

## Regulatory News Alert

### Luxembourg – CSSF change in policy to investments by UCITS in other UCIs under Article 41(1)(e) of the UCITS Law of 2010

**9 January 2018**

The Luxembourg regulator, the CSSF, announced a policy change for investment by UCITS in other UCIs under Article 41(1)(e) of the Luxembourg Law of 17 December 2010 (the “Law”) via press release 18/02.

UCITS investments in other UCI should strictly meet all the criteria for eligibility under Article 2(2) and 41(1)(e) of the Law.

In the past, it had been practice to invest in other UCIs whose investment rules and restrictions were not as stringent as those of UCITS, via a constant compliance monitoring of the other UCI, written confirmation from either the other UCI or the other UCI’s manager that it would follow UCITS rules and restrictions. CSSF confirmed by the press release 18/02 that the *“Mere compliance controls or written confirmation of the ETF or of the manager as mentioned in the FAQ is not acceptable anymore.”*

The CSSF expects UCITS that have invested in other UCIs as described above to disinvest them as soon as possible taking into account the best interests of investors. The CSSF will be contacting investment fund managers until the 31 March to check whether they have complied with the policy change.

Furthermore, the CSSF FAQ has been updated and released. Question 1.4 has now been deleted to reflect this change in policy.

Please follow the link to view the press release.

[http://www.cssf.lu/fileadmin/files/Publications/Communiqués/Communiqués\\_2018/PR1802\\_UCITS\\_Change\\_of\\_Policy\\_050118.pdf](http://www.cssf.lu/fileadmin/files/Publications/Communiqués/Communiqués_2018/PR1802_UCITS_Change_of_Policy_050118.pdf)

Please follow this link to view the new CSSF FAQ.

[http://www.cssf.lu/fileadmin/files/Metier\\_OPC/FAQ/FAQ\\_Law\\_17\\_December\\_2010\\_050118.pdf](http://www.cssf.lu/fileadmin/files/Metier_OPC/FAQ/FAQ_Law_17_December_2010_050118.pdf)

We trust this information is of assistance and remain at your disposal for any further questions.

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