



# CAPITAL MARKETS UNION

#CMU

**Roundtable on SME Access to Finance**

**20 March 2017**



## Session II - Debt provision to SMEs

### What are ELTIFs?

#### European Long-Term Investment Funds

REGULATION (EU) 2015/760

- EU-based close-ended funds with a fixed lifetime (usually no early redemption)
- Invest at least 70% in eligible assets (illiquid, hard to value, long term)
- Must be diversified and have a depositary and extra rules for offering to retail investors
- Marketing passport in all EU Member States

## Session II - Debt provision to SMEs

### What can ELTIFs invest in?

- Flexible range of assets to ensure ELTIFs target long-term investments and contribute to financing of the EU economy
- Eligible investment assets:
  - Equity or quasi-equity
  - Debt instruments
  - Loans granted by ELTIFs to a qualifying portfolio undertaking with a maturity no longer than the life of the ELTIF
  - One or several other ELTIFs, EuVECAs and EuSEFs
  - Individual real assets with a value of at least EUR 10 million

## Session II - Debt provision to SMEs

### Uptake of ELTIFs so far...

- Six ELTIFs authorised in France and one in Luxembourg; some invest in infrastructure, others lend to SMEs
- One example: a EUR 500 million ELTIF which originates loans to SMEs and small mid-caps; the EIF is one of the initial investors