WILLIAM FRY

Asset Management & Investment Funds

September 2026

Key Dates & Deadlines: Q3 & Q4 2026

The following are key dates and deadlines in Q3 and Q4 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.
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.

Extension of Initial Margin Exemption Proposed

The scope of the exemption from the EMIR obligation to exchange initial margin on non-centrally cleared OTC derivatives other than single stock and equity index options (IM Exemption) is proposed to be extended to existing contracts, in revised regulatory technical standards (RTS) published by the European Supervisory Authorities (ESAs) on 3 August 2026. In addition, the RTS propose amending the time frame for availing of the IM Exemption from the initial margin requirements to allow counterparties which fall below the threshold to promptly avail of the exemption.

The ESAs stated intention in publishing the RTS is to simplify the margin framework, facilitate the phase-out of initial margin requirements for counterparties that fall below the threshold for the exchange of initial margin (see below) and support greater consistency with other jurisdictions.

Current position

Currently, the IM Exemption allows counterparties to derogate from the EMIR initial margin exchange requirements where one of the two counterparties has an aggregate month-end average notional amount (AANA) of non-centrally cleared OTC derivatives for the months of March, April and May of the preceding year below the threshold of €8 billion (IM Threshold). However, the derogation currently only applies in respect of new OTCs entered into in the calendar year following that in which one of the counterparties fell below the IM Threshold. Existing contracts between the counterparties are not exempt as the IM Exemption is only available for new contracts entered into between 1 January and 31 December of the year following that in which one of the counterparties falls below the IM Threshold.

Proposed revisions to current position

The RTS propose that all contracts (existing, as well as new) between two counterparties be included in the IM Exemption when one of the counterparties falls below the IM Threshold. It is also proposed that the IM Exemption be available from as early as 1 June in the year of calculation against the IM Threshold. Thereby allowing counterparties to derogate from the initial margin requirements as soon as one of the counterparties is shown to have an AANA below the IM Threshold.

The above proposals do not however, amend the existing time schedule for the exchange of initial margin where both counterparties exceed the IM Threshold. Therefore, where both counterparties are shown to have an AANA in year x, the counterparties will still become subject to the initial margin requirements from 1 January of year x+1.

Next steps

The RTS have been submitted for endorsement to the Commission. If endorsed and the Parliament and Council do not object, the RTS will be published as a binding Delegated Regulation.

Retail Investment Strategy: Commission requests Level 2 Measures

The Retail Investment Strategy (RIS) package of legislation (Omnibus Amending Directive and Regulation) is expected to be published in January 2027 and apply from July 2029. In preparation for this, the Commission has requested ESMA submit draft RIS Level 2 measures for endorsement by 1 October 2027. See July 2026 RIS update for further information.

Draft Level 2 measures requested

Of key relevance to UCITS managers and AIFMs (fund managers), Level 2 measures are requested for RIS value for money and undue cost rules.

Value for money

RIS amendments to the UCITS Directive and AIFMD require fund managers to identify, assess and compare costs to a peer group of comparable funds.

Draft Level 2 measures, underpinning the above rules, are requested to cover:

- The criteria to select the peer group of comparable funds to ensure a representative number, taking into account that this should not require a union wide comparison, but a limited comparison with comparable funds, and taking into account the market size;
- The criteria to determine whether the fund offers value for money to retail clients where there are no or very limited comparable funds available and therefore no relevant peer group can be identified,
- The criteria to specify how the costs, charges and performance of the fund compare to the costs, charges and performance of the relevant peer group,
- The criteria to determine whether the value for money of a fund is at a significant distance from the average costs and performance of the funds in the relevant peer group to the detriment of a retail client, also with a view to determining whether the costs are proportionate and justified,

The criteria should ensure a fair and balanced comparison methodology of all the different costs (including inducements) and components, and should in particular take into account the fact that distribution costs (including inducements) can be charged either as part of product costs or directly by distributors. Requirements for fund managers should be aligned, where warranted, with those for MiFID investment firms.

Undue costs

RIS amendments to the UCITS Directive and AIFMD require fund managers to establish a process to prevent charging undue costs to funds/shareholders which provides for the identification, analysis and review of (in)direct costs.

Draft Level 2 measures, underpinning the above rules, are requested for the minimum requirements of the undue cost process designed to prevent undue costs from being charged to UCITS, AIFs and their shareholders or otherwise compensate them. In particular, the criteria should:

- ensure that costs are correctly identified and quantified, and comply with the UCITS Directive and AIFMD;
- identify which costs can be charged to the fund/shareholders taking into account the level of the costs and the nature of the costs by reference to a list of eligible costs that meet the conditions set out under the above rules;
- the conditions under which competent authorities may authorise on a case-by-case basis costs which are not included in the eligible list of costs;
- identify potential conflicts of interest and mitigation measures
- establish a procedure to determine the level of compensation where undue costs have been charged to investors.

Next steps

ESMA is required to deliver draft Level 2 measures to the Commission by 1 October 2027. The application date for most RIS Level 2 measures is intended to align with the July 2029 expected application date of RIS.

Fund Reporting: Irish Funds on ESMA Approach to AIFMD II rules

Irish Funds has published a paper summarising the ESMA Final report on Integrated Collection of Funds' Data, which was released, as per our May 2026 update, on 4 May 2026. The Irish Funds paper outlines key issues identified by ESMA and its recommendations for an integrated reporting system along with possible implementation approaches. In terms of key implications of this development, Irish Funds notes that the "*proposed framework represents a fundamental transformation of the EU fund reporting environment. It will require significant changes to data governance, systems and processes, as well as alignment with the new reporting standards and architectures. However, if successfully implemented, the integrated reporting system has the potential to deliver substantial long-term benefits, including* reduced *duplication, improved data quality and enhanced supervisory oversight.*"

The Irish Funds paper is available to members on its Member Portal.

Roadmap for the Taxation of Retail Investment

On 31 August 2026, the Irish Department of Finance published a roadmap for simplifying and adapting Ireland's tax framework for retail investment (Roadmap).

Having heralded its publication in Budget 2026 and the Funds Sector 2030 implementation plan, the Roadmap (1) identifies options for further reform of the taxation of retail investment following the recent reduction of the tax rate applying to Irish and equivalent offshore funds from 41% to 38% and (2) sets out key parameters of the Irish Government's new Investment Account which, aligning with the EU Savings and Investment Union objectives, is intended to help broaden retail participation in capital markets while giving greater choice in the management of savings and investments.

Investment Account

Key parameters of the new Investment Account, which will be legislated for in the next Finance Bill and made available in 2027, are set out below.

- The Investment Account will be available to Irish tax-resident individuals aged 18 and over who hold a PPSN, with one account permitted per person.
- The Investment Account will have a tax-free threshold, with a low flat rate of tax applying annually to the value of the account above that threshold. Where the value of the account is below this threshold no tax will be due.
- There will be no minimum contribution requirement, but an annual maximum contribution limit will apply.
- The specific tax-free threshold, flat tax rate and annual contribution limit will be announced as part of Budget 2027.
- Eligible investments will include listed shares, listed bonds, financial instruments traded on a regulated market and a range of investment funds suitable for retail investors, including ETFs.
- The existing investment tax regime, including the deemed disposal rule, will not apply to investments held within the Investment Account. Instead, qualifying providers will calculate, report and pay any tax due to Revenue on behalf of the investor, significantly simplifying the administrative burden for account holders.
- There will be no minimum holding or lock-in period, and portability of Investment Accounts between providers will be facilitated, where possible, on a tax-neutral basis.

- Highly complex and risky products, including derivatives and crypto assets, will not be eligible.

Further retail investment taxation reform

Building on the recent reduction from 41% to 38% of the tax rate applying to Irish and equivalent offshore funds, the Roadmap identifies three key areas for consideration in reforming the existing taxation regime from Budget 2028 and beyond:

- Reducing the rate of taxation;
- Reviewing the deemed disposal rule; and
- Introducing administrative simplifications.

The Roadmap is available on the Department of Finance website here.

Inside the AI Act: Barry Scannell and John O'Connor on the Transparency Obligations

Technology Partner Dr. Barry Scannell is joined by colleague John O'Connor for the latest instalment of the William Fry Lunchtime AI Series, an exclusive, invite-only monthly call for AI enthusiasts.

The AI Act's Article 50 transparency obligations come into force on 2 August 2026, requiring providers and deployers to disclose AI interactions, label deepfakes and AI-generated content, and mark synthetic content in machine-readable form. Barry and John unpack what this means in practice, drawing on the Commission's Guidelines and Code of Practice published on 20 July, and take stock of the AI Act's journey so far.

Supervisory Initiatives: Closet Indexing and Value for Money

The Central Bank is currently conducting two ESMA-led supervisory reviews focused on closet indexing and value for money in investment products.

The two initiatives in question are intended to assist with driving supervisory convergence and each of them align with priorities aimed at enhancing oversight of product costs and disclosures identified by the Central Bank in its Regulatory & Supervisory Outlook report for 2026.

The reviews will evaluate Firms' governance frameworks, policies and procedures and in the context of the closet indexing review will look at fund-level information on investment strategy, use of benchmarks, evidence of active investment decisions, costs and charges and governance arrangements.

The Central Bank has indicated that a number of firms are to be contacted during August and September as part of these supervisory exercises.

Ireland for Finance: Vision 2030 published

The Department of Finance has published Ireland for Finance: Vision 2030 – Renewed and Refocussed for a Digital Age, the successor to the previous Ireland for Finance strategy and the Government's overarching policy framework for the international financial services (IFS) sector out to 2030.

Background

The strategy marks close to 40 years of Government-led policy support for the sector since the establishment of the International Financial Services Centre (IFSC) in 1987. Over that period, IFS employment has grown from 35,000 to approximately 61,000 people and financial services exports have grown from €23 billion to €44 billion. Ireland is now the 7th largest exporter of financial services globally and the 3rd largest investment funds domicile, hosting over 9,000 funds.

From the perspective of the Irish Funds industry, the strategy builds on, and is intended to be read alongside, the Funds Sector 2030 review and its October 2025 implementation plan.

Four core ambitions

The strategy is structured around four core ambitions for Ireland:

- to be a trusted, predictable and stable location for international financial services;
- to deepen expertise as a key enabler of growth in Ireland and the EU;
- to leverage technology to support digital transformation; and
- to develop links between the IFS sector and Irish businesses and citizens.

These ambitions are underpinned by 36 KPIs and a headline target of increasing IFS employment to 70,000 by 2030 (with 25% of new roles being regional jobs), alongside targets for material growth in the assets under management (AUM) of regulated investment funds, financial services exports, workforce upskilling (in order to mitigate the impact of digital transformation and to support innovation) and timely transposition of relevant legislation. Progress will be tracked through an Annual State of the Sector report.

Funds and asset management: a named priority

Funds and asset management is one of seven thematic high-impact areas singled out for focus by the Vision 2030 strategy, with particular emphasis on ETFs, private assets and fund tokenisation.

ETFs. The strategy notes that ETF AUM domiciled in Ireland grew from €630 billion in Q4 2020 to €1.89 trillion in Q4 2025, a compound annual growth rate of 25%, and that Ireland accounts for around 70% of the $3.2 trillion European ETF market. The Government expects this growth to continue, supported by a planned new retail Investment Account which is intended to build a retail investment culture and reduce the complexity of retail participation in capital markets, together with continued restructuring of assets from other fund formats into ETFs.

Private assets. European private markets are forecast to exceed €5 trillion in AUM by 2030, and the strategy identifies private assets as an area where Ireland's funds and asset management expertise can be leveraged for growth. Policy measures already in train and aimed at supporting this growth include the AIFMD legislative and regulatory changes taking effect in 2026 and 2025 tax changes made in line with Funds Review recommendations, together with the ongoing modernisation of the 1907 Limited Partnership Act, being led by the Department of Enterprise, Trade and Employment. These measures will continue to be monitored through the Funds and Asset Management Steering Group.

Tokenisation. The strategy commits to legislative change to support the tokenisation of investment funds, including a high-priority examination of the ICAV Act and the Companies Act to identify where modernisation is needed. This sits within a broader digital assets and tokenisation agenda that includes the Central Bank's discussion paper on tokenisation of financial assets and fund structures, and the high-priority focus on establishing a Digital Assets Industry Group for structured engagement with industry.

Legislative process and stakeholder engagement

Vision 2030 also identifies as high priority a number of measures directed at improving the mechanics of financial services law-making. These include:

- a commitment to efficient and timely transposition of financial services legislation, with a focus on high-impact files;
- the establishment by the Department of Finance of a Policy Delivery Forum to give industry a direct channel to engage on financial services legislation;
- the establishment of a rolling multi-annual legislative plan setting out the status and indicative timelines of proposed financial services legislation.

Where next?

Vision 2030 signals an ambitious direction of travel for the Irish financial services sector, including the Irish funds industry, which aims to consolidate and improve upon Ireland's position at the forefront of innovation in financial services globally. As the 40th anniversary of the establishment of the IFSC approaches, Vision 2030 reflects the ongoing commitment of Government to work with Regulators and Industry to ensure the sector continues to go from strength to strength.

WILLIAM FRY

DUBLIN | CORK | LONDON | NEW YORK | SAN FRANCISCO

William Fry LLP | **T:** +353 1 639 5000 | **E:** info@williamfry.com

williamfry.com