

ANNOUNCEMENT

Regulation (EU) 2019/1156 on facilitating cross-border distribution of collective investment undertakings and amending Regulations (EU) 345/2013, (EU) 346/2013 and (EU) 1286/2014

The Cyprus Securities and Exchange Commission (“CySEC”) wishes to inform the market that Regulation (EU) 2019/1156, which is published on CySEC’s website, applies from 01 August 2019. However, articles 4(1)-(5), 5(1) and (2), 15 and 16, shall apply from 02 August 2021.

Regulation (EU) 2019/1156 aims at making the provision of services for collective investment undertakings (“CIUs”) easier, and thus to achieve a more competitive and integrated internal market within the Union.

To ensure that the internal market for CIUs operates properly and to improve the conditions in which it operates, as well as to harmonise the behavioural requirements for CIUs, i.e. marketing communications to potential investors, and transparency of the provisions falling outside the fields governed by Directive 2009/65/EC and Directive 2011/61/EU (thus allowing for the facilitation of a cross-border passport mechanism), it was deemed appropriate that a regulatory framework was adopted, reducing barriers to the cross-border distribution of CIUs at Union level.

Amendments to EuVECA and ELTIF Regulations

It is also noted that the adoption of Regulation (EU) 2019/1156 was accompanied by the adoption of [Directive \(EU\) 2019/1160 amending Directives 2009/65/EC and 2011/61/EU with regard to cross-border distribution of collective investment undertakings](#) which provides for amendments in directive 2009/65/EC (UCITS) and directive 2011/61/EU (AIFMD), with the purpose of reducing regulatory barriers to the cross-border distribution of CIUs in the EU. Member States shall transpose this Directive by 02 August 2021. These new measures are expected to reduce the cost for fund managers of going cross-border and should support more cross-border marketing of CIUs. Having regard to the fact that the definition of pre-marketing and the conditions under which it is permitted vary considerably between those Member States in which it is permitted, whereas in other Member States there is no concept of pre-marketing at all, a harmonised definition of pre-marketing has been introduced in the AIFMD.

Regulation (EU) 2019/1156 amends Regulation (EU) 345/2013 (regarding EuVECA) and Regulation 346/2013 (regarding ELTIFs) to mirror an introduction of the notion and conditions for pre-marketing in a separate directive, proposing amendments to Directive 2011/61/EU.

Amendments to PRIIPs Regulation

In accordance with Regulation (EU) 1286/2014, certain companies and persons referred to in Article 32 of that Regulation are exempt from the obligations under that Regulation until 31

December 2019. That Regulation also provides that the Commission is to review it by 31 December 2018, in order to assess, inter alia, whether that transitional exemption should be prolonged, or whether, following the identification of any necessary adjustments, the provisions on key investor information in Directive 2009/65/EC should be replaced by or considered equivalent to the key information document as laid down in that Regulation. In order to allow the Commission to conduct the review in accordance with Regulation (EU) No 1286/2014 as originally provided for, the deadline for that review should be extended by 12 months.

Nicosia, 07 November 2019

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