

The revised ELTIF – a long-term opportunity for European investors

Brussels, 25 November 2021 – The European Fund and Asset Management Association (EFAMA) firmly supports the European Commission's proposal to revise the European Long-Term Investment Fund (ELTIF) Regulation. The revised framework has the potential to transform ELTIF into a product of choice for European investors and to become a cornerstone of the Capital Markets Union.

The draft proposal broadens the scope of the current eligible asset universe, thus allowing for more diverse investment opportunities. As an incentive to increase retail participation, the European Commission proposes to reduce the threshold of eligible investment assets to 60% of the ELTIF capital, as well as to remove the minimum investment amounts for retail investors.

Easing such restrictions and allowing retail investors to commit lower amounts to an ELTIF will increase its contribution to the funding of the real economy, according to EFAMA. The lower restrictions on real asset holdings and higher market capitalisation thresholds are also welcome, as they will allow managers to include more companies as well as smaller but potentially valuable projects into the ELTIF.

Some parts of the proposal, however, will require scrutiny. EFAMA appreciates the European Commission's efforts to respond to investors' needs by considering solutions that allow for more frequent redemptions. Yet, the association believes that further clarifications are needed, especially regarding the proposed Liquidity Window Mechanism and whether it will deliver on its intended objective as is.

EFAMA will analyse the European Commission's proposal in more detail in the coming weeks and the association will keep engaging in a constructive and open dialogue with the European Commission and the co-legislators to ultimately ensure the success of the ELTIF vehicle.

– Ends –

Notes to Editors:

Link to the European Commission proposal:

For further information, please contact:

Daniela Haiduc
Head of Communications
+32 473 562 936
cc: info@efama.org

About the European Fund and Asset Management Association (EFAMA)

EFAMA is the voice of the European investment management industry, which manages over EUR 27 trillion of assets on behalf of its clients in Europe and around the world. We advocate for a regulatory environment that supports our industry's crucial role in steering capital towards investments for a sustainable future and providing long-term value for investors. More information available at www.efama.org.