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COVER NOTE

From:	Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director
To:	Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union
No. Cion doc.:	C(2025) 7642 final
Subject:	COMMISSION DELEGATED REGULATION (EU) .../... supplementing Directive 2009/65/EC of the European Parliament and of the Council with regard to regulatory technical standards specifying the characteristics of liquidity management tools

Delegations will find attached document C(2025) 7642 final.

Encl.: C(2025) 7642 final



EUROPEAN
COMMISSION

Brussels, 17.11.2025
C(2025) 7642 final

COMMISSION DELEGATED REGULATION (EU) .../...

of 17.11.2025

**supplementing Directive 2009/65/EC of the European Parliament and of the Council
with regard to regulatory technical standards specifying the characteristics of liquidity
management tools**

(Text with EEA relevance)

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE DELEGATED ACT

Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS Directive) provides a harmonised regulatory framework for the authorisation, operation and marketing of undertakings for collective investment in transferable securities (UCITS) in the European Union. Directive (EU) 2024/927 of the European Parliament and of the Council of 13 March 2024 has introduced amendments to the UCITS Directive aimed at increasing transparency on delegation arrangements, harmonising the availability and use of liquidity management tools and introducing a new supervisory reporting framework.

Liquidity management tools allow UCITS to better manage their liquidity, address redemption pressures under stressed market conditions and protect investor interests. The European Systemic Risk Board (ESRB), European Securities and Markets Authority (ESMA), the Financial Stability Board (FSB) and the International Organization of Securities Commissions (IOSCO) recommended harmonisation of the rules on the use of liquidity management tools by open-ended funds.

Directive (EU) 2024/927 introduced a harmonised set of rules on the availability and use of liquidity management tools by UCITS to increase the resilience of those funds against market stress situations and redemption pressures and to minimise divergent national practices on the use of liquidity management tools. In this context, a harmonised list of liquidity management tools has been established in Annex IIA of Directive 2009/65/EC, and the new rules require a UCITS to select at least two appropriate liquidity management tools from this list for potential use in the interest of investors. The new rules will be applicable as of 16 April 2026.

Article 18a(3) of Directive 2009/65/EC, as amended by Directive (EU) 2024/927 has mandated ESMA to develop by 16 April 2025 draft regulatory technical standards to specify the characteristics of the liquidity management tools set out in Annex IIA of Directive 2009/65/EC.

Under Article 18a(5) of Directive 2009/65/EC, as amended by Directive (EU) 2024/927, the Commission is empowered to adopt these regulatory technical standards via a Delegated Act. This Delegated Regulation adopts the RTS developed by ESMA and submitted to the Commission in accordance with Article 10 of Regulation (EU) No 1095/2010 of the European Parliament and of the Council.¹ This Delegated Regulation supplements Directive 2009/65/EC by specifying the characteristics of the following liquidity management tools: suspension of subscriptions, repurchases and redemptions, redemption gates, extension of notice periods, redemption fees, swing pricing, dual pricing, anti-dilution levy, redemption in kind and side pockets.

When developing those draft regulatory technical standards, ESMA has considered the diversity of investment strategies and underlying assets of UCITS. This Regulation should not restrict the ability of UCITS to use any appropriate liquidity management tool for all asset classes, jurisdictions and market conditions.

¹ Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC (OJ L 331, 15.12.2010, p. 84).

2. CONSULTATIONS PRIOR TO THE ADOPTION OF THE ACT

On 8 July 2024, ESMA published a Consultation Paper (CP) on the content of the draft regulatory technical standards on the characteristics of liquidity management tools in accordance with Article 18a(3) of Directive 2009/65/EC, as amended Directive (EU) 2024/927. The public consultation closed on 8 October 2024. Further to the results of the public consultation, ESMA has introduced several changes to the draft regulatory technical standards. In particular, to account for different market practices, ESMA introduced more flexibility in the way redemption orders should be considered for the calculation of the activation threshold of redemption gates. Moreover, ESMA removed dedicated provisions on the application of liquidity management tools to specific share classes for certain liquidity management tools and clarified that the use of the redemption in kind mechanism in the course of regular dealing activities of exchange-traded funds should not constitute the activation of the liquidity management tool of redemption in kind. ESMA received 33 responses to the public consultation. ESMA also consulted the Securities and Markets Stakeholders Group (SMSG), but the SMSG chose not to provide an opinion on these draft regulatory technical standards.

ESMA accompanied the draft regulatory technical standards with a cost-benefit analysis and concluded that the overall supervisory and compliance costs associated with the implementation of these regulatory technical standards are justified and will be largely compensated by the benefits of a harmonised Union-wide framework on liquidity management tools for all supervisory authorities, UCITS, management companies and investors.

3. LEGAL ELEMENTS OF THE DELEGATED ACT

On 15 April 2025, ESMA published its final report on the draft regulatory technical standards on liquidity management tools and submitted the draft regulatory technical standards to the European Commission for adoption.² The Commission carried out a legal review of the submitted draft regulatory technical standards and, whilst not changing any substantive requirements, adapted the provisions of the standards to ensure legality and legislative quality of this Regulation as well as consistency of the rules in this Regulation with Directive 2009/65/EC.

Article 1 specifies the characteristics of suspensions of subscriptions, repurchases and redemptions. It clarifies the requirement to simultaneously suspend subscriptions, repurchases and redemptions of the UCITS and the application of this liquidity management tool to all share classes of the UCITS.

Article 2 specifies the characteristics of redemption gates. It outlines the methodology for the calculation of the activation threshold and for the activation of this liquidity management tool. The Article further clarifies the application of this liquidity management tool to all investors of the UCITS.

Article 3 specifies the characteristics of the extension of notice periods. It clarifies the specificities of the extension of notice periods when this liquidity management tool is activated.

² [Final report on the draft Regulatory Technical Standards on Liquidity Management Tools under the AIFMD and UCITS Directive.](#)

Article 4 specifies the characteristics of redemption fees. It clarifies the elements that should be taken into account for the calculation of the range of redemption fees and the methodology for the calculation of the level of those fees.

Article 5 specifies the characteristics of swing pricing. It outlines the methodology for the calculation of the swing factor and its effect on the net asset value of the units or shares of the UCITS.

Article 6 specifies the characteristics of dual pricing. It outlines the calculation methodology for this liquidity management tool and the elements that should be taken into account for its activation.

Article 7 specifies the characteristics of anti-dilution levy. It outlines the methodology for the calculation of the levy and the mechanics of the activation of this liquidity management tool.

Article 8 specifies the characteristics of redemption in kind. It outlines the mechanics of the activation of this tool. It further clarifies that the redemption in kind mechanism utilised by exchange-traded UCITS in the course of their regular dealing activities shall not be considered an activation of this liquidity management tool.

Article 9 specifies the characteristics of side pockets. It outlines the different types of side pockets and the mechanics for their activation.

Article 10 establishes a transitional period of application of this Regulation for UCITS that were constituted before 16 April 2026.

COMMISSION DELEGATED REGULATION (EU) .../...

of 17.11.2025

supplementing Directive 2009/65/EC of the European Parliament and of the Council with regard to regulatory technical standards specifying the characteristics of liquidity management tools

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS)³, and in particular Article 18a(5), second subparagraph thereof,

Whereas:

- (1) To protect investors and contain spillover effects, a suspension should apply simultaneously and for the same period to subscriptions, repurchases and redemptions.
- (2) To protect existing investors and manage the flow of new investments into a UCITS, a UCITS should be able to restrict subscriptions, while continuing to allow repurchases and redemptions by existing investors (“soft closure”). However, such soft closure of a UCITS should not qualify as a liquidity management tool referred to in Annex IIA to Directive 2009/65/EC, as it does not serve the purpose of managing liquidity risks or addressing redemption pressure under stressed market conditions.
- (3) Having regard to the investment objectives and redemption policies of a UCITS, the threshold for activating a redemption gate should be determined at the level of the UCITS. In line with the guidance of the International Organization of Securities Commissions for liquidity risk management of open-ended funds⁴, the determination of the activation threshold of redemption gates should consider the aggregate net or gross redemption orders at the level of the UCITS for a given dealing date or over a specified period and the activation threshold should be expressed as a percentage of the net asset value of the UCITS. Where the activation threshold is exceeded, a UCITS should be able to decide to activate redemption gates or to still execute redemption orders, having regard to its liquidity, the market conditions and the best interests of investors.
- (4) To ensure fair treatment of investors, a UCITS that activates redemption gates should be able to treat the non-executed part of the redemption orders on the basis of predetermined conditions that have been disclosed to investors. Those conditions may include the automatic transfer of the non-executed part of redemption orders to the

³ OJ L 302, 17.11.2009, p. 32, ELI: <http://data.europa.eu/eli/dir/2009/65/oj>.

⁴ IOSCO, Guidance for Open-ended Funds for Effective Implementation of the Recommendations for Liquidity Risk Management, May 2025, <https://www.iosco.org/library/pubdocs/pdf/IOSCOPD799.pdf>

following dealing date, with or without priority over redemption orders submitted at a later dealing date, or the cancellation of those non-executed redemption orders.

- (5) To protect investors and preserve market stability during periods of stress or unusual redemption activity, a UCITS may activate the extension of notice periods. Depending on the investment objective and redemption policy of the UCITS, the extended notice period may be a specific number of days, weeks, or months, or a fixed date preceding the redemption date. Where appropriate to the investment strategy and redemption policy of the UCITS, the minimum notice period that investors should give to a UCITS when redeeming their units or shares may be equal to zero. In that case, the UCITS should still be able to select and, where appropriate, activate the extension of notice periods by extending the period of notice beyond the zero notice period.
- (6) Since the settlement process is usually not controlled by the UCITS, that process should not be included in the extended notice period.
- (7) To protect investors and account for the liquid nature of the UCITS, the extension of notice periods should not have any impact on the redemption frequency of the UCITS.
- (8) In line with the guidance of the International Organization of Securities Commissions for liquidity risk management of open-ended funds and to ensure that the existing or remaining investors in a UCITS are not adversely affected by the liquidity costs caused by subscriptions and redemptions, anti-dilution liquidity management tools, namely redemption fees, swing pricing, dual pricing and anti-dilution levies, should impose on subscribing and redeeming investors the estimated cost of liquidity. Liquidity costs are comprised of explicit and implicit transaction costs of subscriptions or redemptions, including any significant market impact. A UCITS that activates an anti-dilution liquidity management tool should take into account the estimated explicit transaction costs. Where appropriate to its investment strategy, the UCITS should also take into account the implicit transaction costs, including any significant market impact of asset purchases or sales, to fulfil redemption orders. To account for the diversity of underlying assets of a UCITS, where information for the calculation of implicit transaction costs, including significant market impact, are not available or reliable, those transaction costs should be estimated on a best effort basis.
- (9) To cover the cost of liquidity generated by redeeming investors, redemption fees should be paid to the UCITS by unit-holders or shareholders when redeeming their units or shares. When applying redemption fees, a UCITS should be able to deduct those redemption fees from the amount of money paid to redeeming investors.
- (10) As a characteristic of swing pricing, a UCITS should determine a swing factor to be used to adjust the net asset value of its units or shares. To ensure that all subscribing and redeeming investors pay or receive the same price when purchasing or redeeming units or shares in a UCITS, the published net asset value of the units or shares of that UCITS should be the net asset value after application of the swing factor.
- (11) To ensure fair treatment of investors and to mitigate the dilution effects caused by transaction costs arising from subscribing or redeeming investors, a UCITS that makes use of swing pricing should have the right to adjust the net asset value of its units or shares on each dealing date (commonly referred to as “full swing”) or only when the net subscriptions or redemptions are greater than a predetermined threshold (commonly referred to as “partial swing”). Under both types of swing pricing, the direction of the swing (i.e., whether the swing factor is added to or deducted from the net asset value of units or shares of the UCITS) is determined by the net capital

activity of the dealing date. Therefore, for a given dealing date with net subscriptions, the swing factor should be added to the net asset value of the units or shares of the UCITS that will be adjusted upward. In the opposite scenario, for a given dealing date with net redemptions, a swing factor should be deducted from the net asset value of the units or shares of the UCITS that will be adjusted downward. To ensure fair treatment of investors and facilitate the use of swing pricing under both normal and stressed market conditions, under both types of swing pricing the UCITS should be able to decide to have either a single swing factor or to apply swing factors depending on the size of net capital activity (commonly referred to as “tiered approach”) or to apply other possibilities, including mixed approaches.

- (12) The characteristics of dual pricing should address its calculation methodology. To account for the diversity of investment strategies and redemption policies, and in line with international recommendations, a UCITS should consider two alternative calculation methodologies for dual pricing by calculating either two distinct net asset values incorporating assets ask and bid prices respectively or by setting an adjustable spread around the net asset value of its units or shares.
- (13) To protect remaining investors in the UCITS from the dilution impact of potentially large subscriptions or redemptions, a UCITS that activates the anti-dilution levy should apply that levy to redeeming investors in case of net redemptions and to subscribing investors in case of net subscriptions.
- (14) A UCITS should be able to activate redemption in kind to prevent the sale of sizable blocks of securities in response to redemption orders, where such sale would be likely to result in significant transaction costs and market price impacts to its shareholders or unit-holders.
- (15) Authorised participants, and market makers as defined in Article 4(1), point (7), of Directive 2014/65/EU of the European Parliament and of the Council⁵ perform essential functions for the day-to-day operations of exchange-traded UCITS. The role of authorised participants and market makers includes acquiring or selling units or shares of an exchange-traded UCITS in the secondary market, assisting the management company of the exchange-traded UCITS in executing orders, and ensuring continuous liquidity and secondary market trading. As part of the regular dealing activity of an exchange-traded UCITS, the delivery in whole or in part of underlying securities held by, or on behalf of, an exchange-traded UCITS to authorised participants and market makers to fulfil redemption order should not be considered as an activation of the redemption in kind liquidity management tool referred to in point 8, of Annex IIA to Directive 2009/65/EC, as such operation does not relate to the liquidity management of the portfolio of an exchange-traded UCITS.
- (16) To mitigate liquidity risks in connection to assets of the UCITS for which economic or legal features have changed significantly or have become uncertain due to exceptional circumstances, a UCITS should be able to activate side pockets through accounting segregation or physical separation.
- (17) Where it is in the best interest of the UCITS and its investors to keep the side pocket within the existing fund structure, a UCITS should be able to create a side pocket

⁵ 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 (recast) (OJ L 173, 12.6.2014, p. 349, ELI: <http://data.europa.eu/eli/dir/2014/65/oj>).

through accounting segregation. In that case, assets for which economic or legal features have changed significantly or have become uncertain due to exceptional circumstances should be allocated to a dedicated share class of the UCITS.

- (18) Where it is in the best interest of the UCITS to physically isolate the assets for which economic or legal features have changed significantly or have become uncertain due to exceptional circumstances, the UCITS should be able to create a side pocket through physical separation. In that case, the affected assets should remain in the original UCITS, while the unaffected assets of the UCITS should be transferred to a new fund.
- (19) To protect investors and mitigate the risk of contagion to the rest of the UCITS, side pockets should be closed for subscriptions, repurchases and redemptions. However, in the interest of investors, a UCITS should, irrespective of whether the side pocket is created through accounting segregation or physical separation, be able to dispose of, or liquidate, the side pocket and distribute any proceeds to the end investors in proportion to their participation in the side pocket.
- (20) To ensure legal certainty and consistency with Directive 2009/65/EC, for UCITS constituted after the date of entry into application of this Regulation, this Regulation should apply from 16 April 2026. Compliance with this Regulation would also require changes to the fund documentation and an update of the existing processes and technical infrastructure of UCITS and their management companies to support the activation of the selected liquidity management tools. It is therefore necessary to provide for a transitional period of one year for UCITS constituted before the date of application of this Regulation to enable those UCITS to adapt to the new regime. However, those UCITS should still have the possibility to choose to be subject to this Regulation from its date of application, i.e. from 16 April 2026.
- (21) This Regulation is based on the draft regulatory technical standards submitted to the Commission by the European Securities and Markets Authority.
- (22) The European Securities and Markets Authority has conducted an open public consultation on the draft regulatory technical standards on which this Regulation is based, analysed the potential related costs and benefits and requested the advice of the Securities and Markets Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1095/2010 of the European Parliament and of the Council⁶,

HAS ADOPTED THIS REGULATION:

Article 1

Suspension of subscriptions, repurchases and redemptions

- 1. A UCITS shall suspend subscriptions, repurchases and redemptions simultaneously, for the same period and for all investors of the UCITS.
A UCITS shall not suspend redemptions without simultaneously suspending subscriptions and repurchases.
- 2. A suspension of subscriptions, repurchases and redemptions shall be temporary, strictly limited to the period necessary to address the exceptional circumstances that

⁶ Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC (OJ L 331, 15.12.2010, p. 84, ELI: <http://data.europa.eu/eli/reg/2010/1095/oj>).

justify that suspension, and may only be implemented where it is duly justified having regard to the best interests of investors.

3. For a UCITS with multiple share classes, the suspension of subscriptions, repurchases and redemptions shall apply to all the share classes of that UCITS.

Article 2

Redemption gates

1. A UCITS that decides to activate redemption gates shall apply those redemption gates uniformly to all investors.
2. A redemption gate shall have an activation threshold below which the redemption gate cannot be activated.

The activation threshold shall be set at the level of the UCITS and shall apply equally to all investors of the UCITS.
3. The activation threshold shall be:
 - (a) based on the total net or gross redemption orders of the UCITS received for a given dealing date or over a specified period;
 - (b) expressed as a proportion to the net asset value of the UCITS.
4. A UCITS that decides to activate a redemption gate shall execute on a pro rata basis the redemption orders from all investors for a given dealing date for an amount that corresponds to at least the level of the activation threshold.

Article 3

Extension of notice periods

1. The extended notice period shall cover the period between the receipt of the redemption order by the UCITS and its execution.

The extended notice period shall not include the time required for the settlement process.
2. The extension of the notice period shall not have any impact on the redemption frequency of the UCITS.

Article 4

Redemption fees

1. The predetermined range of redemption fees shall take into account the estimated explicit transaction costs. Where appropriate to the investment strategy of the UCITS, the predetermined range of redemption fees shall also take into account the implicit transaction costs, including any significant market impact of asset sales to meet those redemptions. Those implicit transaction costs shall be estimated on a best effort basis.
2. Redemption fees shall be expressed as a percentage of the gross redemption orders or as a monetary value, or a combination of both. The level of redemption fees may vary in accordance with the size of the redemption order.
3. For the purposes of paragraph 1 of this Article and Articles 5, 6 and 7, explicit transaction costs shall mean costs that are directly borne by a UCITS for its acquisition or disposal of assets that are stable in amount and quantifiable in advance

of the transaction. Those costs may include brokerage fees, trading levies, taxes and settlement fees.

Implicit transaction costs shall mean costs borne indirectly by the UCITS upon acquisition or disposal of assets, that primarily arise from the bid-ask spread and market impact. Those implicit transaction costs may vary depending on the type of underlying assets and market conditions.

Article 5 ***Swing pricing***

1. The swing factor shall include the estimated explicit transaction costs as referred to in Article 4(3), first subparagraph. Where appropriate to the investment strategy of the UCITS, the swing factor shall also include the implicit transaction costs referred to in Article 4(3), second subparagraph, including any significant market impact of asset purchases or sales to meet those subscriptions or redemptions. Those implicit transaction costs shall be estimated on a best effort basis.
2. The swing factor shall be expressed as a percentage of the net asset value of the units or shares of the UCITS.
3. A UCITS may apply swing pricing where there is a difference between the redemption orders and the subscription orders (“full swing”) or where the difference exceeds a predefined activation threshold (“partial swing”). In either case:
 - (a) where the difference between the redemption orders and the subscription orders for a given dealing date results in net redemptions, the swing factor shall be deducted from the net asset value of the units or shares of the UCITS;
 - (b) where the difference between the redemption orders and the subscriptions orders for a given dealing date results in net subscriptions, the swing factor shall be added to the net asset value of the units or shares of the UCITS.
4. Swing pricing may include different swing factors corresponding to different activation thresholds.

Article 6 ***Dual pricing***

1. A UCITS that activates dual pricing shall for that purpose use one of the following calculation methods:
 - (a) calculation of two net asset values:
 - (i) one net asset value for subscriptions, determined on the basis of the ask prices of the assets held by the UCITS;
 - (ii) one net asset value for redemptions, calculated on the basis of the bid prices of the assets held by the UCITS;
 - (b) calculation of only one net asset value for subscribing and redeeming investors.
2. For both calculation methods referred to in paragraph 1, the costs of liquidity by which the net asset value per unit or share is adjusted shall include the estimated explicit transaction costs referred to in Article 4(3), first subparagraph. Where appropriate to the investment strategy of the UCITS, such costs of liquidity shall also include the implicit transaction costs referred to in Article 4(3), second subparagraph,

including any significant market impact of asset purchases or sales, to meet those subscriptions or redemptions. Those implicit transaction costs shall be estimated on a best effort basis.

Article 7
Anti-dilution levy

1. Anti-dilution levies shall include the estimated explicit transaction costs referred to in Article 4(3), first subparagraph. Where appropriate to the investment strategy of the UCITS, anti-dilution levies shall also include the implicit transaction costs referred to in Article 4(3), second subparagraph, including any significant market impact of asset purchases or sales, to meet those subscriptions or redemptions. Those implicit transaction costs shall be estimated on a best effort basis.
2. Anti-dilution levies shall be expressed as either of the following:
 - (a) a percentage of the subscription or redemption orders;
 - (b) a monetary value.
3. A UCITS may activate anti-dilution levies where on a given dealing date:
 - (a) the aggregate amount of redemption orders exceeds that of subscription orders, resulting in net redemptions;
 - (b) the aggregate amount of subscription orders exceeds that of redemption orders, resulting in net subscriptions.

For the purposes of point (a), the anti-dilution levy shall be deducted from the amount paid to redeeming investors.

For the purposes of point (b), the anti-dilution levy shall be charged to subscribing investors.

Article 8
Redemptions in kind

1. A redemption in kind shall correspond to the transfer of assets held by the UCITS to redeeming investors instead of cash to meet redemption orders. The transfer of assets to investors may be direct, or indirect via intermediaries.
2. The delivery, during the course of regular dealing activities of an exchange-traded UCITS, in whole or in part of underlying securities held by, or on behalf of, the exchange-traded UCITS to an authorised participant or market-maker to satisfy redemption orders shall not be considered an activation of the redemption in kind referred to in point 8 of Annex IIA to Directive 2009/65/EC.

Article 9
Side pockets

1. A side pocket may take one of the following forms:
 - (a) a dedicated share class of the UCITS created specifically to implement the accounting segregation of the assets whose economic or legal features have changed significantly or have become uncertain due to exceptional circumstances from the other assets of that UCITS (“accounting segregation”);

- (b) a separate UCITS created specifically to separate the assets whose economic or legal features have changed significantly or have become uncertain due to exceptional circumstances from the other assets of that UCITS (“physical separation”).
2. For the purposes of the side pocket referred to in paragraph 1, point (a), new subscriptions, repurchases and redemptions in share classes other than the share class dedicated to the side-pocket shall be executed on the basis of the net asset value of the UCITS, which shall be calculated after excluding the assets that are subject to the accounting segregation.
- The side pocket share class shall be closed to subscriptions, repurchases and redemptions.
3. Where a UCITS activates a side pocket as referred to in paragraph 1, point (b), the assets whose economic or legal features have changed significantly or have become uncertain due to exceptional circumstances shall remain in the original UCITS, while the other assets shall be transferred to a new UCITS, or shall be transferred through a merger into an existing UCITS in accordance with the requirements set out in Chapter VI of Directive 2009/65/EC.
- The original UCITS shall be closed to subscriptions, repurchases and redemptions and shall be put into liquidation. The new UCITS shall be authorised and managed in accordance with the investment strategy of the original UCITS.
4. Upon the creation of a side pocket, each investor shall be allocated units or shares in the side pocket in proportion to their respective participation in the original UCITS.

Article 10

Transition provision

Until 16 April 2027, UCITS that were constituted before 16 April 2026 shall be deemed to comply with this Regulation. Those UCITS may, however, choose to be subject to this Regulation from 16 April 2026, provided that they notify the competent authorities of their home Member State thereof.

Article 11

Entry into force and application

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

It shall apply from 16 April 2026.

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

Done at Brussels, 17.11.2025

For the Commission

The President

Ursula VON DER LEYEN