

COMMENT LETTER

August 13, 2024

ICI Global Response to ESMA Consultation Paper on UCITS Eligible Assets Directive

ICI Global provided comments in response to the Call for Evidence from the European Securities and Markets Authority (ESMA) on the UCITS Eligible Assets Directive (UCITS EAD).

Key messages to ESMA were:

- The importance of striking a balance between (1) preserving the existing framework for UCITS and its brand as a robustly-regulated retail product and (2) modernising the product to allow greater flexibility for investments into new and evolving instruments that have emerged since the enactment of the UCITS EAD.
- Overall, it is crucial to allow EU investors access to investment strategies and underlying assets that are adjusted to current market conditions and allow diversification in a way investors have globally in similar investment vehicles. This is important both in terms of maintaining the global success of the UCITS brand, and the overall competitiveness of the EU market.
- Recommended that efforts be made to create a framework that fosters consistent implementation and application of the UCITS EAD across Member States. Inconsistent implementation and application across Member States can lead to jurisdictional arbitrage, undermine the credibility of the UCITS brand, and create confusion among investors.

Read more in the [comment letter](#).