



Economic and monetary affairs MEPs secure deal to boost infrastructure investment in the EU

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A negotiating team led by Alain Lamassoure (EPP, FR) struck a political deal with the Council and the Commission on European Long Term Investment Funds (ELTIFs) on Wednesday evening. These funds should boost non-bank financing for projects that deliver infrastructure, intellectual property or research results which benefit the real economy and society.

“On the very day that European Commission President Jean-Claude Juncker presented his investment plan for Europe, we have agreed on a structure to attract the savings of both individual and professional investors to finance long term investments in the European Union”, said Parliament’s rapporteur on ELTIFs Lamassoure.

“We welcome the political agreement on ELTIFs, which will provide the EU with a new tool to boost long-term investment in Europe and complement the Juncker investment plan”, said Economic and Monetary Affairs Committee chair Roberto Gualtieri (S&D, IT).

ELTIF objectives

ELTIFs are designed to boost non-bank investment in the real economy across Europe. They will help pension funds, insurance companies, professional and even retail investors (if they are willing to invest at least €10,000 for the long term, whether in one or more ELTIFs) to put money into projects in their own countries, elsewhere in the EU and outside it, provided that these benefit the EU economy and growth.

Long -term financing

ELTIFs will channel funds only into long-term projects, which by their very nature are unlikely to return a quick profit. But they should drive long-run growth by delivering infrastructure, machinery and equipment, education and research results.

Redemption

ELTIF investors will have to be ready and able 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 ELTF which has enough liquid assets to return an investor’s money to do so at the investor’s request.

Parliament’s negotiators inserted provisions to ensure that long-term funds really do benefit the EU economy and growth, that they are not invested in speculative assets and that any retail investors in them are properly informed and protected.

Next Steps

The deal still needs to be endorsed by the committee and the full House as well as the Member States.

Press release

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