WILLIAM FRY

Asset Management & Investment Funds

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Key Dates & Deadlines: Q3 2026

The following are key dates and deadlines in Q3 2026 and some key forthcoming dates in the legal and regulatory calendar.

Date	Source	Summary
H1 2026		CBI review of fund service provider framework The Central Bank of Ireland (CBI) has said that it will launch a comprehensive review of the fund service provider framework in H1 2026, including updating delegation and outsourcing provisions where necessary to reflect AIFMD 2.0 and EU guidance.
Mid-2026		Funds sector implementation plan A roadmap is being developed by the Irish Department of Finance, originally scheduled for publication in early 2026, which will set out a proposed approach to simplify and adapt the tax framework to encourage retail investment.
H2 2026		ESMA MiFID conflicts of interest CSA ESMA announced that it will launch a common supervisory action in 2026 on conflicts of interest in the distribution of financial instruments.
31 August 2026		MiCA consultation Closing date for submitting feedback on the European Commission's consultation on the review of the Markets in Crypto-Assets Regulation
22 September 2026		FCA proposals for fund reporting regime Deadline for submissions on the UK FCA's proposals for a new Fund Reporting for Asset Management Entities (FRAME) regime.
30 September 2026		CBI consultation CP170 on regulatory impact assessments Date for submissions on the CBI's Consultation Paper 170 seeking stakeholder views on its proposed approach to Regulatory Impact Assessments and public consultation. The paper does not introduce new regulatory requirements or amend existing rules but focuses on the frameworks and processes that support regulatory policy development and communication.
End September 2026		Risk Management CSA Response date for the questionnaire issued by the CBI to fund management companies on the risk management function common supervisory action.

7 December 2026		First T+1 deadline Market participants must be fully compliant with ESMA's first deadline on the move to T+1 in relation to exchange of allocations and confirmations
31 December 2026		CBI Delegation review Fund Management Companies must conduct a gap-analysis of the CBI delegation feedback report and, by end of 2026, put in place a time-bound plan to address any issues identified.

SECTION 1.0 - MANAGER-LEVEL UPDATES

CBI risk management CSA

The CBI issued a questionnaire to fund management companies as part of its common supervisory action on risk management functions. Responses to the questionnaire must be provided by the end of September.

The questionnaire covers several topics such as policies and procedures, governance and organisation of the risk management function, identification, measurement and management of relevant risks, operational monitoring of risks and reporting. Copies of relevant policies and procedures should be provided where they support a response to the questions. All questions must be answered regardless of whether the risk management function tasks are provided internally or have been delegated to an external provider.

Fund management company delegation: Action required

CBI feedback following its review of delegation in the Irish funds sector was published on 23 July 2026 (feedback report). This review was conducted with a representative sample of fund management companies (FMCs) and involved detailed quantitative and qualitative surveys and onsite inspections to assess delegation arrangements across the sector.

The feedback report highlights FMCs' obligation to retain ultimate responsibility for all delegated activities and to maintain sufficient substance, resources and oversight to ensure that delegated functions are performed in accordance with regulatory requirements and in the best interests of investors. Firms are required to demonstrate that they exercise sound management and decision making and exercise sound and effective control over any function they delegate. This has been an area of continuing focus by the CBI in its supervisory work where it has set out its expectations through thematic reviews and communications to industry.

In general, the CBI found that FMCs operating a delegation model have good governance frameworks, controls, oversight processes and data capabilities in place. Areas for improvement identified by the CBI include board independence, over-reliance on group level committees, resourcing concerns, lack of contingency planning and limitations with data access. The CBI's findings underscore the need for delegation, while delivering important benefits for investors and supporting the optimal functioning of European capital markets, to be accompanied by robust governance and oversight within the authorised FMC.

The CBI will engage in a review of the governance arrangements for FMCs in 2026, including enhancements to the current delegation framework. This may include simplifying the FMC Guidance (also known as "CP86"), reinforcing the PCF framework for FMCs, enhancing governance requirements and considering how the CBI might proportionately apply the IAF/SEAR framework to the funds sector.

Delegation models

While models vary by particular FMC, the CBI observed that the main operating models observed were:

- FMCs delegating portfolio management activities to Group entities, while retaining risk management activities;
- a hybrid model, where the FMC utilises both group and third-party delegates to perform portfolio management, while retaining risk management activities;
- a third-party model, where the FMC delegates portfolio management activities and certain risk management tasks to multiple third-party delegates.

FMC action required: Gap analysis and plan

FMCs must conduct a gap-analysis of current operations against the feedback report and put in place a time-bound plan to address any issues identified by end of 2026.

CBI expectations and findings

The feedback report sets out regulatory expectations for delegation models across five core themes of governance, portfolio management, risk management, delegate oversight, and data capabilities, along with good and poor practices observed during its review.

Theme	Supervisory Expectations	Observations
Governance	• FMCs must maintain governance frameworks appropriate to their operating model and ensure funds are managed in line with their strategy and risk profile. • Boards must retain sufficient authority and substance to avoid becoming overly dependent on delegates. • Strong control frameworks are expected so that oversight, challenge and decision-making remain firmly within the FMC.	Good practices: Governance standards were generally strong. Boards were typically diverse, experienced and supported by clear reporting structures. FMCs demonstrated active challenge through local committee structures and evidenced oversight of delegate performance and associated risks. Poor practices: However, the CBI identified several weaknesses: some boards lacked sufficient independence due to excessive group influence and long director tenure; some Designated Persons were not senior enough or were carrying too many responsibilities; some firms relied too heavily on group committees; and certain FMCs operated with informal governance arrangements lacking documented policies, procedures and entity-specific risk statements. These weaknesses increased the risk of inconsistent oversight and weaker local decision-making.
Portfolio Management	• FMCs are expected to maintain effective oversight and control of delegated portfolio management activities. Delegates must be subject to appropriate due diligence and ongoing assessment. • Critically, FMCs must demonstrate active ownership of decisions relating to the performance of portfolio management through documented governance processes, regardless of whether	Good practices: Portfolio management oversight was generally one of the strongest areas reviewed. Firms demonstrated regular engagement with delegates, detailed performance monitoring, comprehensive management reporting and clearly defined escalation channels. FMCs retaining portfolio management functions generally had appropriate substance and resources to do so effectively. The CBI also observed positive contingency planning arrangements in several firms. Poor practices: Areas requiring enhancement included limited autonomy in oversight and decision-making in some FMCs, an absence

Theme	Supervisory Expectations	Observations
	activities are retained or delegated.	of documented procedures and performance standards in others, and insufficient planning for the orderly transition or wind-down of third-party portfolio management arrangements should a delegate be unable to continue performing its mandate.
Risk Management	• FMCs must implement risk-management frameworks aligned to their operating model, investment strategy and asset profile. The framework should clearly distinguish between retained and delegated activities. • FMCs must independently verify delegated risk outputs, maintain access to timely and accurate information and evidence active decision-making through documented governance processes. • The overall level of delegation must remain proportionate and compliant with regulatory requirements.	Good practices: Risk management was largely retained within FMCs and generally exhibited strong levels of substance. Firms typically maintained comprehensive policies and procedures, independent risk oversight functions and effective risk assessment processes. Many firms performed independent verification of delegate outputs through shadow monitoring, real-time data access and pre-trade compliance controls. Poor practices: However, the CBI identified shortcomings where delegate support had expanded into core risk management activities. In these cases, governance arrangements required strengthening to align with outsourcing requirements. The report explicitly notes that additional risk management resourcing was required in some FMCs to support effective oversight and decision-making. Furthermore, some firms lacked sufficient independent challenge and relied heavily on delegate-generated reports because they did not have direct access to real-time risk information.
Delegate Oversight	• FMCs must retain ultimate decision-making authority over delegated activities and operate robust, documented oversight frameworks. • Due diligence should be systematic, evidence-based and applied consistently to delegates and sub-delegates. • Oversight should be formal, accountable and not rely solely on self-certification or questionnaires completed by delegates.	Good practices: The review found widespread use of structured delegate oversight frameworks. FMCs generally adopted risk-based due diligence methodologies using questionnaires, risk scoring and performance metrics. Many firms supplemented monitoring with annual on-site visits assessing delegate systems, controls, personnel and governance arrangements. Poor practices: However, the CBI observed examples of FMCs relying excessively on group-level due diligence processes instead of conducting their own assessments. Local representation on group oversight committees was sometimes limited. Importantly, the report specifically highlighted insufficient involvement of Designated Persons and Operational Risk functions in delegate oversight activities, with some firms relying instead on group personnel or secondees. This was viewed as a weakness in local accountability and oversight ownership.

Theme	Supervisory Expectations	Observations
Data Capabilities	• FMCs should have robust data-management frameworks that provide timely, accurate and accessible information to support oversight, governance and decision-making. • Firms are expected to address weaknesses in data strategy, integration, governance and reporting so that data can effectively support both delegated and retained activities.	Good practices: Data governance has become a growing area of focus across the industry. Larger FMCs demonstrated sophisticated approaches, including formal data policies and procedures, business intelligence tools, compliance dashboards and dedicated data teams. The CBI noted increasing recognition of data as a strategic oversight tool. Poor practices: Nevertheless, several firms continued to operate fragmented technology environments where risk, investment and compliance data remained dispersed across multiple systems, creating manual reconciliation challenges. The review also identified cases involving delegations of pre- and post-trade controls and monitoring activities, including instances where internal risk limits were overridden. In addition, some FMCs lacked documented contingency arrangements to deal with data interruption or loss, creating operational resilience concerns.

CBI report on Compliance and Internal Audit functions for funds

The CBI published its feedback report on ESMA's CSA on Compliance and Internal Audit functions in the investment funds sector in July 2026 following publication by ESMA of its report in May 2026.

Broadly in line with regulatory expectations

Overall, the findings confirm firms' compliance and internal audit structures and operations are broadly in line with regulatory expectations. While many firms established mature Compliance and Internal Audit functions, areas that require review and consideration include:

- A consistent application of documented Compliance policy/procedures
- Strengthening approach to Compliance resourcing and training
- Compliance monitoring and testing practices
- Enhancing Board engagement and reporting
- Strengthening oversight of delegated and group-level Compliance and Internal Audit arrangements.

The CBI expects well established Compliance and Internal Audit Functions, underpinned by sound governance arrangements, clearly defined policies and procedures, risk-based planning, rigorous testing protocols, and comprehensive oversight mechanisms to ensure ongoing adherence to regulatory requirements.

The Board of the firm plays a vital role in ensuring theses expectations are met.

Firms to review CBI and ESMA reports

Firms should review and consider the contents of this report in conjunction with the contents and observations identified within ESMA's report. The CBI expects that this report will be discussed by the Board & relevant personnel and that the observations and expectations outlined are given due consideration to ensure appropriate measures and controls are in place. If any areas are identified requiring enhancement within governance frameworks, control processes and operational arrangements, firms will be expected to develop time-bound remediation plans to address any deficiencies.

Detailed analysis

The CBI report provides detailed analysis of its findings across the following eight areas:

Compliance: *Policies, procedures and measures with relevance to the Compliance Function*

- Including compliance framework, policy and procedure monitoring and standard operating procedures.

Responsibilities assigned to the Compliance Function

- Including risk identification, compliance monitoring and testing, regulatory change and delegate oversight.

Conditions enabling the Compliance Function to perform its responsibilities properly and independently

- Including governance arrangements, effective reporting lines to demonstrate independence, organisational structure and resourcing and head of compliance appointments

Reporting to Senior management

- Including reporting frequency and content, board minutes and reporting adequacy

Compliance monitoring and planning

Internal Audit: *Conditions enabling the Internal Audit Function to perform its responsibilities properly and independently*

- Including overall assessment of Internal Audit function and internal audit tasks outsourced to third parties or group

Reporting to Senior Management

- Including board reporting and internal audit coverage and role of the board and follow up recommendations

Internal Audit Plans

- Including board oversight and Internal Audit planning and risk-based audit planning.

Supervisory Expectations and Proportionality

The CBI also sets out its expectations of Compliance and Internal Audit functions. The CBI still supports a proportionate approach to meeting supervisory expectations based on size, scale and complexity of firms' business models. However, fundamentals of the expected risk-based approach must be considered in all cases. This includes the capacity of these functions to operate independently, with adequate resourcing and robust oversight.

CBI publishes Supplemental Guidance on Prohibition Notices under the Fitness and Probity Regime

The CBI has published its final Supplemental Guidance on Prohibition Notices together with a Feedback Statement following Consultation Paper 166. The guidance provides greater clarity on how the CBI intends to approach prohibition decisions under the Fitness and Probity (F&P) regime, including the factors that will be considered when determining whether a prohibition is appropriate and, if so, its scope and duration.

CBI Guidance on Prohibition Notices

Central to the CBI guidance is a framework of "relevant circumstances" that a decision-maker will consider when determining whether a prohibition is appropriate and, if so, its scope and duration. These include the nature and seriousness of the fitness and probity concerns; the degree of risk posed to consumers and the financial system; the individual's regulatory, compliance or disciplinary history; the passage of time since the relevant events; evidence of remediation or rehabilitation; the individual's understanding of any failures or shortcomings; and relevant personal circumstances. The guidance also confirms that the CBI may take into account the cumulative effect of these factors and will assess each case on its own facts.

The CBI confirms that prohibitions may vary considerably in scope and duration. In some cases, a prohibition may apply only to types of controlled functions or classes of regulated entities. It also provides a framework for prohibitions with conditions, including supervision requirements, training or upskilling measures and restrictions on certain aspects of a controlled function.

The Feedback Statement confirms that the implications of the judgment for fitness and probity investigations, including oral hearings, remain under review. The CBI also notes that an oral hearing may be required where there is a disputed issue of fact that cannot be resolved fairly without a hearing or where the credibility of an individual or witness needs to be tested.

There is a particular emphasis on proportionality; the Prohibition Decision Maker must "have regard to the Section 43(4) objectives and all the relevant circumstances of the case (CBI Guidance Document paragraph 16, page 9). The guidance also provides additional information regarding decision-making arrangements, confirming that prohibition decisions will be made by an independent Prohibition Decision Maker drawn from the Regulatory Decisions Panel and separate from any underlying investigation.

While the CBI notes that no prohibition with conditions has yet been imposed, the availability of this option may provide greater flexibility in cases involving competence issues rather than concerns relating to honesty or integrity.

Background

The guidance was published against the backdrop of a case in the Irish High Court, which recently refused to confirm a CBI Prohibition Notice issued to a senior executive in the funds industry having identified a number of serious deficiencies in the investigation and decision-making process. In particular, the Court found that fair procedures had not been observed, noting the absence of key witness interviews, the failure to hold an oral hearing despite significant credibility issues arising, and shortcomings in the overall investigative process.

The judgment is one of the most detailed judicial examinations of the CBI's F&P enforcement framework to date. The case involved an individual who had held several Pre-Approval Controlled Functions (PCFs), including CEO, executive director and designated person roles within a fund management company.
The High Court judgment placed considerable emphasis on procedural fairness, particularly the absence of witness interviews and an oral hearing where credibility was in dispute. In its Feedback Statement, the CBI acknowledges that the implications of the judgment for its investigation and prohibition procedures, particularly regarding oral hearings, remain under review.

The CBI further notes that it will continue to engage with stakeholders on these issues and that oral hearing procedures are currently being considered separately from the new prohibition guidance. For firms, this is likely the aspect of the regime most likely to evolve in the coming months.

Key Issues for the Funds Industry and Next Steps

The Supplemental Guidance has provided greater clarity on the operation of the prohibition regime. However, a key issue for the funds industry may be the CBI's ongoing review of its investigation procedures following the High Court judgment. The CBI has indicated it will continue to engage with stakeholders on these issues. In particular, the CBI has signalled that further consideration is being given to the role of oral hearings and the treatment of disputed evidence in fitness and probity investigations. Any changes relating to oral hearings, witness evidence, and the treatment of disputed facts will be of particular significance for fund management company boards, designated persons and other PCF holders, given the increasing regulatory focus on individual accountability across the sector.

Of particular relevance to the funds sector, the guidance contains a detailed section on publication. The CBI confirms that publication may be necessary to protect users of financial services and the financial system, and to inform firms and market participants where an individual has been found not to meet the required fitness and probity standards. Before publication, submissions may be made on matters including personal circumstances and privacy considerations, and appropriate redactions may be applied where necessary.

Pending any further guidance, fund management companies, designated persons and other PCF holders should note the CBI's continued focus on individual accountability and fitness and probity standards. Firms may also wish to consider the practical implications of the judgment for engagement with regulatory investigations, particularly where issues of fact or credibility arise.

UK FCA proposes new funds reporting regime

The UK's Financial Conduct Authority (the FCA) has published Consultation Paper CP26/26 proposing a new Fund Reporting for Asset Management Entities (FRAME) regime, aiming to streamline existing reporting requirements into a single, standardised framework. Importantly for Irish fund managers, under the current proposals Irish UCITS recognised under the UK's Overseas Funds Regime (OFR) would be brought within scope of FRAME and required to submit quarterly reports to the FCA at sub-fund level. The consultation closes on 22 September 2026, with final rules expected in the first half of 2027 and full implementation currently targeted for 2028.

Under the proposal, recognised Irish UCITS would report "essential information", covering areas such as fund characteristics, investment strategy, investor base and distribution, performance and flows, liquidity profiles and certain counterparty exposure data. Reports would generally be due within 30 days of the end of each calendar quarter. While enhanced reporting is proposed for larger funds with net asset values exceeding £500 million, this additional reporting layer is not expected to apply to UCITS operating in the UK under the OFR.

Irish UCITS management companies marketing funds in the UK should consider engaging with the FCA before the consultation deadline, engage with and monitor industry responses to the consultation and begin assessing their ability to produce the required data.

T+1: ESMA call for firms to finalise preparations

ESMA has published a statement highlighting key deadlines and action points to be ready for the transition to a T+1 settlement cycle in EU financial markets.

With the move scheduled for 11 October 2027, ESMA underlines that 2026 is a critical year for market participants to finalise their preparations.

The statement outlines key milestones, including the first regulatory deadline on 7 December 2026 for allocations and confirmations processes.

Market participants are encouraged to prepare and test their own readiness, and to check the readiness of their entire ecosystem, across the entire trading and settlement chain.

SECTION 2.0 - PRODUCT-LEVEL UPDATES

CBI UCITS Regulations Repealed and Replaced

The CBI UCITS Regulations 2026 have been published and are in force. They repeal and replace the 2019 CBI UCITS Regulations effective 7 July 2026. Many changes align the provisions with AIFMD2 / UCITS6 requirements, such as liquidity management techniques.

The CBI has responded to industry stakeholder feedback given as part of the consultation process on the updated rules which concluded in November 2025. Some industry feedback was taken on board while other points were not.

The CBI's guidance on performance fees for UCITS and Retail AIFs has also been updated and published.

UCITS managers will need to understand the changes made in the new Regulations and guidance and assess the implications on fund policies, processes and disclosures. The William Fry Asset Management & Investment Funds team can support you with this analysis.

Background

On 9 September 2025, the CBI issued Consultation Paper 161 (CP161) proposing to repeal and replace the 2019 CBI UCITS Regulations. The purpose, to ensure alignment of the CBI's framework with Directive (EU) 2024/927, or AIFMD 2 / UCITS 6 (the **Amending Directive**) and to update the framework to take account of domestic policy developments since the 2019 CBI UCITS Regulations were published. The Amending Directive was transposed into Irish law for UCITS (**Irish UCITS Implementing Regulations**) effective 1 May 2026.

CP161 also proposed updating the CBI Guidance on performance fees for UCITS and certain types of Retail Investor AIFs (the Guidance on Performance Fees).

The CBI sought the views of stakeholders on the proposed amendments and the consultation process closed on 5 November 2025. The CBI feedback statement to CP161 provides an overview of the written submissions received and a discussion of the key issues raised by respondents in response to CP161.

CBI UCITS Regulations 2026

Many of the changes proposed to the 2019 CBI UCITS Regulations in CP161 were to align with the Amending Directive, in particular the new regime for liquidity management techniques (**LMT**s). The changes have largely been implemented as proposed, with the CBI UCITS Regulations 2026 amending existing provisions for dealing mechanisms, such as in-specie dealings, gates, anti-dilution levies and redemption charges, so that these can exist alongside the new LMT regime.

Other changes introduced by the CBI UCITS Regulations 2026 include:

- reflection of the Money Market Fund Regulation in the Money Market Fund provisions,
- codification and clarification of industry practice in relation to different dealing cut off times for UCITS ETFs in specified circumstances, as well as the regulatory guidance for use of the "UCITS ETF" identifier at the level of the sub-fund or listed share class,
- incorporation of references to the PRIIPs KID alongside/instead of the UCITS KIID, and
- alignment with Irish UCITS Implementing Regulations and the ESMA guidelines on performance fees in UCITS and certain types of retail investor AIFs.

In addition to those tabled for consultation, the CBI highlights the following as 'further amendments' (albeit that certain of the below were in fact included in CP161):

- retention of existing provisions related to UCITS investing in money market instruments and the use of amortised cost as a valuation method, provided that this method does not result in a material deviation from the mark-to-market valuation
- in relation to new LMT requirements:
  - clarification and amendment of certain provisions to align with terminology used in the Amending Directive

  - retention of the proposed requirement for UCITS responsible persons to select at least one anti-dilution tool and one quantitative-based tool from Annex IIA of the UCITS Directive
- removal of binary restriction on the payment of performance fees only on achievement of a new high net asset value over the life of the UCITS or on out performance of an index. This to address potential legislative impediments to the operation of hurdle rates, fulcrum fees or other symmetrical fee models. The restriction on frequency of payment has been replaced with a restriction on frequency of crystallisation of the performance fees and is subject to a number of exceptions.
- clarification of the depositary's verification obligations in relation to performance fees
- clarification of provisions on connected party transactions, in particular that the requirements do not apply to transactions by unitholders in relation to their units in a fund such as subscriptions, redemptions, conversions and dividend payments
- deletion of provisions requiring UCITS to disclose existing "pro forma" standardised language in relation to anti-dilution levies
- new operating condition for a management company to ensure it has adequate resources to manage and monitor the services that are provided to every UCITS that is under its management

The CBI has, despite industry feedback, implemented the following proposals unchanged:

- requirement for the UCITS prospectus to disclosure the maximum fee payable for any recurring fees calculated based on UCITS NAV and deducted from fund assets.

  In support of this, the CBI notes that certain fees, including NAV-based research fees paid out of fund assets, were not being clearly disclosed to investors. Disclosure of NAV based fees is currently required at the point of authorisation and the CBI notes instances of it being provided under management fees. While industry feedback included a request to retain the possibility to disclose distribution/paying agent/representative agent fees at normal commercial rates, the CBI does not consider its new requirement as precluding the possibility to pay such fees at normal commercial rates but notes the importance of transparency for investors.

- CBI discretion to impose additional requirements beyond the minimum residency requirements for directors and designated persons of UCITS managements companies at the point of authorisation based on the nature, scale, and complexity of the entity. The CBI UCITS Regulations 2026 adjusts the location rule to remove the requirements for management companies with medium low or above PRISM ratings and therefore applies the rule for management companies with a low PRISM rating to all management companies.

Updated AIF Rulebook released

The CBI has published an updated version of the AIF Rulebook dated July 2026. The changes from the May 2026 version of the AIF Rulebook are to apply the loan origination provisions, introduced by the 2026 Irish AIFM Regulations transposing AIFMD II, to QIAIFs which have a registered AIFM and QIAIFs which have a non-EU AIFM.
