



NEW CSSF CIRCULAR 24/856 IN A NUTSHELL

The CSSF Circular 24/856 on investor protection in case of nav calculation errors, non-compliance with investment rules and other types of errors at UCI level clarifies the rules on NAV errors and non-compliance with investment rules by reflecting more than twenty years of general legal and regulatory developments, administrative practice and evolutions in the fund industry.

11 points that you need to know:

1. Scope includes new fund vehicles like SIFs, SICARs, regulated ELTIFs, EuVECAs and EuSEFs
2. Stakeholders' roles and responsibilities define
3. Specific rules applicable in the event of 'other' types of errors experienced on the market
4. New tolerance threshold not exceeding 5% of the NAV introduced
5. Threshold depends on the type of fund and type of investment policy
6. NAV error reporting and correction mandatory only when error has a significant impact on the NAV and percentage reaches/exceeds a certain threshold (tolerance threshold
7. Breaches to fund's investment rules (eligible assets, portfolio management techniques or investment restrictions) constitute an active breach that must be reported/indemnified (as relevant)
8. Passive breaches are the ones beyond the control of the fund and are not subject to CSSF reporting!!!
9. Policies and procedures must be adopted and implemented to ensure reliably valuation and NAV calculation in line with law and with fund's constitutive documents
10. Simplified reporting streamlined through a dedicated form
11. Circular enters into force on 1st January 2025 and will repeal CSSF Circular 2002/77

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