



Brussels, 17.11.2025
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COMMISSION DELEGATED REGULATION (EU) .../...

of 17.11.2025

**supplementing Directive 2011/61/EU 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 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers (AIFMD) provides a harmonised regulatory framework for the authorisation, operation and marketing of alternative investment funds (AIFs) 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 AIFMD aimed at increasing transparency on delegation arrangements, harmonising the availability and use of liquidity management tools and improving the supervisory reporting framework.

Liquidity management tools allow the managers of open-ended AIFs to better manage the liquidity of the AIFs they manage, 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 AIFMs to increase the resilience of the AIFs they manage 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 V of Directive 2011/61/EU, and the new rules require AIFMs to select, for each open-ended AIF they manage, 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 16(2g) of Directive 2011/61/EU, 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 V to Directive 2011/61/EU.

Under Article 16(5) of Directive 2011/61/EU, 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 2011/61/EU 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 AIFs. This Regulation should not restrict the ability of AIFMs 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 16(2g) of Directive 2011/61/EU, 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 both in the way the activation threshold of redemption gates shall be expressed for AIFs and 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, AIFMs, AIFs 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 2011/61/EU.

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 AIF and the application of this liquidity management tool to all share classes of the AIF.

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 AIF.

Article 3 specifies the characteristics of the extension of notice periods. It clarifies 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 AIF.

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 AIFs 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 AIFs that were constituted before 16 April 2026.

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supplementing Directive 2011/61/EU 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 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 1095/2010³, and in particular Article 16(2i), 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 an AIF, an AIFM should be able to restrict subscriptions, while continuing to allow repurchases and redemptions by existing investors (“soft closure”). However, such soft closure of an AIF should not qualify as a liquidity management tool referred to in Annex V to Directive 2011/61/EU, 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 an AIF, the threshold for activating a redemption gate should be determined either at the level of the AIF (“fund-level gate”) or at the level of the investors (“investor-level gate”), or as a combination of both. 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 a fund-level gate should consider the aggregate net or gross redemption orders at the level of the AIF for a given dealing date or over a specified period. In addition, the activation threshold should be expressed as a percentage of the net asset value of the AIF, as a monetary value, as percentage of the liquid assets referred to in Article 50(1) of Directive 2009/65/EC of the European Parliament and of the Council⁵, or as a combination of the above. To mitigate the first mover advantage that may give rise to investor protection concerns

³ OJ L 174, 1.7.2011, p.1, ELI: <http://data.europa.eu/eli/dir/2011/61/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>

⁵ 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) (OJ L 302, 17.11.2009, p. 32, ELI: <http://data.europa.eu/eli/dir/2009/65/oj>).

and to account for open-ended AIFs with a limited amount of professional investors, the activation threshold of an investor-level gate should consider the individual redemption orders of each investor in the AIF and should be expressed either as a percentage of an investor's holdings in the AIF or as a percentage of the net asset value of the AIF and compared to that investor's redemption order. Where the activation threshold is exceeded, an AIFM should be able to decide to activate redemption gates or to still execute redemption orders, having regard to the liquidity of the AIF, the market conditions and the best interests of investors.

- (4) Where appropriate to the AIF's investment objectives and redemption policy, an AIFM should be able to activate a combined redemption gate that includes elements of an investor-level gate and a fund-level gate.
- (5) To ensure fair treatment of investors, an AIFM 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 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.
- (6) To protect investors and preserve market stability during periods of stress or unusual redemption activity, an AIFM may activate the extension of notice periods. Depending on the investment objective and redemption policy of the AIF, 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 AIF, the minimum notice period that investors should give to an AIFM when redeeming their units or shares may be equal to zero. In that case, an AIFM 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.
- (7) Since the settlement process is usually not controlled by the AIFM, that process should not be included in the extended notice period.
- (8) To protect investors, the extension of notice periods should not have any impact on the redemption frequency of the AIF.
- (9) 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 an AIF 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. An AIFM that activates an anti-dilution liquidity management tool should take into account the estimated explicit transaction costs. Where appropriate to the investment strategy of the AIF, the AIFM 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 AIFs, 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.
- (10) To cover the cost of liquidity generated by redeeming investors, redemption fees should be paid to the AIF by unit-holders or shareholders when redeeming their units

or shares. When applying redemption fees, an AIFM should be able to deduct those redemption fees from the amount of money paid to redeeming investors.

- (11) As a characteristic of swing pricing, an AIFM should determine a swing factor to be used to adjust the net asset value of the units or shares of the AIF it manages. To ensure that all subscribing and redeeming investors pay or receive the same price when purchasing or redeeming units or shares in an AIF, the published net asset value of the units or shares of that AIF should be the net asset value after application of the swing factor.
- (12) To ensure fair treatment of investors and to mitigate the dilution effects caused by transaction costs arising from subscribing or redeeming investors, an AIFM that makes use of swing pricing should have the right to adjust the net asset value of the units or shares of the AIF it manages 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 AIF) 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 AIF 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 AIF 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 AIFM 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.
- (13) 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, an AIFM 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.
- (14) To protect remaining investors in the AIF from the dilution impact of potentially large subscriptions or redemptions, an AIFM 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.
- (15) An AIFM 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 the shareholders or unit-holders of the AIF it manages.
- (16) 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 Council⁶ perform essential functions for the day-to-day operations of exchange-traded AIFs. The role of

⁶ 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>).

authorised participants and market makers includes acquiring or selling units or shares of an exchange-traded AIF in the secondary market, assisting the AIFM of the exchange-traded AIF in executing orders, and ensuring continuous liquidity and secondary market trading. As part of the regular dealing activity of an exchange-traded AIF, the delivery in whole or in part of underlying securities held by, or on behalf of, an exchange-traded AIF to authorised participants and market makers to fulfil redemption orders should not be considered as an activation of the redemption in kind liquidity management tool referred to in point 8, of Annex V to Directive 2011/61/EU, as such operation does not relate to the liquidity management of the portfolio of an exchange-traded AIF.

- (17) To mitigate liquidity risks in connection to assets of the AIF for which economic or legal features have changed significantly or have become uncertain due to exceptional circumstances, an AIFM should be able to activate side pockets through accounting segregation or physical separation.
- (18) Where it is in the best interest of the AIF and its investors to keep the side pocket within the existing fund structure, an AIFM should be able to create a side pocket 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 AIF.
- (19) Where it is in the best interest of the AIF to physically isolate the assets for which economic or legal features have changed significantly or have become uncertain due to exceptional circumstances, the AIFM should be able to create a side pocket through physical separation. In that case, the affected assets should either remain in the original AIF or be transferred to a new AIF.
- (20) To protect investors and mitigate the risk of contagion to the rest of the AIF, side pockets should be closed for subscriptions, repurchases and redemptions. However, in the interest of investors, an AIFM 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 on behalf of the AIF it manages and distribute any proceeds to investors in proportion to their participation in the side pocket.
- (21) To ensure legal certainty and consistency with Directive 2011/61/EU, for AIFs constituted after the date of application of this Regulation, this Regulation should apply from 16 April 2026. Compliance with this Regulation would require changes to the fund documentation and an update of the existing processes and technical infrastructure of AIFMs and AIFs to support the activation of the selected liquidity management tools. It is therefore necessary to provide for a transitional period of one year for AIFs constituted before the date of application of this Regulation, to enable those AIFs to adapt to the new regime. However, those AIFs should still have the possibility to choose to be subject to this Regulation from its date of application, i.e. from 16 April 2026.
- (22) This Regulation is based on the draft regulatory technical standards submitted to the Commission by the European Securities and Markets Authority.
- (23) 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 Council⁷,

HAS ADOPTED THIS REGULATION:

Article 1

Suspension of subscriptions, repurchases and redemptions

1. An AIFM shall suspend subscriptions, repurchases and redemptions simultaneously, for the same period and for all investors of the AIF.
An AIFM 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 justify that suspension, and may only be implemented where it is duly justified having regard to the best interests of investors.
3. For an AIF with multiple share classes, the suspension of subscriptions, repurchases and redemptions shall apply to all the share classes of that AIF.

Article 2

Redemption gates

1. An AIFM that decides to activate redemption gates shall apply those redemption gates uniformly to all investors of the AIF.
2. A redemption gate shall have an activation threshold below which the redemption gate cannot be activated.
The activation threshold shall be set at one of the following levels:
 - (a) at the level of the AIF (“fund-level gate”);
 - (b) at the level of the investors (“investor-level gate”);
 - (c) as a combination of both.
3. Where the activation threshold is set in accordance with paragraph 2, second subparagraph, point (a), it shall be based on the total net or gross redemption orders of the AIF received for a given dealing date or over a specified period and it shall be expressed as one of the following:
 - (a) as a proportion to the net asset value of the AIF;
 - (b) as a monetary value;
 - (c) as a percentage of the liquid assets referred to in Article 50(1) of Directive 2009/65/EC;
 - (d) as a combination of points (a), (b) or (c).

⁷ 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>).

4. Where the activation threshold is set at investor level in accordance with paragraph 2, second subparagraph, point (b), it shall be based on the individual gross redemption orders submitted by each unit-holder or shareholder for a given dealing date or over a specified period and it shall be expressed as one of the following:
 - (a) as a percentage of a unit-holder's or shareholder's holdings in the AIF;
 - (b) as a proportion to the net asset value of the AIF.
5. An AIFM that decides to activate a redemption gate shall execute on a pro rata basis the redemption orders from all investors of the AIF 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 AIFM 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 AIF.

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 AIF, 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 an AIF 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 AIF 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 referred to in Article 4(3), first subparagraph. Where appropriate to the investment strategy of the AIF, 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 AIF.
3. An AIFM 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 AIF;
 - (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 AIF.
4. Swing pricing may include different swing factors corresponding to different activation thresholds.

Article 6 **Dual pricing**

1. An AIFM 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 AIF;
 - (ii) one net asset value for redemptions, calculated on the basis of the bid prices of the assets held by the AIF;
 - (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 AIF, 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 AIF, 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. An AIFM 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 AIF 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 AIF, in whole or in part of underlying securities held by, or on behalf of, the exchange-traded AIF 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 V to Directive 2011/61/EU.

Article 9 **Side pockets**

1. A side pocket may take one of the following forms:
 - (a) a dedicated share class of the AIF 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 AIF (“accounting segregation”);
 - (b) a separate AIF 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 AIF (“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 AIF, 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 an AIFM 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 either:
- (a) remain in the original AIF, while the other assets shall be transferred to a new AIF, or be transferred through a merger into an existing AIF; or
 - (b) be transferred to the new AIF, while the other assets remain in the original AIF.
- The side pocket shall be closed to subscriptions, repurchases and redemptions.
- Where an AIFM activates a side pocket in accordance with the first subparagraph, point (a), it shall manage the new AIF in accordance with the investment strategy of the original AIF.
- Where an AIFM activates a side pocket in accordance with the first subparagraph, point (b), it shall continue to manage the original AIF in accordance with its existing investment strategy.
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 AIF.

Article 10
Transitional provision

Until 16 April 2027, AIFs that were constituted before 16 April 2026 shall be deemed to comply with this Regulation. Those AIFs may, however, choose to be subject to this Regulation from 16 April 2026, provided that the AIFM notifies the competent authorities of its 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