Ref: European Commission Public Consultation on the Review of the Review of European Long-Term Investment Funds

Link to consultations:

- https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12570-Long-Term-Investment-Funds-Review-of-EU-rules

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BETTER FINANCE Response

Executive Summary

Investment universe and eligible assets	Clarify that listed small- and medium-sized enterprises (SMEs) are an eligible investment under the ELTIF Regulation and also allow investments in start-up financial undertakings (FinTech) in order to boost the digital transformation of EU capital markets.
ELTIF disclosure documents	**Apply the UCITS disclosure regime to ELTIFs for those distributed to retail investors**: For the moment, ELTIFs are subject to the PRIIPs disclosure regime, which is highly detrimental to retail investors. Both the European Supervisory Authorities, the ECON Committee of the European Parliament and the High-Level Forum on the Future of the CMU called for a review of the PRIIPs regime to ensure that meaningful information is disclosed to investors. Thus, BETTER FINANCE recommends amending the ELTIF Regulation in order to apply the UCITS Key Investor Information Document (KIID) instead of the PRIIPs Key Information Document (KID) until the UCITS exemption from the PRIIPs rules ends..
Eligible investors	In order to enable cross-border distribution to retail investors and eliminate regulatory arbitrage or gold plating, EU law should harmonise marketing and distribution rules to retail clients. In addition, there should be a clearer link with the suitability or appropriateness test under MiFID II. BETTER FINANCE recommends that the minimum initial investment requirement of Art. 30(3) ELTIF Regulation should be kept at €10,000. A smaller part of "retail" investors have a higher level of understanding of capital markets, of investment risks, and have a higher loss bearing capacity. As such, BETTER FINANCE recommends the EU Commission to enable less stringent MiFID II investment restrictions for ***qualified non-professional investors*** **(an HLF CMU recommendation).**
Tax treatment	**Grant ELTIFs the most favourable tax regime for "retail" investment products investing in illiquid assets in every EU Member State:** in light of the recommendations of the HLF CMU Final Report, the EU Commission should recommend to Member States a "*preferential tax treatment*" for ELTIFs at least matching the one benefiting to existing similar national investment products in order to boost its uptake.

BETTER FINANCE
The European Federation of Investors and Financial Services Users
Fédération Européenne des Épargnants et Usagers des Services Financiers

Key information

Summary of the consultation papers (PC): The European Commission (EC) launched a public consultation on the European long-term investment funds (ELTIFs).

Structure:
The ELTIF consultation also comprises a short (6 questions) version and a long (42 questions) version. BETTER FINANCE chose again the long version, of which it filtered the questions most relevant and important for “retail” investors. The consultation is structured in nine sections:

- Authorisation and scope of the ELTIF
- Investment universe, eligible assets and qualifying portfolio
- Investor protection
- Conflicts of interests
- Borrowing of cash and leverage
- Rules on portfolio composition and diversification
- Redemption rules and life of the ELTIF
- Marketing and distribution of ELTIFs
- Other questions (*miscellaneous*)

Link to the file: https://ec.europa.eu/info/files/2020-eltif-review-consultation-document_en

BETTER FINANCE
The European Federation of Investors and Financial Services Users
Fédération Européenne des Épargnants et Usagers des Services Financiers

Contents

About BETTER FINANCE

BETTER FINANCE, the European Federation of Investors and Financial Services Users, is the public interest non-governmental organisation advocating and defending the interests of European citizens as financial services users at the European level to lawmakers and the public in order to promote research, information and training on investments, savings and personal finances. It is the one and only European-level organisation solely dedicated to the representation of individual investors, savers and other financial services users.

BETTER FINANCE acts as an independent financial expertise and advocacy centre to the direct benefit of European financial services users. Since the BETTER FINANCE constituency includes individual and small shareholders, fund and retail investors, savers, pension fund participants, life insurance policy holders, borrowers, and other stakeholders who are independent from the financial industry, it has the best interests of all European citizens at heart. As such its activities are supported by the European Union since 2012.

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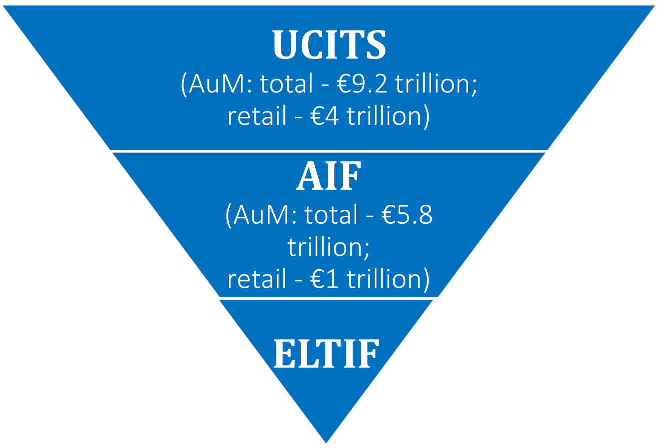
Background information

The EU regulates two main mutual fund types: UCITS (undertakings for collective investment in transferable securities, the most "popular" among EU individual investors[1]) and AIFs (alternative investment funds). AIFs are similar to UCITS but represent a more specialised, riskier category of mutual funds and are designed for a smaller, more affluent category of individual, non-professional ("retail") investors in the EU. The UCITS and AIF are complementary as all "mainstream" cross-border investment funds in the EU that do not qualify as UCITS can qualify as AIFs.

AIFs are regulated through the Alternative Investment Fund Managers Directive (AIFMD),[2] and are subject to the PRIIPs KID (*packaged retail and insurance-based investment products' key information document*) disclosure regime.

A subset of AIFs are the European long-term investment funds (ELTIFs). This fund category was designed by the EU to respond to a particular, less liquid and under-funded market segment of private equity, property and infrastructure projects. ELTIFs require a long-term (7 to 10 years) commitment from investors, are even less liquid and have limited redemption possibilities.



Adopting a very simplistic approach, it can be said that UCITS are intended for the vast majority of "retail" investors, followed by AIFs with a more restricted universe of investors, followed by ELTIFs which can be considered the most "specialised" of all three.

Note: *For ELTIF, we do not know the actual size of the assets under Management (AuM).*

<u>Source</u>: BETTER FINANCE own composition; AuM data from the ESMA Annual Statistical Report on Cost and Performance of Retail Investment Products in the EU (2020);

<u>Note: In preparation of the public consultation on ELTIFs, BETTER FINANCE undertook a research report on *Obstacles to the Development of an EU ELTIF Market*, published in December 2020</u>.[3]

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[1] See https://ec.europa.eu/info/business-economy-euro/growth-and-investment/investment-funds_en.

[2] Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010, http://data.europa.eu/eli/dir/2011/61/2019-01-13.

[3] BETTER FINANCE ELTIF Report, available here: https://betterfinance.eu/wp-content/uploads/BETTER-FINANCE-ELTIF-Research-and-Policy-Report-final-09122020.pdf.

ELTIF Review

Summary: The ELTIF Regulation was adopted to create a safe environment for asset manager and investors raising the necessary funding for private equity, property, infrastructure projects that are necessary to develop the EU economy. According to BETTER FINANCE's research, three years after the adoption of the ELTIF Regulation, only 22 such funds were marketed to institutional/retail investors in the EU. Thus, the EC seeks to amend the ELTIF Regulation in a manner that would make this vehicle attractive to investors.

Scope of the ELTIF and authorisation process

Note: the number in the brackets is the actual question number in the public consultation paper.

Question 1 (4). Is the scope of the ELTIF authorisation and operating conditions appropriate? Please explain your answer.

As a subset of Alternative Investment Funds (AIFs), ELTIFs are subject to the same distribution rules under Articles 23 and 43 of the AIF Managers Directive (AIFMD), complemented by several provisions on retail distribution comprised in Article 28 of the ELTIF Regulation. As such, each Member State has the prerogative to determine in what conditions an ELTIF can be distributed to retail clients in its own jurisdiction. In order to enable passporting to retail investors and eliminate regulatory arbitrage or gold plating, EU law should harmonise distribution rules to retail clients.

Question 2 (5). Should the ELTIF framework be amended to enhance the use of the ELTIF passport?

☐ Yes

☐ No

☐ Other

☐ Don't know / no opinion / not relevant

Question 3 (5.1). Please explain how you think the ELTIF framework should be amended to enhance the use of the ELTIF passport. Please explain your suggestions, including benefits and disadvantages as well as potential costs thereof, where possible: Please specify what you mean by other in your response to question 5:

To begin with, the ELTIF Regulation should harmonise distribution rules to retail investors to enable ELTIF managers to passport these funds across the single market. Second, there should be a clearer link with the suitability or appropriateness test under MiFID II in order to eliminate uncertainty on whether an ELTIF (as a subset of AIFs) can be distributed to retail clients, in particular in what concerns complex products.

Investment universe, eligible assets and qualifying portfolio undertakings

Question 4 (6). Should any of the following investments be eligible under the revised ELTIF framework? Please rate as follows:

Innovative technologies: 2
Green, sustainable and/or climate related projects: 2
Projects that classify as sustainable under the EU taxonomy for sustainable activities: 2
Post COVID-19 recovery: 1
Any financial asset with long-term maturity: 0
Digital assets and infrastructure: -1
Social infrastructure and social cohesion: 2
Energy infrastructure and energy efficiency: 2
Any real estate assets, including commercial and residential (…): -1
Scope of the ELTIF investment assets should be expanded: 1
Other types of assets: start-up FinTech companies: 0

	-2 investments should be strongly discouraged	-1 investments should be discouraged	0 no impact	1 investments should be encouraged	2 investments should be strongly encouraged	Don't know - No opinion - Not applicable
Investments in innovative technologies	○	○	○	○	○	○
Investments in green, sustainable and/or climate related projects	○	○	○	○	○	○
Investments in projects that classify as sustainable under the EU taxonomy for sustainable activities	○	○	○	○	○	○

Post-COVID 19 recovery related projects						
Any financial assets with long-term maturities						
Investments in digital assets and infrastructure						
Investments in social infrastructure and social cohesion						
Investments in energy infrastructure and energy efficiency						
Any real estate assets, including commercial and residential real estate without a perceived economic or social benefit under the Union's energy, regional and cohesion policies						
The scope of the investment universe of ELTIFs and eligible assets as currently set out in the ELTIF Regulation be further expanded to other areas and asset classes						
The scope of the investment universe of ELTIFs and eligible assets as currently set out in the ELTIF Regulation be more restricted or limited to a narrower set of assets /investments						
Other types of assets and investment targets, and /or other regulatory approaches should be pursued						

Please specify what are the other types of assets and investment targets, and/or other regulatory approaches should be pursued you refer to in your reply to question 6.

N/A

Question 5 (7). Should some of the definitions related to the investment universe of ELTIFs and eligible assets used in the ELTIF Regulation, such as "long-term", "capital", "social benefit", "debt", "sustainable", "energy, regional and cohesion policies" and "speculative investments" be revised to enhance the clarity and certainty around the application of the ELTIF regime? If so, how should those definitions be amended and why?

No.

Question 6 (9). Which provisions and requirements related to the eligibility of investments and investment assets set out in the ELTIF Regulation should be updated to improve the functioning of the ELTIF framework? Please rate as follows:

A size requirement of at least €10,000 for eligible real assets investments: 3
A condition for an exposure to real estate through direct or indirect holdings (…): 2
Limitation to eligible investment assets to units or shares (…): 3
Inability to invest in financial undertakings: 1
All the rest: 3

	1 (no policy action needed)	2 (policy action could be considered)	3 (policy action desirable)	4 (policy action needed)	5 (policy action very strongly needed)	Don't know - No opinion - Not applicable
A size requirement of at least EUR 10 000 000 for eligible real assets investments						
A condition for an exposure to real estate through a direct holding or indirect holding through qualifying portfolio undertakings of individual real assets						
Limitation on eligible investment assets to units or shares of ELTIFs, EuVECAs and EuSEFs, as opposed to other potential fund categories						
Inability to invest in a "financial undertaking"						
EUR 500 000 000 market capitalisation threshold set out in the ELTIF Regulation for investing in listed issuers						
Rules related to investments in third-country undertakings						
Other conditions and requirements related to eligible investment assets and qualifying portfolio undertakings						

Please specify what are the other conditions and requirements related to eligible investment assets and qualifying portfolio undertakings you refer to in question 9:
It should be clarified that listed and non-listed SMEs are covered by the scope of Art. 9 and Art. 10.

Types of investors

Question 8 (11). Should any of the following provisions of the ELTIF legal framework be amended, and if so how, to improve the participation and access of retail investors to ELTIFs? Please explain which of the following provisions should be amended and give specific examples where possible and explain the benefits and disadvantages of your suggested approach, as well as potential effects and costs of the proposed changes.
a) Amendment of the size of the initial minimum amount for retail investors, and net worth requirements

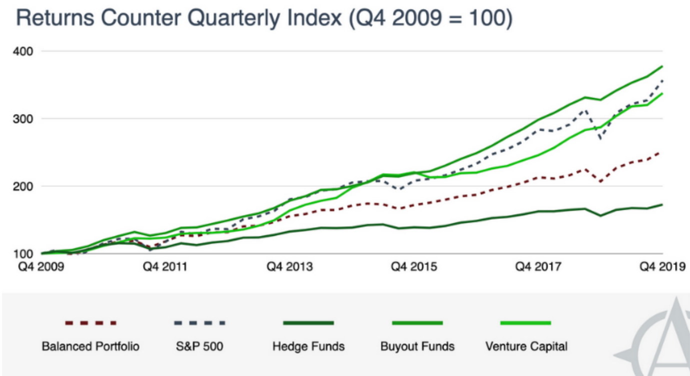
☐ Yes

☐ <u>No</u>

☐ Don't know / no opinion / not relevant

Please explain your answer to question 11.a, as well as your suggested approach if you responded yes:

Although a good investment vehicle for retirement provision (if it remains a small part of the overall pension "pot" of EU citizens) and for socially important projects, ELTIFs are still a risky and illiquid investment. As such, ELTIFs may not be suitable for many retail clients, reason for which adequate safeguards and thresholds should be maintained for the majority of "retail" investors. BETTER FINANCE highlights a significant concern that, due to the different layers of fees, ELTIFs can be more costly than private equity investments:



Source: American Compass, *The Returns Counter* (Oct. 14, 2020)[4]

Considering the findings of BETTER FINANCE's study on the *Correlation between Cost and Performance of EU Equity Retail funds* (2019), demonstrating the very important impact fees have on investment returns, we consider that ELTIFs are not designed for the broad "retail" segment.

As such, BETTER FINANCE recommends that the minimum initial investment requirement of Art. 30(3) ELTIF Regulation should be maintained at €10,000, which is already quite low when considering that, at the same time, many issuers of more liquid and much less risky listed straight corporate bonds now often set the nominal value per bond at €100,000, thus de facto kicking out the few remaining "retail" investors from the bond markets.

However, a small part of "retail" investors have a higher level of understanding of capital markets, of investment risks, and have a higher loss bearing capacity. These investors, although still qualified as "retail" clients under MiFID II, could be part of the "affluent" segment of ELTIF

[4] Link here: https://americancompass.org/projects/coin-flip-capitalism/returns-counter/.

individual investors. Nevertheless, considering the distribution requirements under Articles 27 – 28 of the ELTIF Regulation, this category of investors may not have access to buy units in ELTIFs.

As such, BETTER FINANCE recommends the EU Commission to enable less stringent MiFID II investment restrictions for ***qualified non-professional investors***, for example by changing the name and definition of the "professional investor" category in MiFID II, and easing the conditions to qualify for this category for certain financially literate non professional individual investors.

b) Amendment of the specific requirements concerning the distribution of ELTIFs to retail investors (suitability test)

☐ **Yes**

☐ No

☐ Don't know / no opinion / not relevant

Please explain your answer to question 11.b, as well as your suggested approach if you responded yes:

The provisions under MiFID II concerning the suitability test should be harmonised in line with our proposal to add the category of *qualified non-professional investors* under the client categorisation section.

c) Withdrawal period of two weeks

☐ Yes

☐ No

☐ **Don't know / no opinion / not relevant**

Please explain your answer to question 11.c, as well as your suggested approach if you responded yes:

The withdrawal period of two weeks for retail clients is considered an adequate approach, not needing modifications.

d) Possibility to allow more frequent redemptions for retail investors

☐ **Yes**

☐ No

☐ Don't know / no opinion / not relevant

Please explain your answer to question 11.d, as well as your suggested approach if you responded yes:
Retail clients should be allowed more flexibility in the redemption of ELTIF units. Both BETTER FINANCE's report on *Obstacles to the development of an EU ELTIF Market* and the conclusions of the HLF CMU Final Report found that many non-professional individual investors may be deterred from investing in ELTIFs due to the stringent redemption requirements imposed by the ELTIF Regulation (Art. 18). While the spirit of the ELTIF should be maintained, i.e. to be a long-term commitment for illiquid non listed investments, providing flexibility on redemption policies by ELTIF managers for individual investors may reduce the inherent risk profile of ELTIFs and increase their attractiveness in the retail sector.

e) Procedures and arrangements to deal with retail investors complaints

☐ Yes

☐ No

☐ **Don't know / no opinion / not relevant**

Please explain your answer to question 11.e, as well as your suggested approach if you responded yes:

The very slow uptake of ELTIFs did not enable the creation of a true market and practices with retail clients that would mandate changes to the complaints procedure.

f) Provisions related to the marketing of ELTIFs

☐ **Yes**

☐ No

☐ Don't know / no opinion / not relevant

Please explain your answer to question 11.f, as well as your suggested approach if you responded yes:

As indicated above, the distribution regime to retail clients is subject to the AIFMD rules, which fragment the market along national lines. The ELTIF Regulation (or the AIFMD) should harmonise distribution rules and align them with MiFID II requirements.

g) Other provisions and requirements related to retail investors

☐ Yes

☐ **No**

☐ Don't know / no opinion / not relevant

Please explain your answer to question 11.f, as well as your suggested approach if you responded yes:

BETTER FINANCE's report on the *Obstacles to the development of an EU ELTIF market* highlighted several other areas of improvement for the ELTIF framework, as follows:

Grant ELTIFs the most favourable tax regime for "retail" investment products investing in illiquid assets in every EU Member State: As seen in the few recent cases, asset managers also apply for the ELTIF label, but it may be often that the driver to establish such a fund comes from other, more attractive, domestic labels (such as the FCPI) which are tax-incentivised rather than the ELTIF itself.

Although the requirements to set up ELTIFs are very accessible, any previously authorised AIF being able to be converted to an ELTIF, the more stringent operational and investment rules for ELTIFs make it less attractive for firms (asset management companies) to set up. Moreover, considering also the more stringent suitability requirements for retail investors, many asset managers may opt to simply offer national tax-favoured long-term oriented AIFs, or unregulated AIFs investing in illiquid assets, rather than ELTIFs.

In light of the recommendations of the HLF CMU Final Report, the EU Commission should propose to Member States a "*preferential tax treatment*" for ELTIFs in order to boost its uptake.

Apply the UCITS disclosure regime to ELTIFs: For the moment, ELTIFs are subject to the PRIIPs disclosure regime, which is highly detrimental to retail investors, in particular as it discloses only non-intelligible, not comparable and misleading future cost ("reduction-in-yield") and performance projections, and no actual long term performances compared to the benchmarks of the fund managers, and no actual costs. The own initiative report of the Economic and Monetary Affairs (ECON) Committee of the European Parliament stated the importance of making past performance available to investors and of not using past performance to predict future returns (which is unfortunately precisely what the PRIIPs rules are mandating) .

Moreover, the ECON Capital Markets Union (CMU) report, the Final Report of the High-Level Forum on the Future of the CMU and the European Commission's New CMU Action Plan called for a review of the PRIIPs regime to ensure that meaningful information is disclosed to investors.

Thus, BETTER FINANCE recommends amending the ELTIF Regulation in order to apply the UCITS Key Investor Information Document (KIID) instead of the PRIIPs Key Information Document (KID). This would entail modifying Article 23 of the ELTIF Regulation as follows:

"*The units or shares of an ELTIF shall not be marketed to retail investors in the Union without prior publication of a key* ***investor*** *information document in accordance with ~~Regulation (EU) No 1286/2014~~* ***Articles 78 – 82 of Directive 2009/65/EC and with Commission Regulation (EU) No 583/2010"***.

Currently, UCITS are still exempt from publishing the PRIIPs KID under the PRIIPs Regulation ("UCITS exemption"). However, the UCITS KIID exemption (Art. 32(1) of Regulation (EU) No. 1286/2014) will cease on 31 December 2021, when all investment funds still applying the UCITS disclosure regime will transition to the PRIIPs disclosure regime. If by that time the EU co-legislators and the EU Commission do not extend the UCITS exemption or do not change the unclear, misleading and not comparable information in the PRIIPs KID, BETTER FINANCE calls for an amendment of the ELTIF Regulation requiring the publication of long-term past performance relative to the benchmarks of the ELTIF managers and actual cost disclosure.

Ensuring the availability of relative long term past performance and actual cost disclosure in the ELTIF Key (investor) Information Document can take many forms, such as: attaching an annex to the PRIIPs KID or introducing a link or cross-reference to where such information can be found.

Question 9 (12).Which safeguards, if any, should be introduced to or removed from the ELTIF framework to ensure appropriate suitability assessment and effective investor protection, while considering the specific risk and liquidity profile of ELTIFs, including sustainability risks, investment time horizon and risk-adjusted performance? Please give examples where possible and present the benefits and disadvantages of your suggested approach, as well as potential costs of the change:

See our answers above.

Conflicts of interests

Question 10 (13). Are mandatory disclosures under the ELTIF framework sufficient for investors to make informed investment decisions?

☐ Yes

☐ No

☐ Other

☐ Don't know / no opinion / not relevant

Please specify what you mean by other in your response to question 13:

See our answer to question 11(g).

Question 11 (13.1). Please explain your position on your responses to question 13, including benefits and disadvantages of the potential changes as well as costs:

N/A.

Question 12 (14). Which elements of mandatory disclosure requirements, if any, should be tailored to the specific type of investor? Please explain your position, including benefits and disadvantages of the potential changes as well as costs:

N/A.

Question 13 (15). Are the ELTIF rules on conflicts of interest appropriate and proportionate?

☐ Yes

☐ No

☐ Other

<u>☐ Don't know / no opinion / not relevant</u>

Question 14 (15.1) Please specify what you mean by other in your response to question 15:

N/A

Question 16 (15.1). Please explain how you think how should such rules on conflicts of interest be amended. Please explain the benefits and disadvantages of the potential changes as well as costs, as well as how specifically such amendments could facilitate the effective management of conflicts of interests, co-investment strategies and indirect investment strategies:

N/A

Borrowing of cash and leverage

Question 17 (18). How should regulation of leverage for ELTIFs marketed to retail investors be different from that of the ELTIFs marketed solely to professional investors? Which safeguards are particularly relevant and appropriate, and why?

Leveraging is a technique that may raise the risk profile of an ELTIF and, thus, make it unsuitable for retail clients. As such, the leveraging rules in terms of retail ELTIFs should be more stringent than those required for institutional (professional) clients.

Rules on portfolio composition and diversification

Question 18 (22). Do you consider the minimum threshold of 70% of eligible assets laid down in Article 13(1) of the ELTIF Regulation to be appropriate?

☐ Requiring greater diversification

☐ Requiring less diversification

<u>☐ Fewer regulatory requirements and more flexibility by ELTIF managers with respect to portfolio composition and diversification</u>

☐ Maintaining the current rules pertaining to the portfolio composition and diversification set out in the ELTIF regime intact

☐ Other

Please specify what you mean by other in your response to question 22:

N/A

Question 19 (22.1) Please explain your position on your response to question 22 by assessing the advantages and drawbacks of your preferred policy option pertaining to asset diversification rules:

N/A

Redemption and life of ELTIF

Question 20 (23). Please provide a critical assessment of the impacts of the ELTIF Regulation rules on redemption policy and the life-cycle of ELTIFs, including the appropriateness of the ELTIF Regulation for the structuring of the ELTIF funds, taking into account the legitimate interests of the investors and achieving the stated investment objective of ELTIFs:

N/A, BETTER FINANCE's comments on the redemption of ELTIFs by retail clients have been highlighted above.

Question 21 (24). If longer-term investments were to be limited only to those with certain maturities, what threshold might be considered appropriate?

☐ Shorter maturity of between 5 to 10 years

☐ Maturity of 5 years and more

<u>☐ Only investments with a maturity +10 years</u>

☐ Only investments with a maturity +15 years

☐ Other possible maturity

☐ Don't know / no opinion / not relevant

Please specify what other threshold might be considered appropriate:

N/A

Question 22 (24.1) Please explain your answer to question 24:

N/A

Question 23 (25). If shorter-term investments were allowed to be included into the portfolio, what proportion of the portfolio should be permitted?

<u>☐ 0% to 15%</u>

☐ 15% to 30%

☐ Above 30%

☐ Other options

☐ Don't know / no opinion / not relevant.

Please specify what other proportion of the portfolio should be permitted:

N/A

Question 24 (25.1) Please explain your answer to question 25:

N/A

Marketing strategy for ELTIFs and distribution related aspects

Question 25 (32). What are the key limitations stemming from the ELTIF framework that you consider reduce the attractiveness of the ELTIF fund structure or the cross-border marketing and distribution of ELTIFs across the Union? Please explain:

More stringent investment restrictions (than national labels) and lack of tax incentives.

Question 26 (33). Do you consider that review of the ELTIF rules related to the equal treatment of investors is warranted?

<u>☐ Yes</u>

☐ No

☐ Other

☐ Don't know / no opinion / not relevant

Please specify what you mean by other in your response to question 33:

N/A

Question 27 (33.1). Please explain your position on your answer to question 33:

N/A

Miscellaneous

Question 29 (36). Are you aware of any national practices or local facility requirements for ELTIF managers or distributors of ELTIFs that require a local presence or otherwise prevent the marketing of ELTIFs on a cross-border basis? Please explain and provide specific examples:

Yes, distribution of ELTIFs to retail clients is subject to authorisation and to the conditions set out by national legislators and/ or regulators.

Question 31 (41). You are kindly invited to make additional comments on this consultation if you consider that some areas have not been adequately covered. Please elaborate, more specifically, which amendments of the ELTIF framework could be beneficial in providing additional clarity and practical guidance in facilitating the pursuit of the ELTIF strategy. Please include examples and evidence on any issues, including those not explicitly covered by the questions raised in this public consultation:

N/A

Question 32 (42). Would you be willing to provide additional clarifications or follow-up input upon a direct request from the Commission services?

Yes

Question 33 (42.1). Please specify under which conditions you would be willing to provide additional clarifications or follow-up input upon a direct request from the Commission services:

BETTER FINANCE already published a research report at the request of the European Commission's relevant unit in the Directorate-General for Financial Stability, Financial Services and Capital Markets, titled *BETTER FINANCE ELTIF Research & Policy Report: Obstacles to the Development of the EU ELTIF Market* (link here: https://betterfinance.eu/wp-content/uploads/BETTER-FINANCE-ELTIF-Research-and-Policy-Report-final-09122020.pdf).