

Asset Management & Investment Funds - Monthly update - January 2024

Hello and welcome to the A&L Goodbody Soundbite series. My name is Nollaig Greene and I am a Knowledge Lawyer in the Asset Management & Investment Funds team. I'm going to summarise our January 2024 regulatory bulletin.

In it we cover both Irish domestic developments and EU developments relevant to the asset management and investment funds space. You can find more detail in our monthly bulletin on our website. On the domestic side we include a list of compliance deadlines.

We have an update on the Central Bank of Ireland's approach to the ELTIF. The Central Bank of Ireland wrote to Irish fund management companies regarding asset valuations. Fund management companies must conduct a review of their asset valuation frameworks by 30th June 2024.

New UCITS and AIFMD regulations issued which align depository insolvency provisions with EU directives. On fitness and probity and individual accountability, the Central Bank of Ireland issued final guidance on the individual accountability framework, a feedback statement in respect of its consultation on the individual accountability framework, updated fitness and probity standards, updated guidance on the fitness and probity standards, as well as new certification regulations, holding company regulations and regulations providing new and abandoned PCF roles.

And in EU and international developments, ESMA published its planned consultations for 2024. ESMA published draft regulatory technical standards for ELTIF II. ESMA pushed out its timeline for its guidelines on ESG and sustainability related terms in fund names.

The FSB published revised policy recommendations to address structural vulnerabilities from liquidity mismatch in open-ended funds and IOSCO published anti-dilution liquidity management tools, guidance for effective implementation of the recommendations for liquidity risk management for collective investment schemes.

We look at developments on benchmarks regulation, including an ESMA statement on the consequences of Brexit for benchmark administrators and third country benchmarks, an extension of the benchmarks regulation transitional period to 31 December 2025, and the proposed regulation amending the benchmarks regulation, which would apply from 1 January 2026.

ESMA issued its sixth market report on the costs and performance of EU retail investment products. The Commission adopted draft regulations for cross-border notifications of UCITS and AIFs, UCITS, ManCos and AFIMs.

These have yet to be published in the official journal. We look at EMIR reporting with new EMIR refit measures to apply from 29 April 2024. ESMA updated its MMF stress testing guidelines. We look at Commission notices with frequently asked questions on the taxonomy regulation.

ESMA launched a common supervisory action to assess the implementation of pre-trade controls by EU investment firms using algorithmic trading techniques. ESMA published a discussion paper on the digitalisation of retail investment services and related investor protection considerations, closing 14 March 2024.

ESMA launched a consultation on a set of draft guidelines on enforcement of sustainability information, closing 15 March 2024, with final guidelines expected in Q3 2024. Legislation issued in respect of the European single access point with ESMA due to establish and operationalise the ESAP by 10 July 2027.

On AML/CFT/FS, the EU list of high-risk third countries is updated to remove the Cayman Islands and Jordan from 7 February 2024. We have an update on the new EU Anti-Money Laundering Authority and the EU/AML/CFT package.

And that's our January 2024 summary. My email address is ngreene@algoodbody.com. Thank you.