

UCITS VI:

What UCITS management
companies need to know

Entry into force: 15 April 2024

Transposition: 16 April 2026

Application: 16 April 2026

UCITS VI:

What UCITS ManCos need to know

The revised Alternative Investment Fund Managers Directive (“AIFMD 2.0”) introduces targeted but significant changes to the EU framework for undertakings for collective investment in transferable securities (UCITS) and their managers amending the UCITS Directive (2009/65/EC), colloquially dubbed “**UCITS VI**”.

These UCITS VI changes are designed to align key aspects of the UCITS framework with the updated regime for AIFMs, in particular on governance, delegation, liquidity management and supervisory reporting.

This note highlights the main changes and areas where we recommend starting implementation.

1. Key areas of change under UCITS VI

Governance and substance requirements

The amended UCITS Directive now mirrors the strengthened **governance and organisational substance introduced** for AIFMs.

In particular, management companies must:

- have at least **two natural persons**, employed or otherwise committed **on a full-time basis**, domiciled in the EU and effectively conducting the business of the management company with sufficient experience for the UCITS strategies managed; and
- demonstrate, through their programme of activity and organisational structure, that they use **adequate human and technical resources**, with sound administrative, accounting and ICT arrangements (including network and information systems governed in line with the EU digital operational resilience framework), both to perform their functions and to oversee any delegated activities.

Liquidity Management Tools for UCITS

The amended UCITS Directive now includes a harmonised framework for **liquidity management tools (LMTs)** requiring that:

- Member States must ensure that at least the LMTs in Annex IIA are available to UCITS.
- Each UCITS must select at least two appropriate LMTs from Annex IIA, points 2 to 8 (money market funds may select one) and include them in its fund rules/instruments of incorporation for potential use in the interest of investors.
- The management company must implement detailed policies and procedures for activation and deactivation of each selected tool, and the related operational and administrative arrangements.
- National competent authorities (NCAs) will have enhanced powers to require a UCITS to activate or deactivate the suspension tool in exceptional circumstances where this is necessary to protect investors or financial stability.
- Activation and deactivation of certain tools (in particular suspensions and side pockets) must be notified to the competent authorities.

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Delegation and substance

The UCITS delegation regime is tightened and aligned more closely with AIFMD 2.0. Management companies that intend to delegate one or more functions listed in Annex II, or any of the ancillary services, must **notify their home NCA** before the delegation becomes effective and comply with a detailed set of conditions. Delegation must not prevent effective supervision or result in the management company becoming a “**letter box**” entity, and the management company must be able to justify its entire delegation structure on objective reasons. Marketing carried out by MiFID firms or insurance distributors on their own behalf is expressly not treated as delegation. The management company remains responsible for ensuring that all delegated functions and services comply with the UCITS Directive, irrespective of the delegate’s regulatory status or location. The Commission is empowered to adopt delegated acts specifying the conditions for delegation and when a management company is to be deemed a letter box.

Investor protection and fund names

Although the core UCITS rules on fees and disclosures are unchanged, the UCITS VI amendments place renewed emphasis on investor protection and clear pre contractual information. The **name of a UCITS** and its key investor information must be **fair, clear and not misleading**, and ESMA is mandated to develop guidelines on fund names, specifying circumstances in which a name would be considered unfair, unclear or misleading.

Depositary and CSD interactions

The UCITS depositary regime is adjusted to take account of the EU securities settlement framework. The revised UCITS rules now include an explicit definition of **central securities depository (CSD)** by reference to the CSDR, and clarify that where a depositary uses a CSD in the capacity of an ‘investor CSD’ this is treated as a delegation of custody and remains subject to the usual delegation and due diligence requirements, whereas the provision of services by a CSD in the capacity of an ‘issuer CSD’ is not treated as a delegation of custody.

Regulatory reporting, data and ESAP

The UCITS VI framework moves towards a more structured and **integrated supervisory reporting regime** for management companies, with harmonised data requirements and standardised formats to be further specified at EU level, supported by ESMA’s mandate to report on the development of an integrated collection of supervisory data by 16 April 2026. The reform also supports more integrated data collection and sharing across EU and national authorities, and links UCITS disclosures to the future **European Single Access Point (ESAP)**.

2. Member state implementation

The UCITS VI amendments entered into force on 16 April 2026. Member States have implemented the changes primarily through amendments to their existing national frameworks governing collective investment schemes, supplemented where relevant by implementing measures and guidance issued by the relevant national competent authorities (NCAs). In a number of jurisdictions, implementing legislation has been adopted following prior approval at government level.

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3. What UCITS management companies should review

Although some elements of the reform target specific structures, several changes affect all UCITS management companies and may require adjustments to governance and operational frameworks.

- **Governance and senior management arrangements**

Ensure compliance with the requirement to have at least two full time natural persons, domiciled in the EU, effectively conducting the business of the management company with appropriate experience and clearly defined responsibilities.

- **Delegation frameworks and oversight**

Map all delegation and sub delegation arrangements (including intra group and third country delegations), review oversight and monitoring processes, and ensure the management company can demonstrate that it retains control and is not a letter box entity.

- **Risk and liquidity management**

For each UCITS, reassess the alignment between strategy, liquidity profile and redemption terms, decide which liquidity management tools are appropriate and formalise policies and procedures for their activation and deactivation.

- **Investor protection and funds name**

UCITS management companies should therefore ensure that fund names, KIIDs/KIDs and marketing materials accurately reflect the investment strategy and risk profile and are consistent with the underlying documentation.

- **Regulatory reporting and data**

Assess whether existing systems and controls can support more granular and standardised reporting, identify data gaps and plan any IT or process enhancements.

- **Fund documentation and investor disclosures**

Prepare to update UCITS rules/instruments of incorporation, prospectuses, key investor information and marketing materials to reflect new governance, delegation and liquidity arrangements, as well as the ESAP submission requirement.

4. Timeline

- **15 April 2024** – AIFMD 2.0 and the related UCITS amendments entered into force.
- **16 April 2026** – Deadline for Member States to transpose the UCITS changes, most new rules apply from this date.
- **From 10 January 2028** – Prospectuses, key investor information and periodic reports must be submitted to the ESAP collection body when made public.

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5. Conclusion

The UCITS VI updates to the UCITS framework required UCITS management companies to revisit core aspects of their organisation, including governance, delegation, liquidity management and supervisory reporting.

Commencing an internal **gap analysis and implementation plan** now will place UCITS management companies in a much stronger position to adapt to the new regime and to articulate clearly to investors and regulators how they are meeting the new standards.

For further information on the implementation of these UCITS changes or to discuss their potential impact on your structures, please contact our team.

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