

FISMA/14081 - AIFMD/UCITS review

Meeting date and place

Meeting held on 15/06/2022 10:45 SPA2

Participating organisation(s) representative(s)

██████████	Bundesverband Alternative Investments e.V.	Participant
██████████	The Alternative Investment Management Association Limited	Contact
██████████	The Alternative Investment Management Association Limited	Contact, Participant, Requester
██████████	The Alternative Investment Management Association Limited	Participant
██████████	The Alternative Investment Management Association Limited	Participant

Main issues discussed

Good proposal on AIFMD review.

LOF.

- Concern about the 5% threshold
- Increasing investors demand for open-ended structures with flexible/ad-hoc characteristics.
- Usually, no direct loan to retail investors. Loans to retail are made by platforms that sale the loans (pools of loans , packaged loans) to the funds. There is a risk with regard to the interpretation of the concentration limits (look-through approach?).
- Importance to foster cross-border activities (no barrier to grant loans on a cross-border basis). Importance to be clear about the fact that MSs cannot block cross-border lending activity by imposing their national frameworks.
- Question about the loan granted by a SPV owned by the AIF and whether this would be covered by the new provisions on ancillary services.

Leverage:

- The limit introduced at the council level is a major negative point, also considering that the 60% threshold has been removed. Proposal: LOF should be defined as funds investing more than 60% in originated loans and apply the leverage limits only to these LOFs. There should be a buffer (40%, 50% or 60%) to exclude funds from the LOF definition where their lending activity is ancillary.
- Issue with the notion of group and conflict of interests (is the AIF part of the "group" of the AIFM, considering their control on AIFs?).

Depository passport:

- In favour of a depository passport, as an extension of the MIFID passport (custodian service can be provided on a cross border basis, in certain MSs all the activities are outsourced).

LMTs

- AIFMS are keen to have a wide range of LMTs.
- This is part of the liquidity risk management and stress testing process.
- There should be used on an ex-ante basis.
- Side pockets are also used to compartment illiquid investments (e.g. distressed funds) and not only assets that have become illiquid.

Directorate or unit

FISMA.C.4

Internal participants

[REDACTED]	FISMA C/4	[REDACTED]	Participant
[REDACTED]	FISMA C/4	[REDACTED]	Participant, Requested for
[REDACTED]	FISMA C/4	[REDACTED]	Notetaker, Participant

Author(s) of minutes

[REDACTED]

Validator and validation date

[REDACTED]

