



MEPs vote to channel funds towards long term European investment

Plenary sessions [10-03-2015 - 12:20]

Parliament adopted the rules to address present banks' reluctance to lend to small businesses or open-ended research projects by creating European Long-Term Investment Funds (ELTIFs) designed to benefit the real economy and society by channelling non-bank funds into long-term projects to deliver infrastructure, intellectual property or research results, on Tuesday.

"I am very pleased to launch today an efficient new tool that will not only give a major boost to financing long-term investment, as supported by President [Juncker's plan](#), but will also help build the [Capital Markets Union](#). The investment gap and financial crisis present us with the challenge of solving the tricky equation of maximising economic growth, increasing financial stability, removing barriers to cross-border investment, ensuring consumer protection, and enhancing competition all at the same time.", said Alain Lamassoure (EPP, FR), the leading MEP for the file.

The amended regulation was approved by 546 votes to 93, with 28 abstentions.

ELTIFs' objectives and structure

ELTIFs are vehicles designed to boost non-bank investment in the real economy across Europe. They will help pension funds, insurance companies, professional and even retail investors willing to invest at least €10 000 over the long term in one or more ELTIFs to put money into projects in their own countries or elsewhere, provided these projects benefit the EU economy: be it infrastructure, machinery or equipment, education, research or fostering the growth of small and medium-sized enterprises (SMEs).

ELTIFs investment funds will have to apply for authorisation, have a regulated structure and play by uniform rules to assure that they would offer long-term and stable returns. Parliament inserted provisions to ensure that they are not invested in speculative assets and that any retail investors putting money in them are properly informed and protected.

Way out for retail investors

ELTIF investors will have to make a long term commitment since they will not be able to withdraw their money easily. However, to protect retail investors in particular, the negotiators agreed "redemption" rules that would enable an ELTIF that has enough liquid assets to return an investor's money at the investor's request.

Next steps

After the full House votes on these rules, which have been already been informally approved by the member states the rules must be officially endorsed by the Council and they should apply 6 months after their entry into force.

Press release

Procedure: Co-decision (Ordinary Legislative Procedure), 1st reading agreement

hashtags #ELTIF

Useful information:

- Adopted text available here (10.03.2014)
: <http://www.europarl.europa.eu/plenary/en/texts-adopted.html>
- EP research: Briefing on European long-term investment funds
: [http://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_ATA\(2015\)549014](http://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_ATA(2015)549014)
- Committee on Economic and Monetary Affairs:
<http://www.europarl.europa.eu/committees/en/econ/home.html>
- Alain Lamassoure (EPP, FR): <http://www.europarl.europa.eu/meps/en/1204.html>

Contact

Dorota KOLINSKA

BXL: (+32) 2 28 32787

STR: (+33) 3 881 74005

PORT: (+32) 498 98 32 80

EMAIL: econ-press@europarl.europa.eu

TWITTER: EP_Economics