





Asset Management & Investment Funds Update



October 2024



Key Dates & Deadlines: Q3/4 2024

The following are key dates and deadlines in Q3/4 2024 along with possible impacts and action items arising for fund managers.

Date	Source	Summary	Action/Impact
Q4 (exact date TBC)		EMIR 3.0 Regulation and amending Directive expected to be adopted with impacts across the key EMIR requirements of clearing, risk management and reporting.	EMIR 3.0 focusses on incentivising clearing in the EU post-Brexit, including through the introduction of a new EU CCP active account obligation. It also sets down rules for NCAs' application of penalties for EMIR breaches and amends the clearing threshold calculation methodology. Provision is made for the adoption of technical standards before certain EMIR 3.0 provisions come into effect.
Q4		Fitness and Probity Central Bank of Ireland (CBI) to implement recommendations of Review of the Fitness and Probity Regime	Please see article on topic in the August 2024 Update for further details.
Q4		Loan originating funds CBI to consult on updates to its loan origination framework for funds to align with the regime introduced under the AIFMD Review.	Please see here for further details.
30 September		UK Overseas Funds Regime (OFR) OFR opens for new scheme applications not in the UK's Temporary Marketing Permissions Regime (TMPR).	Please see article on this topic in this update for further details.

1 October		<p>UK OFR</p> <p>OFR landing slots open for operators of stand-alone EEA UCITS in the TMPR between 1 October 2024 and 31 December 2024</p>	Please see article on this topic in this update for further details.
1 October		<p>CBI change of process</p> <p>for submission of UCITS mergers, AIF amalgamations and applications for clearance of investment managers and non-EU AIFMs</p>	Please see article on topic in this update for further details.
8 October		<p>ESMA draft guidelines and regulatory technical standards on liquidity management tools</p> <p>Deadline for feedback on draft measures mandated by amendments to AIFMD and UCITS as part of the AIFMD Review.</p>	Please see article on topic in the August 2024 Update for further details.
18 October		<p>CBI SFDR L2 filing process</p> <p>CBI closes the SFDR Level 2 streamlined filing process for post-authorisation SFDR-related updates.</p>	Please see article on topic in this update for further details.
23 October		<p>CBI fund name change process</p> <p>It is expected the dedicated CBI mailbox will open to accept submissions for the streamlined documentation update filings under the ESMA Funds' Names Guidelines.</p>	Please see article on topic in this update for further details.
1 November		<p>UK OFR</p> <p>First OFR landing slots open for operators of umbrella EEA UCITS whose name begins with the letter "A" (in the TMPR) between 1 November 2024 and 31 January 2025. The 3-month landing slots will open by alphabetical order of the fund operator's name. The last landing slot for operator name bucket W - Z and firm with digit in title is 1 July 2026 - 30 September 2026.</p>	Please see article on topic including the table of landing slots in this update for further details.
21 November		<p>ESMA Guidelines on funds' names using ESG and sustainability related terms</p> <p>Deadline for these guidelines to apply for newly established funds. Funds existing before this date have a transitional period until 21 May 2025 to apply the guidelines.</p>	Please see article on this topic in this update for further details.
22 November		<p>Macroprudential policy for non-banks</p> <p>Closing date for Commission consultation on the adequacy of macroprudential policies for the non-bank financial intermediation sector</p>	See our June 2024 Update for further details.

21 December		<p>European Green Bond Standard</p> <p>Application date for key provisions of the Regulation setting down the voluntary standard for issuing bonds using the 'European Green Bond' or 'EuGB' designation.</p>	<p>The proceeds of EuGB bonds are (subject to limited flexibilities) allocated to Taxonomy-aligned environmentally sustainable activities and the Regulation includes pre- and post-issuance transparency rules, regulated prospectus rules, and a new registration system and supervisory framework for external reviewers which are required to review issuers' reports.</p>
30 December		<p>Markets in Crypto-Assets Regulation (MiCAR)</p> <p>Final MiCAR application date.</p>	<p>See here for further details.</p>
31 December		<p>PRIPs KID</p> <p>Expiration date for the derogation granted to UCITS from the calculation rules for "actual transaction costs".</p>	<p>See section 4 "Transaction Costs" of William Fry article.</p>

SECTION 1.0 - MANAGEMENT-LEVEL UPDATES

Irish Funds Quarterly Meeting with the Central Bank of Ireland

The quarterly meeting between Irish Funds and the CBI took place in September. Some of the topics discussed included:

Daily investment funds return

The daily investment funds return reporting to the CBI will commence this year. The implementation date will be in mid-December and phase 1 testing will start in October.

Open ended ELTIFs

The CBI will be able to commence taking applications for open-ended ELTIFs once the level 2 ELTIF regulatory technical standards are finalised in October. Updated CBI application forms are being prepared.

Undue costs and charges

The CBI will run a data collection exercise later in 2024 focussing on undue costs and charges. This is a follow-on exercise from the 2021 ESMA CSA on costs and charges.

ESMA CSA on sustainability disclosures

ESMA is due to issue its report on the CSA on sustainability disclosure and risk in early 2025. Specific CBI feedback will follow as a report rather than a letter to industry.

Change of Process for Submission of UCITS Mergers, AIF Amalgamations and Applications for Clearance of Investment Managers and Non-EU AIFMs

With effect from 1 October 2024

- applications for clearance of Investment Managers and non-EU AIFMs must be submitted via the CBI Portal. Applications received by email or via Orion will not be accepted. The existing Investment Manager mailbox will be retained for the notification of any changes to details for existing, previously cleared investment managers only. Further information can be found on [this CBI webpage](#).
 - applications for UCITS mergers and amalgamations of AIFs must be submitted via the CBI Portal. Applications received by email will no longer be accepted. Please refer to the [webpage](#) for the Post-Authorisation Processes for UCITS and the [webpage](#) for Amalgamation of AIFs for further information.
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Indecon report 2023 Irish Funds

Irish Funds has released a report, prepared by Indecon International Research Economists, evaluating the economic impact as of 2023 of the funds and asset management industry in Ireland. Read the [executive summary](#) of the report.

Key highlights

- 195 companies directly employ over 19,500 people (up 22% since 2018);
 - The industry's total employment impact is over 37,000 jobs across the country;
 - Almost €1 billion annually in direct taxes goes to the Irish Exchequer from the funds and asset management industry;
 - 46% of all those working in industry are based outside of Dublin underlining the industry's contribution to regional development;
 - €15.4 billion contribution to economic output dispersed throughout Ireland.
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William Fry Irish Government Autumn Schedule | LP Act reform

The Irish government legislation programme for Autumn 2024 has been published and William Fry has produced an industry / sector guide to relevant legislative bills and proposals. The sector guide for Asset Management and Investment Funds can be found [here](#).

Limited Partnership Act reform

Legislative reforms in the form of a Bill have been proposed to strengthen Ireland's regulatory framework and respond to concerns raised in relation to the transparency of limited partnerships. These are summarised in [this William Fry article](#).

A consultation process requesting feedback on potential reforms was launched in 2019 by the Irish Department of Enterprise, Trade and Employment. Many feedback responses were provided as to how the limited partnership structure that can be established in Ireland under the Limited Partnerships Act 1907 could be reformed and modernised to facilitate greater use as a private fund structure. These do not feature in the Bill.

European Commission | Priorities for incoming Commissioner for Financial Services and the Savings and Investments Union

The new European Commission is taking shape under its president Ursula von der Leyen. A new commissioner for Financial Services and the Savings and Investments Union, Maria Luis Albuquerque, has been appointed. A [mission letter](#) from President von der Leyen to the incoming commissioner sets out key focus areas for the next 5 years and reveals that initiatives in the green and digital space continue to form part of Europe's focus for financial services.

Key focus areas

The following are some of the key focus areas highlighted in the mission letter.

Sustainable finance

A focus is placed on harnessing and scaling up sustainable finance to leverage private capital delivery on wider European objectives while ensuring that Europe remains a global leader in sustainable finance. Specifically, the commissioner-elect is urged to "explore ways to promote the development and transparent categorisation of financial products and services with sustainability features." This echoes ESMA's opinion on the sustainable finance framework and the ESAs joint publication on SFDR which are discussed in our article [here](#). The implementation of the sustainable finance framework is a focus area in the mission letter, ensuring it is easy to comply with and report on.

European savings and investment products

The commissioner-elect is tasked with supporting the design of simple and low-cost saving and investment products at EU level.

Venture and other risk capital

Increase the availability of venture and other risk capital, promote the scaling up of investment funds.

Non-bank financial institutions

Focus on macro-prudential aspects of NBFIs. See [September Update](#) for article about ongoing European work in this area.

Securitisation

The mission letter contemplates reviving the use of securitisation.

Digital and AI

Continue work on improving digital finance and payments and assess artificial intelligence deployment in the financial sector.

SECTION 2.0 - PRODUCT-LEVEL UPDATES

Overseas Funds Regime (OFR): Update for Firms | FCA

Landing slots

The FCA has, on its OFR webpage, published landing slot dates within which firms can make application for recognition under the OFR. New scheme applications not in the TMPR could start applying from 30 September 2024. The 3-month landing slots for schemes in the TMPR will open for standalone schemes first, then for umbrella schemes by alphabetical order of the fund operator’s name. Funds will be expected to apply within their landing slot dates.

3-month rolling landing slot for firms to apply	Landing slot dates	Operator name buckets
Landing slot	30 September 2024	OFR opening for new scheme applications
1	1 October 2024 - 31 December 2024	Stand-alone schemes
2	1 November 2024 - 31 January 2025	A
3	1 January 2025 - 31 March 2025	B
4	1 March 2025 - 31 May 2025	C
5	1 April 2025 - 30 June 2025	D and E
6	1 May 2025 - 31 July 2025	F
7	1 June 2025 - 31 August 2025	G
8	1 July 2025 - 30 September 2025	H
9	1 August 2025 - 31 October 2025	I
10	1 September 2025 - 30 November 2025	J and K
11	1 October 2025 - 31 December 2025	L
12	1 November 2025 - 31 January 2026	M
13	1 December 2025 - 28 February 2026	N
14	1 January 2026 - 31 March 2026	O and P
15	1 February 2026 - 30 April 2026	Q and R
16	1 March 2026 - 31 May 2026	S
17	1 April 2026 - 30 June 2026	T
18	1 May 2026 - 31 July 2026	U
19	1 June 2026 - 31 August 2026	V
20	1 July 2026 - 30 September 2026	W - Z and firm with digit in title

For umbrella schemes with sub-funds currently in the TMPR, if for example the fund operator name begins with B, that firm will be directed to make its application in landing slot 3, whereas if the fund operator name begins with S it will be allocated landing slot 16. All stand-alone schemes in TMPR that apply for recognition under the OFR must make their application in landing slot 1.

Application(s) can be submitted at any time during the 3-month landing slot. If a firm fails to submit the application, or fails to notify the FCA that no application will be made during its landing slot, the applicable fund(s) will lose their recognition under the TMPR immediately after the end of their landing slot. This will result in the fund no longer being considered as a recognised scheme in the UK.

The fund can no longer be promoted to UK retail investors until it has made a successful application for recognition under the OFR, and the operator and UK distributors will need to take steps to comply with the financial promotions restrictions. Loss of recognition may also have personal taxation consequences for UK investors.

OFR | Completing applications

The FCA also updated its OFR webpage to publish a set of documents regarding the implementation of the OFR. They included a paper-based version of the OFR application form, 'how-to' guides for completing the form, an explanation of their approach to recognition, and model wordings for consumer redress disclosure.

Below are links to the "How to Guides"

- [Standalone scheme \(not in TMPR\) \(PDF\)](#)
- [Standalone scheme \(in TMPR\) \(PDF\)](#)
- [Umbrella scheme \(not in TMPR\) \(PDF\)](#)
- [Umbrella scheme \(in TMPR\) \(PDF\)](#)
- [Addition of \(a\) new sub-fund\(s\) to an umbrella scheme that has already been recognised under the OFR \(PDF\)](#)

Central Bank of Ireland requirements for updated documentation

The Central Bank of Ireland (**CBI**) has stated that Irish authorised UCITS (with the exception of Money Market Funds) wishing to avail of the OFR may be required to make changes to fund offering documents in accordance with the FCA guidance.

These amendments to the prospectus must be submitted to the CBI as a post-authorisation update. UCITS may avail of one of the following options:

1. The relevant disclosure may be added to the UK country supplement and filed via the CBI Portal using the "UCITS/AIF Country Supplement" Request Change.
2. Alternatively, if the main body of the prospectus/supplement is amended, the amended document must be submitted to the Funds Post-Authorisation team via the CBI Portal using the "UCITS/RIAIF: Prospectus/Supplement review - No new sub-funds" Request Change.

It should be noted that, as option 2 involves amendments to the main body of the prospectus as opposed to just the country supplement, any such submissions will be subject to a lengthier and more detailed review process. This should be factored into timelines for the submission of the OFR application to the FCA.

Resources and summary

You can access the FCA webpage updating firms on the OFR [here](#). You can read William Fry's summary of the OFR requirements in the [August 2024 Update](#).

Central Bank of Ireland streamlined process for implementation of ESMA Naming Guidelines

The CBI has published a [document](#) describing a streamlined documentation update filing process for UCITS and AIFs making changes to fund names and pre-contractual document updates, in accordance with the requirements in the ESMA guidelines on fund names using ESG or sustainability related terms (**ESMA fund name Guidelines**).

Streamlined filing process for name changes only

The streamlined filing process is limited solely to name changes and for updates to fund prospectuses, supplements and SFDR annexes based on the requirements set out within the Guidelines. For other changes, review by the CBI under the standard post-authorisation process will apply. UCITS Management companies and AIFMs will be required to certify compliance with the Guidelines via an attestation that must be submitted to the CBI with the request seeking a change of name of the UCITS or AIF. The attestation, along with the necessary documentation, should be submitted to the dedicated mailbox in the prescribed format by the filing cut-off deadlines. It is expected that the dedicated mailbox will commence taking submissions from 23 October 2024. The CBI will carry out a sample review of the submissions noted via the streamlined filing process. Changes may therefore be required to fund documentation at a later date notwithstanding the noting issued.

Attestation of compliance with ESMA fund name Guidelines

The UCITS management company or AIFM shall attest that the amendments are made in accordance with the ESMA fund name Guidelines and no other amendments have been made to fund documentation.

Fund name change submission already under review

If the CBI is already in receipt of a submission solely in relation to a change of fund name in accordance with the ESMA fund name Guidelines and no other updates, the submission can be transferred to the streamlined process by notifying the relevant CBI team.

Attestation requests

For funds availing of the streamlined process, a period of ten business days should be allowed before an attestation is requested in respect of the name change.

Industry SFDR meeting

A CBI / Irish Funds SFDR workshop is scheduled to take place on 22 October 2024. The details of implementation of the streamlined submission process are expected to be reviewed and discussed.

As a separate issue, industry has flagged to the CBI that compliance with the ESMA fund name Guidelines will necessitate funds affected by them to make documentation updates with potentially more to come if the revised draft SFDR RTS are adopted by year-end with the expected application date of end-2025. Further, an issue specific to ETF funds has emerged. Where a frequently used market index rebalances on 31 May and the ETF is making changes to portfolio composition to comply with the Guidelines, it potentially may have to rebalance twice in 10 days.

Background

The ESMA fund name Guidelines were published on 21 August 2024 and will apply from 21 November 2024 for new UCITS and AIFs. For UCITS and AIFs existing before 21 November 2024, the Guidelines will apply from 21 May 2025. See the [September 2024 Update](#) for more information.

Closure of Central Bank of Ireland streamlined Filing Process for Pre-Contractual Document Updates based on the SFDR Level 2 Requirements

A streamlined filing process established in 2022 for pre-contractual document updates based on the SFDR Level 2 requirements will be closed effective Friday 18 October 2024.

Any submissions related to SFDR Level 2 implementation which are filed via SFDR@centralbank.ie after this date will not be noted. They must be submitted in line with standard post-authorisation processes.

Property Funds: Central Bank of Ireland macroprudential policy framework on leverage and liquidity | Irish Funds submission

Irish Funds has made a submission to the CBI raising some practical and technical issues that AIF property fund managers have encountered as a consequence of implementing the macroprudential policies contained in the CBI's [macroprudential policy framework for Irish property funds](#) published in November 2022.

Background

Two policies were introduced; a 60% leverage limit on the ratio of property funds' total debt to their total assets and guidance to limit liquidity mismatch for property funds so that, in general, liquidity timeframes of at least 12 months are provided. The measures apply to AIFMs of AIFs domiciled in Ireland, authorised under domestic legislation, and investing 50% or more directly or indirectly in Irish property assets. A 5-year implementation period was allowed for the gradual and orderly adjustment of leverage in existing property funds. The CBI's [webpage](#) contains further information, including on data returns required by the affected property funds.

Irish Funds submission of September 2024

As the implementation of the framework continues to evolve, Irish Funds has communicated to the CBI some issues that are being encountered and requested that they are considered.

Leverage "close to" 60% leverage limit

The wording in the framework leaves room for interpretation as to whether the 5-year implementation period applies to funds with leverage below 60% at the time of publication of the framework. Clarity is sought in relation to this.

Leverage calculation methodology

The CBI issued a leverage calculation methodology to firms in January 2024. Suggestions have been made to the methodology to use a debt to property asset ratio and other changes which would better reflect the leverage of the fund.

Timing of data requests

A suggestion was made to delay the data return to mid-July each year so that more up to date data can be returned to the CBI annually.

Exemption to liquidity timeframe requirements

It is proposed to permit an exemption to the liquidity timeframe requirements where a redemption dealing day is declared at the discretion of directors (as contemplated in the framework) and the property fund has sufficient liquid assets to pay the redemption proceeds.

Central Bank of Ireland Release the Cross-border Distribution of Investment Funds Passporting Section on the Portal

In the [September 2024 Update](#), we summarised the CBI's procedural changes to passporting notifications effective 11 September 2024. The guide to submitting CBDIF passporting applications via the CBI Portal is now available in the [UCITS](#) and [AIF](#) sections of the CBI website.

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