a (new)**

Regulation (EU) 2015/760

Article 18 – paragraph 2 – point c

Present text

the manager of the ELTIF sets out a defined redemption policy, which clearly indicates the periods of time during which investors may request redemptions;

Amendment

(10 a) In Article 18(2), point c is replaced by the following:

""(c) the manager of the ELTIF sets out a defined redemption policy, which clearly indicates the periods of time during which investors may request redemptions. **The periods of time shall be defined in accordance with the underlying assets portfolio and shall not be shorter than semi-annual.**"";

Or. en

Amendment 255**Claude Gruffat**

on behalf of the Verts/ALE Group

Proposal for a regulation**Article 1 – paragraph 1 – point 11**

Regulation (EU) 2015/760

Article 18 – paragraph 4

Text proposed by the Commission

(11) in Article 18, paragraph 4 is ***deleted;***

Amendment

(11) in Article 18, paragraph 4 is ***replaced by the following:***

""Where the ELTIF does not satisfy within one year the investors' redemption request

made in accordance with the ELTIF redemption policy, the investors shall inform the competent authority. The competent authority may request the winding down of the ELTIF, after taking into account its possible detrimental impact on the other ELTIF investors.'';

Or. en

Amendment 256

Ondřej Kovařík, Caroline Nagtegaal

Proposal for a regulation

Article 1 – paragraph 1 – point 12

Regulation (EU) 2015/760

Article 18 – paragraph 7

Text proposed by the Commission

ESMA shall develop draft regulatory technical standards specifying the minimum information to be provided to competent authorities under Article 18(2), point (b), and the criteria to assess the percentage referred to in Article 18(2), point (d), taking into account the ELTIF's expected cash flows and liabilities.;

Amendment

7. ESMA shall develop draft regulatory technical standards specifying the minimum information to be provided to competent authorities under Article 18(2), point (b), and the criteria to assess the percentage referred to in Article 18(2), point (d), taking into account the ELTIF's expected cash flows and liabilities. ***The draft regulatory technical standards must ensure that ELTIF managers are entitled to define the redemption frequency, which not be shorter than a month;***

Or. en

Amendment 257

Jessica Polfjärd

Proposal for a regulation

Article 1 – paragraph 1 – point 12 a (new)

Regulation (EU) 2015/760

Article 18a

Text proposed by the Commission

Amendment

(12 a) the following Article 18a is

inserted:

‘Article 18a

*Subscription and redemption of shares
and units in open-ended ELTIFs*

- 1. By way of derogation from Article 18, ELTIF may be open-ended.*
- 2. The fund rules of an open-ended ELTIF shall provide for the subscription and redemption of units or shares on specific dates and at least every 12 months.*
- 3. . Where the fund rules of an open-ended ELTIF provide for the subscription and redemption of units or shares, a manager of such an open-ended ELTIF shall not be exempted from its obligations to respect the diversification requirements, eligible assets investment limits and borrowing of cash requirements in accordance with the provisions of this Regulation.*
- 4. Units or shares of an open-ended ELTIF may only be redeemed after a minimum holding period of 24 months.*
- 5. The manager of an ELTIF shall be notified of the investor’s request for redemption by means of an irrevocable redemption declaration.’;*

Or. en

Justification

To increase the attractiveness of the ELTIF, open-ended fund structures alongside the existing closed-end structure should be introduced. Combining the introduction of open-ended structures with clear rules for redemption rights would increase flexibility for investors and enable increased participation.

Amendment 258

Claude Gruffat

on behalf of the Verts/ALE Group

Proposal for a regulation

Article 1 – paragraph 1 – point 13 – point i
Regulation (EU) 2015/760

Article 19 – paragraph 2a – point ca

Text proposed by the Commission

Amendment

(c a) investors are duly informed ex ante that their exiting request might not match with potential investors interest at all times .';

Or. en

Amendment 259

Claude Gruffat

on behalf of the Verts/ALE Group

Proposal for a regulation

Article 1 – paragraph 1 – point 14 a (new)

Regulation (EU) 2015/760

Article 22 – paragraph 4

Present text

Amendment

The rules ***or instruments of incorporation*** of an ELTIF shall specify the distribution policy that the ELTIF will apply during its life.

(14 a) Article 22 paragraph 4 is replaced by the following:

"4. The rules of an ELTIF shall specify the distribution policy that the ELTIF will apply during its life. Where marketed to retail investors, the distribution policy shall be designed to minimise the volatility of returns to investors."

Or. en

(Regulation 2015/760)

Amendment 260

Claude Gruffat

on behalf of the Verts/ALE Group

Proposal for a regulation

Article 1 – paragraph 1 – point 15 – point a a (new)

Regulation (EU) 2015/760

Article 23 – paragraph 3 – point g

Text proposed by the Commission

Amendment

(a a) (aa) In Article 23, the following point (g) is inserted under paragraph 3:

(g) the share of assets complying with the criteria laid down in the delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation 2020/852 in which the ELTIF intends to invest in

Or. en

Amendment 261
Gunnar Beck

Proposal for a regulation
Article 1 – paragraph 1 – point 15 – point a
Regulation (EU) 2015/760
Article 23 – paragraph 3a – point g

Text proposed by the Commission

Amendment

(g) a description of the tax implications for the feeder ELTIF of the investment into the master ELTIF.;

deleted

Or. en

Amendment 262
Elisabetta Gualmini, Jonás Fernández, Paul Tang

Proposal for a regulation
Article 1 – paragraph 1 – point 15 – point a a (new)
Regulation (EU) 2015/760
Article 23 – paragraph 3b (new)

Text proposed by the Commission

Amendment

(a a) the following paragraph is inserted:

'3b. The prospectus shall not contain information to be disclosed by collective investment undertakings of the closed-end type in accordance with Regulation (EU) 2017/1129.';

Justification

The introduction of an additional paragraph 3 (a) is aimed at clarifying that only the provisions of the Regulation (EU) 2017/1129 on the information to be indicated in the prospectus do not apply to ELTIFs, since the information provided for in Article 23 is considered sufficient. In this way, the other provisions of the Prospectus Regulation that are not expressly waived by the ELTIF Regulation would continue to apply without creating a “regulatory gap” in the discipline.

Amendment 263**Claude Gruffat**

on behalf of the Verts/ALE Group

Proposal for a regulation**Article 1 – paragraph 1 – point 15 – point b a (new)**

Regulation (EU) 2015/760

Article 23 – paragraph 4 – point j (new)

*Text proposed by the Commission**Amendment*

(b a) in paragraph 4, the following point is added:

'(j) set out the procedures by which the fund assesses the long-term economic, social and environmental impact of eligible portfolio undertakings, as well as its corporate governance.'

Or. en

Amendment 264**Claude Gruffat**

on behalf of the Greens/EFA Group

Proposal for a regulation**Article 1 – paragraph 1 – point 15 – point b**

Regulation (EU) 2015/760

Article 23 – paragraph 5

*Text proposed by the Commission**Amendment*

(b) in paragraph 5, the following subparagraph is added:

deleted

‘Where the ELTIF is marketed to retail investors, the manager of the ELTIF shall include in the annual report of the feeder ELTIF a statement on the aggregate charges of the feeder ELTIF and the master ELTIF. The annual report of the feeder ELTIF shall indicate how the annual report or reports of the master ELTIF can be obtained.’

Or. en

Amendment 265

Claude Gruffat

on behalf of the Verts/ALE Group

Proposal for a regulation

Article 1 – paragraph 1 – point 15 – point b b (new)

Regulation (EU) 2015/760

Article 23 – paragraph 5 – point e (new)

Text proposed by the Commission

Amendment

(b b) in paragraph 5, the following point is added:

'(e) information on the alignment of the ELTIF investment decisions with the Green Deal objectives, including the share of its investments effectively allocated to assets that meet the taxonomy requirements as laid down in the delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852.'

Or. en

Amendment 266

Elisabetta Gualmini, Paul Tang, Alfred Sant

Proposal for a regulation

Article 1 – paragraph 1 – point 17 a (new)

Regulation (EU) 2015/760

Article 27 – paragraph 1

1. The manager of an ELTIF, the units or shares of which are intended to be marketed to retail investors, shall **establish and apply a specific internal process for the assessment of that ELTIF before it is marketed or distributed to retail investors.**

(17 a) in Article 27, paragraph 1 is replaced by the following:

"1. The manager of an ELTIF the units or shares of which are intended to be marketed to retail investors shall *be subject to the product governance requirements laid down in Articles 16(3) and 24(2) of Directive 2014/65/EU and the requirements under Article 9 of Delegated Directive 2017/593.*;"

Or. en

(32015R0760)

Justification

The proposal specifies that MiFID II's product governance obligations should apply for ELTIF products. This requires ELTIF manufacturers to specify a target market to which the product should be distributed (e.g. taking into account the knowledge/experience of the client, their financial situation, their attitude to risk).

Amendment 267

Fabio Massimo Castaldo

Proposal for a regulation

Article 1 – paragraph 1 – point 20

Regulation (EU) 2015/760

Article 30 – paragraph 1

Text proposed by the Commission

1. The units or shares of an ELTIF may only be marketed to a retail investor where an assessment of suitability in accordance with Article 25, paragraphs 1, 2 and 5, Article 25(6), second and third subparagraph, and Article 25(7) of Directive 2014/65/EU has been carried out with respect to that investor.

Amendment

1. The units or shares of an ELTIF may only be marketed to a retail investor where an assessment of suitability in accordance with Article 25, paragraphs 1, 2 and 5, Article 25(6), second and third subparagraph, and Article 25(7) of Directive 2014/65/EU has been carried out with respect to that investor. ***Where the financial instrument portfolio of a potential retail investor does not exceed EUR 500 000, the manager of the ELTIF or any distributor, after having performed the suitability test referred to above and having provided appropriate investment***

advice, shall ensure, on the basis of the information submitted by the potential retail investor, that the potential retail investor does not invest an aggregate amount exceeding 10 % of that investor's financial instrument portfolio in ELTIFs and that the initial minimum amount invested in one or more ELTIFs is EUR 10 000. The potential retail investor shall be responsible for providing the manager of the ELTIF or the distributor with accurate information on the potential retail investor's financial instrument portfolio and investments in ELTIFs as referred to in the first subparagraph. For the purpose of this paragraph, a financial instrument portfolio shall be understood to include cash deposits and financial instruments, but shall exclude any financial instruments that have been given as collateral.

Or. en

Amendment 268

Elisabetta Gualmini, Paul Tang, Alfred Sant

Proposal for a regulation

Article 1 – paragraph 1 – point 20

Regulation (EU) 2015/760

Article 30 – paragraph 1

Text proposed by the Commission

1. The units or shares of an ELTIF **may only** be marketed to a retail investor **where** an assessment of suitability in accordance with Article 25, paragraphs 1, 2 and 5, Article 25(6), second and third subparagraph, and Article 25(7) of Directive 2014/65/EU has been carried out with respect to that investor.

Amendment

1. The units or shares of an ELTIF **shall** be marketed to a retail investor **only if the following conditions are fulfilled:**

(a) an assessment of suitability in accordance with Article 25(2) of Directive 2014/65/EU has been carried out, **and its result has been communicated**, with respect to that investor;

(b) in all cases, the seller of the ELTIF has ascertained, on the basis of the assessment referred to in point (a) of this paragraph, that the ELTIF is suitable for that retail investor.

Or. en

Justification

A suitability assessment is required when units or shares of an ELTIF are marketed to a retail investor. The result of the assessment should be communicated to the investor. If, following the outcome of the suitability assessment, the ELTIF is not suitable for the retail investor or, in any case, whenever it is not possible to carry out the assessment, the ELTIF manager or the distributor shall not recommend nor sell the ELTIF to the retail client.

Amendment 269

Elisabetta Gualmini, Paul Tang, Alfred Sant

Proposal for a regulation

Article 1 – paragraph 1 – point 20

Regulation (EU) 2015/760

Article 30 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2 a. The manager of the ELTIF or the distributor shall issue a clear written alert to the retail investor that investing an aggregate amount exceeding 10 % of the retail investor's portfolio of financial instruments in ELTIFs may constitute excessive risk taking.

Or. en

Justification

To avoid overly concentrate portfolios in ELTIFs, while removing the prohibition to invest more than 10 % of the portfolio of financial instruments in these financial products, a clear written alert should be introduced to ensure retail clients are well aware of the risks taken where they intend to invest above the 10 % threshold.

Amendment 270

Elisabetta Gualmini

Proposal for a regulation
Article 1 – paragraph 1 – point 20
Regulation (EU) 2015/760
Article 30 – paragraph 2 b (new)

Text proposed by the Commission

Amendment

2 b. *Where the rules or instruments of incorporation of an ELTIF provide for the possibility of the matching of units or shares of the ELTIF as provided for in Article 19(2a), the manager of the ELTIF or the distributor shall issue a clear written alert to the retail investor that the availability of such a possibility does not guarantee or entitle the retail investor to exit or redeem its units or shares of the ELTIF concerned.*

Or. en

Justification

It is very important to alert and inform retail investors about exit possibilities (redemption under Art. 18(2) and secondary Markets) as well as the fact redemption are not guaranteed in all circumstances.

Amendment 271
Claude Gruffat
on behalf of the Verts/ALE Group

Proposal for a regulation
Article 1 – paragraph 1 – point 20
Regulation (EU) 2015/760
Article 30 – paragraph 3

Text proposed by the Commission

Amendment

3. Paragraphs 1 and 2 shall not apply where the retail investor is a member of senior staff, portfolio manager, director, ***officer, agent or employee*** of the manager or of an affiliate of the manager and has sufficient knowledge about the ELTIF concerned.

3. Paragraphs 1 and 2 shall not apply where the retail investor is a member of senior staff, portfolio manager ***or*** director of the manager or of an affiliate of the manager and has sufficient knowledge about the ELTIF concerned.

Or. en

Amendment 272

Claude Gruffat

on behalf of the Verts/ALE Group

Proposal for a regulation

Article 1 – paragraph 1 – point 20

Regulation (EU) 2015/760

Article 30 – paragraph 4

Text proposed by the Commission

Amendment

4. In case of a master-feeder structure, the prospectus of the feeder ELTIF shall contain all of the following information:

deleted

(a) a declaration that the feeder ELTIF is a feeder of the master ELTIF;

(b) the investment objective and policy, including the risk profile and whether the performance of the feeder and of the master ELTIF are identical, or to what extent and for which reasons they differ;

(c) a brief description of the master ELTIF, its organisation, its investment objective and policy, including the risk profile, and information on how the prospectus of the master ELTIF can be obtained;

(d) a description of all remuneration or reimbursement of costs payable by the feeder ELTIF by virtue of its investment in units of the master ELTIF, as well as of the aggregate charges of the feeder ELTIF and the master ELTIF;

(e) a description of the tax implications for the feeder ELTIF of the investment into the master ELTIF .

Or. en

Amendment 273

Claude Gruffat

on behalf of the Verts/ALE Group

Proposal for a regulation
Article 1 – paragraph 1 – point 20
Regulation (EU) 2015/760
Article 30 – paragraph 5

Text proposed by the Commission

Amendment

5. *A feeder ELTIF shall disclose in any marketing communications that it permanently invests 85 % or more of its assets in units of the master ELTIF.*

deleted

Or. en

Amendment 274
Claude Gruffat
on behalf of the Verts/ALE Group

Proposal for a regulation
Article 1 – paragraph 1 – point 20
Regulation (EU) 2015/760
Article 30 – paragraph 5a (new)

Text proposed by the Commission

Amendment

5 a. *Where the financial instrument portfolio of a potential retail investor does not exceed EUR 500 000, the manager of the ELTIF or any distributor, after having performed the suitability test referred to in paragraph 1 of this Article and having provided appropriate investment advice, shall ensure, on the basis of the information submitted by the potential retail investor, that the potential retail investor does not invest an aggregate amount exceeding 30 % of that investor's financial instrument portfolio in ELTIFs.*

The potential retail investor shall be responsible for providing the manager of the ELTIF or the distributor with accurate information on the potential retail investor's financial instrument portfolio and investments in ELTIFs as referred to in the first subparagraph.

For the purpose of this paragraph, a financial instrument portfolio shall be

understood to include cash deposits and financial instruments, but shall exclude any financial instruments that have been given as collateral.

Or. en

Amendment 275
Markus Ferber

Proposal for a regulation
Article 1 – paragraph 1 – point 20
Regulation (EU) 2015/760
Article 30 – paragraph 9

Text proposed by the Commission

9. The manager of an ELTIF marketed to retail investors shall establish appropriate procedures and arrangements to deal with retail investor complaints, which shall allow retail investors to file complaints in the official language or one of the official languages of their Member State.;

Amendment

9. The manager of an ELTIF marketed to retail investors shall establish appropriate procedures and arrangements to deal with retail investor complaints, which shall allow retail investors to file complaints in the official language or one of the official languages of their Member State *or in English.*;

Or. en

Amendment 276
Ondřej Kovařík, Caroline Nagtegaal

Proposal for a regulation
Article 1 – paragraph 1 – point 21
Regulation (EU) 2015/760
Article 37 – paragraph 1

Text proposed by the Commission

1. No later than [date of the entry into force + 5 years], the Commission shall *start a review of* the application of this Regulation. *The review* shall analyse, *in particular*:

Amendment

1. No later than [date of the entry into force + 5 years], the Commission shall *submit to the European Parliament and to the Council a report on* the application *and enforcement* of this Regulation. *That report shall at least analyse the following elements:*

Amendment 277

Markus Ferber

Proposal for a regulation

Article 1 – paragraph 1 – point 21

Regulation (EU) 2015/760

Article 37 – paragraph 1

Text proposed by the Commission

1. No later than [date of the entry into force + 5 years], the Commission shall **start** a review of the application of this Regulation. The review shall analyse, in particular:

Amendment

1. No later than [date of the entry into force + 6 years], the Commission shall **present** a review **report** of the application of this Regulation. The **report may be accompanied by legislative proposal if appropriate. The** review shall analyse, in particular:

Or. en

Justification

There is a need for a deadline for when the review is supposed to be finished rather for when it has to start.

Amendment 278

Markus Ferber

Proposal for a regulation

Article 1 – paragraph 1 – point 21

Regulation (EU) 2015/760

Article 37 – paragraph 1 – point d

Text proposed by the Commission

(d) the impact of the application of the minimum thresholds of eligible investment assets laid down in Article 13(1) on asset diversification;

Amendment

(d) the impact of the application of the minimum thresholds of eligible investment assets laid down in Article 13(1) on asset diversification **and risk-adjusted returns**;

Or. en

Amendment 279

Claude Gruffat

on behalf of the Verts/ALE Group

Proposal for a regulation

Article 1 – paragraph 1 – point 21

Regulation (EU) 2015/760

Article 37 – paragraph 1 – point i a (new)

Text proposed by the Commission

Amendment

(i a) whether ELTIFs have made a significant contribution to the financing of the digital and green transition and whether this Regulation should be updated to enable ELTIFs to contribute effectively to the achievement of the Green Deal objectives. ?

Or. en

Amendment 280

Markus Ferber

Proposal for a regulation

Article 1 – paragraph 1 – point 21

Regulation (EU) 2015/760

Article 37 – paragraph 1 – point i a (new)

Text proposed by the Commission

Amendment

(i a) whether and under what conditions open-ended ELTIFs could be introduced;

Or. en

Amendment 281

Jessica Polfjärd

Proposal for a regulation

Article 2 – paragraph 2

Regulation (EU) 2015/760

Article 38 – paragraph 1 – subparagraph 2

Text proposed by the Commission

Amendment

It shall apply from [entry into force + 6 months].

It shall apply from [entry into force + 6 months]. ***ELTIFs established before ... [the date of entry into force of this Regulation] shall have the right to opt out from the application of the requirements set out in this amending Regulation.***

Or. en

Justification

As ELTIFs are long-term in their nature, existing ELTIFs should be subject to a grandfathering clause without time limit in order to safeguard predictability and trust.

Amendment 282
Gunnar Beck

Proposal for a regulation
Article 2 – paragraph 2
Regulation (EU) 2015/760
Article 38 – paragraph 1 – subparagraph 2

Text proposed by the Commission

It shall apply from [entry into force + 6 months].

Amendment

It shall apply from [entry into force + 6 months]. ***ELTIFs established before the entry into force of this Regulation shall not be required to comply with its provisions.***

Or. en

Amendment 283
Elisabetta Gualmini

Proposal for a regulation
Article 2 – paragraph 2
Regulation (EU) 2015/760
Article 38 – paragraph 1– subparagraph 2

Text proposed by the Commission

It shall apply from [entry into force + **6 months**].

Amendment

It shall apply from [**12 months after the date of entry into force of this Regulation**].

Or. en

Justification

This would ensure Member state and ELTIFs managers an adequate period to adjust their operations and activities to the new rules.

Amendment 284

Markus Ferber

Proposal for a regulation

Article 2 – paragraph 2

Regulation (EU) 2015/760

Article 38 – paragraph 1 – subparagraph 2

Text proposed by the Commission

It shall apply from [entry into force + **6** months].

Amendment

It shall apply from [entry into force + **12** months].

Or. en

Amendment 285

Claude Gruffat

on behalf of the Verts/ALE Group

Proposal for a regulation

Article 2 – paragraph 2

Regulation (EU) 2015/760

Article 38 – paragraph 1 – subparagraph 2

Text proposed by the Commission

It shall apply from [entry into force + **6** months].

Amendment

It shall apply from [entry into force + **12** months].

Or. en

Justification

As ELTIF will be required that a minimum share of their eligible investments are invested in taxonomy-aligned assets, some additional time would be needed to allow ELTIF to adjust their asset portfolio.

Amendment 286

Elisabetta Gualmini

Proposal for a regulation

Article 2 – paragraph 2 a (new)

Regulation (EU) 2015/760

Article 38 – paragraph 1– subparagraph 2a (new)

Text proposed by the Commission

Amendment

ELTIFs established before ... [date of the entry into force of this Regulation] shall not be required to comply with its provisions, except in cases where an ELTIF makes a request to benefit from the rights and assume the obligations provided for by this Regulation.

Or. en

Justification

It is important that existing ELTIFs are entitled on a voluntary basis to abide by the new framework and apply the new rules to their funds. For those ELTIFs which will not want to “opt-in”, they shall continue to carry on their activity pursuant to the former rules until their maturity.