



FOCUS

AIFMD & UCITS V Level 2

Updated in July 2021

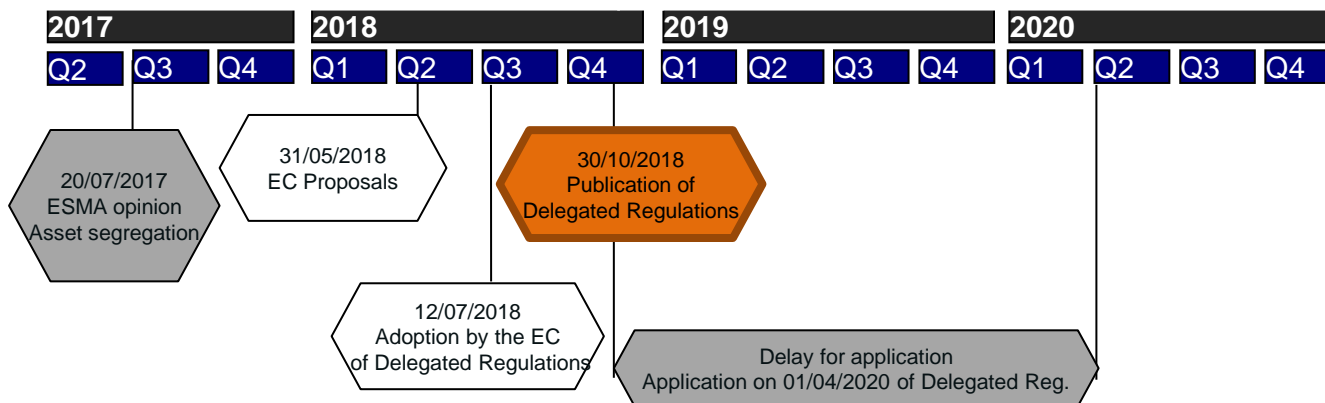
REGULATORY EVOLUTION

- Following ESMA Opinion on “Asset Segregation and depositary delegation rules to CSDs” published on 20 July 2017, the European Commission (EC) has issued on 31 May 2018 two proposals related to :
 - the review of Level 2 of AIFMD
 - and the review of Level 2 of UCITS V Directive

- Adoption on 12 July 2018 by the EC of those two delegated regulations
- Publication on 30 October 2018 in the Official Journal of the EU of those two delegated regulations
- The main purpose of these regulations is to eliminate discrepancies related to asset segregation among different national regulations. They set out detailed requirements where custody is delegated to a third party

FOCAL POINTS

- These Delegated Regulations amend AIFMD/UCITS Delegated Regulations sections where a depositary delegates safe-keeping functions to third parties (custodians)



Updated on 6 July 2021

• 1 April 2020: Application of the Delegated Regulations

STATEMENT

- ❑ Following the public consultation answered on 26 June 2018, the European Commission deferred the application date of those regulations for 18 months after their date of publication (instead of 6 months as initially envisaged)
- ❑ So, the final regulations will apply 18 months after their publication
- ❑ 12 July 2018 : the Commission adopted those regulations
- ❑ 2 October 2018: Council of the EU non-objection to Delegated Regulations on depositaries' safe-keeping obligations under AIFMD and UCITS
- ❑ **30 October 2018**: Publication in the Official Journal of the EU of two Delegated Regulations amending AIFMD and UCITS Delegated Regulations

FOR YOUR CONSIDERATION

- ❑ **1 April 2020: Application of the Delegated Regulations**
- ❑ The following aspects are notably amended:
 - Increased record keeping requirements for depositaries concerning delegation of custody
 - Review of process with sub-custodians
 - Legal Opinions are necessary for AIFs, as they already are for UCITS

Contact: SGSS/CAO/REG

marie-claire.de-saint-exupery@sgss.socgen.com

"This document is for informational purposes only. Under no circumstance should it, in whole or in part, be considered as an offer to enter into a transaction. This document is not intended to have an advisory character or intended to represent an investment recommendation or a recommendation regarding a certain strategy, product or service. Although information contained herein is from sources believed to be reliable, Société Générale makes no representation or warranty regarding the accuracy of any information and is not responsible for errors of any kind. Any reproduction, disclosure or dissemination of these materials is prohibited. The products and services described within this document are not suitable for everyone. This document is not intended for use by or targeted at retail customers. All of the products and/or services described may not be available in all jurisdictions"