

# MFSa

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MALTA FINANCIAL SERVICES AUTHORITY

## **Circular addressed to the financial services industry regarding the interpretation of article 50 (2) (a) of the UCITS Directive**

On the 20<sup>th</sup> November 2012, ESMA published an opinion on the interpretation of Article 50(2)(a) of the UCITS Directive.

Article 50(2)(a) of the UCITS Directive regulates investments in transferable securities and money market instruments. ESMA is of the view that this article should not be applied to justify an investment in units or shares of collective investment undertakings. ESMA's opinion is that UCITS may only invest in units or shares of collective investment undertakings as allowed in terms of Article 50(1)(e).

ESMA expects the portfolio adjustments required to ensure compliance with its opinion to be made by not later than 31<sup>st</sup> December 2013.

The ESMA opinion can be accessed from the ESMA web-site:

<http://www.esma.europa.eu/system/files/2012-721.pdf>

Should you have any queries regarding the above, please do not hesitate to contact Mr Christopher Buttigieg, Deputy Director, Securities and Markets Supervision Unit [email: [cbuttigieg@mfsa.com.mt](mailto:cbuttigieg@mfsa.com.mt), Tel: 25485229] or Mr Jonathan Sammut, Analyst, Securities and Markets Supervision Unit [email: [jsammut@mfsa.com.mt](mailto:jsammut@mfsa.com.mt), Tel: 25485452] or Mr Christopher Micallef, Analyst, Securities and Markets Supervision Unit [email: [cmicallef@mfsa.com.mt](mailto:cmicallef@mfsa.com.mt), Tel: 25485452]

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20<sup>th</sup> November 2012**