



STATUTORY INSTRUMENTS.

S.I. No. 181 of 2026



EUROPEAN UNION (ALTERNATIVE INVESTMENT FUND
MANAGERS) (AMENDMENT) REGULATIONS 2026

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I, SIMON HARRIS, Minister for Finance, in exercise of the powers conferred on me by section 3 of the European Communities Act 1972 (No. 27 of 1972) and for the purpose of giving further effect to Directive 2011/61/EU of the European Parliament and Council of 8 June 2011¹, as amended by Directive (EU) 2024/927 of the European Parliament and of the Council of 13 March 2024², hereby make the following regulations:

Citation and commencement

1. (1) These Regulations may be cited as the European Union (Alternative Investment Fund Managers) (Amendment) Regulations 2026.
- (2) These Regulations (other than Regulation 14) shall come into operation on 1 May 2026.
- (3) Regulation 14 shall come into operation on 16 April 2027.

Definition

2. In these Regulations, “Principal Regulations” means the European Union (Alternative Investment Fund Managers) Regulations 2013 (S.I. No. 257 of 2013).

Amendment of Regulation 5 of Principal Regulations

3. Regulation 5 of the Principal Regulations is amended, in paragraph (1)—
 - (a) by the insertion of the following definitions:

“ ‘capital of the AIF’ means aggregate capital contributions and uncalled capital committed to an AIF, calculated on the basis of amounts investible after the deduction of all fees, charges and expenses that are directly or indirectly borne by investors;

‘central securities depository’ means a central securities depository as defined in Article 2(1)(1) of Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014³;

‘leveraged AIF’ means an AIF whose exposures are increased by the AIFM that manages it, whether through borrowing of cash or securities, leverage embedded in derivative positions or any other means;

¹ OJ No. L. 174, 1.7.2011, p. 1.

² OJ L, 2024/927, 26.03.2024.

³ OJ No. L. 257, 28.8.2014, p.1.

‘loan-originating AIF’ means an AIF—

- (a) whose investment strategy is mainly to originate loans, or
- (b) whose originated loans have a notional value that represents at least 50 per cent of its net asset value;

‘loan origination’ or ‘originating a loan’ means the granting of a loan—

- (a) directly by an AIF as the original lender, or
 - (b) indirectly through a third party or special purpose vehicle which originates a loan—
 - (i) for or on behalf of the AIF, or
 - (ii) for or on behalf of an AIFM in respect of the AIF, where the AIFM or AIF, as the case may be, is involved in—
 - (I) structuring the loan, or
 - (II) defining or pre-agreeing the characteristics of the loan,
- prior to gaining exposure to the loan;

‘shareholder loan’ means a loan which—

- (a) is granted by an AIF to an undertaking in which it holds directly or indirectly at least 5 per cent of the capital or voting rights, and
 - (b) cannot be sold to third parties independently of the capital instruments held by the AIF in the same undertaking;”,
- (b) by the substitution of the following definition for the definition of “Directive”:

“ ‘Directive’ means Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011⁴, as amended by—

- (a) Directive 2013/14/EU of the European Parliament and of the Council of 21 May 2013⁵,
- (b) Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014⁶,
- (c) Directive (EU) 2016/2341 of the European Parliament and of the Council of 14 December 2016⁷,

⁴ OJ No. L 174, 1.7.2011, p. 1.

⁵ OJ No. L 145, 31.5.2013, p. 1.

⁶ OJ No. L 173, 12.6.2014, p. 349.

⁷ OJ No. L 354, 23.12.2016, p. 37.

- (d) Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017⁸,
- (e) Directive (EU) 2019/1160 of the European Parliament and of the Council of 20 June 2019⁹,
- (f) Directive (EU) 2019/2034 of the European Parliament and of the Council of 27 November 2019¹⁰,
- (g) Directive (EU) 2022/2556 of the European Parliament and of the Council of 14 December 2022¹¹,
- (h) Directive (EU) 2023/2864 of the European Parliament and of the Council of 13 December 2023¹², and
- (i) Directive (EU) 2024/927 of the European Parliament and of the Council of 13 March 2024¹³,”

and

- (c) by the substitution of the following definition for the definition of “professional investor”:

“ ‘professional investor’ means an investor which is considered to be a professional client or may, on request, be treated as a professional client in accordance with Schedule 2 to the European Union (Markets in Financial Instruments) Regulations 2017 (S.I. No. 375 of 2017);”.

Amendment of Regulation 7 of Principal Regulations

4. Regulation 7 of the Principal Regulations is amended—

- (a) in paragraph (4)—
 - (i) in subparagraph (b)—
 - (I) in clause (iii), by the substitution of “to financial instruments;” for “to financial instruments.”, and
 - (II) by the insertion of the following clause after clause (iii):
 - “(iv) any other function or activity which is already provided by the AIFM in relation to an AIF that it manages in accordance with this Regulation, or in relation to services that it provides in accordance with this paragraph, provided that any potential conflict of interest created by the provision of that function or activity to other parties is appropriately managed;”

⁸ OJ No. L. 347, 28.12.2017, p. 35.

⁹ OJ No. L. 188, 12.7.2019, p. 106.

¹⁰ OJ No. L. 314, 5.12.2019, p. 64.

¹¹ OJ No. L. 333, 27.12.2022, p. 153.

¹² OJ L, 2023/2864, 20.12.2023.

¹³ OJ L, 2024/927, 26.03.2024.

and

- (ii) by the insertion of the following subparagraphs after subparagraph (b):

- “(c) administration of benchmarks in accordance with Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016¹⁴;

- (d) credit servicing activities in accordance with the European Union (Credit Servicers and Credit Purchasers) Regulations 2023 (S.I. No. 644 of 2023).”;

- (b) in paragraph (5)—

- (i) by the deletion of subparagraph (b),

- (ii) in subparagraph (c), by the substitution of “Schedule 1,” for “Schedule 1; or”;

- (iii) in subparagraph (d), by the substitution of “or vice versa, or” for “or vice versa.”; and

- (iv) by the insertion of the following subparagraph after subparagraph (d):

- “(e) administration, in accordance with Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016¹⁵, of benchmarks which are used in the AIFs that they manage.”;

and

- (c) by the substitution of the following paragraph for paragraph (6):

- “(6) Where the services referred to in paragraph (4)(a) and (b) concerning one or more of the instruments listed in Part 3 of Schedule 1 to the European Union (Markets in Financial Instruments) Regulations 2017 are provided by an AIFM, the following provisions of those Regulations shall apply, subject to the modification that a reference in any of the provisions to an investment firm shall be construed as a reference to an AIFM:

- (a) Regulation 4(2);

- (b) Regulation 9(10);

- (c) subparagraphs (a) to (f) and (i) to (m) of paragraph (1) and paragraphs (4) to (13) of Regulation 23;

- (d) Regulation 30;

- (e) Regulation 31;

¹⁴ OJ No. L. 171, 29.6.2016, p. 1.

¹⁵ OJ No. L. 171, 29.6.2016, p. 1.

- (f) Regulation 32(1) to (20)
- (g) Regulation 33;
- (h) Schedule 3;
- (i) Schedule 4;
- (j) Schedule 5.”.

Amendment of Regulation 8 of Principal Regulations

5. Regulation 8 of the Principal Regulations is amended—

(a) by the substitution of the following paragraph for paragraph (2):

“(2) An AIFM that applies for such an authorisation shall provide to the Bank the following information relating to the AIFM:

- (a) information about the persons effectively conducting the business of the AIFM, in particular with regard to the functions referred to in Schedule 1, including—
 - (i) a description of the role, title and level of seniority of those persons,
 - (ii) a description of the reporting lines and responsibilities of those persons within and outside the AIFM,
 - (iii) an overview of the amount of time that each of those persons allocates to each responsibility,
 - (iv) a description of the human and technical resources that support the activities of those persons;
- (b) the legal name and relevant identifier of the AIFM;
- (c) information on—
 - (i) the identities of the AIFM’s shareholders or members, whether direct or indirect and whether natural or legal persons, that have qualifying holdings, and
 - (ii) the amounts of those holdings;
- (d) a programme of activity setting out the organisational structure of the AIFM, including information on how the AIFM intends to comply with its obligations under—
 - (i) Part 2, Chapters 1 to 5 of Part 3 and, where applicable, Chapters 6 to 9 of Part 3, and
 - (ii) Article 3(1), Article 6(1)(a), and Article 13 of Regulation (EU) 2019/2088 of the European

Parliament and of the Council of 27 November 2019¹⁶,

and a detailed description of the appropriate human and technical resources to be used by the AIFM to that effect;

- (e) information on the AIFM's remuneration policies and practices pursuant to Regulation 14;
- (f) information on arrangements made for the delegation and sub-delegation to third parties of functions in accordance with Regulation 21, comprising at least the following:
 - (i) for each delegate—
 - (I) its legal name and relevant identifier,
 - (II) its jurisdiction of establishment, and
 - (III) where relevant, its supervisory authority;
 - (ii) a detailed description of the human and technical resources employed by the AIFM for—
 - (I) performing day-to-day portfolio management or risk management tasks within the AIFM, and
 - (II) monitoring the delegated activity;
 - (iii) in respect of each of the AIFs that the AIFM manages or intends to manage—
 - (I) a brief description of the delegated portfolio management function, including whether such delegation amounts to a partial or full delegation, and
 - (II) a brief description of the delegated risk management function, including whether such delegation amounts to a partial or full delegation;
 - (iv) a description of the periodic due diligence measures to be carried out by the AIFM to monitor the delegated activity.”,

and

- (b) by the substitution of the following paragraph for paragraph (5):

“(5) In each year, the Bank shall, on a quarterly basis, notify ESMA of authorisations granted or withdrawn in accordance with this Part, and of any changes to the list of AIFs managed or marketed in the European Union by authorised AIFMs.”.

¹⁶ OJ No. L. 317, 9.12.2019, p. 1.

Amendment of Regulation 9 of Principal Regulations

6. Regulation 9(1)(a) of the Principal Regulations is amended—

- (a) by the substitution of the following clause for clause (iii):
 - “(iii) the persons who effectively conduct the business of the AIFM are of sufficiently good repute and are sufficiently experienced also in relation to the investment strategies pursued by each AIF managed by the AIFM;”,
- and
- (b) by the insertion of the following clauses after clause (iii):
 - “(iiia) the names of the persons referred to in clause (iii) and of every person succeeding them in the office are communicated forthwith to the Bank;
 - (iiib) the conduct of the business of the AIFM is decided by at least 2 natural persons who—
 - (I) meet the conditions specified in clause (iii),
 - (II) either are employed full-time by that AIFM or are executive members or members of the governing body of the AIFM committed full-time to conducting the business of that AIFM, and
 - (III) are domiciled in the European Union;”.

Amendment of Regulation 15 of Principal Regulations

7. Regulation 15 of the Principal Regulations is amended by the insertion of the following paragraphs after paragraph (2):

“(2A) Where—

- (a) an AIFM manages or intends to manage an AIF at the initiative of a third party, including in a case where that AIF uses the name of a third party initiator or where an AIFM appoints a third party initiator as a delegate pursuant to Regulation 21, and
- (b) the State is the home Member State of the AIFM,

the AIFM shall, taking account of any conflicts of interest, submit to the Bank detailed explanations and evidence of the AIFM’s compliance with paragraphs (1) and (2) of this Regulation.

(2B) The AIFM shall specify, in the explanations provided under paragraph (2A)—

- (a) the reasonable steps it has taken to prevent conflicts of interest arising from the relationship with the third party, or
- (b) where those conflicts of interest cannot be prevented, how it identifies, manages, monitors and, where

applicable, discloses those conflicts of interest in order to prevent them from adversely affecting the interests of the AIF and its investors.”.

Amendment of Regulation 16 of Principal Regulations

8. Regulation 16 of the Principal Regulations is amended—

- (a) in paragraph (6)—
 - (i) in subparagraph (c), by the substitution of “and offering documents;” for “and offering documents.”, and
 - (ii) by the insertion of the following subparagraph after subparagraph (c):
 - “(d) for loan-originating activities, implement effective policies, procedures and processes for the granting of loans.”,

and

- (b) by the insertion of the following paragraphs after paragraph (6):
 - “(6A) For the purposes of paragraph (6)(d), in a case in which an AIFM manages AIFs that engage in loan origination, including where those AIFs gain exposure to loans through third parties, the AIFM shall—
 - (a) implement effective policies, procedures and processes for assessing the credit risk and for administering and monitoring its credit portfolio,
 - (b) keep those policies, procedures and processes up to date and effective, and
 - (c) review those policies, procedures and processes regularly and at least once a year.
 - (6B) Without prejudice to Regulation 13(1)(b), the requirements set out in paragraph (6)(d) and paragraph (6A) shall not apply to the origination of shareholder loans where the notional value of such loans does not exceed in aggregate 150 per cent of the capital of the AIF.”.

Loan origination

9. The Principal Regulations are amended by the insertion of the following Regulation after Regulation 17:

“Loan origination

17A. (1) Where an AIF managed by an AIFM originates loans, the AIFM shall ensure that the notional value of the loans originated to any single borrower by that AIF does not exceed in aggregate 20 per cent of the capital of the AIF where the borrower is one of the following:

- (a) a financial undertaking as defined in Regulation 3 of the European Union (Insurance and Reinsurance) Regulations 2015 (S.I. No. 485 of 2015);
- (b) an AIF;
- (c) a UCITS.

(2) The restriction set out in paragraph (1) shall be without prejudice to the thresholds, restrictions and conditions set out in Regulations (EU) No 345/2013¹⁷, (EU) No 346/2013¹⁸ and (EU) 2015/760¹⁹ of the European Parliament and of the Council.

(3) An AIFM shall ensure that the leverage of a loan-originating AIF managed by the AIFM represents no more than—

- (a) 175 per cent, where that AIF is open-ended, or
- (b) 300 per cent, where that AIF is closed-ended.

(4) The leverage of a loan-originating AIF shall be expressed as the ratio between the exposure of that AIF, calculated according to the commitment method as defined in the applicable delegated act adopted pursuant to Article 4(3) of the Directive, and its net asset value.

(5) Borrowing arrangements which are fully covered by contractual capital commitments from investors in the loan-originating AIF shall not be considered to constitute exposure for the purpose of calculating the ratio referred to paragraph (4).

(6) In the event that a loan-originating AIF infringes the requirements laid down in paragraphs (3), (4) and (5) and the infringement is beyond the control of the AIFM that manages it, the AIFM shall, within an appropriate period, take such measures as are necessary to rectify the position, taking due account of the interests of the investors in the loan-originating AIF.

(7) Without prejudice to the powers of the Bank referred to in Regulation 26(3), the requirements set out in paragraph (3) shall not apply to a loan-originating AIF where—

- (a) the lending activities of the AIF consist solely of originating shareholder loans, and
- (b) the notional value of those loans does not exceed in aggregate 150 per cent of the capital of the AIF.

(8) The investment limit of 20 per cent laid down in paragraph (1) shall—

- (a) apply by the date specified in the AIF rules or instruments of incorporation or prospectus, which shall, subject to paragraph (11), be no later than 24 months from the date of the first subscription for units or shares of the AIF,

¹⁷ OJ No. L 115, 25.4.2013, p. 1.

¹⁸ OJ No. L 115, 25.4.2013, p. 18.

¹⁹ OJ No. L 123, 19.5.2015, p. 98.

- (b) cease to apply once the AIFM concerned starts to sell assets of the AIF in order to redeem units or shares as part of the liquidation of the AIF, and
- (c) be temporarily suspended where the capital of the AIF is increased or reduced.

(9) The suspension referred to in paragraph (8)(c) shall be limited in time to the period that is strictly necessary, taking due account of the interests of the investors in the AIF, and, in any case, shall not be for more than 12 months.

(10) The application date referred to in paragraph (8)(a) shall take account of the particular features and characteristics of the assets to be invested by the AIF.

(11) In exceptional circumstances, upon submission by the AIFM concerned of a duly justified investment plan, the Bank may extend, by up to 12 additional months, the period referred to in paragraph (8)(a).

(12) An AIFM shall ensure that an AIF managed by the AIFM does not grant loans to the following entities:

- (a) the AIFM or the staff of that AIFM;
- (b) the AIF's depository or the entities to which the depository has delegated functions in respect of the AIF in accordance with Regulation 22;
- (c) an entity to which the AIFM has delegated functions in accordance with Regulation 21 or the staff of that entity;
- (d) an entity within the same group (as defined in Article 2, point (11), of Directive 2013/34/EU of the European Parliament and the Council of 26 June 2013²⁰) as the AIFM, except where that entity is a financial undertaking which exclusively finances borrowers that are not referred to in subparagraph (a), (b) or (c) of this paragraph.

(13) Where an AIF originates loans, the proceeds of the loans, minus any allowable fees for their administration, shall be attributed to that AIF in full.

(14) All costs and expenses linked to the administration of the loans referred to in paragraph (13) shall be disclosed in accordance with Regulation 24.

(15) An AIF that originates loans shall not grant a loan to a consumer (within the meaning of the European Communities (Consumer Credit Agreements) Regulations 2010 (S.I. No. 281 of 2010)) in the State.

(16) An AIF shall not service credits granted to such consumers in the State.

²⁰ OJ No. L. 182, 29.6.2013, p. 19.

(17) Paragraphs (15) and (16) shall not affect the operation of Union law applicable to consumer lending or the law of the State giving effect to such law.

(18) Notwithstanding paragraphs (15) and (16), the marketing in the State of an AIF granting loans to consumers or servicing credits granted to consumers shall be permitted.

(19) An AIFM shall not manage an AIF that engages in loan origination where the whole or part of the investment strategy of that AIF is to originate loans with the sole purpose of transferring those loans or exposures to third parties.

(20) Subject to paragraph (22), an AIFM shall ensure that the AIF managed by the AIFM retains 5 per cent of the notional value of each loan that the AIF has originated and subsequently transferred to third parties.

(21) The percentage, referred to in paragraph (20), of each loan shall be retained—

- (a) until maturity, for a loan—
 - (i) whose maturity is a period of up to 8 years, or
 - (ii) granted to consumers regardless of their maturity, and
- (b) for a period of at least 8 years for other loans.

(22) Paragraph (20) shall not apply where—

- (a) the AIFM concerned starts to sell assets of the AIF in order to redeem units or shares as part of the liquidation of the AIF,
- (b) the disposal is necessary for the purposes of compliance with restrictive measures adopted under Article 215 TFEU, or with product requirements,
- (c) the sale of the loan is necessary to enable the AIFM to implement the investment strategy of the AIF it manages in the best interests of the AIF's investors, or
- (d) the sale of the loan is due to a deterioration in the risk associated with the loan, detected by the AIFM as part of its due diligence and risk management process referred to in Regulation 16(6), and the purchaser is informed of that deterioration when buying the loan.

(23) Where the State is the home Member State of an AIFM, the AIFM shall, on request from the Bank, demonstrate that it meets the conditions specified in paragraph (22).”.

Amendment of Regulation 18 of Principal Regulations

10. Regulation 18 of the Principal Regulations is amended by the insertion of the following paragraphs after paragraph (3)—

“(4) An AIFM shall ensure that any loan-originating AIF managed by the AIFM is closed-ended.

(5) Notwithstanding paragraph (4), a loan-originating AIF may be open-ended in a case in which the AIFM that manages the AIF is able to demonstrate to the Bank, where the State is the home Member State of the AIFM, that the AIF’s liquidity risk management system is compatible with the AIF’s investment strategy and redemption policy.

(6) Paragraph (4) is without prejudice to the thresholds, restrictions and conditions set out in Regulations (EU) No 345/2013²¹, (EU) No 346/2013²² and (EU) 2015/760²³.

(7) Subject to paragraphs (9) and (10), with a view to ensuring that it complies with paragraphs (1) to (3), an AIFM that manages an open-ended AIF shall select at least 2 appropriate liquidity management tools from those described in paragraphs 2 to 8 of Schedule 5, after assessing the suitability of those tools in relation to the pursued investment strategy, the liquidity profile and the redemption policy of the AIF.

(8) An AIFM shall, for possible use in the interest of the AIF’s investors, include references to the liquidity management tools selected in accordance with paragraph (7) in the rules or instruments of incorporation of each AIF managed by the AIFM.

(9) An AIFM shall not, when selecting liquidity management tools in accordance with paragraph (7), select only the liquidity management tools described in paragraphs 5 and 6 of Schedule 5.

(10) Notwithstanding paragraphs (7) to (9), an AIFM may choose to select only one liquidity management tool from those described in paragraphs 2 to 8 of Schedule 5 for an AIF managed by the AIFM that is authorised as a money market fund in accordance with Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017²⁴.

(11) An AIFM shall, in respect of each AIF managed by the AIFM, implement detailed policies and procedures for the activation and deactivation of each liquidity management tool selected in accordance with paragraphs (7), (9) and (10) and the operational and administrative arrangements for the use of such tool.

(12) Where the State is the home Member State of an AIFM, the AIFM shall communicate to the Bank details of the following in respect of each AIF managed by the AIFM:

- (a) the liquidity management tools selected in accordance with paragraphs (7), (9) and (10);
- (b) the detailed policies and procedures for the activation and deactivation referred to in paragraph (11).

²¹ OJ No. L. 115, 25.4.2013, p. 1.

²² OJ No. L. 115, 25.4.2013, p. 18.

²³ OJ No. L. 123, 19.5.2015, p. 98.

²⁴ OJ No. L. 169, 30.6.2017, p. 8.

(13) Redemption in kind, as described in paragraph 8 of Schedule 5, shall only be activated where the redemption in kind—

- (a) is to meet redemptions requested by professional investors, and
- (b) subject to paragraph (14), corresponds to a *pro rata* share of the assets held by the AIF.

(14) A redemption in kind need not correspond to a *pro rata* share of the assets held by the AIF concerned where—

- (a) that AIF is solely marketed to professional investors, or
- (b) the aim of that AIF's investment policy is to replicate the composition of a certain stock or debt securities index and it is an exchange-traded fund as defined in Regulation 3(1) of the European Union (Markets in Financial Instruments) Regulations 2017.

(15) Subject to paragraph (16), an AIFM that manages an open-ended AIF may, in the interest of AIF investors—

- (a) temporarily suspend the subscription, repurchase and redemption of the AIF units or shares as described in paragraph 1 of Schedule 5,
- (b) activate or deactivate other liquidity management tools selected from paragraphs 2 to 8 of Schedule 5 in accordance with paragraphs (7), (9) and (10), where those tools are included in the AIF rules or instruments of incorporation, or
- (c) activate side pockets as described in paragraph 9 of Schedule 5.

(16) An AIFM shall only suspend the subscription, repurchase and redemption of the AIF units or shares or activate side pockets, as referred to in paragraph (15), in exceptional cases where circumstances so require and where justified having regard to the interests of the AIF investors.

(17) In a case in which the State is the home Member State of an AIFM, the AIFM shall, without delay, notify the Bank of the following:

- (a) where the AIFM activates or deactivates the liquidity management tool described in paragraph 1 of Schedule 5;
- (b) where the AIFM activates or deactivates any of the liquidity management tools described in paragraphs 2 to 8 of Schedule 5 in a manner that is not in the ordinary course of business as envisaged in the AIF rules or instruments of incorporation.

(18) Where the State is the home Member State of an AIFM, the AIFM shall, within a reasonable timeframe before it activates or deactivates the liquidity management tool described in paragraph 9 of Schedule 5, notify the Bank of such activation or deactivation.

(19) The Bank shall inform, without delay, the competent authorities of the host Member State of the AIFM, ESMA and, if there are potential risks to the stability and integrity of the financial system, the ESRB of any notifications received in accordance with paragraph (17) or (18).”.

Amendment of Regulation 21 of Principal Regulations

11. Regulation 21 of the Principal Regulations is amended—

(a) in paragraph (1)—

(i) by the substitution of “Where the State is the home Member State of an AIFM which intends to delegate to third parties the task of carrying out, on behalf of the AIFM, one or more of the functions referred to in Schedule 1 or the services referred to in Regulation 7(4), the AIFM shall notify the Bank before the delegation arrangements become effective” for “An AIFM which intends to delegate to third parties the task of carrying out functions on its behalf shall notify the Bank before the delegation arrangements become effective”;

and

(ii) by the substitution of the following subparagraph for subparagraph (f):

“(f) the AIFM shall be able to demonstrate that—

(i) the delegate is qualified and capable of undertaking the functions and providing the services in question,

(ii) the delegate was selected with all due care, and

(iii) the AIFM is in a position to—

(I) monitor effectively at any time the delegated activity,

(II) give at any time further instructions to the delegate, and

(III) to withdraw the delegation with immediate effect where to do so is in the interest of investors.”,

(b) by the substitution of the following paragraph for paragraph (3):

“(3) An AIFM’s liability towards its clients, the AIF and its investors shall not be affected by the fact that the AIFM has delegated functions or services to a third party, or by any further sub-delegation.”,

(c) by the substitution of the following paragraph for paragraph (4):

“(4) An AIFM shall not delegate its functions or services to the extent that, in essence, it can no longer be considered to be the

manager of the AIF or the provider of the services referred to in Regulation 7(4) and to the extent that it becomes a letter-box entity.”,

- (d) by the insertion of the following paragraphs after paragraph (4):
- “(4A) An AIFM shall ensure that the performance of the functions referred to in Schedule 1 and the provision of the services referred to in Regulation 7(4) comply with these Regulations.
- (4B) Paragraph (4) shall apply irrespective of the regulatory status or location of any delegate or sub-delegate.”,
- (e) in paragraph (5) by the substitution of “any of the functions or services” for “any of the functions”,
- (f) by the substitution of the following paragraph for paragraph (7):
- “(7) Where there is any further sub-delegation, of any level beyond the delegation to the sub-delegate referred to in paragraph (5), of any of the functions or services delegated to that sub-delegate, the conditions set out in paragraph (5) shall apply, subject to the following modifications:
- (a) the reference in that paragraph to ‘third party’ shall be construed as a reference to the person delegating such functions or services by means of the further sub-delegation concerned,
- (b) the reference in subparagraph (b) of that paragraph to ‘sub-delegation’ shall be construed as a reference to the further sub-delegation concerned, and
- (c) the reference in subparagraph (c) to ‘sub-delegate’ shall be construed as a reference to the person to whom such functions or services are delegated by means of the further sub-delegation concerned.”,
- and
- (g) by the insertion of the following paragraph after paragraph (7):
- “(8) Notwithstanding paragraphs (1) to (7) of this Regulation, where the marketing function referred to in paragraph 2(b) of Schedule 1 is performed by one or several distributors which—
- (a) are acting on their own behalf, and
- (b) market the AIF in accordance with Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014²⁵ or through insurance-based investment products in accordance with Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016²⁶,

²⁵ OJ No. L. 173, 12.6.2014, p.349.

²⁶ OJ No. L. 26, 2.2.2016, p.19.

such function shall not be considered to be a delegation subject to the requirements of paragraphs (1) to (7) of this Regulation irrespective of any distribution agreement between the AIFM and the distributor.”.

Amendment of Regulation 22 of Principal Regulations

12. Regulation 22 of the Principal Regulations is amended—

(a) by the insertion of the following paragraphs after paragraph (5):

“(5A) Notwithstanding subparagraphs (a) and (b) of paragraph (5), where—

- (a) an Irish AIFM has been authorised by the Bank,
- (b) an EU AIF managed by that AIFM is established in another Member State,
- (c) the home Member State of the AIF which is managed by the Irish AIFM has exercised the derogation provided for in Article 21(5a) of the Directive,
- (d) the conditions set out in that Article have been satisfied, and
- (e) a competent authority in the home Member State of the AIF has allowed the institution to be so appointed,

an institution referred to in paragraph (3)(a)(i) established in a Member State (including the State) other than the home Member State of the AIF may be appointed as a depositary for the EU AIF.

(5B) Notwithstanding subparagraphs (a) and (b) of paragraph (5), where—

- (a) the home Member State of an EU AIF has exercised the derogation provided for in Article 21(5a) of the Directive,
- (b) the conditions set out in that Article have been satisfied,
- (c) a competent authority in the home Member State of the AIF has allowed the institution to be so appointed,

an institution referred to in paragraph (3)(a)(i) established in the State may be appointed as a depositary for the EU AIF.”,

(b) in paragraph (6)—

(i) by the substitution of the following subparagraph for subparagraph (c):

“(c) the third country where the depositary is established is not identified as a high-risk third country in an applicable delegated act adopted pursuant to Article 9(2) of Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015²⁷;”,

²⁷ OJ No. L 141, 5.6.2015, p. 73.

and

- (ii) by the substitution of the following subparagraph for subparagraph (d):

“(d) (i) where a non-EU AIF is managed by either an Irish AIFM or a non-EU AIFM whose Member State of reference is the State—

- (I) the Member States in which the units or shares of the non-EU AIF are intended to be marketed and the State have signed an agreement (including any multilateral tax agreements) with the third country where the depositary is established which fully complies with the standards laid down in Article 26 of the OECD Model Tax Convention on Income and on Capital and ensures an effective exchange of information in tax matters,

and

- (II) that third country is not mentioned in Annex I to the Council conclusions on the revised EU list of non-cooperative jurisdictions for tax purposes,

or

- (ii) where the units or shares of a non-EU AIF are intended to be marketed in the State—

- (I) the State and the home Member State of the AIFM have signed an agreement (including any multilateral tax agreements) with the third country where the depositary is established which fully complies with the standards laid down in Article 26 of the OECD Model Tax Convention on Income and on Capital and ensures an effective exchange of information in tax matters,

and

- (II) that third country is not mentioned in Annex I to the Council conclusions on the revised EU list of non-cooperative jurisdictions for tax purposes;”

- (c) by the insertion of the following paragraphs after paragraph (6):

“(6A) Subparagraphs (c) and (d) of paragraph (6) shall apply at the time of the depositary’s appointment.

(6B) Where a third country in which a depository is established is—

- (a) identified as a high-risk third country in an applicable delegated act adopted pursuant to Article 9(2) of Directive (EU) 2015/849, as referred to in subparagraph (c) of paragraph (6), or
- (b) added to Annex I to the Council conclusions on the revised EU list of non-cooperative jurisdictions for tax purposes, as referred to in subparagraph (d) of paragraph (6),

after the time of the appointment of the depository, a new depository shall be appointed within an appropriate period, taking due account of the interests of investors, which period shall be no longer than 2 years.”,

(d) in paragraph (11)—

- (i) in subparagraph (b), by the substitution of the following clause for clause (iii):

“(iii) the depository—

- (I) has exercised all due skill, care and diligence in the selection and appointment of any third party to whom it intends to delegate parts of its tasks, except where that third party is a central securities depository acting in the capacity of an investor CSD (as defined in the applicable delegated act adopted pursuant to Articles 29(3) and 48(10) of Regulation (EU) No 909/2014), and
- (II) continues to exercise all due skill, care and diligence in the periodic review and ongoing monitoring of any third party to whom it has delegated parts of its tasks and of the arrangements of the third party in respect of the matters delegated to it; and”,

and

- (ii) by the substitution of the following subparagraph for subparagraph (e):

“(e) For the purposes of this Regulation—

- (i) the provision of services by a central securities depository acting in the capacity of an issuer CSD (as defined in the applicable delegated act adopted pursuant to Articles 29(3) and 48(10) of Regulation (EU) No 909/2014) shall not be considered a delegation of the depository’s custody functions, and
- (ii) the provision of services by a central securities depository acting in the capacity of an investor CSD

(as defined in the applicable delegated act adopted pursuant to Articles 29(3) and 48(10) of Regulation (EU) No 909/2014) shall be considered a delegation of the depositary's custody functions.”,

- (e) by the substitution of the following paragraph for paragraph (16):

“(16) This paragraph shall apply where the Bank is the competent authority of—

- (a) a depositary,
- (b) an AIF in respect of which a depositary has been appointed, or
- (c) an AIFM which manages an AIF in respect of which a depositary has been appointed.”,

and

- (f) by the insertion of the following paragraphs after paragraph (16):

“(16A) A depositary in respect of which paragraph (16) applies shall make available to—

- (a) the Bank,
- (b) the competent authority of an AIF in respect of which the depositary has been appointed,
- (c) the competent authority of an AIFM which manages an AIF in respect of which the depositary has been appointed,

on request, any information that the depositary has obtained while performing its duties.

(16B) Where—

- (a) paragraph (16) applies in respect of the Bank,
- (b) the competent authorities of the AIF or the AIFM concerned are different from those of the depositary, and
- (c) the Bank is the competent authority of that depositary,

the Bank shall share without delay with the competent authorities of the AIF and the AIFM any information relevant for the exercise of those authorities' supervisory powers.

(16C) Where—

- (a) paragraph (16) applies in respect of the Bank,
- (b) the competent authorities of the AIF or the AIFM concerned are different from those of the depositary, and
- (c) the Bank is the competent authority of that AIF or AIFM,

the Bank shall share without delay with the competent authorities of the depositary any information relevant for the exercise of those authorities' supervisory powers.”.

Amendment of Regulation 24 of Principal Regulations

13. Regulation 24 of the Principal Regulations is amended—

(a) in paragraph (1)—

(i) by the substitution of the following subparagraph for subparagraph (a):

“(a) the following:

- (i) the name of the AIF;
- (ii) a description of the investment strategy and objectives of the AIF;
- (iii) information on where any master AIF is established and where the underlying funds are established if the AIF is a fund of funds;
- (iv) a description of the types of assets in which the AIF may invest, the techniques it may employ and all associated risks;
- (v) any applicable investment restrictions;
- (vi) the circumstances in which the AIF may use leverage, the types and sources of leverage permitted and the associated risks;
- (vii) any restrictions on the use of leverage and any collateral and asset reuse arrangements;
- (viii) the maximum level of leverage which the AIFM is entitled to employ on behalf of the AIF;”,

(ii) by the substitution of the following subparagraph for subparagraph (h):

“(h) a description of the AIF’s liquidity risk management, including the redemption rights, both in normal and in exceptional circumstances, of the existing redemption arrangements with investors, and of the possibility of, and conditions for, using liquidity management tools selected in accordance with paragraphs (7) to (14) of Regulation 18;”, and

(iii) by the insertion of the following subparagraph after subparagraph (i):

“(ia) a list of fees, charges and expenses that are borne by the AIFM in connection with the operation of the AIF and that are to be directly or indirectly allocated to the AIF;”,

and

(b) in paragraph (4)—

(i) in subparagraph (c), by the substitution of “those risks;” for “those risks.”, and

- (ii) by the insertion of the following subparagraphs after subparagraph (c):
 - “(d) the composition of the originated loan portfolio;
 - (e) on an annual basis, all fees, charges and expenses directly or indirectly borne by investors;
 - (f) on an annual basis, any parent undertaking, subsidiary or special purpose vehicle utilised in relation to the AIF’s investments by or on behalf of the AIFM.”.

Amendment of Regulation 25 of Principal Regulations

14. Regulation 25 of the Principal Regulations is amended—

- (a) by the substitution of the following paragraph for paragraph (1):
 - “(1) (a) Where the State is the home Member State of the AIFM, the AIFM shall regularly report to the Bank on the markets and instruments in which the AIFM trades on behalf of each AIF managed by the AIFM.
 - (b) An AIFM shall, in respect of each AIF managed by the AIFM, provide information on the instruments in which the AIFM is trading, on markets of which the AIFM is a member or where it actively trades, and on the exposures and assets of each AIF managed by the AIFM.
 - (c) The information provided under subparagraph (b) shall include the identifiers that are necessary to connect the data provided on assets, AIFs and AIFMs to other supervisory or publicly available data sources.”.
- (b) in paragraph (2)—
 - (i) by the substitution of the following subparagraph for subparagraph (c):
 - “(c) the current risk profile of the AIF, including the market risk, liquidity risk, counterparty risk, other risks including operational risk, and the total amount of leverage employed by the AIF;”.
 - (ii) by the substitution of the following subparagraph for subparagraph (d):
 - “(d) information regarding delegation arrangements concerning portfolio management or risk management functions as follows:
 - (i) information on the delegates, specifying—
 - (I) their name and domicile or registered office or branch,
 - (II) whether they have any close links with the AIFM,

- (III) whether they are authorised or regulated entities for the purposes of asset management,
 - (IV) their supervisory authority, where relevant, and
 - (V) the identifiers of the delegates that are necessary to connect the information provided to other supervisory or publicly available data sources;
- (ii) the number of full-time equivalent human resources employed by the AIFM for performing day-to-day portfolio management or risk management tasks within that AIFM;
 - (iii) a list and description of the activities concerning portfolio management and risk management functions which are delegated;
 - (iv) where the portfolio management function is delegated, the amount and percentage of the AIF's assets which are subject to delegation arrangements concerning the portfolio management function;
 - (v) the number of full-time equivalent human resources employed by the AIFM to monitor the delegation arrangements;
 - (vi) the number and dates of the periodic due diligence reviews carried out by the AIFM to monitor the delegated activity, a list of issues identified and, where relevant, of the measures adopted to address those issues and the date by which those measures are to be implemented;
 - (vii) where sub-delegation arrangements are in place, the information required under clauses (i), (iii) and (iv) in respect of the sub-delegates and the activities related to the portfolio management and risk management functions that are sub-delegated;
 - (viii) the commencement and expiry dates of the delegation and sub-delegation arrangements;”,
- (iii) in subparagraph (e), by the substitution of “(2);” for “(2).”, and
 - (iv) by the insertion of the following subparagraph after subparagraph (e):
 - “(f) the list of Member States in which the units or shares of the AIF are marketed by the AIFM or by a distributor which is acting on behalf of that AIFM.”,

- (c) in paragraph (6), by the substitution of the following subparagraph for subparagraph (b):
 - “(b) requested to do so by ESMA, following consultation with the ESRB, to ensure the stability and integrity of the financial system, or to promote long term growth.”,
 and
- (d) by the insertion of the following paragraph after paragraph (6):
 - “(6A) An AIFM shall comply with a requirement for information under paragraph (6).”.

Amendment of Regulation 26 of Principal Regulations

15. Regulation 26 of the Principal Regulations is amended—

- (a) by the substitution of the following paragraph for paragraph (2):
 - “(2) The Bank shall ensure that all information provided to it under Regulation 25 in respect of every AIFM that it supervises and the information provided to it under Regulation 8 is made available to the relevant competent authorities of other Member States, ESMA, EBA, the European Supervisory Authority (European Insurance and Occupational Pensions Authority) established by Regulation (EU) No. 1094/2010 of the European Parliament and of the Council of 24 November 2010²⁸ and the ESRB, whenever necessary for the purpose of carrying out their duties, in accordance with Regulation 54.”,
 and
- (b) by the insertion of the following paragraphs after paragraph (2):
 - “(2A) The Bank shall ensure that all information gathered under Regulation 25 in respect of every AIFM supervised by the Bank is made available, for statistical purposes only, to the ESCB in accordance with Regulation 54.
 - (2B) The Bank shall, without delay, provide information in accordance with Regulation 54, and bilaterally to the competent authorities of other Member States directly concerned, if an AIFM under its responsibility, or an AIF managed by that AIFM, could potentially constitute an important source of counterparty risk to a credit institution or other systemically relevant institutions in other Member States or to the stability of the financial system in another Member State.”.

Amendment of Regulation 36 of Principal Regulations

16. Regulation 36 of the Principal Regulations is amended, in paragraph (3)—

²⁸ OJ No. L. 331, 15.12.2010, p. 48.

- (a) by the substitution of the following subparagraph for subparagraph (b):
 - “(b) the third country where the non-EU AIF is established is not identified as a high-risk third country in an applicable delegated act adopted pursuant to Article 9(2) of Directive (EU) 2015/849;”,
 and
- (b) by the substitution of the following subparagraph for subparagraph (c):
 - “(c) the third country where the non-EU AIF is established—
 - (i) has signed an agreement (including any multilateral tax agreements) with the State and with each other Member State in which the units or shares of the non-EU AIF are intended to be marketed which fully complies with the standards laid down in Article 26 of the OECD Model Tax Convention on Income and on Capital and ensures an effective exchange of information in tax matters, and
 - (ii) that third country is not mentioned in Annex I to the Council conclusions on the revised EU list of non-cooperative jurisdictions for tax purposes.”.

Amendment of Regulation 37 of Principal Regulations

17. Regulation 37 of the Principal Regulations is amended, in paragraph (2)—

- (a) by the substitution of the following subparagraph for subparagraph (c):
 - “(c) the third country where the non-EU AIF is established is not identified as a high-risk third country in an applicable delegated act adopted pursuant to Article 9(2) of Directive (EU) 2015/849;”,
 and
- (b) by the insertion of the following subparagraph after subparagraph (c):
 - “(d) the third country where the non-EU AIF is established—
 - (i) has signed an agreement (including any multilateral tax agreements) with the State and with each other Member State in which the units or shares of the non-EU AIF are intended to be marketed which fully complies with the standards laid down in Article 26 of the OECD Model Tax Convention on Income and on Capital and ensures an effective exchange of information in tax matters, and

- (ii) is not mentioned in Annex I to the Council conclusions on the revised EU list of non-cooperative jurisdictions for tax purposes.”.

Amendment of Regulation 38 of Principal Regulations

18. Regulation 38 of the Principal Regulations is amended, in paragraph (8)—

(a) in subparagraph (a)—

(i) by the substitution of the following clause for clause (v):

“(v) the third country where the non-EU AIFM is established is not identified as a high-risk third country in an applicable delegated act adopted pursuant to Article 9(2) of Directive (EU) 2015/849;”,

and

(ii) by the substitution of the following clause for clause (vi);

“(vi) the third country where the non-EU AIFM is established—

(I) has signed an agreement (including any multilateral tax agreements) with the State, where the State is the Member State of reference, which fully complies with the standards laid down in Article 26 of the OECD Model Tax Convention on Income and on Capital and ensures an effective exchange of information in tax matters, and

(II) is not mentioned in Annex I to the Council conclusions on the revised EU list of non-cooperative jurisdictions for tax purposes.”,

and

(b) by the insertion of the following subparagraph after subparagraph (c):

“(d) Where the third country in which the non-EU AIFM is established is identified as a high-risk third country in an applicable delegated act adopted pursuant to Article 9(2) of Directive (EU) 2015/849, as referred to in subparagraph (a)(v), or is added to Annex I to the Council conclusions on the revised EU list of non-cooperative jurisdictions for tax purposes, as referred to in subparagraph (a)(vi), after the time of authorisation of the non-EU AIFM, the non-EU AIFM shall, within an appropriate period, of not more than 2 years, take such measures as are necessary to rectify the situation in respect of the AIFs managed by the non-EU AIFM, taking due account of the interests of investors.”.

Amendment of Regulation 41 of Principal Regulations

19. Regulation 41 of the Principal Regulations is amended, in paragraph (3)—

(a) by the substitution of the following subparagraph for subparagraph (b):

“(b) the third country where the non-EU AIF is established is not identified as a high-risk third country in an applicable delegated act adopted pursuant to Article 9(2) of Directive (EU) 2015/849;”,

and

(b) by the substitution of the following subparagraph for subparagraph (c):

“(c) the third country where the non-EU AIF is established—

- (i) has signed an agreement (including any multilateral tax agreements) with the State, where the State is the Member State of reference, and with each other Member State in which the units or shares of the non-EU AIF are intended to be marketed which fully complies with the standards laid down in Article 26 of the OECD Model Tax Convention on Income and on Capital and ensures an effective exchange of information in tax matters, and
- (ii) that third country is not mentioned in Annex I to the Council conclusions on the revised EU list of non-cooperative jurisdictions for tax purposes.”.

Amendment of Regulation 43 of Principal Regulations

20. Regulation 43 of the Principal Regulations is amended, in paragraph (1)—

(a) by the substitution of the following subparagraph for subparagraph (c):

“(c) the third country where the non-EU AIFM or the non-EU AIF is established is not identified as a high-risk third country in an applicable delegated act adopted pursuant to Article 9(2) of Directive (EU) 2015/849;”,

and

(b) by the insertion of the following subparagraph after subparagraph (c):

“(d) the third country where the non-EU AIFM or non-EU AIF is established—

- (i) has signed an agreement (including any multilateral tax agreements) with the Member State in which the units or shares of the non-EU AIF are intended to be marketed which fully complies with the standards laid down in Article 26 of the OECD Model Tax Convention on Income and on Capital and ensures an effective exchange of information in tax matters, and
- (ii) is not mentioned in Annex I to the Council conclusions on the revised EU list of non-cooperative jurisdictions for tax purposes.”.

Amendment of Regulation 44 of Principal Regulations

21. Regulation 44 of the Principal Regulations is amended by the insertion of the following paragraphs after paragraph (2)—

“(2A) An authorised EU AIFM may market in the State units or shares of an EU AIF which invests predominantly in the shares of a particular company, to employees of that company or of its affiliated entities within the framework of employee participation schemes or employee savings schemes, on a domestic or cross-border basis.

(2B) Where an AIF is marketed to employees on a cross-border basis in the State in accordance with the first subparagraph of Article 43(3) of the Directive, the Bank shall not impose any requirements additional to those applicable in the home Member State of the AIF.”.

Amendment of Regulation 46 of Principal Regulations

22. Regulation 46 of the Principal Regulations is amended, in paragraph (8), by the deletion of subparagraph (c).

Amendment of Regulation 49 of Principal Regulations

23. Regulation 49 of the Principal Regulations is amended—

- (a) by the insertion of the following paragraph after paragraph (4):
 - “(4A) The Bank may direct an AIFM, in exceptional circumstances and after consultation with the AIFM, to activate or deactivate the liquidity management tool described in paragraph 1 of Schedule 5, where there are risks to investor protection or financial stability that, on a reasonable and balanced view, necessitate such activation or deactivation.”,
- (b) in paragraph (5), by the substitution of “under paragraph (1), (4) or (4A)” for “under paragraph (1) or (4)”,
- (c) in paragraph (6), by the substitution of “under paragraph (1), (4) or (4A)” for “under paragraph (1) or (4)”,
- (d) in paragraph (7), by the substitution of “under paragraph (1), (4) or (4A)” for “under paragraph (1) or (4)”, and

- (e) in paragraph (13), by the substitution of “under any of subparagraphs (c) to (g) of paragraph (3) or paragraph (4A)” for “under any of subparagraphs (c) to (g) of paragraph (3)”.

Amendment of Regulation 52 of Principal Regulations

24. Regulation 52 of the Principal Regulations is amended—

- (a) by the substitution of the following paragraph for paragraph (1):
- “(1) Where ESMA has delegated any task to the Bank or another person, the obligation of professional secrecy referred to in Article 47(2) of the Directive shall apply to each person who is, or has been, employed by the Bank or that other person, as the case may be.”,
- (b) by the insertion of the following paragraph after paragraph (1):
- “(1A) Information to which the obligation of professional secrecy referred to in paragraph (1) applies shall not be disclosed to another person or authority except where such disclosure is necessary for legal proceedings or for the purposes of taxation law.”,
- (c) by the substitution of the following paragraph for paragraph (2):
- “(2) All the information exchanged in accordance with the Directive between the Bank and ESMA, EBA, the European Supervisory Authority (European Insurance and Occupational Pensions Authority) established by Regulation (EU) No. 1094/2010 of the European Parliament and of the Council of 24 November 2010 and the ESRB shall be deemed to be confidential, except where—
- (a) the Bank, ESMA or another authority or body concerned states, at the time of communication, that such information may be disclosed,
- (b) disclosure is necessary for legal proceedings, or
- (c) the information disclosed is used in a summary or in an aggregate form in which individual financial market participants cannot be identified.”,
- and
- (d) by the insertion of the following paragraphs after paragraph (2):
- “(2A) Paragraphs (1), (1A) and (2) shall not preclude the exchange of information between the Bank and the Revenue Commissioners.
- (2B) Information originating in another Member State which would not be permitted to be exchanged between the Bank and the Revenue Commissioners but for paragraph (2A) shall only be disclosed with the express agreement of the competent authority which has disclosed it.”.

Amendment of Regulation 54 of Principal Regulations

25. Regulation 54 of the Principal Regulations is amended—

(a) by the substitution of the following paragraph for paragraph (1):

“(1) The Bank shall cooperate with the competent authorities of other Member States and with ESMA, the ESRB and the ESCB whenever necessary for the purpose of carrying out their respective duties or exercising their respective powers under these Regulations or the Directive, as the case may be.”,

(b) by the substitution of the following paragraph for paragraph (7):

“(7) Where the Bank has reasonable grounds to suspect that acts in contravention of these Regulations or the Directive are being or have been carried out by an AIFM not subject to its supervision, it shall notify ESMA and the competent authorities of the home and host Member States of the AIFM concerned thereof in as specific a manner as possible.”,

and

(c) by the insertion of the following paragraphs after paragraph (9):

“(10) Where the Bank has exercised powers under Regulation 49(4A), it shall notify the competent authorities of the host Member State of the AIFM concerned, ESMA, and if there are potential risks to the stability and integrity of the financial system, the ESRB thereof.

(11) Where the State is the host Member State of the AIFM concerned, the Bank may request the competent authorities of the home Member State of the AIFM concerned to exercise powers in accordance with Article 46(2), point (j) of the Directive, specifying the reasons for the request and informing ESMA and, if there are potential risks to the stability and integrity of the financial system, the ESRB thereof.

(12) Where the Bank is in receipt of a request in accordance with Article 50(5b) of the Directive and does not agree with said request, it shall notify the competent authorities of the host Member State of the AIFM concerned, ESMA and, where the ESRB was notified of that request in accordance with Article 50(5b) of the Directive, the ESRB thereof, stating the reasons for the disagreement.

(13) Where the State is the home Member State of the AIFM concerned and the Bank does not act in accordance or does not intend to comply with an opinion issued by ESMA under Article 50(5d) of the Directive, it shall inform ESMA and the competent authorities of the host Member State of the AIFM concerned thereof, stating the reasons for non-compliance or intention not to comply.

(14) Where the State is the host Member State of the AIFM concerned, the Bank may, where it has reasonable grounds for doing so, request the competent authorities of the home Member State of the AIFM concerned to exercise, without delay, powers in accordance with paragraph (2) of Article 46 of the Directive, other than point (j) of that paragraph, specifying the reasons for its request in as specific a manner as possible and informing ESMA and, if there are potential risks to the stability and integrity of the financial system, the ESRB thereof.

(15) Where the State is the home Member State of the AIFM concerned and has exercised powers pursuant to a request made by a competent authority of the host Member State of the AIFM in accordance with the first subparagraph of Article 50(5f) of the Directive, the Bank shall, without undue delay, notify the competent authorities of the host Member State of the AIFM, ESMA and, if there are potential risks to the stability and integrity of the financial system, the ESRB, of the powers exercised and of its findings.

(16) Where—

- (a) the State is the home Member State of an AIF or, in a case in which the AIF concerned is not regulated, the home Member State of the AIFM that manages the AIF, and
- (b) the Bank has reasonable grounds to suspect that acts contrary to the Directive are being or have been carried out by a depositary that is not subject to its supervision,

the Bank shall, without delay, notify ESMA and the competent authorities of the depositary concerned of its suspicions in as specific a manner as possible.

(17) Where the Bank is in receipt of a notification in accordance with Article 50(5g) of the Directive it shall take appropriate action and shall inform ESMA and the notifying competent authorities of the outcome of that action.”.

Amendment of Regulation 60 of Principal Regulations

26. Regulation 60 of the Principal Regulations is amended by the insertion of the following paragraphs after paragraph (7):

“(8) An Irish AIFM managing an AIF that originates loans and that was constituted before 15 April 2024 shall be deemed to comply with Regulation 17A(1) to (11) and Regulation 18(4) to (6) until 16 April 2029.

(9) Where the notional value of the loans originated by an AIF to any single borrower, or the leverage of an AIF, is above the limits referred to in Regulation 17A(1) and (3) respectively, an Irish AIFM

managing that AIF shall not increase that value or that leverage before 16 April 2029.

(10) Where the notional value of the loans originated by an AIF to any single borrower, or the leverage of an AIF, is below the limits referred to in Regulation 17A(1) and (3) respectively, an Irish AIFM managing that AIF shall not increase that value or that leverage above those limits before 16 April 2029.

(11) An Irish AIFM managing an AIF that originates loans, that was constituted before 15 April 2024 and that does not raise additional capital after 15 April 2024, shall be deemed to comply with Regulation 17A(1) to (11) and Regulation 18(4) to (6) in respect of that AIF.

(12) Notwithstanding paragraphs (9), (10) and (11) of this Regulation, an AIFM managing an AIF that originates loans and that was constituted before 15 April 2024 may comply with Regulation 17A(1) to (11) and Regulation 18(4) to (6) and where it chooses to so comply, it shall notify the Bank of its compliance.

(13) Where an AIF originates loans before 15 April 2024, an Irish AIFM managing that AIF shall not be required to comply with Regulation 16(6)(d) and Regulation 17A(12) to (23) in respect of those loans.”.

Amendment of Schedule 1 to Principal Regulations

27. Schedule 1 to the Principal Regulations is amended, in paragraph 2—
- (a) in subparagraph (c), by the substitution of “has invested;” for “has invested.”, and
 - (b) by the insertion of the following subparagraphs after subparagraph (c):
 - “(d) Originating loans on behalf of an AIF;
 - (e) Servicing securitisation special purpose entities.”.

Schedule 5 to Principal Regulations

28. The Principal Regulations are amended by the insertion of the following Schedule after Schedule 4:

“Schedule 5

LIQUIDITY MANAGEMENT TOOLS AVAILABLE TO AIFMs
MANAGING OPEN-ENDED AIFs

1. Suspension of subscriptions, repurchases and redemptions: suspension of subscriptions, repurchases and redemptions means temporarily disallowing the subscription, repurchase and redemption of the fund’s units or shares.
2. Redemption gate: a redemption gate means a temporary and partial restriction of the right of unit-holders or shareholders to redeem their units

or shares, so that investors can only redeem a certain portion of their units or shares.

3. Extension of notice periods: the extension of notice periods means extending the period of notice that unit-holders or shareholders must give to fund managers, beyond a minimum period which is appropriate to the fund, when redeeming their units or shares.
4. Redemption fee: redemption fee means a fee, within a predetermined range that takes account of the cost of liquidity, that is paid to the fund by unit-holders or shareholders when redeeming units or shares, and that ensures that unit-holders or shareholders who remain in the fund are not unfairly disadvantaged.
5. Swing pricing: swing pricing means a pre-determined mechanism by which the net asset value of the units or shares of an investment fund is adjusted by the application of a factor (“swing factor”) that reflects the cost of liquidity.
6. Dual pricing: dual pricing means a pre-determined mechanism by which the subscription, repurchase and redemption prices of the units or shares of an investment fund are set by adjusting the net asset value per unit or share by a factor that reflects the cost of liquidity.
7. Anti-dilution levy: anti-dilution levy means a fee that is paid to the fund by a unit-holder or shareholder at the time of a subscription, repurchase or redemption of units or shares, that compensates the fund for the cost of liquidity incurred because of the size of that transaction, and that ensures that other unit-holders or shareholders are not unfairly disadvantaged.
8. Redemption in kind: redemption in kind means transferring assets held by the fund, instead of cash, to meet redemption requests of unit-holders or shareholders.
9. Side pockets: side pockets means separating certain assets, whose economic or legal features have changed significantly or become uncertain due to exceptional circumstances, from the other assets of the fund.”.



GIVEN under my Official Seal,
28 April, 2026.

SIMON HARRIS,
Minister for Finance.

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