

Asset Management & Investment Funds - Monthly update - March 2023

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 and Investment Funds team. I am going to summarise our March 2023 regulatory bulletin.

In it we cover both the 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, the Central Bank issued a letter setting out its expectations around costs and fees for UCITS and AIFs.

The Central Bank Individual Accountability Framework Act 2023 was enacted. The Central Bank launched a consultation on the implementation of the Individual Accountability Framework. The Central Bank set out its expectations of regulated financial service providers in 2023 in the context of its securities markets risk outlook.

The Central Bank issued guidance and clarification on UCITS PRIIPs KID filing requirements. The Central Bank issued updated guidance on marketing requirements for UCITS and AIFs. The Central Bank notified changes to the fitness and probity application process for PCFs, effective 24 April 2023.

The Central Bank expects full compliance with ESMA guidelines on stress test scenarios under the MMF 4 from 27 March 2023. The Central Bank will consult on the incorporation of a provision in the Central Bank UCITS regulations and AF rulebook that all managers of MMFs adhere to the guidance.

The Central Bank wound down its COVID-19 regulatory flexibility measures. The Central Bank emphasised the importance of diversity and inclusion within the financial services sector. The Central Bank issued two market updates.

And on EU developments, Verena Ross, Chair of ESMA, spoke on the supervision of investment funds highlighting liquidity and leverage risks and ESMA expectations. We look at greenwashing developments. The ELTIF updating directive was published and will come into effect on 10 January 2024.

ESMA issued a new Q&A on AIFMD. ESMA published a letter on market abuse insider list proposals. MiFIR and MiFID II reforms are progressing through the legislative process and ESMA issued its final report on guidelines on MiFID II product governance.

The European Commission published a call for evidence on the scope and third-party regime of the Benchmarks Regulation. Central Securities Depository's regulation reform continues through the EU legislative process.

A corrigendum to the PRIIPs KID Delegation Regulation was published correcting some detailed methodologies. And on AML, CFT and financial sanctions, the Financial Task Force suspended membership of the Russian Federation. The FATF updated its grey list, the FATF updated its guidance on beneficial ownership of legal persons and its guidance on beneficial ownership of legal arrangements. And the EU adopted a 10th package of sanctions against Russia.

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