



Brussels, 20 May 2022
(OR. en)

8839/22

Interinstitutional File:
2021/0377 (COD)

EF 130
ECOFIN 406
CCG 28
SURE 10
CODEC 631

'A' ITEM NOTE

From: General Secretariat of the Council
To: Council
Subject: Regulation on European long-term investment funds (ELTIF)
- General approach

I. INTRODUCTION

1. On 25 November 2021, the Commission transmitted to the Council a Regulation proposal¹ that fundamentally aims to make European Long-Term Investment Funds (ETIFs) more attractive to investors. It will thus help channel more capital to the financing of long-term investments, in particular to help finance the green and digital transitions, while maintaining high levels of investor protection, especially for retail investors.
2. The proposal intends to overcome a number of supply-side and demand-side limitations. The proposed review covers the marketing rules; the scope of eligible assets and investments, the portfolio composition and diversification requirements, the borrowing of cash and other fund rules, the requirements pertaining to the authorisation, investment policies and operating conditions of ELTIFs.

¹ Doc. 14367/21 + ADD 1 to ADD4

II. STATE OF PLAY

3. The proposal was discussed by the Working Party on Financial Services and the Banking Union. The Commission's Impact Assessment² was considered at the initial meeting on 2 December 2021.
4. On 23 March 2022, the European Economic and Social Committee adopted its opinion on the Regulation Proposal³.
5. The European Parliament's position at first reading is pending.
6. On 13 May 2022, the Committee of Permanent Representatives agreed to transmit the final Presidency compromise, as set out in doc. 8840/22, to the Council, as a non-discussion item, with to reaching a general approach thereon. The text has subsequently benefitted from targeted, purely editorial corrections, as set out in doc. 8840/1/22 REV1.

III. CONCLUSION

7. In view of the above, it is suggested that the Council (ECOFIN):
 - agree on a general approach with regard to the proposed Regulation, as set out in doc. 8840/1/22 REV1;
 - invite the Presidency to start, when practicable, negotiations with the European Parliament on the basis of that mandate with a view to reaching an agreement in first reading.

² 14367/21 ADD 1 to ADD3.

³ 7706/22.