

# AIFMD 2.0:

What AIFMs need to know

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## What AIFMs need to know

The revised Alternative Investment Fund Managers Directive (“AIFMD 2.0”) introduced targeted but significant changes to the EU framework for alternative investment fund managers (AIFMs).

Although some provisions focus on specific strategies, AIFMD 2.0 also tightened governance, delegation, cost transparency and reporting expectations across all authorised AIFMs.

This note highlights the main changes and areas for implementation.

### 1. Key areas of change under AIFMD 2.0

#### A. General Operating conditions for all AIFMs

##### Governance and substance requirements

AIFMD 2.0 introduced clearer expectations regarding the **governance and organisational substance** of AIFMs.

Going forward, AIFMs must have at least **two natural persons, on a full time equivalent basis**, domiciled in the EU and effectively conducting the business of the AIFM with sufficient seniority, experience and decision-making authority.

The AIFM’s organisational set up and programme of activity must show that it uses **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 its functions and to oversee any delegated activities.

##### Delegation and substance

AIFMD 2.0 did not fundamentally change the delegation model but significantly increased transparency and supervisory oversight.

In particular, AIFMs need to:

- be able to justify the entire **delegation structure** on objective reasons;
- apply delegation rules not only to core portfolio and risk management functions, but also to **ancillary services** the AIFM provides;
- where an AIF is managed at the initiative of a third party (in a so-called “**white-label set-up**”), provide its national competent authority (“NCA”) with detailed explanations and evidence of how conflicts of interest arising from that relationship are identified, managed, monitored and, where relevant, disclosed.

AIFMD 2.0 also clarified that marketing carried out by MiFID firms or insurance distributors on their own behalf is expressly not treated as delegation.

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## Costs and investor disclosures

AIFMD 2.0 introduced new requirements aimed at improving **transparency on fees and charges** and supporting supervisory scrutiny of “undue costs”. These changes apply to all AIFMs and include among others:

- Before investment: the provision to investors with a list of fees, charges and expenses borne by the AIFM in connection with the operation of the AIF and that will be directly or indirectly allocated to the AIF or its investments.
- On an annual basis: disclosure to investors of all fees, charges and expenses that were directly or indirectly borne by investors, and information on any parent undertaking, subsidiary or special purpose vehicle used in relation to the AIF’s investments.

## Depositary and third country aspects

AIFMD 2.0 made some targeted adjustments to the core depositary model:

- **Central securities depositories** (CSDs) are expressly integrated into the custody chain. When acting as “investor CSDs”, they are treated as delegates of the depositary, with adapted due diligence requirements.
- Conditions for using **third country depositories**, AIFMs and AIFs are tightened, notably by linking eligibility to FATF high risk country lists and the EU list of non cooperative tax jurisdictions. If a jurisdiction is later blacklisted, replacement or remediation is required within a set timeframe.

## Regulatory Reporting and Data Sharing

Finally, AIFMD 2.0 significantly enhanced supervisory data collection and sharing.

Key developments include:

- A broader and **more detailed reporting framework** to NCAs (to be further specified in delegated and implementing acts), covering, among other things, exposures, use of leverage, delegation structures and liquidity management.
- Increased EU level **sharing of data between national authorities**, the ESAs, the ESRB and members of the ESCB for supervisory and statistical purposes.
- From 10 January 2030, certain information on authorised AIFMs and the AIFs they manage or market will need to be made accessible through the **European Single Access Point** (ESAP).

## B. Specific changes for certain types of AIFs

### Loan-Originating AIFs

For the first time, AIFMD 2.0 introduced an EU wide **regulatory framework for loan originating AIFs**, also capturing certain indirect lending structures.

AIFMs managing such funds need to comply with new rules on, in particular:

- **Lending and credit risk policies**

Documented, effective policies and processes for loan origination, credit assessment, administration and monitoring, proportionate to the scale of lending.

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- **Diversification and exposure limits**

Loans to a single borrower that is a financial undertaking, another AIF or a UCITS are capped at 20 % of the AIF's capital.

- **Leverage limits**

Maximum leverage (calculated using the commitment method) for loan originating AIFs of 175 % where the fund is open ended and 300 % where it is closed ended.

- **Connected parties**

Prohibitions on lending to the AIFM and its staff, the depositary and its delegates, the AIFM's delegates and their staff, and most group entities with narrow exceptions.

- **Risk retention and “no originate to distribute”**

Requirement for loan originating AIFs that sell loans to retain 5 % of the notional value of each loan they originate and subsequently transfer, subject to narrow derogations, and a ban on “pure originate to distribute” strategies where loans are originated with the sole purpose of being transferred to third parties.

- **Fund structure and liquidity**

General expectation that loan originating AIFs are closed ended, with open ended structures only permitted where the AIFM can clearly support the fund's liquidity profile in light of its loan portfolio.

- **Periodic disclosures**

Obligation to provide investors with periodic information on the composition of the originated loan portfolio, in addition to existing risk and liquidity disclosures.

Member States remain free to prohibit AIFs that originate loans from **lending to consumers** in their territory, and to prohibit AIFs from servicing such credit.

Existing loan originating AIFs benefit from **transitional arrangements** until April 2029, but will be subject, during that period, to constraints on increasing certain exposures or leverage above the new limits.

### Liquidity Management Tool for open ended AIFs

AIFMD 2.0 strengthened the liquidity management framework for open-ended funds, with the objectives of improving resilience under stress and protecting investors.

- AIFMs managing **open ended AIFs** must select and embed in the fund rules/prospectus at least two liquidity management tools (LMTs) from a harmonised list. Money market funds may select one.
- AIFMs must establish detailed **internal policies and procedures** for the activation and deactivation of each selected tool, and for the operational and administrative arrangements associated with them.

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- NCAs have enhanced powers, in exceptional situations, to require an AIFM to activate or deactivate a suspension of subscriptions/redemptions where this is necessary in the interest of investors or financial stability.
- (De-)activation of certain tools will need to be notified to the NCAs without delay, (de-)activation of side pockets must be notified in advance within a reasonable timeframe.

### 2. Member state implementation

AIFMD 2.0 entered into force on **16 April 2026**. Member States have implemented the Directive through amendments to their existing national frameworks governing alternative investment funds and their managers, supplemented where relevant by implementing measures and guidance issued by the relevant national competent authorities (NCAs).

While most AIFMD 2.0 provisions are harmonised at EU level, the directive still left Member States a few **limited policy choices**, in particular:

- whether to prohibit or not AIFs that originate loans from granting loans to consumers and/or from servicing.
- whether to make use of the Article 21(5a) AIFMD derogation by allowing the relevant NCA, on a case-by-case basis and subject to the strict EU conditions, to approve the appointment of a depositary established in another Member State.
- whether to allow external AIFMs to be authorised to provide benchmark administration and/or credit servicing activities in addition to their core AIFMD services.

The final national positions on these points will depend on the specific transposition measures adopted in each Member State.

### 3. What AIFMs should review

Although some elements of AIFMD 2.0 target specific strategies, several changes affect all AIFMs and may require adjustments to governance and operational frameworks.

#### A. Areas relevant for all AIFMs

- **Governance and senior management arrangements**

Ensure compliance with the requirement to have at least two full time natural persons effectively conducting the business of the AIFM in the EU, with appropriate experience and clear allocation of responsibilities

- **Delegation frameworks and oversight**

Map all delegation and sub delegation arrangements, review oversight and monitoring processes, and ensure the AIFM can demonstrate that it retains control and is not a letter box entity.

- **Costs and fee governance**

Identify and categorise all fees, charges and expenses borne by the AIFM and allocated to AIFs, review fee models and pricing processes and prepare to update pre contractual and periodic disclosures in line with the new transparency requirements.

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- **Risk and liquidity management**

For each AIF, reassess the alignment between strategy, liquidity profile and redemption terms, decide which liquidity management tools should be embedded in open ended AIFs and formalise activation/deactivation policies.

- **Regulatory reporting and data**

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

- **Depository relationships and third country structures**

Discuss with your depositaries the impact of the new rules and, where relevant, third country issues, for cross border and non-EU structures, verify that the jurisdictions involved meet the new AML and tax cooperation benchmarks.

- **Fund documentation and investor disclosures**

Prepare to update AIF rules, prospectuses, investor letters and marketing materials to reflect new governance, liquidity, loan origination, cost and reporting arrangements, as well as any changes required by transposition.

### Areas relevant for certain types of AIFs

In addition, AIFMs should ensure compliance with certain rules applicable to specific types of AIFs :

- **Loan originating AIFs**

Determine whether any AIFs fall within the loan originating definition, map existing loans, exposures and leverage, design or update lending and credit risk policies and plan any adjustments needed to comply with single borrower limits, leverage caps, connected party restrictions, retention requirements and where relevant the move towards a closed ended structure, taking into account the transitional regime.

- **Open ended AIFs**

Identify all open-ended AIFs, decide which liquidity management tools are appropriate, assess operational readiness for each tool and ensure that disclosures are clear on when and how these tools may be used.

- **White label or third party initiated AIFs**

For AIFs managed at the initiative of third parties, review contractual arrangements and conflicts of interest frameworks in light of the new requirement to evidence to the NCA how such conflicts are identified, managed, monitored and disclosed.

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## 4. Conclusion

AIFMD 2.0 raised the bar by requiring AIFMs to revisit core aspects of their organisation, including governance, delegation, liquidity management, costs and, for some managers, loan origination and depositary arrangements. While national implementing measures may continue to be refined at local level, the key elements of the reform are fixed at EU level.

For further information on the implementation of AIFMD 2.0 or to discuss its potential impact on your structures, please contact our team.

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