

Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision (Text with EEA relevance)

CHAPTER III

OPERATING CONDITIONS FOR AIFMs

SECTION I

General principles

^{F1} ...

Article 27

Execution of decisions to deal on behalf of the managed AIF

- 1 AIFMs shall act in the best interests of the AIFs or the investors in the AIFs they manage when executing decisions to deal on behalf of the managed AIF in the context of the management of their portfolio.
- 2 Whenever AIFMs buy or sell financial instruments or other assets for which best execution is relevant, and for the purposes of paragraph 1, they shall take all reasonable steps to obtain the best possible result for the AIFs they manage or the investors in these AIFs, taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order. The relative importance of such factors shall be determined by reference to the following criteria:
 - a the objectives, investment policy and risks specific to the AIF, as indicated in the AIF's rules or articles of association, prospectus or offering documents of the AIF;
 - b the characteristics of the order;
 - c the characteristics of the financial instruments or other assets that are the subject of that order;
 - d the characteristics of the execution venues to which that order can be directed.
- 3 AIFMs shall establish and implement effective arrangements for complying with the obligations referred to in paragraphs 1 and 2. In particular, the AIFM shall establish in writing and implement an execution policy to allow AIFs and their investors to obtain, for AIF orders, the best possible result in accordance with paragraph 2.
- 4 AIFMs shall monitor on a regular basis the effectiveness of their arrangements and policy for the execution of orders with a view to identifying and, where appropriate, correcting any deficiencies.
- 5 AIFMs shall review their execution policy on an annual basis. A review shall also be carried out whenever a material change occurs that affects the AIFM's ability to continue to obtain the best possible result for the managed AIFs.

Changes to legislation: *Commission Delegated Regulation (EU) No 231/2013, Article 27 is up to date with all changes known to be in force on or before 26 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

6 AIFMs shall be able to demonstrate that they have executed orders on behalf of the AIF in accordance with their execution policy.

7 Whenever there is no choice of different execution venues paragraphs 2 to 5 shall not apply. However, AIFMs shall be able to demonstrate that there is no choice of different execution venues.

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Changes and effects yet to be applied to :

- Regulation revoked by [2023 c. 29 Sch. 1 Pt. 3](#)

Changes and effects yet to be applied to the whole legislation item and associated provisions

- Art. 50(a) words substituted by [S.I. 2024/705 Sch. 2 para. 15\(a\)](#)
- Art. 50(b) words substituted by [S.I. 2024/705 Sch. 2 para. 15\(b\)](#)
- Art. 50(c) words substituted by [S.I. 2024/705 Sch. 2 para. 15\(c\)](#)
- Art. 50(d) words substituted by [S.I. 2024/705 Sch. 2 para. 15\(d\)](#)
- Art. 50(e) omitted by [S.I. 2024/705 Sch. 2 para. 15\(e\)](#)