

// ASSET MANAGEMENT &amp; INVESTMENT FUNDS

# Asset Management & Investment Funds Update

November 2025



## Key Dates & Deadlines: Q4 2025

The following are key dates and deadlines in Q4 2025 and some key 2026 dates along with possible impacts and action items arising for fund managers.

Date	Source	Summary	Action/Impact
October 2025		<p><b>CBI updated guidance on BOR filings</b> The Central Bank of Ireland has published its <a href="#">updated guidance</a> on how to view/edit/remove beneficial ownership information on the CBI portal</p>	Please see article on the topic in the <a href="#">August 2025 update</a> for further details
November 2025		<p><b>ESMA standards and Guidelines on Liquidity Management Tools</b> Revised expected date for publication of ESMA's Regulatory Technical Standards and Guidelines on Liquidity Management Tools for UCITS and AIFs</p>	Please see article on the topic in the <a href="#">May 2025 update</a> for further details.
5 November 2025		<p><b>Deadline for responses to CBI AIF Rulebook and CBI UCITS Regulations consultations</b> Feedback submissions on CP 161 and CP 162 were due on 5 November 2025.</p>	Please see articles on the topic in the <a href="#">September 2025 update</a> for further details. William Fry submitted our own response to the consultations and endorsed that prepared by industry.
10 November 2025		<p><b>CBI webinar F&amp;P portal users</b> The Central Bank of Ireland will host a webinar for CBI Portal users and industry stakeholders following CP160 feedback.</p>	See event details and how to register on this <a href="#">CBI website page</a> . The session will aim to discuss and advise on common system issues, portal user issues and enhance clarity and understanding of the PCF application process and use of the F&P Portal.

		<b>SFDR update</b> The expected date of official publication of the European Commission's legislative changes to SFDR.	
<b>19 November 2025</b>		<b>CBI year end deadlines</b> Deadline for receipt of application for <b>ICAV Registration / Conversion / Migration</b> to be effective 23 December 2025 – 31 December 2025	Complete application to be received by 5pm on this date.
<b>9 December 2025</b>		<b>CBI year end deadlines</b> Deadline for funds seeking to <b>revoke</b> by end of December 2025 to submit a complete revocation application including payment of the funding levy	Complete application to be received by 5pm on this date.
<b>15 December 2025</b>		<b>CBI year end deadlines</b> Deadline for receipt of <b>QIAIF change of service provider</b> filings to be effective 24 December 2025 – 2 January 2026	Complete application to be received by 5pm on this date.
<b>17 December 2025</b>		<b>CBI year end deadlines</b> Deadline for receipt of executed documentation for <b>UCITS, RIAIF or retail ELTIF requiring authorisations/approvals/noting</b> on 23, 24, 29, 30 and / or 31 December 2025	Complete application to be received by 5pm on this date. Please see article on the topic in this update below for further details.
<b>19 December 2025</b>		<b>CBI year end deadlines</b> Deadline for receipt of filing for <b>QIAIFs/professional and qualified ELTIFs</b> seeking approval or authorisation for noting on 23 and 24 December	Complete application to be received by 3pm on this date.
<b>22 December 2025</b>		<b>CBI year end deadlines</b> Deadline for receipt of filing for <b>QIAIFs/professional and qualified ELTIFs</b> seeking approval or authorisation for noting on 29 December	Complete application to be received by 3pm on this date.
<b>23 December 2025</b>		<b>CBI year end deadlines</b> Date by which the CBI fund service provider authorisation team must be contacted by a firm intending to submit an <b>Acquiring Transaction Notification</b> between 29 December 2025 and 2 January 2026 inclusive	Contact the CBI by emailing <a href="mailto:Mancofspaauthorisations@centralbank.ie">Mancofspaauthorisations@centralbank.ie</a>
<b>23 December 2025</b>		<b>CBI year end deadlines</b> Deadline for receipt of filing for <b>QIAIFs/professional and qualified ELTIFs</b> seeking approval or	Complete application to be received by 3pm on this date.
<b>29 December 2025</b>			

	authorisation for noting on 30 and 31 December	
30 December 2025	<p><b>CBI year end deadlines</b></p> <p>Deadline for receipt of filing for <b>QIAIFs/professional and qualified ELTIFs</b> seeking approval or authorisation for noting on 2 January 2026</p> 	Complete application to be received by 5pm on this date.
December 2025	<p><b>ECB Regulation on investment fund statistics including money market funds</b></p> <p>The first reporting under the European Central Bank Regulation on statistics on investment funds, including money market funds, will be with a reference date of December 2025.</p> 	Please see article on the topic in the <a href="#">February 2025 update</a> for further details. See also updates on this CBI <a href="#">webpage</a> for relevant documentation of the new IF & MMF return can be found below. All files labelled with OF3 are related to the new return.
Q4 2025	<p><b>EC proposals to simplify distribution of EU funds and cross-border asset management group operations</b></p> <p>The European Commission is expected to publish a legislative proposal as part of the Savings and Investment Union initiative to remove barriers to distribution of EU funds and reduce operational barriers faced by asset managers operating as a group structure across multiple EU Member States.</p> 	
Q4 2025	<p><b>EC proposals on supervisory convergence tools</b></p> <p>The European Commission is expected to publish proposals as part of the Savings and Investment Union initiative relating to supervisory capacity at EU level instead of national level.</p> 	The EC has said these considerations are particularly relevant for market operators with significant cross-border activities such as certain large trading and post trading infrastructure as well as large cross-border asset management groups and new or emerging sectors such as crypto asset service providers.
December 2025 / January 2026	<p><b>CBI tokenisation discussion paper</b></p> <p>The Central Bank of Ireland, in its 2025 Regulatory &amp; Supervisory Outlook, said that it intends to publish a Discussion Paper on the potential application of tokenisation within investment funds. The anticipated date of issue is by the end of January.</p> 	
1 January 2026	<p><b>EU Benchmarks Regulation changes</b></p> <p>The regulatory burden will be reduced for administrators and users of non-significant benchmarks by limiting the scope to "critical", "significant", Paris-</p> 	Please see article on the topic in this update for further details.

	aligned, climate-transition and certain commodity benchmarks.
<b>24 March 2026</b>	 <p><b>CBI Standards for Business Regulations</b> The Central Bank of Ireland's revised Consumer Protection Code, which comprises of Standards for Business Regulations and Consumer Protection Regulations and related guidance, begins to apply.</p>
<b>16 April 2026</b>	 <p><b>National transposition of AIFMD 2.0</b> Date by which member states must transpose into national law the changes to AIFMD and UCITS directive.</p>
<b>30 June 2026</b>	 <p><b>Gender balance regulations</b> Deadline for any fund falling within the scope of the European Union (Gender Balance on Boards of Certain Companies) Regulations 2025 to ensure that at least 40% of its non-executive directors are members of the underrepresented sex, whether the underrepresented sex is male or female.</p>
<b>2 July 2026</b>	 <p><b>EU ESG Ratings Regulation</b> The new framework under the EU ESG Ratings Provider regime begins to apply.</p> <p>Note the enhanced reporting regime is not due to take effect until April 2027.</p> <p>Marketing communications referencing an ESG rating will be required to include a weblink to detailed information relating to that ESG rating. The European Commission announced in October 2025 that it has deprioritised the adoption of regulatory technical standards under this framework until October 2027 at the earliest.</p>

## Central Bank of Ireland 2025 year-end application cut-off times

The Central Bank of Ireland (**CBI**) has published the cut-off times that will apply in relation to fund and fund service provider submissions that are to take effect before the end of December 2025.

Normal timeframes apply until 22 December 2025 for QIAIFs / professional and qualified ELTIFs seeking authorisation/ approval. For queries relating to QIAIF /professional and qualified ELTIF authorisations, please contact the CBI's Regulatory Business Services Division by emailing [onlineauthorisation@centralbank.ie](mailto:onlineauthorisation@centralbank.ie) .

### UCITS, RIAIF, retail ELTIF authorisations / approvals / notings

Executed documentation for authorisations / approvals / notings required on 23, 24, 29, 30 and/or 31 December must be received by close of business on Friday, 19 December.

The CBI has advised the 24, 29-31 December 2025 and 2-9 January 2026 dates will not be counted towards the timeframes for issuing comments (as set out on the CBI website) in relation to UCITS, RIAIF and retail

ELTIF applications. This is to focus on applications that are at an advanced stage and considered likely to be authorised/approved prior to year-end.

Examples:

- An application received on 24 December 2025, will take a receipt date of 12 January 2026.
- A subsequent draft non-fast track application received before 5pm on the 17 December will be due out 19 January 2026. The 18 to 23 December 2025 and 12 to 19 January 2026 are counted towards the timeframe in which the application will be assessed.

Friday, 2 January 2026 is the first day of 2026 that funds may be authorised/approved and/or post-authorisation updates noted. Executed documentation for funds seeking authorisation/approval or noting on that date must be received by close of business on Tuesday, 30 December.

#### QIAIFs and professional and qualified ELTIF filings seeking authorisation / approval

Noting on	Deadline for receipt
<b>23 and 24 December</b>	3pm on 22 December
<b>29 December</b>	3pm on 23 December
<b>30 and 31 December</b>	3pm on 29 December
<b>2 January</b>	5pm on 30 December

#### ICAV registration / conversion / migration applications

Effective date	Deadline for receipt
<b>23 December 2025 – 31 December 2025</b>	5pm on 9 December

#### QIAIF change of service provider applications

Effective date	Deadline for receipt
<b>24 December 2025 – 2 January 2026</b>	5pm on 17 December

#### Revocations

Revocation date	Deadline for receipt
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<b>End December 2025</b>	5pm on 15 December including payment of the funding levy
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### Fund service provider authorisations

Firms intending to submit an Acquiring Transaction Notification between Monday 29 December 2025 and Friday 2 January 2026 (inclusive), should engage with the Fund Service Provider Authorisation Team in advance of Tuesday, 23 December 2025, by emailing [Mancospauthorisations@centralbank.ie](mailto:Mancospauthorisations@centralbank.ie).

## SFDR 2.0

As has been widely reported, a "leaked" draft of the European Commission's (EC) SFDR 2.0 long-awaited proposal went into circulation on 6 November 2025. The official proposal is not scheduled to be released by the EC until 19 November and so the contents of the leaked draft should be treated with caution until the official position is released.

We provide a quick take below on the contents of the leaked draft. It is important to note that this is a draft and may change as the EC is due to publish a consultation on SFDR 2.0 later this month. We will prepare a full briefing once the official proposal is released.

The proposed changes are radical, with a focus on simplification and introduction of 3 product categories.

### Product categories to replace A8/9 disclosures

The article 8/9 regime will be replaced by 3 mandatory product categories under new Articles 7, 8, and 9. Do not be misled by the continued reference to "Article 8" and "9" which is incidental only as this is not continuity. The final product category names will be determined as part of the EC consultation and consumer testing.

The new categories proposed are:

- Transition
- ESG integration
- Sustainable

### Conditions for each category

- Mandatory minimum of 70% to be aligned with the relevant objective for the category
- Mandatory exclusions. As per the ESMA Fund Name Guidelines, these exclusions cross reference to the exclusions for CTB and PAB benchmarks.
- There will be a list of permitted investment types in which a product may permissibly invest to achieve the sustainability objectives.

### Simplification and reduction of disclosures

Transition, ESG integration and sustainable products will still need to make mandatory pre-contractual, website and periodic report disclosures. However, the EC is proposing significant changes:

- Pre-contractual and periodic disclosures will be maximum 2 pages, as such significantly reduced content requirements.
- New RTS to be developed to specify the templates and mandatory disclosures per each category.
- The pre-contractual template will double as the website disclosure, removing the current duplicative/expanded website only disclosures.

### PAI regime removed

The entity-level and product-level Principal Adverse Impact regime is deleted entirely. We may see that in practice FMPs will continue using PAIs, for example, as sustainability indicators for categorised products.

### Definition of "sustainable investment" and DNSH removed

The definition of sustainable investment is deleted as is the do-no-significant-harm article. They fall away; however each product category will now include more prescriptive requirements around permitted and excluded investments which means that specified elements of the sustainable investment and DNSH concepts remain.

### Scope narrowed

Portfolio management and investment advice services are no longer "products" and are excluded from scope in SFDR 2.0.

### AIF exemptions

AIFs which are made available exclusively to professional investors are exempt from the mandatory product categories. Closed-ended funds which have closed before SFDR 2.0 will be exempt from the new product categorisations.

### Other notable points

- There is a "no gold-plating" rule – prohibiting NCAs from introducing additional national level requirements – learning the lessons obviously from the current regime.
- The remuneration policy disclosures are deleted.
- SFDR 2.0 will prohibit non-categorised products using sustainability-related terms in their name or marketing materials.
- Product level taxonomy-alignment disclosures will be optional only.
- New requirements on data processes and use of estimates.
- No grandfathering for existing SFDR products once SFDR 2.0 is in force.

## AIFMD II document updates: Central Bank of Ireland introduces streamlined filing process

The CBI has introduced a streamlined filing process for post-authorisation updates to fund documentation for Alternative Investment Funds (**AIFs**) and Undertakings for Collective Investment in Transferable Securities (**UCITS**). This measure is designed to facilitate the implementation of changes to the Alternative Investment Fund Managers Directive, the UCITS Directive and corresponding amendments to the Central Bank AIF Rulebook and UCITS Regulations.

The streamlined process applies to updates in prospectuses and supplements, excluding changes to investment objectives, policies, or strategies, which will still undergo standard post-authorisation review. Further guidance will be published on the CBI's website in the coming weeks.

## Central Bank of Ireland sustainability risks and disclosures CSA Feedback report

The CBI released its feedback report on 23 October 2025 on the ESMA common supervisory action on sustainability risks and disclosures (CSA).

Overall, the CBI findings are broadly in line with regulatory expectations. However, there are areas that require a marked improvement, particularly relating to ongoing monitoring processes and the quality of certain SFDR disclosures.

The CBI expects that UCITS management companies and AIFMs (FMCs) review and consider the contents of the report in conjunction with the contents and observations, including the good, below average and non-compliant practices identified within the ESMA Final Report on Sustainability. This report should be discussed with the Board and relevant personnel within each FMC to ensure that the observations and expectations outlined by the CBI are considered.

William Fry has prepared a checklist to assist in assessing compliance with the feedback report. Contact a member of the William Fry Asset Management & Investment Funds team to receive a copy.

## Areas for improvement

Areas for improvement identified by the CBI include:

- inconsistent sustainability risk integration and monitoring,
- the quality of underlying data used by individual FMC to support effective sustainability risk integration and monitoring,
- the reactive / proactive nature in which FMC review controls to meet SFDR regulation and guidance, and
- Firms' appetite to continue to challenge the information contained in product and entity level disclosures to ensure these are clear and transparent for investors.

The Central Bank expects FMCs to develop and maintain clear policies and procedures that are subject to ongoing review and approval. FMCs should continuously review their monitoring and due diligence controls to ensure they are satisfied that they have integrated robust tools to effectively manage and monitor sustainability risk on an ongoing basis.

### *Sustainability risk integration and monitoring*

The CBI found varying approaches to sustainability integration and monitoring include quarterly and ad-hoc data on sustainability risk reporting to directors and relevant subcommittees; the production of sustainability risk dashboards, including sustainability risk as an item in management frameworks; and integrating sustainability risk into the three lines of defence.

In the context of index-tracking funds, FMCs adopt different approaches to the integration of sustainability risks. FMCs carry out initial due diligence and complete sustainability risk assessments as part of the index selection process. Many FMCs rely heavily on index providers to ensure that the Article 8 or Article 9 funds are meeting the E/S characteristics being promoted by the investment strategy on an ongoing basis or their sustainable objective. The CBI noted that FMCs rely on the application of the methodology by the index providers following the initial due diligence performed by the fund on the index and the index provider. Some FMCs independently monitor the underlying fund portfolio on an ongoing basis to ensure that the methodology on ESG-related exclusions or binding criteria is applied appropriately.

### *CBI expectation*

The CBI's expectation is that all FMCs have a documented, robust and effective control framework in place that ensures their funds under management complies with the requirements of SFDR. This should include effective ongoing due diligence of funds, data and delegates combined with consistent independent monitoring carried out across all funds.

FMCs should ensure the information provided as part of delegate attestations contain necessary details to actively assess fund compliance.

FMCs should continue to monitor their level of resourcing, skills, knowledge and expertise on an ongoing basis relevant to the nature, scale and complexity of their funds in scope of Article 6, Article 8 and Article 9.

### *Data limitations*

Data limitations and the improvement of data quality and reliability surfaced frequently as an issue for FMPs. The CBI noted that FMCs interpreted the same data sources differently, leading to inconsistent monitoring outcomes. FMCs do not always have the relevant data to perform detailed monitoring of every fund and in

some instances, rely on information provided by delegates. This raises a concern that FMCs do not have sufficient information to proactively and independently assess funds' compliance. Various methods were employed by FMCs to ensure consistency between the description of their funds' ESG strategies and the ESG metrics and data used. FMCs have communicated that they have taken the approach of allowing for a significant buffer between the actual and minimum percentage of both taxonomy-aligned and sustainable investments to avoid any potential threshold breaches.

#### *CBI expectation*

The CSA highlighted that as data becomes more readily available and consistent FMCs are more capable of enhancing their controls. Data constraints should be identified and considered in depth at the earliest stage of strategic planning and fund onboarding to ensure FMCs are capable of fulfilling their fund compliance monitoring obligations. FMCs are also expected to perform appropriate due diligence on the data and data providers on an ongoing basis to ensure the data used to substantiate the requirements of SFDR, is accurate, reliable and up to date.

The CBI also expects FMCs to document and verify the underlying data used to substantiate SFDR compliance in instances where FMCs are using attestations to conduct fund monitoring and oversight.

#### *SFDR disclosures*

The CBI identified funds with vague language when describing the sustainable investment objective or the promotion of environmental or social characteristics. In some instances, there was a lack of specific metrics, thresholds, or key terms that could be quantifiably assessed. Improvements are required. The CBI also identified inconsistent approaches applied to website disclosures. For example, some FMCs include links to index methodologies, and these may not always be accessible, while others include all relevant information on the webpage.

The CBI remarked that it had used a proprietary ESG dashboard tool during the CSA review. This dashboard enables the CBI to assess pre-contractual disclosures and measure the alignment of these disclosures to the underlying portfolio of the relevant funds. This tool enables assessments of the appropriateness of fund disclosures on a fund specific, FMC specific or environmental specific basis and will be used as a supervisory tool by the CBI on an ongoing basis.

#### *CBI expectation*

FMCs should have robust frameworks in place to ensure that the disclosures made to investors in accordance with SFDR are clear and do not mislead.

There should be clear and detailed disclosure regarding the binding elements used to attain each of the environmental or social characteristics promoted by the fund, or the sustainable investment objective. Where a fund applies exclusions as a binding element of the strategy, there should be clarity regarding the thresholds applied, what constitutes "involvement" or the ESG score that would result in a fund excluding certain companies from investment. There should be no option within the disclosure to disapply the binding element of the strategy.

Where a fund tracks an index, the ESG criteria applied by the index should be detailed in the binding elements. It is not sufficient for a FMC to provide that tracking the performance of the index is the fund's binding element. Finally, FMCs should keep such disclosures under regular review to ensure the accuracy of the content continues to align with these expectations.

The CBI expects that FMCs have processes in place to regularly review and approve the language contained in pre-contractual, website and periodic disclosures to ensure that these are aligned and meet the requirements of SFDR. These reviews should be documented and conducted periodically.

#### *SFDR Regulations and Guidance*

FMCs highlighted enhancements to specific guidance and criteria that would support a consistent application of certain elements of SFDR, for example clarity on what is meant by "sustainable investments". FMCs also raised compliance challenges in adapting to changing SFDR guidance.

#### *CBI expectation*

The CBI acknowledges that there are varied interpretations of some of the key components of the SFDR framework. These interpretations have led to inconsistent sustainability processes being applied by Firms and contributes to an increased risk of non-compliance and potential greenwashing.

This inconsistency is also evident in the varied interpretations and applications of data and data methodologies that FMCs are using when substantiating the ESG components of their funds.

The CBI acknowledges the European Commission's plan to publish a proposed revision to SFDR. However, changes from legislative reviews to sustainability-related frameworks will take time to develop, finalise and implement. Therefore, FMCs should strive to be as clear and transparent as possible in applying SFDR, including considering how their disclosures will be understood by the end investor.

Finally, the CBI expects FMCs to remain vigilant to the SFDR, and where updates to SFDR are implemented or additional supporting guidelines are published, to ensure that these are considered appropriately and without delay to avoid instances of non-compliance.

## New ESA SFDR Q&A on PAI disclosure

A new SFDR Q&A released by the ESAs for financial market participants relating to entity-level PAI statements as follows:

**Q:** When a financial market participant (FMP) considers PAI at entity level and discloses a statement on its due diligence policies in accordance with Article 4(1)(a) or 4(3)-(4) of the SFDR, what is required under the description of actions taken, planned or targets set "to avoid and reduce" PAI referred to in Article 6(2) of the SFDR Delegated Regulation? Should the financial market participant include a description of what actions the financial market participant will take if the PAI reaches a certain level?

**A:** Under the description of actions taken, planned or targets set "to avoid and reduce" PAI referred to in Article 6(2) SFDR Delegated Regulation, in order for that description to be fair, clear and not misleading, the financial market participant should, for each of the identified PAI, include (or refer to) information on how the financial market participant assesses the need to take action (e.g. any relevant thresholds or criteria that trigger actions to mitigate the PAI), the actions taken the previous year and actions planned or targets set for the coming year.

## Loan originating AIFs: ESMA publishes rules

ESMA published its regulatory technical standards (RTS) on open-ended loan originating AIFs on 21 October 2025. The RTS determine the liquidity and related requirements with which loan originating Alternative Investment Funds must comply to maintain an open-ended structure.

These RTS are on the European Commission's (EC's) list of non-essential Level 2 acts that will not be adopted before 1 October 2027 at the earliest. See next article for further detail on the EC's de-prioritisation plan. The Level 1 loan originating provisions in Directive (EU) 2024/927 (**AIFMD 2.0**) are required to be transposed into member states' national laws and effective by 16 April 2026. This will result in a situation where Level 1 loan originating measures are in force but draft RTS on open-ended loan originating AIFs are not yet in force.

### Amendments to draft RTS

Following feedback from the consultation process, some changes have been made to the draft RTS published on 12 December 2024 including:

#### *Removal of requirement to determine an appropriate amount of liquid assets*

The draft RTS contained a requirement for AIFMs to determine an appropriate amount of liquid assets that open-ended loan-originating AIFs shall hold to meet redemption requests. This has been removed and instead AIFMs must ensure the open-ended loan-originating AIFs have sufficient liquidity to honour redemption requests.

#### *Frequency of liquidity stress testing*

Liquidity stress tests are to be carried out once a year rather than every quarter.

### Data on loan originating funds

ESMA had requested data from consultation respondents managing loan originating funds. The feedback statement presents this including data on size of funds, number of loans originated, policy of funds regarding non-performing loans, redemption frequency and notice period. There is also data on types of loans originated, frequency of valuation and level of liquidity and liquidity management tools used.

## European Commission de-prioritises Level 2 acts

The EC announced that it will not adopt 115 “non-essential” Level 2 acts in financial services legislation before 1 October 2027, as part of its simplification agenda and the broader Savings and Investments Union strategy. These acts were identified as not critical to the functioning of their corresponding Level 1 legislation and often imposed disproportionate compliance burdens or lacked urgency.

Where Level 1 legislation includes mandatory deadlines for Level 2 acts, the EC intends to propose amendments or repeals of those empowerments during upcoming legislative revisions.

The Level 2 acts postponed include those under AIFMD 2.0, SFDR, ESG Ratings Regulation, EMIR, MiFID/R and the Benchmarks Regulation.

### AIFMD 2/UCITS 6, SFDR and ESG Ratings Regulations level 2 acts postponed

Level 1 Act	Empowerment	Type
SFDR	Revised RTS on transparency of adverse impact indicators (social, employee, human rights, anti-corruption/bribery) at entity level	RTS
	Revised RTS on transparency of E/S characteristics and sustainable investments on websites	RTS
	Revised RTS on transparency in periodic reports	RTS
	Revised RTS on sustainable investment objective disclosures	RTS
	Revised RTS on taxonomy-aligned investments	RTS
	Revised RTS on 'do no significant harm' principle	RTS
	Revised RTS on climate/environmental adverse impacts	RTS
AIFMD II / UCITS VI	RTS on open-ended Loan Originating Funds	RTS
	ITS on procedures for exchange of information between NCAs, ESAs, ESRB, ESCB	ITS
ESG Ratings Regulation	RTS on SFDR ESG ratings disclosures	RTS
	RTS on ESG ratings by financial undertakings not subject to SFDR	RTS
	ITS on methodology disclosures to users and rated items	ITS
	ITS on methodology disclosures to the public	ITS

The proposals for Level 1 SFDR changes are expected to be published on 19 November. It is expected that work on the SFDR Level 2 measures will not be resumed before the trilogue negotiations on Level 1 are complete.

## EU Benchmarks Regulation: simplification from 1 January 2026

Amendments to the EU Benchmarks Regulation (BMR) to limit the scope of the BMR to "critical" or "significant" benchmarks or certain climate-related or commodity benchmarks will become effective on 1 January 2026. All other benchmarks will be "non-significant" benchmarks.

The changes under the amended BMR will primarily have implications for benchmark administrators.

Currently, UCITS management companies and AIFMs (FMCs) may "use" benchmarks in the EU that are provided by administrators that are approved by ESMA. There is an exemption until 31 December 2025 permitting the continued use of benchmarks provided by non-EU administrators.

UCITS management companies and AIFMs (FMCs) that use benchmarks should assess any implications for them as users of benchmarks in-scope of the amended BMR. UCITS making any new reference to "in-scope" benchmarks after 1 January 2026 will need to understand the new regime and make relevant prospectus disclosures. UCITS with existing prospectus disclosure on benchmarks should review to assess if any disclosure will need to be updated. As with the existing regime, the status of the benchmark as "in-scope" of the amended BMR or not and its listing on the ESMA public register will inform the prospectus disclosure.

From 1 January 2026, FMCs will need to identify if the benchmarks they use are "in-scope" benchmarks. They must regularly check the ESMA public register to verify the status of administrators for any benchmarks they intend to use, including identifying whether any benchmark is subject to a warning notice.

Requirements for contingency plans will continue to apply.

### How a fund "uses" a benchmark

A fund is required to comply with the BMR where it uses an index (or a combination of indices) as a benchmark in one of the following ways:

- the fund tracks the return of that index;
- asset allocation of the fund's portfolio is determined by the index;
- performance fees payable by the fund are calculated by reference to the index; or
- the fund has entered into a derivative contract that gives exposure to the index.

Benchmark categories			
<i>Critical Benchmarks</i>	used within the EU as a reference for financial instruments / financial contracts / investment funds having a total value of at least EUR 500 billion	recognised as a critical benchmark in an EU member state using a procedure prescribed in the Amended BMR. If an EU member state regulator deems a benchmark critical, it must notify ESMA. This notification includes an assessment that evaluates the potential adverse impact of the benchmark's cessation or unreliable provision on market integrity, financial stability, consumers, the real economy, or household and business financing. ESMA reviews the assessment and forwards its opinion to the European Commission, which may adopt an implementing act to include the benchmark in its list of critical benchmarks	used by financial instruments / financial contracts / investment funds having a total value of at least EUR 400 billion, where ESMA considers that the benchmark has no or very few appropriate substitutes and it would have a significant and adverse impact on the market if it were to cease to be provided or be reliable
<i>Significant Benchmarks</i>	used by financial instruments / financial contracts / investment	recognised as a significant benchmark in an EU	

	funds having a total value of at least EUR 50 billion	member state using a prescribed procedure in the Amended BMR, either by the benchmark administrator opting to have its benchmark considered as significant, or by an EU member state regulator or ESMA directing that the benchmark be classified as significant on the basis that there are very few appropriate substitutes and/or there being a significant and adverse impact on the market if the index were to cease to be provided or be reliable	
<i>EU Climate Transition Benchmarks</i>	labelled by its benchmark administrator as an “EU climate transition benchmark” whose underlying assets are selected, weighted or excluded in such a manner that the resulting benchmark portfolio is on a “decarbonisation trajectory” per the Paris Agreement adopted under the United Nations Framework Convention on Climate Change (the <b>Paris Agreement</b> )	complies with any minimum standards laid down by the European Commission that specify criteria for asset selection and exclusion, asset weighting methods, and decarbonisation trajectories	includes “CTB” in its name
<i>EU Paris-Aligned Benchmarks</i>	labelled by its benchmark administrator as an EU Paris-aligned benchmark whose selection of underlying assets mean that the resulting portfolio’s carbon emissions are aligned with the Paris Agreement	complies with any minimum standards laid down by the European Commission that specify criteria for asset selection and exclusion, asset weighting methods, and decarbonisation trajectories, and whose activities do not significantly harm other environmental, social and governance objectives	includes “PAB” in its name
<i>Commodity benchmarks subject to Annex II</i>	Funds will not be able to use certain types of commodity indices that are subject to Annex II of the Amended BMR (“ <b>BMR commodity indices</b> ”). The Amended BMR excludes from its scope commodity benchmarks based on submissions from contributors the majority of which are non-supervised entities and in respect of which the total average notional value of financial		

	instruments referencing the benchmark does not exceed EUR 200 million over a period of 12 months		
<i>Other out of scope benchmarks</i>	In addition to non-significant benchmarks, other specific benchmarks that are now out of scope include non-EU spot foreign exchange benchmarks as long as they: (a) reference a spot exchange rate of a non-EU country to which currency controls apply; and (b) the spot foreign exchange benchmark is used on a frequent, systematic and regular basis to hedge against foreign exchange rate movements, or there is no equivalent alternative benchmark provided by an administrator in the EU		

## Irish Government budget for 2026: investment fund implications

The Irish Minister for Finance presented the government's budget for 2026 on 7 October. The following provisions are relevant for funds:

- The exit tax rate applying to Irish funds, equivalent offshore funds and ETFs is to be reduced from 41% to 38%
- A roadmap will be published in early 2026 setting out an approach to simplify and adapt the funds tax framework to encourage retail investment
- A public consultation will be held in 2026 on proposals to simplify the Irish Real Estate Investment Funds (IREF) regime.

## Funds Sector 2030 Implementation Plan

The Funds Sector 2030 Implementation Plan was published by Ireland's Department of Finance on 7 October 2025. The Implementation Plan operationalises the strategic recommendations from the Funds Sector 2030 Review, aiming to future-proof Ireland's investment funds industry and maintain its global competitiveness.

A dedicated Implementation Group will oversee delivery, with regular progress reporting.

### Strategic Priorities

#### *Open Markets*

Enhance Ireland's global positioning as a fund domicile.

Support cross-border distribution and alignment with EU initiatives (e.g. CMU, ELTIF 2.0).

Promote Ireland as a hub for sustainable and digital finance.

#### *Resilient Markets*

Strengthen regulatory and supervisory frameworks.

Improve operational resilience, including cybersecurity and outsourcing oversight.

Advance data and digital capabilities within the Central Bank of Ireland.

### *Developing Markets*

Expand retail investor access to funds.

Support innovation in fund structures and private asset strategies.

Address skills gaps and promote regional development in the funds sector.

### **Key Implementation Actions**

#### *Regulatory Reform:*

Streamline authorisation and supervisory processes; enhance transparency and predictability.

#### *Technology & Innovation:*

Encourage adoption of tokenisation, AI, and digital onboarding tools.

#### *Sustainable Finance:*

Align with EU ESG frameworks and support the development of green and impact funds.

#### *Retail Participation:*

Improve financial literacy and access to investment products for retail investors.

#### *Skills & Talent:*

Launch initiatives to attract and retain talent, including regional skills development.

## **European Commission post on UCITS Eligible Assets**

The European Commission (**EC**) released an article on UCITS called "[UCITS at 40 – what's next for eligible assets?](#)". We can expect more consultation on UCITS eligible assets from the EC in 2026.

The EC stated:

#### **"Consultations and analysis**

Building on ESMA's input, the Commission will move forward with public consultations and market analysis in 2026. We will need to assess, for example, to what extent definitions and links with other pieces of EU legislation should be updated. And we will have to determine if the provisions in their current form are sufficiently clear about the direct and indirect investments UCITS funds can make – and whether they should evolve to enable access to innovative investment strategies. We will reach out and listen to all stakeholders, including citizens.

Any updates to the rules will have to adequately reflect market developments and lead to greater supervisory convergence, while protecting the UCITS brand. This will be key in helping us boost retail participation in capital markets and private wealth creation, in line with the objectives of the savings and investments union."

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