

### **Circular to the financial services industry on the latest ESMA publications in relation to investment management**

The Authority would like to draw the attention of the financial services industry to the following documents published by ESMA in relation to the UCITS and AIFM Directive:

#### **Developments relating to the UCITS Directive**

##### **[I] Discussion Paper on Share Classes of UCITS [ESMA/2014/1577]**

On 23 December 2014 ESMA issued a [Discussion Paper on Share Classes of UCITS](#). The Discussion Paper is the first step in developing a common understanding at EU level of what constitutes a share class of UCITS and of the ways in which share classes may differ from each other.

In this Discussion Paper, ESMA identifies a number of principles that should be used in assessing the legality of different share classes. ESMA also identifies two lists of types of share classes that would be compatible and incompatible with the principles set.

In developing a common position ESMA will take into account the possible impact on current market practices given the divergences that exist at national level as to the types of share classes that are offered by UCITS.

ESMA will consider all comments received by **Friday 27 March 2015**.

##### **[II] Q&A on ETFs and other UCITS issues (update) [ESMA/2015/12]**

On 9 January 2015 ESMA announced the publication of an updated [Q&A on ETFs and other UCITS issues](#). This revised document includes a new Q&A (5f) relating to the role of the counterparty to a financial derivative instrument and a new Q&A (6n) relating to the treatment of reinvested cash collateral.

## Developments relating to the AIFM Directive

### [I] Consultation Paper on Guidelines on Asset Segregation under the AIFMD [ESMA/2014/1326]

On 1 December 2014, ESMA issued a [Consultation Paper on Guidelines on Asset Segregation under the AIFMD](#).

The Consultation Paper includes draft guidelines on the rules on asset segregation where a depositary delegates safekeeping to a third party under Article 21 of the Directive and Article 99 of the Delegated Regulation.

The Consultation Paper proposes two options for consideration:

- **Option 1** where the account on which the AIF's assets are to be kept at the level of the delegated third party (or sub-delegate) only comprises assets of the AIF and assets of other AIFs of the same depositary.
- **Option 2** where the account on which the AIF's assets are to be kept at the level of the delegated third party (or sub-delegate) may include (in addition to assets of the AIF and assets of other AIFs of the same depositary) assets from AIFs of different depositaries.

ESMA will consider all comments received by **30 January 2015**.

### [II] Q&A on the Application of the AIFMD (update) [ESMA/2015/11]

On 9 January 2015 ESMA announced the publication of an updated [Q&A on the Application of the AIFMD](#). This revised document includes additional Q&As (50 to 53) relating to reporting obligations.

## Contacts

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