

Deloitte regulatory news alert

UCITS V: CSSF Press Release 16/10

11 March 2016

In its press release 16/10 the CSSF clarified its position on practical issues in relation to the implementation of the UCITS V regime and depositary aspects in relation to Part II UCIs.

UCITS V applicable provisions

The substantive rules of the UCITS V regime on remuneration and depositary bank aspects will enter into force in phases. The UCITS V regime will be put in place through the following instruments:

- The Luxembourg UCITS V transposition law (the “Transposition Law”), which is expected to be adopted and to enter into force on or close to 18 March 2016;
- The UCITS V Delegated Act (the “Delegated Act”) with the Level II measures regarding depositary bank aspects; this Delegated Act is expected to be published in the Official Journal of the European Union by the end of March 2016. It will enter into force 20 days after such publication and is expected to be applicable 6 months after its entry into force, i.e. towards the end of September/beginning of October 2016;
- The ESMA Guidelines on Sound Remuneration Policies under the UCITS Directive, which are expected to be published by the end of March 2016, and which will enter into force as of 1 January 2017;
- The ESMA Questions and Answers on the application of the UCITS Directive.

Timing with respect to changes to UCITS KIID and Prospectuses

The CSSF confirmed that it will generally apply the timeline outlined in the ESMA Q&A that was published on 1 February 2016. Please also refer to our previous News Alert on this issue from 3 February 2016.

As a consequence, generally speaking, KIIDs and Prospectuses of Luxembourg domiciled UCITS will need to be updated with relevant UCITS V language concerning remuneration policy at the next available update opportunity after 18 March 2016, but no later than 18 March 2017. The CSSF will put in place a fast-track procedure for the approval of changes to UCITS prospectuses which are limited to amendments relating to the remuneration policy under UCITS V.

UCITS depositary bank aspects as per Circular CSSF 14/587

The CSSF confirmed that the Circular CSSF 14/587 as clarified by the Circular CSSF 15/608 will entry into force as of 18 March 2016. In case of conflict between the provisions of the circular and the Transposition Law, **the provision of the Transposition Law shall prevail.**

The CSSF will adapt and amend the Circular CSSF 14/587 when the Delegated Act will be applicable (i.e. end of September/beginning of October 2016).

The CSSF clarified that “the Reviseur’s (auditor) report on the adequacy of the depositary’s organisation (on an annual basis)” as required in Circular CSSF 14/587, will be required for a full year that start after the 18 March 2016.

UCI established under Part II of the Law of 17 December 2010 relating to undertakings for collective investments

The CSSF confirmed in the press release that under the Transposition Law, the depositary regime applicable to UCI part II of the Law of 17 December 2010 shall be aligned to the depositary regime applicable to UCITS as of the date of the entry into force of the Transposition Law. Clarifications of the provisions applicable to Part II UCI will be made when the Circular CSSF 14/587 will be amended (i.e. end of September, beginning of October 2016).

[Read the CSSF’s Press Release 16/10.](#)

Your contacts

Martin Flaunet

Partner - Banking Leader

Tel: +352 451 452 334

mflaunet@deloitte.lu

Johnny Yip Lan Yan

Partner - Investment Management Leader

Tel: +352 451 452 489

jyiplanyan@deloitte.lu

Lou Kiesch

Partner - Regulatory Compliance Leader

Tel: +352 451 452 456

lkiesch@deloitte.lu

Simon Ramos

Partner – Regulatory Strategy Leader

Tel: +352 451 452 702

siramos@deloitte.lu

Benjamin Collette

Partner - Global Investment Management Advisory & Consulting Leader

Tel: +352 451 452 809

bcollette@deloitte.lu

Deloitte Luxembourg

560, rue de Neudorf

L-2220 Luxembourg

Tel: +352 451 451

Fax: +352 451 452 401

www.deloitte.lu

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