



**FOCUS**

# **AIFMD REVIEW**

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Updated in April 2024

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## REGULATORY EVOLUTION

- **26 February 2024:** the Council adopted the Directive, which amended the Alternative Investment Fund Managers Directive (AIFMD) and modernised the framework governing Undertakings for Collective Investment in Transferable Securities (UCITS) at European Union (EU) level.
- **26 March 2024:** The Directive has been published in the EU's Official Journal, and will enter into force in twenty days. Member States will have 24 months to transpose it.
- Member States shall apply these measures from **16 April 2026**, with the exception of the measures related to regulatory reporting which shall apply from **16 April 2027**.

## FOCAL POINTS

- Although this is an evolution rather than a revolution of the AIFMD, there are notable changes:
  - Modernising the framework for liquidity management tools
  - Supervising funds that provide loans to companies
  - Strengthening the governance of AIFMs, in particular with regard to the delegation of managers to third parties.
  - Member States with smallest depositary markets may derogate from the rule that the depositary appointed must be established in same Member State.

2020

2021

2022

2023

2024

2025

2026

**June 2020**  
Report from the EC

**July 2020**  
ESMA letter to the EC

**Oct. 2020**  
EC consultation

**Jan. 2021**  
Answer to the EC  
consultation

**Nov. 2021**  
**Proposal from the**  
**EC** review  
of AIFMD  
and UCITS

EC proposal  
under review of  
Parliament and  
Council early  
2022.

**Nov. 2023**  
Final agreement  
in trilogue

**March 2024**  
Publication of  
AIFMD review on  
the Official Journal  
of the EU

First RTS to be  
published

**April 2026**  
Entry into  
application of  
AIFMD II

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## STATEMENT

- **Liquidity management tools (LMT) for AIFs**
  - AIFMs must choose at least two liquidity management mechanisms in the AIF's constituent documents, with the exception of money market funds for which a single tool is required. The manager's choice of tools must be consistent with the fund's investment strategy, liquidity profile and redemption policy. This involves formalising in detail the policies and procedures for activating and deactivating LMTs. AIFMD II requires AIFMs to notify their competent authorities of the activation and deactivation of such LMTs. Managers must communicate to investors the conditions for activating LMTs.
- **The granting of loans by AIFs (Loan-originating Funds - LOF)**
  - AIFMD II establishes common rules on the granting of loans, which cover the management of conflicts of interest, the supervision of credit risk and the diversification of risks based on the type of fund (open or closed). It provides explicit authorisation to fund managers in the EU to grant loans. This new directive introduces limits on indebtedness.
- **Governance and minimum substance of managers in case of delegation**
  - The new rules specify that the management company's business must be carried on by at least two natural persons, either full-time employees or executive members or members of the management company's management body domiciled in the European Union.
- **In smallest depositary markets a fund may be allowed to appoint a depositary in another Member State**
  - By way of derogation, the home Member State of an EU AIF may entitle its competent authorities to allow credit institutions established in another Member State to be appointed as a depositary under certain conditions (such as the aggregate amount safekept by national depositaries is under EUR 50 billion, lack of relevant depositary services in the home Member State of the AIF)

## FOR YOUR CONSIDERATION

- **Member States shall apply these measures from 16 April 2026, and the measures related to regulatory reporting from 16 April 2027.**
- The prudential reporting obligations to the competent authorities will be strengthened, as will the declarations on delegations.
- ESMA will draw up draft RTS (Regulatory Technical Standards) after consultations on LMT, LOF and reporting

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 If you want to know more, refer to  
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