



# UCITS 2022 WEBINAR SERIES

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**UCITS eligible assets**

## Hello and welcome!

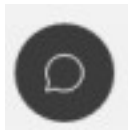
Let's enjoy an interactive session



Q&A

### **Q&A – please send your questions to the panelists**

You can access the Q&A section by clicking on the 3 dots button in the toolbar at the bottom of your screen.



### **Chat – should you have technical issues, please write us in the chat**

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## The speakers



**Michèle Eisenhuth**  
Partner  
Arendt & Medernach



**Fiona de Watazzi**  
Counsel  
Arendt & Medernach



**Jasmine Cornil**  
Senior Associate  
Arendt & Medernach



**Alexandre Brajou**  
Manager  
Arendt Regulatory & Consulting

## Agenda

- I. ESMA and CSSF UCITS FAQs updates
- II. Eligibility of covered bonds for UCITS
- III. Case studies / recent practical CSSF experiences
- IV. Russia / Ukraine crisis and liquidity considerations
- V. Conclusion & Questions

## ESMA UCITS Q&A UPDATE

- A. Art. 45 (1) - Investment up to 100% in government/guaranteed securities (Q.5c)
  
- B. Art. 43 (1) - Counterparty risk exposure – (Q.5d)

## CSSF UCITS FAQ UPDATES

- A. Ancillary Liquid Assets – new scope and 20% limit
  - Impacts on prospectus disclosures
  
  - Immediate compliance required for new products – first CSSF feedbacks received
  
  - Compliance deadline by end of year 2022

## CSSF UCITS FAQ UPDATES

### B. Investments in SPACs

- Eligible if qualify as transferable securities
- In principle limited to 10% of a UCITS NAV
- Prospectus disclosures (incl. risks) required
- CSSF may be willing to discuss above 10% exposure for certain UCITS
  - TBC

## ELIGIBILITY OF COVERED BONDS FOR UCITS

- Only EU CB and high quality EU CB eligible under the 25% rule
- Change to eligibility rule re. 25% max. limit
- Potential change to investment policy + prospectus disclosures impact
- New eligibility rule applicable to bonds issued as from 8 July 2022

## **CASE STUDIES / RECENT PRACTICAL CSSF EXPERIENCES**

- Initial public offerings
- Securitized assets
- Russian / Belarussian assets
- ...



## RUSSIA / UKRAINE CRISIS AND LIQUIDITY CONSIDERATIONS

- Limited exposure to illiquid assets: fair valuation adjustments, considering the closure of funds to subscriptions by new investors & side pocket (in a further step)
- Higher exposure to illiquid assets: suspension of fund as a first immediate measure. In a second step, structural measures such as side pocket
- **Important**: are the fund documents flexible enough? Which restructuring options are allowed by the fund documents?

## **CONCLUSION & QUESTIONS**



**Questions?**

## Contact us



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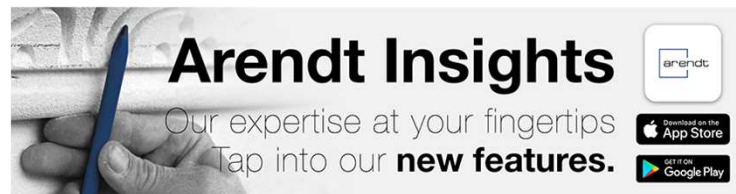
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Tuesday 31 May	Past webinar	<b>UCITS PRIIPs KID</b> a transition guide with practical insights	Alexandre Brajou, Julien Ganter, Corinne Prinz	RECORDING HERE_
Wednesday 8 June	1 pm - 1:45 pm CET	<b>UCITS Eligible Assets</b> overview of the market trends	Jasmine Cornil, Michèle Eisenhuth, Fiona de Watazzi	REGISTER HERE_
Tuesday 14 June	1 pm - 1:45 pm CET	<b>UCITS Cross-Border Distribution</b> update on recent developments	Nathalie Berck, François Jacquemet, Florence Stainier	REGISTER HERE_
Tuesday 28 June	1 pm - 1:45 pm CET	<b>UCITS Delegation and Oversight</b> legal and operational aspects, points to watch out and some tips	Piotr Giemza-Popowski, Jasper Ronda	REGISTER HERE_
Tuesday 4 October	1 pm - 1:45 pm CET	<b>UCITS Liquidity Risk Management</b> from a proper assessment to the implementation of mitigation techniques	Alexandre Brajou, Henning Schwabe	REGISTER HERE_
Tuesday 11 October	1 pm - 1:45 pm CET	<b>UCITS Tax Trends and Solutions</b> update on key tax trends and solutions including on tax reclaims	Farah-Ei-Messiri, Yann Fihey, Dr Philipp Jost	REGISTER HERE_
Wednesday 19 October	1 pm - 1:45 pm CET	<b>Closing: 'UCITS State of Play' 2023</b>	Florence Stainier	REGISTER HERE_

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