

Book IV - Collective investment products

Title I - Undertakings for Collective Investment in Transferable Securities (UCITS)

Chapter unique - Undertakings for collective investment in transferable securities (UCITS)

Section 2 - General rules

Sub-section 1 - Subscription and redemption rules

General regulation of the AMF

Article 411-20-1 into force since 19 April 2024

DISCLAIMER : Information boxes have been inserted within the General Regulation. They allow for a direct access to the relevant European regulations on the subject matter.

The user will be redirected to the European regulations as initially published in the Official Journal of the European Union and to the subsequent corrigenda, if any. The AMF does not guarantee the completeness of the redirections to these European regulations and corrigenda.

The boxes are located at the most relevant level of the GRAMF depending on the provision of the EU regulations to which they refer (Book, Title, Chapter, Section, etc.).

This additional material is provided for information purposes only and does not constitute a regulatory instrument. The AMF shall not be held liable or responsible for any harm resulting directly or indirectly from the provision or the use of these information boxes.

Article 411-20-1

In accordance with the final paragraph of Article L. 214-7-4 and the final paragraph of Article L. 214-8-7 of the Monetary and Financial Code, the UCITS may provide for the temporary gating of redemptions of units or shares in the cases it is necessary owing to exceptional circumstances and in order to protect the interests of the units or shares holders, or those of the public. Such conditions may be met in particular where, irrespective of the normal carrying out of the management strategy, the level of redemption orders is such that considering the liquidity conditions of the assets of the SICAV, of the fund, or of one of its sub-funds, these orders cannot be executed on terms that protect the interests of holders and ensure their equitable treatment, or where redemption orders are made under circumstances that may undermine market integrity.

The investment management company shall inform the AMF, unitholders and the general public of the introduction of a cap on redemptions of units or shares in the fund rules or articles of association. For UCITS other than money market funds governed by Regulation (EU) 2017/1131 of 14 June 2017 or the UCITS mentioned in Article 411-134, the investment management company shall inform the AMF, the unitholders and the public if this mechanism has not been introduced and declare the reasons for this to the AMF.

In these cases, redemptions may be gated in the same proportion for all concerned holders, who must be specifically informed of

the fact. The part of orders that is unexecuted and that is resubmitted does not have any priority, on the next centralisation dates, over new redemption orders submitted for execution on those dates.

The management company shall notify the AMF of its decision to apply a redemption gate. The management company shall also notify the public, by any means under the conditions set forth in the prospectus and at a minimum, on the asset management company's website.

The rules of the common fund (FCP) or the articles of association of the SICAV shall precisely define the conditions under which a redemption gate may be decided and, in particular:

- 1 • Set the threshold above which the management company may decide to apply a redemption gate to redemption orders received in respect of a single centralisation date;

This threshold shall be justified based on the frequency of the net asset value calculation, on the management strategy and on the liquidity of the assets held by the UCITS portfolio; the threshold is equal to the ratio between:

- the difference registered, on the same centralisation date, between the number of redemption requests for units or shares of the UCITS and the number of subscription requests for units or shares of the UCITS; and
- the net asset of the UCITS or the total number of units or shares of the UCITS or sub-fund in question.

This threshold is determined on the basis of the most recent published net asset value or of the most recent indicative net asset value calculated by the management company, or of the number of units or shares outstanding on the valuation date;

- 2 • State the procedures according to which the UCITS may either decide to cancel the unexecuted part of redemption orders or to carry them forward until the next centralisation date. However, in the cases where the UCITS calculates its net asset value more than once a week, the unexecuted part of redemption orders is automatically carried forward to the next centralisation date;
- 3 • Specify whether, and under what terms, the holder may oppose to the carrying forward of the unexecuted part of his redemption order;
- 4 • Limit the gating of redemption requests to a maximum number of net asset values calculations for a given period; this maximum number must be explained with regard to the frequency of net asset value calculation, the management strategy and the liquidity of the assets in the UCITS portfolio.

By derogation from 1 and 4, the rules or articles of incorporation of a feeder UCITS may provide that when the investment management company of the master UCITS decides to cap redemptions of its units or shares, the investment management company of the feeder UCITS may cap redemptions of its units or shares.

The investment management company of the feeder UCITS shall execute at least the proportion of the redemption orders corresponding to the proportion of redemption orders executed by the investment management company of the master UCITS.

✚ **Version into force since 19 April 2024**

✚ Version into force from 21 November 2022 to 18 April 2024

✚ Version into force from 8 March 2017 to 20 November 2022