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## ESMA launches a Common Supervisory Action on the valuation of UCITS and open-ended AIFs across the EU

On 20 January 2022, the European Securities and Markets Authority (**'ESMA'**) [announced](#) the launch of a Common Supervisory Action (**'CSA'**) with National Competent Authorities (**'NCAs'**) on the valuation of UCITS and open-ended Alternative Investment Funds (**'AIFs'**) across the EU.

The CSA, which will take place throughout 2022, was launched by ESMA with a view to assess compliance of licensed entities with the applicable valuation-related provisions in the UCITS and AIFMD frameworks. This will be done on the basis of a common methodology developed by ESMA which aims to ensure a common supervisory approach among NCAs.

For this purpose, the MFSA will be actively contributing to this initiative, and will assess the governance structures, policies and procedures in the context of valuation of assets, particularly assets with lower liquidity. In its methodology, ESMA identified the following asset classes as examples of less liquid assets: unlisted equities, unrated bonds, corporate debt, real estate, high yield bonds, emerging markets, listed equities that are not actively traded, and bank loans.

In this context, the MFSA will be reaching out to the relevant licence holders in due course, in line with the methodology provided by ESMA to NCAs.