



Review of
AIFMD – Level 1

FOCUS

Updated in September 2020

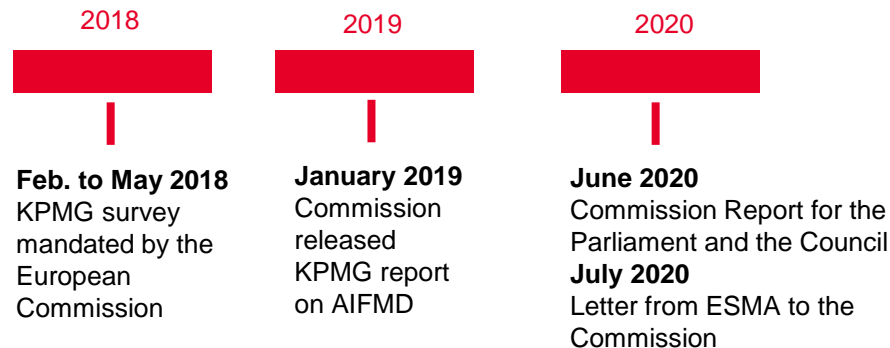
REGULATORY EVOLUTION

- Review of AIFMD Level 1 by the European Commission should have started by July 2017. Due to the European's focus on competing priorities such as Brexit, this process has been delayed

- The European Commission has mandated KPMG to carry out a survey on the functioning of AIFMD to assess:
 - how the AIFMD has worked in practice
 - and to what extent the AIFMD objectives have been achieved and have provided added value

FOCAL POINTS

- The survey seeks for the view of stakeholders in particular on:
 - AIFMD's impact on the information provided to investors before they invest
 - Whether retail investors are affected by AIFMD
 - Whether other regulation has assisted or hindered the achievement of the AIFMD's objectives



Updated on 15 September 2020

STATEMENT

- ❑ On February 2018 KPMG published an online survey among the stakeholders most affected by AIFMD (such as Asset Managers, local regulators, depositaries) and conducted on May 2018 semi-structured interviews with trade associations
- ❑ Main message from European and French depositaries in response to KPMG survey in March 2018 and interviews in May 2018:
 - AIFMD is functioning satisfactorily and disruption from further regulatory changes would be unnecessary
- ❑ **10 January 2019:** publication by the Commission of KPMG Report on the Operation of the AIFMD
- ❑ Key findings of this first step in the process review in this report:
 - AIFMD has significantly contributed to creating a single market for AIFs by establishing an harmonized regulatory framework
 - Most of the AIFMD provisions are assessed as having achieved their objectives
 - Some areas require further analysis: diverging interpretations of rules by NCAs and overlaps in reporting requirements with other European rules
- ❑ **10 June 2020: Commission published its own [report](#)** on the review of the AIFMD for the Council and Parliament on the impact of the Directive on AIFs, AIFMs and investors and the monitoring of systemic risk. It is based notably on KPMG analysis. This report confirms that the objectives pursued by AIFMD have been achieved.
- ❑ **18 August 2020: ESMA sent [a letter to the Commission](#)** regarding the AIFMD review to highlight recommendations for changes in areas such as: the harmonization of AIFMD and UCITS regimes, delegation and substance, liquidity management tools, leverage, the AIFMD reporting regime and data use, the harmonization of supervision of cross-border entities and the study of a depositary passport.

FOR YOUR CONSIDERATION

- ❑ **Next steps: the Commission will launch [a detailed Consultation in Autumn 2020](#).** And a legislative proposal is expected in the course of 2021

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