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NOTE

From: Presidency
To: Delegations

Subject: Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND
OF THE COUNCIL amending Regulation (EU) No 345/2013 on European
venture capital funds and Regulation (EU) No 346/2013 on European
social entrepreneurship funds
= Presidency compromise text

Delegations will find below a Presidency compromise text on the above Commission proposal.
With respect to the original Commission proposal, the new text is marked in **underlined bold** and
deletions are indicated in ~~striketrough~~.

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

amending Regulation (EU) No 345/2013 on European venture capital funds and Regulation (EU) No 346/2013 on European social entrepreneurship funds

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 114 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Central Bank,¹

Having regard to the opinion of the European Economic and Social Committee²,

Acting in accordance with the ordinary legislative procedure³,

Whereas:

- (1) Regulation (EU) No 345/2013 of the European Parliament and of the Council⁴ and Regulation (EU) No 346/2013 of the European Parliament and of the Council⁵ lay down

¹ OJ C [...], [...], p. [...].

² OJ C , , p. .

³ Position of the European Parliament of (.....) and decision of the Council of

⁴ Regulation (EU) No 345/2013 of the European Parliament and of the Council of 17 April 2013 on European venture capital funds (OJ L 115, 25.4.2013, p. 1).

uniform requirements and conditions for managers of collective investment undertakings that wish to use in the Union the „EuVECA“ or „EuSEF“ designations for the marketing of qualifying venture capital funds and qualifying social entrepreneurship funds. Regulation (EU) No 345/2013 and Regulation (EU) No 346/2013 contain rules governing, in particular, qualifying investment, qualifying portfolio undertaking and eligible investors. Under Regulation (EU) No 345/2013 and Regulation (EU) No 346/2013, only managers with assets under management that in total do not exceed the threshold referred to in point (b) of Article 3(2) of Directive 2011/61/EU of the European Parliament and of the Council⁶ qualify for the use of the ‘EuVECA’ and ‘EuSEF’ labels respectively.

- (2) The Communication on the Investment Plan for Europe of 16 November 2014⁷ provides a comprehensive strategy to tackle the lack of finance which is holding back Europe's potential to grow and to provide jobs for its citizens. It aims at unlocking private investment by using public funding and by improving the legal framework for the investment environment.
- (3) The Communication on the Capital Markets Union of 30 September 2015⁸ is an important element of the Investment Plan. It aims at reducing fragmentation in the financial markets and increasing supply of capital to businesses through the establishment of a genuine single capital market. The Communication specifies that Regulation (EU) No 345/2013 and Regulation (EU) No 346/2013 need to be amended to ensure that the frameworks are best able to support investment in SMEs.

⁵ Regulation (EU) No 346/2013 of the European Parliament and of the Council of 17 April 2013 on European social entrepreneurship funds (OJ L 115, 25.4.2013, p. 18).

⁶ 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 (OJ L 174, 1.7.2011, p. 1).

⁷ Communication from the Commission to the European Parliament, the Council, the European Central Bank, the European Economic and Social Committee, the Committee of the Regions and the European Investment bank: An Investment Plan for Europe (COM(2014)903 final).

⁸ Communication from the Commission to the European Parliament, the Council, the European Central Bank, the European Economic and Social Committee and the Committee of the Regions: Action Plan on Building a Capital Markets Union (COM(2015)468 final).

- (4) The market of qualifying venture capital funds and qualifying social entrepreneurship funds should be opened to increase scale effects, to reduce transaction and operational costs, to improve competition and to strengthen investor choice. Enlarging the base of prospective managers contributes to opening up that market. It should benefit undertakings seeking investment by giving them access to financing from a greater and more varied range of risk investment sources. The scope of Regulation (EU) No 345/2013 and Regulation (EU) No 346/2013 should therefore be extended by opening up the use of the „EuVECA“ and „EuSEF“ labels to managers of collective investment undertakings authorised under Article 6 of Directive 2011/61/EU.
- (5) In order to keep a high level of investor protection, those managers should continue to be subject to the requirements of Directive 2011/61/EU while complying with certain provisions of Regulation (EU) No 345/2013 or Regulation (EU) No 346/2013, namely the provisions concerning eligible investments, targeted investors and information requirements.
- (6) In order to ensure that competent authorities know about every new use of the „EuVECA“ and „EuSEF“ labels, managers of collective investment undertakings authorised under Article 6 of Directive 2011/61/EU should register each qualifying venture capital fund or qualifying social entrepreneurship fund they intend to manage and market. This should ensure that those managers may maintain their business models by being able to manage collective investment undertakings established in other Member States while further widening the range of products they offer.
- (7) The range of eligible undertakings in which qualifying venture capital funds can invest should be expanded to further increase supply of capital to businesses. The definition of qualifying portfolio undertakings should therefore include companies with up to 499 employees (small mid-caps) **not admitted to trading on a regulated market or on a multilateral trading facility**, and small and medium enterprises listed on SME growth markets. The new investment options should also allow growth stage entities that have already access to other sources of financing, such as SME growth markets, to receive capital from qualifying venture capital funds which in turn should contribute to the development of the SME growth markets.

- (8) Qualifying venture capital funds should be allowed to participate on the longer term in the funding ladder for unlisted SMEs, unlisted small-midcaps and SMEs listed on SME growth markets, to further enhance their potential for making returns from high-growth companies. Therefore, follow-on investments subsequent to the first investment should be allowed.
- (9) Registration procedures should be cost-effective. Therefore, a registration of a manager in accordance with Regulation (EU) No 345/2013 and Regulation (EU) No 346/2013 should also serve the purpose of the registration referred to in Directive 2011/61/EU. Registration decisions and failures to register under Regulation (EU) No 345/2013 or Regulation (EU) No 346/2013 should, where appropriate, be subject to judicial review.
- (10) It is necessary to clarify that the prohibition for the host Member State to impose requirements or administrative procedures in relation to the marketing of qualifying venture capital funds and qualifying social entrepreneurship funds in its territory includes the prohibition to impose fees and other charges on the managers of those funds.
- (11) Regulation (EU) No 345/2013 and Regulation (EU) No 346/2013 now require that managers of qualifying venture capital funds and qualifying social entrepreneurship funds, **which are not authorised in accordance with Directive 2011/61/EU** have sufficient own funds at all times. To ensure a consistent understanding across the Union of what constitutes sufficient own funds for those managers, the European Securities and Markets Authority ('ESMA') should be required to draw up draft regulatory technical standards which prescribe the methodologies to determine what constitutes sufficient own funds.
- (12) Since this Regulation opens up the use of the „EuVECA“ and „EuSEF“ labels to managers of collective investment undertakings authorised under Article 6 of Directive 2011/61/EU, the central database, maintained by ESMA in accordance with Regulation (EU) No 345/2013 and Regulation (EU) No 346/2013, should also include information concerning the qualifying venture capital funds and qualifying social entrepreneurship funds that are managed and marketed by those managers.

- (13) Since the objectives of this Regulation, namely to further strengthen an internal market for qualifying venture capital funds and qualifying social entrepreneurship funds by strengthening the use of „EuVECA“ and „EuSEF“ labels, cannot be sufficiently achieved by the Member States and can therefore, by reason of its scale and effects, be better achieved at Union level, the Union may adopt measures in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, this Regulation does not go beyond what is necessary in order to achieve the objectives pursued, in accordance with Article 5(4) of the Treaty on European Union.

- (14) Regulation (EU) No 345/2013 and Regulation (EU) No 346/2013 should be amended accordingly,

HAVE ADOPTED THIS REGULATION:

Article 1

Regulation (EU) No 345/2013 is amended as follows:

- (1) In Article 2, paragraph 2 is replaced by the following:

„2. Articles 3, 4, 5 and 6, 12, points (c) and (i) of Article 13(1), 14a, 15 and Article ~~14a~~21 of this Regulation shall apply to managers of collective investment undertakings authorised under Article 6 of Directive 2011/61/EU that manage portfolios of qualifying venture capital funds and intend to use the designation ‘EuVECA’ in relation to the marketing of those funds in the Union.“

Managers referred to in the first subparagraph shall comply at all times with Directive 2011/61/EU. Those managers shall be responsible for ensuring compliance with this Regulation and shall also be liable in accordance with Directive 2011/61/EU for any infringements of this Regulation. Those managers shall also be liable for losses or damages resulting from non-compliance with this Regulation.

- (2) Article 3 is amended as follows:

(~~ba~~) In point (d), point (i) is replaced by the following:

„(i) at the time of the first investment by the qualifying venture capital fund in that undertaking complies with one of the following conditions:

- the undertaking is not admitted to trading on a regulated market or on a multilateral trading facility (MTF) as defined in points (21) and (22) of Article 4(1) of

Directive 2014/65/EU of the European Parliament and the Council⁹, and employs up to 499 persons;

- the undertaking is a small and medium-sized enterprise as defined in point (12~~3~~) of Article 4(1) of Directive 2014/65/EU which is listed on a SME growth market as defined in point (13~~2~~) of Article 4(1) of that Directive.”

(**eb**) Point (m) is replaced by the following:

„(m) competent authority“ means:

(i) for managers referred to in Article 2(1) of this Regulation, the competent authority referred to in Article 3(3)(a) of Directive 2011/61/EU;

(ii) for managers referred to in Article 2(2) of this Regulation, the competent authority referred to in Article 7(1) of Directive 2011/61/EU;

(iii) for qualifying venture capital funds, the competent authority of the Member State in which the qualifying venture capital fund ~~has its registered office or head office~~ **is established;**”

(**ac**) Point (k) is replaced by the following:

„(k) „home Member State“ means the Member State where the manager of a qualifying venture capital fund has its registered office;“

(3) In Article 10, the following paragraph 3 is inserted:

„3. ESMA shall develop draft regulatory technical standards specifying the methodologies to determine what constitutes sufficient own funds. Those methodologies shall:

(a) distinguish between what constitutes sufficient own funds for internally managed qualifying venture capital funds and sufficient own funds for managers of qualifying venture capital funds which are external managers;

⁹ Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (OJ L 173, 12.6.2014, p. 349).

(b) take into account the size and internal organisation of the managers referred to in paragraph 1 of Article 2 in order to ensure neutral conditions of competition between those managers and managers referred to in paragraph 2 of that Article;

(c) ensure that the amounts resulting from the application of those methodologies do not exceed the amounts laid down in Article 9 of Directive 2011/61/EU.

ESMA shall submit those draft regulatory technical standards to the Commission by [18 months after the date of entry into application of this Regulation].

Power is delegated to the Commission to adopt the regulatory technical standards referred to in the first subparagraph of this paragraph in accordance with Articles 10 to 14 of Regulation (EU) No 1095/2010.“;

(4) In Article 14 the following paragraphs 3a and 3b are inserted:

„3a. The managers referred to in ~~paragraph 1~~ **Article 2(1)** shall be informed by the competent authority of their home Member State on whether they have been registered as a manager of a qualifying venture capital fund no later than two months after they have provided all the information referred to in paragraph 1.

3b. A registration in accordance with this Article shall constitute a registration for the purposes of Article 3(3) of Directive 2011/61/EU.

3c. The managers of qualifying venture capital funds referred to in this Article shall notify the competent authorities of their home Member State of any material changes to the conditions for initial registration according to this Article before such changes are implemented.

If the competent authority of the home Member State decides to impose restrictions or reject those changes, they shall, within 1 month of receipt of that notification, inform the managers of the qualifying venture capital fund. The competent authority may extend that period for up to 1 month where they consider this to be necessary due to the specific circumstances of the case and after having notified the managers of qualifying venture capital fund. The changes shall be implemented if the relevant competent authority does not oppose the changes within the relevant assessment period.“;

(5) The following Articles 14a and 14b are inserted:

„Article 14a

1. Managers of collective investment undertakings authorised under Article 6 of Directive 2011/61/EU shall apply for registration of the qualifying venture capital funds for which they intend to use the designation „EuVECA“.

2. The application for registration referred to in paragraph 1 shall be made to the competent authority of the qualifying venture capital fund and shall include the following:

- (a) the fund rules or instruments of incorporation of the qualifying venture capital fund;
- (b) the information on the identity of the depositary;
- (c) the information referred to in Article 14(1).

For the purposes of point (c) of the first subparagraph, the information on the arrangements made for complying with the requirements of Chapter II of this Regulation shall refer to the arrangements made for complying with Articles 5 and 6 and points (c) and (i) of Article 13(1).

3. The competent authority of the qualifying venture capital fund shall register every fund as a qualifying venture capital fund if the manager of the fund meets the conditions laid down in Article 14(2).

4. The managers referred to in paragraph 1 shall be informed by the competent authority of the qualifying venture capital fund on whether that fund has been registered as a qualifying venture capital fund no later than two months after those managers have provided all the information referred to in paragraph 2.

5. Registration of qualifying venture capital funds under paragraphs 1, 2 and 3 shall be valid in the entire territory of the Union and shall allow marketing of those funds under the designation „EuVECA“ throughout the Union.

Any refusal to register the managers referred to in Article 14 and the funds referred to in Article 14a shall be substantiated, notified to the managers referred to in those Articles and subject to a right of appeal before the courts. This right of appeal shall also ~~exist~~ **apply in respect of registration** where no decision on a registration has been taken **within** two months ~~after it has been applied for~~ **after the managers of the qualified venture capital fund provided all of the required information.**“;

(6) In Article 16, paragraphs 1 and 2 are replaced by the following:

„1. The competent authorities~~y~~ of the home Member States shall notify the competent authorities of the host Member States and ESMA immediately of any registration of a manager of a qualifying venture capital fund, any addition of a new qualifying venture capital fund, any addition of a new domicile for the establishment of a qualifying venture capital fund or of any addition of a new Member State in which a manager of a qualifying venture capital fund intends to market those funds.

For the purposes of the first subparagraph, the competent authority of a qualifying venture capital fund that has been registered in accordance with Article 14a shall immediately notify that registration to the competent authority of the home Member State of the manager of that qualifying venture capital fund.

2. The competent authorities of the host Member States shall not impose on the managers of qualifying venture capital funds any requirements or administrative procedures in relation to the marketing of their qualifying venture capital funds, nor shall they require any approval of that marketing prior to its commencement.

The requirements or administrative procedures referred to in the first subparagraph shall include fees and other charges **except fees related to the appropriate supervision on non-discriminatory basis in comparison with fees charged to domestic subjects.**“

(7) Article 17 is replaced by the following:

„Article 17

ESMA shall maintain a central database, publicly accessible on the internet, listing all managers of qualifying venture capital fund using the designation 'EuVECA' and the qualifying venture capital funds for which they use it, as well as the countries in which those funds are marketed.”;

(8) In Article 20(2), the date of “16 May 2015” is replaced by that of “[24 months after the date of entry into application of this Regulation]”;

(9) Article 21 is amended as follows:

(a) Point (c) of paragraph 1 is replaced by the following:

„(c) uses the designation „EuVECA“ but is not registered in accordance with Article 14, or the qualifying venture capital fund is not registered in accordance with Article 14a;“

(b) Point (e) of paragraph 1 is replaced by the following:

„(e) has obtained registration through false statements or any other irregular means, in breach of Article 14 or Article 14a;“

(c) Point (a) of paragraph 2 is replaced by the following:

„(a) take measures to ensure that the manager of a qualifying venture capital fund concerned complies with Articles 5 and 6, points (a) and (b) of Article 7 and Articles 12 to 14a;“

(d) Point (b) of paragraph 2 is replaced by the following:

„(b) prohibit the use of the designation „EuVECA“ and remove the qualifying venture fund and/or its manager concerned from the relevant registers.“

(e) Paragraph 3 is replaced by the following:

„3. The competent authority of the home Member State shall inform the competent authorities of the host Member States in accordance with point (d) of Article 14(1) and ESMA, without delay, of the removal of the qualifying venture capital fund and/or its manager from the register referred to in point (b) of paragraph 2 of this Article.“

(10) In Article 26(2)(a), the date of „22 July 2017“ is replaced by that of „[48 months after the date of entry into application of this Regulation]“.

Article 2

Regulation (EU) No 346/2013 is amended as follows:

(1) In Article 2, paragraph 2 is replaced by the following:

„2. Articles **3, 4, 5 and 6, 10, 13(2), points (d), (e) and (f) of Article 14(1), 15a, 16 and Article 15a-22** of this Regulation shall apply to managers of collective investment undertakings authorised under Article 6 of Directive 2011/61/EU that manage portfolios of qualifying social entrepreneurship funds and intend to use the designation „EuSEF“ in relation to the marketing of those funds in the Union.“

Managers referred to in the first subparagraph shall comply at all times with Directive 2011/61/EU. Those managers shall be responsible for ensuring compliance with this Regulation and shall also be liable in accordance with Directive 2011/61/EU for any infringements of this Regulation. Those managers shall also be liable for losses or damages resulting from non-compliance with this Regulation.

(2) Article 3 is amended as follows:

(a)Point (d), point (i) is replaced by the following:

“at the time of a first investment by the qualifying social entrepreneurship fund is not admitted to trading on a regulated market or on a multilateral trading facility (MTF) as defined in point (14) and point (15) of Article 4(1) of Directive 2004/39/EC;”

(~~ab~~) Point (k) is replaced by the following:

„„home Member State“ means the Member State where the manager of a qualifying social entrepreneurship fund has its registered office;”

(~~bc~~) Point (m) is replaced by the following:

„„(m) competent authority“ means:

(i) for managers referred to in Article 2(1) of this Regulation, the competent authority referred to in Article 3(3)(a) of Directive 2011/61/EU;

(ii) for managers referred to in Article 2(2) of this Regulation, the competent authority referred to in Article 7(1) of Directive 2011/61/EU;

(iii) for qualifying social entrepreneurship funds, the competent authority of the Member State in which the qualifying social entrepreneurship fund ~~has its registered office or head office~~ **is established**;

(3) In Article 11, the following paragraph 3 is added:

„3. ESMA shall develop draft regulatory technical standards specifying the methodologies to determine what constitutes sufficient own funds. Those methodologies shall:

- (a) distinguish between what constitutes sufficient own funds for internally managed qualifying social entrepreneurship funds and sufficient own funds for managers of qualifying social entrepreneurship funds which are external managers;
- (b) take into account the size and internal organisation of the managers referred to in paragraph 1 of Article 2 in order to ensure neutral conditions of competition between those managers and managers referred to in paragraph 2 of that Article;
- (c) ensure that the amounts resulting from the application of those methodologies do not exceed the amounts laid down in Article 9 of Directive 2011/61/EU.

ESMA shall submit those draft regulatory technical standards to the Commission by [18 months after the date of entry into application of this Regulation].

Power is delegated to the Commission to adopt the regulatory technical standards referred to in the first subparagraph of this paragraph in accordance with Articles 10 to 14 of Regulation (EU) No 1095/2010.“;

(4) In Article 15 the following paragraphs 3a and 3b are inserted:

„3a. The managers referred to in ~~paragraph 1~~ **Article 2(1)** shall be informed by the competent authority of their home Member State on whether they have been registered as a manager of a qualifying social entrepreneurship fund no later than two months after they have provided all the information referred to in paragraph 1.

3b. A registration in accordance with this Article shall constitute a registration for the purposes of Article 3(3) of Directive 2011/61/EU.

3c. The managers of qualifying venture capital funds referred to in this Article shall notify the competent authorities of their home Member State of any material changes to the conditions for initial registration according to this Article before such changes are implemented.

If the competent authority of the home Member State decides to impose restrictions or reject those changes, they shall, within 1 month of receipt of that notification, inform the managers of the qualifying venture capital fund. The competent authority may extend that period for up to 1 month where they consider this to be necessary due to the specific circumstances of the case and after having notified the managers of qualifying venture capital fund. The changes shall be implemented if the relevant competent authority does not oppose the changes within the relevant assessment period.“;

(5) The following Articles 15a and 15b are inserted:

„Article 15a

1. Managers of collective investment undertakings authorised under Article 6 of Directive 2011/61/EU shall apply for registration of the qualifying social entrepreneurship funds for which they intend to use the designation „EuSEF“.

2. The application for registration referred to in paragraph 1 shall be made to the competent authority of the qualifying social entrepreneurship fund and shall include the following:

- (a) the fund rules or instruments of incorporation of the qualifying social entrepreneurship fund;
- (b) the information on the identity of the depositary;
- (c) the information referred to in Article 15(1).

For the purposes of point (c) of the first subparagraph, the information on the arrangements made for complying with the requirements of Chapter II of this Regulation shall refer to the arrangements made for complying with Articles 5, 6 and 10, Article 13(2) and points (d), (e) and (f) of Article 14(1).

3. The competent authority of the qualifying social entrepreneurship fund shall register every fund as a qualifying social entrepreneurship fund if the manager of the fund meets the conditions laid down in Article 15(2).

4. The managers referred to in paragraph 1 shall be informed by the competent authority of the qualifying social entrepreneurship fund on whether that fund has been registered as a qualifying social entrepreneurship fund no later than two months after those managers have provided all the information referred to in paragraph 2.

5. Registration of qualifying social entrepreneurship funds under paragraphs 1, 2 and 3 shall be valid in the entire territory of the Union and shall allow marketing of those funds under the designation „EuSEF“ throughout the Union.

Any refusal to register the managers referred to in Article 15 and the funds referred to in Article 15a shall be substantiated, notified to the managers referred to in those Articles and subject to a right of appeal before the courts. This right of appeal shall also ~~exist~~ **apply in respect of registration** where no decision on a registration has been taken **within** two months ~~after it has been applied for~~ **after the managers of the qualified venture capital fund provided all the required information.**“;

(6) In Article 17, paragraphs 1 and 2 are replaced by the following:

„1. The competent authorities~~y~~ of the home Member States shall notify the competent authorities of the host Member States and ESMA immediately of any registration of a manager of a qualifying social entrepreneurship fund, any addition of a new qualifying social entrepreneurship fund, any addition of a new domicile for the establishment of a qualifying social entrepreneurship fund or of any addition of a new Member State in which a manager of a qualifying social entrepreneurship fund intends to market those funds.

For the purposes of the first subparagraph, the competent authority of a qualifying social entrepreneurship fund that has been registered in accordance with Article 15a shall immediately notify that registration to the competent authority of the home Member State of the manager of that qualifying social entrepreneurship fund.

2. The competent authorities of the host Member States shall not impose on the managers of qualifying social entrepreneurship funds any requirements or administrative procedures in relation to the marketing of their qualifying social entrepreneurship funds, nor shall they require any approval of that marketing prior to its commencement.

The requirements or administrative procedures referred to in the first subparagraph shall include fees and other charges **except fees related to the appropriate supervision on non-discriminatory basis in comparison with fees charged to domestic subjects.**“

- (7) Article 18 is replaced by the following:

„Article 18

ESMA shall maintain a central database, publicly accessible on the internet, listing all managers of qualifying venture capital fund using the designation 'EuSEF' and the qualifying social entrepreneurship funds for which they use it, as well as the countries in which those funds are marketed.“;

- (8) In Article 21(2), the date of „16 May 2015“ is replaced by that of „[24 months after the date of entry into application of this Regulation]“;

- (9) Article 22 is amended as follows:

- (a) Point (c) of paragraph 1 is replaced by the following:

„(c) uses the designation „EuSEF“ but is not registered in accordance with Article 15, or the qualifying social entrepreneurship fund is not registered in accordance with Article 15a;“

- (b) Point (e) of paragraph 1 is replaced by the following:

„(e) has obtained registration through false statements or any other irregular means, in breach of Article 15 or Article 15a;“

- (c) Point (a) of paragraph 2 is replaced by the following:

„(a) take measures to ensure that the manager of a qualifying social entrepreneurship fund concerned complies with Articles 5 and 6, points (a) and (b) of Article 7 and Articles 13 to 15a;“

- (d) Point (b) of paragraph 2 is replaced by the following:**

„(b) prohibit the use of the designation ‘EuSEF’ and remove the qualifying venture fund and/or its manager concerned from the relevant registers.“

(e) Paragraph 3 is replaced by the following:

„3. The competent authority of the home Member State shall inform the competent authorities of the host Member States in accordance with point (d) of Article 15(1) and ESMA, without delay, of the removal of the qualifying venture capital fund and/or its manager from the register referred to in point (b) of paragraph 2 of this Article.“

(10) In Article 27(2)(a), the date of „22 July 2017“ is replaced by that of „[48 months after the date of entry into application of this Regulation]“.

Article 3

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the European Parliament

The President

For the Council

The President