



# Asset Management & Investment Funds

January 2026

## Key Dates & Deadlines: Q1 2026

The following are key dates and deadlines in Q1 2026 and some key future 2026 dates along with possible impacts and action items arising for fund managers.

Date & Source	Summary	Action / Impact
December 2025 / January 2026 	CBI tokenisation discussion paper  The Central Bank of Ireland, in its 2025 Regulatory & Supervisory Outlook, said that it intends to publish a Discussion Paper on the potential application of tokenisation within investment funds. The anticipated date of issue is by the end of January.	Please see article on the topic in the November 2025 update for further details.
1 January 2026 	EU Benchmarks Regulation revisions  Effective date for revisions to the EU Benchmarks Regulation. The regulatory burden will be reduced for administrators and users of non-significant benchmarks by limiting the scope to "critical", "significant", Paris-aligned, climate-transition and certain commodity benchmarks.	Please see article on the topic in the <a href="#">November 2025</a> update for further details
20 January 2026 	ESMA webinar key findings on the impact of ESMA guidelines on the use of ESG-related terms  A webinar is scheduled to deliver the findings of this report.	
11 February 2026	SFDR 2.0 consultation  Deadline for responding to the European Commission consultation on SFDR 2.0 proposals.	
24 March 2026 	CBI Standards for Business Regulations  The Central Bank of Ireland's revised Consumer Protection Code, which comprises of Standards for Business Regulations and Consumer Protection Regulations and related guidance, begins to apply.	

16 April 2026	<p>National transposition of AIFMD 2.0</p> <p>Date by which member states must transpose into national law the changes to AIFMD and UCITS directive</p>	<p>Note the enhanced reporting regime is not due to take effect until April 2027.</p> <p>Funds in existence prior to 16 April 2026 have 12 months to comply with the liquidity management tools provisions.</p> <p>Please see article on the topic in the December update for further details.</p>
<p>30 June 2026</p> 	<p>Gender balance regulations</p> <p>Deadline for any fund falling within the scope of the European Union (Gender Balance on Boards of Certain Companies) Regulations 2025 to ensure that at least 40% of its non-executive directors are members of the underrepresented sex, whether the underrepresented sex is male or female.</p>	
<p>2 July 2026</p> 	<p>EU ESG Ratings Regulation</p> <p>The new framework under the EU ESG Ratings Provider regime begins to apply.</p>	<p>Marketing communications referencing an ESG rating will be required to include a weblink to detailed information relating to that ESG rating. The European Commission announced in October 2025 that it has deprioritised the adoption of regulatory technical standards under this framework until October 2027 at the earliest.</p>

## Updated ESMA guidelines on liquidity management tools for UCITS & open-ended AIFs under AIFMD 2.0

ESMA has revised its guidelines on LMTs for UCITS and open-ended AIFs (LMT Guidelines). On 15 April 2025 ESMA issued LMT Guidelines alongside regulatory technical standards (RTS) to determine the characteristics of LMTs available to AIFMs managing open-ended AIFs and to UCITS.

These RTS were published in final form by the European Commission on 17 November 2025. A number of amendments were made to the original text. Some of those amendments have an impact on the LMT Guidelines.

To ensure complete consistency between the Guidelines and the RTSs as adopted by the EC, ESMA has made some targeted amendments to the Guidelines.

### Targeted amendments

These targeted amendments relate to the following areas:

1. Redemption gates; and
2. Transaction costs for anti-dilution LMTs.

The LMT Guidelines are a useful tool to assess the LMT requirements of each sub-fund under management. They will support fund management companies assessing what changes may need to be made to current liquidity policies and procedures.

ESMA believes it is important to publish the revised LMT Guidelines prior to the entry into force of the RTS to ensure that stakeholders are provided in a timely manner with the relevant guidance. ESMA will monitor whether there is any need to further amend the Guidelines before the entry into force of the RTS.

The amendments are:

	Amendments made by the EC to the draft RTS on redemption gates and transaction costs	Corresponding amendments made by ESMA to the Guidelines
<b>AIFMD</b>	Inclusion of 'investor-level' redemption gates (see Recital 3 and Article 2 of the AIFMD RTS)	NEW paragraph 27.a:  <i>"Fund managers of AIFs with no retail investors and with a limited number of professional investors should consider investor-level redemption gates, alone or in combination with fund-level gates, to mitigate first mover advantage."</i>
<b>AIFMD and UCITS</b>	Calculation of implicit costs for anti-dilution LMTs only where appropriate to the investment strategy of the fund and on a best effort basis (see Article 4 to 7 of the UCITS and AIFMD RTS)	Amended paragraph 37:  <i>"Fund managers should activate ADTs both under normal and stressed market conditions to impose the estimated costs of liquidity on subscribing and/or redeeming investors. The estimated cost of liquidity should:</i>  43. include explicit transaction costs of subscriptions, repurchases or redemptions;

## Background

As a reminder, the LMT changes are introduced as part of AIFMD II. This will enter into force on 16 April 2026. Existing UCITS and AIFs will be able to avail of a 12-month transition period to comply with the requirements. See our article in the December 2025 update describing the LMT changes in detail and the steps that fund management companies should consider to comply with the requirements.

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## Guidelines for ESG-related terms in fund names: ESMA reviews impact

ESMA released research on 17 December 2025 assessing the impact of its fund naming guidelines on ESG and sustainability-related terms.

The study found that ESMA's Guidelines have:

- Improved consistency in the use of ESG terms by increasing alignment of fund names and their actual investment strategies.
- Enhanced investor protection by reducing greenwashing risks.

## Sample, name changes and investment policy updates

The research drew from nearly 1,000 shareholder notifications as a consequence of the ESMA Guidelines from the 25 largest EU asset managers with EUR 7.5 trillion in assets under management. The study found that:

- 64% of the funds mentioned in shareholder notifications changed their name, in most cases to avoid the use of ESG related terminology.
- 56% updated their investment policies to strengthen their sustainability focus.

### **Fossil fuel-related exclusions**

The study then focuses on the impact of the fossil fuel-related exclusions on 4,000 EU funds using ESG terminology in their names, with EUR 2 trillion in assets under management. The analysis shows that:

- Funds with higher fossil fuel exposures were more likely to remove ESG terms from their names, underscoring how portfolio composition influences compliance choices.
- Since the publication of the guidelines, funds retaining ESG terms in their names have reduced their portfolio share of fossil fuel holdings more than all other funds, suggesting efforts to green their portfolios.

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## **European Commission opens consultation on SFDR 2.0**

The European Commission (EC) has published a consultation on the SFDR 2.0 proposals issued on 20 November 2025. The deadline for feedback is 11 February 2026.

Feedback provided to the EC by this deadline will be summarised by the EC and transmitted to the European Parliament and the Council with a view to informing legislative discussions on its SFDR 2.0 proposal. Irish Funds will be contributing to the feedback via its specialist working group.

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## **EC markets Integration and Supervision: Key proposals for investment funds**

The European Commission (EC) published its much-anticipated Market Integration and Supervision Package on 4 December 2025. The measures are wide-ranging. In this article we note some key proposed changes to AIFMD, the UCITS Directive and the Cross-border Distribution of Funds Regulation (CBDR). There are also proposed changes to the legislative frameworks regulating asset management, trading, post-trading, innovation, and the supervisory structure.

This comprehensive package of measures adopted is designed to remove barriers and unlock the full potential of the EU single market for financial services. It is a central component of the Savings and Investments Union (SIU) strategy. The next step is negotiation and approval by the European Parliament and the Council.

### **Product passporting/fund registration streamlining**

- A new “passporting upon authorisation” regime which will grant UCITS funds and AIFs, through their AIFMs, immediate single market access to their chosen Member States upon authorisation.
- The cross-border marketing rules in the UCITS Directive and AIFMD will move to the CBDR regulation and are amended to optimise marketing notification and de-notification procedures.
- CBDR is amended to clarify that AIFMs, EuVECA and EuSEF managers and UCITS management companies should ensure that the requirements on marketing communications are met even when the marketing function is delegated to a third party. However, where the marketing is performed by third-party distributors acting on their own behalf so that the AIFMs and UCITS management companies are no longer in control of the marketing function, the AIFMs and UCITS management companies are not subject to the requirements on marketing communications.
- Host Member States cannot impose any additional requirements on marketing communications than the ones laid down in Article 4. The EC is empowered to adopt delegated acts to specify the format and content of marketing communications.
- CBDR is amended to reduce diverging national practices on marketing communications and the payment of regulatory fees and charges.
- The competent authorities of host Member States shall not require prior notification of marketing communications.

- ESMA to publish and maintain up-to-date information on the regulatory fees and changes imposed by host competent authorities to AIFMs, EuVECA managers, EuSEF managers and UCITS marketing AIFs or UCITS in their territories, including the level and frequency of those fees and payment.
- ESMA will develop an interactive IT system serving as a single access point for the cross-border marketing of UCITS and AIFs, including European Venture Capital Funds (EuVECAs), European Social Entrepreneurship Funds (EuSEFs) and European long-term investment funds (ELTIFs) to facilitate information and document exchange between home and host competent authorities and avoid delays caused by bilateral transmissions among competent authorities.
- Simplification of the de-notification of arrangements made for the marketing of units or shares of UCITS or AIFs. The existing 36-month prohibition of pre-marketing of units or shares of EU AIFs with similar investment strategies in the Member State identified in the de-notification is removed.

### UCITS Investment restrictions

- Adjustments to the UCITS investment limits: The UCITS Directive is amended to increase the current 10% limit on debt securities issued by a single entity to 15% for UCITS investing in securitisations issued in accordance with the Securitisation Regulation, recognising their distinct characteristics and regulatory safeguards.
- The UCITS Directive is amended to extend the 20% issuer limit currently applicable to index-tracking UCITS to UCITS that are managed by reference to an index that is recognised by ESMA.
- Note Annex II changes now aligns the description of UCITS investment management functions with AIFMD i.e. portfolio management & risk management

### ManCo Regulation

- Maximum harmonisation for rules of conduct and prudential rules for AIFMs and management companies. Currently these are fragmented as local NCA can impose local gold plating supplementing the UCITS Directive/AIFMD.
- Simplification of the disclosure obligations of AIFMs and management companies that manage or intend to manage UCITS or AIFs at the initiative of a third party. Instead of actively disclosing detailed information and evidence under conflict of interest rules, the proposed change will now require AIFMs and management companies to disclose this relationship to the competent authorities of their home Member State at the time of authorisation and to be in a position to demonstrate to them upon request that they have taken all reasonable steps to identify, prevent, manage, monitor or, where applicable, disclose conflicts of interest.
- Optimisation of the management passport for management companies and AIFMs – reduction of times by which home and host member states must transmit information and providing that a host Member State should not impose any additional requirements to the management companies operating in their territory.
- Entities within the EU group would be able to share and rely on each other's human and technical resources and allocate functions within the group without being subject to the delegation requirements under the UCITS Directive and AIFMD. UCITS management companies and AIFMs would, however, remain fully responsible for the functions or services carried out by other entities within the group and must ensure that such reliance does not reduce them to mere “letter box” entities.

### Role of NCAs

- ESMA will not directly supervise investment funds and fund managers; they will continue to be supervised by national competent authorities.
- ESMA is given a mandate to draw up guidelines for certain provisions e.g. **procedures & timelines** to be followed as part of application for authorisation of UCITS and ManCos, **ManCo prudential rules, conduct rules**
- **ESMA review of large groups of management companies and AIFMs** (aggregate EU wide NAVs of management companies and AIFMs within the group >€300 billion established or managing and marketing in > 1 Member State)
- ESMA powers to address cross-border issues

## UCITS KIIDs

- Removal of UCITS KIID provisions: The UCITS Directive stipulates that where a PRIIPs KID is made available to retail investors, the requirement to provide a UCITS KIID is fulfilled. Therefore, the practical use of the UCITS KIID remains with professional clients only. However, professional investors do not require a generic UCITS KIID. Thus, the requirement to provide a UCITS KIID where there is no PRIIP KID is no longer necessary.

## Depositary Passport

An EU Depositary Passport is proposed that would allow AIFMs and UCITS to appoint a depositary located anywhere in the EU and allow depositaries to offer cross-border services. This was an unexpected inclusion given a political compromise agreed as part of the AIFMD II review, with Member State discretions concluded in April 2025. Ireland opted not to exercise the national discretion that would permit an Irish-domiciled AIF to appoint a depositary established in another Member State.

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## Updated ESMA Q&As - exclusions

ESMA published updated Q&As for AIFMs and UCITS including one clarifying the exclusion related to UNGC/OECD Guidelines.

### Question

For the purposes of applying the exclusions in paragraphs 16 – 18 of the ESMA Guidelines on fund names, how should fund managers apply the exclusion referred to in the EU Climate Transition and Paris-Aligned Benchmarks Regulation “*companies that benchmark administrators find in violation of the United Nations Global Compact (UNGC) principles or the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises*”?

For the purposes of applying the Guidelines, the exclusion should be understood as “companies that fund managers find in violation of the United Nations Global Compact (UNGC) principles or the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises”.

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## ESMA publishes 2024 data on cross-border investment activity of firms

Data was gathered from investment firms across 30 jurisdictions in the EU/EEA.

The main findings include:

- Around 370 financial firms provided cross-border services to retail clients.
- Approximately 10.5 million clients in the EU/EEA received investment services from firms located in other Member States.
- Compared to 2023:
  - The number of firms decreased by 4%.
  - The number of retail clients rose by 32%.
  - Complaints increased by 46%.
- Cyprus leads as the primary location for firms providing cross-border investment services in the EU/EEA, accounting for 21% of passporting firms, followed by Luxembourg (15%) and Germany (13%).
- Germany, France, Spain, and Italy are the most significant destinations for retail clients receiving cross-border services in other Member States.

ESMA will perform the next data collection in 2026.

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