

# Top 10 things every non-EU fund manager needs to know about AIFMD2

October 2025

With effect from 16 April 2026, AIFMD2 will make incremental changes to the existing AIFMD rules which apply to non-EU fund managers. This briefing note sets out the Top 10 Things that every non-EU fund manager needs to know.

## Overview

AIFMD2 does not make fundamental changes to either the existing national private placement regime framework, or the reverse enquiry rules, in AIFMD. It's best understood as *evolution*, not revolution. However, there are changes to certain disclosure and procedural requirements, and in-scope firms will need to implement an appropriate compliance programme, ahead of April 2026.

### Updated marketing requirements

- Firms will need to update each in-scope fund's Article 23 pre-contractual disclosures and periodic disclosures. An initial focus should be to prepare a supplemental or updated Article 23 investor disclosure, by 16 April 2026.
- New Annex IV regulatory reporting requirements will apply from 2027. Firms should track the implementation of the new reporting templates, and make any required systems updates.
- AIFMD2 amends certain of the procedural NPPR requirements, including around AML and tax blacklists, and appropriate tax agreements being in place.
- There are no changes under AIFMD2 to the annual report, or to the private equity disclosure rules (both of which apply as a result of fund marketing under AIFMD).

### No changes to AIFMD reverse enquiry regime

The existing AIFMD reverse enquiry regime is not amended by AIFMD2. Non-EU fund managers which rely **exclusively** on reverse enquiry will not need to take any action.

## Delegation

If a non-EU firm acts as the delegate of an EU AIFM, the EU AIFM will need to push-down contractually a requirement to comply with AIFMD. Firms using this model should prioritise an early discussion as to which obligations will be pushed-down in practice.

## AIFMD2 is not applicable in the UK

AIFMD2 will not apply in the UK, and so firms which market in the UK will need to continue to comply with the existing UK AIFMD regime.

### 1. What is AIFMD2 and when does it come into force?

The Alternative Investment Fund Managers Directive (**AIFMD1**) has been in force across the EU since July 2013. AIFMD1 governs the management and marketing in the EU of an alternative investment fund (**AIF**) by an alternative investment fund manager (**AIFM**). Certain limited aspects of AIFMD1 also apply to non-EU AIFMs which market funds in the EU under national private placement regimes (**NPPRs**). In addition, AIFMD is also indirectly relevant to non-EU firms which act as the delegate to EU AIFMs.

AIFMD1 is being amended in the EU, and the resulting amended directive is known as **AIFMD2**. AIFMD2 is primarily relevant to EU AIFMs in respect of their management activities in the EU. It introduces new rules for EU AIFMs around for example liquidity management, loan origination, and delegation. There are also some **incremental changes to the existing AIFMD1 rules which apply to non-EU AIFMs**. We focus on those changes in this note.

AIFMD2 comes into force on **16 April 2026**. This is the date by which EU member states must incorporate AIFMD2 into their national law. Accordingly, non-EU AIFMs will need to approach 16 April 2026 as the practical deadline for compliance.

**What about the UK?** The UK retained AIFMD1 as part of its domestic law following Brexit. However, UK AIFMD is not amended by EU AIFMD2.<sup>1</sup> As such, none of the amendments described in this briefing note will apply in the UK. Fund managers which market funds in the UK, under UK AIFMD, should continue to comply with the UK version of AIFMD.

### 2. How does AIFMD1 apply to non-EU fund managers?

AIFMD1 creates a framework under which EU member states may allow non-EU AIFMs to market AIFs to investors in their jurisdiction only, on a private placement basis. This is

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<sup>1</sup> The UK government is separately reviewing the scope and perimeter of UK AIFMD, and how the rules apply to UK AIFMs. This is unlikely to have any impact on non-UK firms.

known as the [Article 42](#) regime. (Note that several EU member states do not currently permit NPPR marketing under Article 42).

AIFMD<sub>1</sub> creates a harmonised set of baseline standards, which apply in all EU member states with a NPPR. In addition, national regulators may also introduce further local procedural or documentation requirements. This note focuses on the harmonised rules:

- Mandatory pre-contractual and ongoing disclosures to fund investors ([Article 23](#)). *See section 3 below for more information.*
- Additional disclosures and reporting which must be added to the fund's annual financial statements ([Article 22](#)). *See section 4 below for more information.*
- Periodic quantitative data reporting to regulators, using a mandatory template ([Article 24](#) or [Annex IV](#) reporting). *See section 5 below for more information.*
- Certain reporting, disclosure and anti-asset stripping rules, only for funds which acquire control of non-listed companies ([Articles 26-30](#), also known as the private equity rules). *See section 6 below for more information.*
- Minimum requirements relating to the jurisdiction in which the manager and the fund are established ([Article 42](#)). *See section 7 below for more information.*

AIFMD<sub>2</sub> does not make any fundamental changes to the core requirements of the AIFMD<sub>1</sub> NPPRs. The existing framework of national registration on a country-by-country basis, subject to harmonised minimum standards, remains in place. This will likely be welcome news to those global fund managers which use NPPRs for marketing in key EU jurisdictions.

However, AIFMD<sub>2</sub> does introduce some incremental evolution of the NPPR framework. Fund managers which make use of the NPPR will need to review these changes, and make necessary enhancements to their documentation and processes.

**Action point:** Do you have any funds registered for NPPR marketing in the EU?

✓ *If yes*, you will need to implement an AIFMD<sub>2</sub> compliance programme.

✗ *If no*, then you do not need to implement an AIFMD<sub>2</sub> compliance programme.

**What about passporting?** AIFMD<sub>1</sub> included a framework for a future passporting regime for non-EU fund managers, which would have allowed non-EU AIFMs to seek EU authorisation, and then to market funds on a cross-border basis, without using NPPRs. This has never been activated. AIFMD<sub>2</sub> retains the passporting framework, but it is unlikely in practice that the regime would be implemented, at least in the short- to medium-term.

### 3. How is the pre-contractual disclosure regime changing (Article 23)?

Article 23 of AIFMD<sup>1</sup> requires mandatory pre-investment disclosures, and mandatory ongoing disclosures, to fund investors. AIFMD<sup>2</sup> introduces minor additions to Article 23. Non-EU AIFMs will need to act ahead of April 2026, to update their disclosures.

#### Pre-investment disclosures

AIFMD<sup>2</sup> introduces incremental additions to the existing pre-investment disclosure rules in Article 23 (and all of the existing disclosure requirements are retained).

New disclosure	Simmons & Simmons comment
<b>Name:</b> the name of the fund	<p>We expect that all managers already include the name of the fund in pre-investment disclosures.</p> <p>(The reason for this requirement is to separately empower ESMA to draft guidelines on when the name of a fund may be unfair, unclear or misleading. Those guidelines are due by April 2028, and so are not an immediate priority).</p>
<b>Liquidity management tools (LMTs):</b> the possibility of, and conditions for, using liquidity management tools (under the new LMT regime in AIFMD <sup>2</sup> )	<p>Non-EU AIFMs are not directly subject to the LMT regime in AIFMD<sup>2</sup>. The LMT rules apply only to EU AIFMs./</p> <p>For existing Article 23 disclosures regarding other substantive provisions of AIFMD which do not apply to non-EU AIFMs, market practice is typically to disclose that the relevant substantive provision does not apply to the non-EU AIFM. We recommend doing so as a baseline for LMTs – in other words, non-EU AIFMs should at least disclose that they are not subject to the LMT regime.</p> <p>Some firms may choose to go a step further, and make voluntary disclosures of liquidity management arrangements which may apply – eg gates, side pockets, etc.</p>
<b>Fees, charges and expenses:</b> 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	<p>AIFMD<sup>1</sup> already includes a requirement to disclose fees, charges and expenses that are borne by investors (directly or indirectly). This new requirement therefore is focused more specifically on expenses <b>recharge</b> mechanisms, ie where the manager incurs a cost in connection with the management of the fund, and recharges that to the fund.</p>

New disclosure	Simmons & Simmons comment
directly or indirectly allocated to the AIF.	Non-EU AIFMs will therefore need to ensure that their disclosures around fees, charges and expenses specifically distinguish re-charged costs.

### Periodic disclosures

AIFMD2 makes certain incremental additions to the existing periodic disclosure rules in Article 23 (and all of the existing disclosure requirements are retained).

New disclosure	Simmons & Simmons comment
<b>Loan origination:</b> the composition of the originated loan portfolio	AIFMD2 introduces a new regime for EU AIFMs, relating to loan origination and loan origination funds. While the AIFMD2 loan origination regime does not apply to non-EU AIFMs marketing under NPPRs, this new requirement will mean that non-EU AIFMs must disclose to EU investors the composition of a loan origination portfolio.
<b>Fees and expenses:</b> on an annual basis, all fees, charges and expenses that were directly or indirectly borne by investors	AIFMD2 introduces a new requirement to disclose fees and expenses as part of the periodic disclosures. If not already part of periodic disclosures, non-EU AIFMs will newly need to include this disclosure.
<b>Use of SPVs:</b> 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	AIFMD2 introduces a new requirement to disclose the use of SPVs (or other subsidiary or parent undertakings) for the purposes of making investments for the fund, that are utilised by the AIFM as manager. If not already part of periodic disclosures, non-EU AIFMs will newly need to include this disclosure.

### Next steps

Non-EU AIFMs which market funds in the EU under NPPRs will need to update their processes and documents, to reflect the revised requirements of Article 23.

### Action points:

- ☒ **Pre-contractual disclosure:** prepare additional disclosures to address the new pre-contractual disclosures. For example, this could be either a patch, wrapper, supplement, or integrated into the formal offer documents, for each in-scope fund. To be sent to all existing EU NPPR investors by 16 April 2026, and made available to any new investors after that date.
- ☒ **Periodic disclosure:** update the periodic disclosure template for the fund, to include the additional disclosure items. Ensure ready to be sent to existing investors in the fund, at the next periodic disclosure following 16 April 2026.
- ☒ **For any fund to be newly registered under NPPR after 16 April 2026:** ensure that the Article 23 disclosures include the new Article 23 pre-contractual disclosures, and that the periodic disclosures are duly updated.
- ☒ **Update compliance policies and processes:** if you have implemented internal compliance policies and processes which reflect AIFMD1 Article 23 requirements, these should be updated as needed, ahead of 16 April 2026.

#### 4. How is the annual reporting regime changing (Article 22)?

AIFMD2 does not make any changes to the existing annual reporting requirements under Article 22. Firms should continue to comply with the requirements of Article 22. **No further action** is required for AFMD2, for firms which are already compliant with Article 22.

#### 5. How is the periodic regulatory reporting regime changing (Article 24)?

AIFMD2 introduces new categories of Article 24 reporting, including:

- A new requirement to report on the assets of each AIF (as well as its exposures)
- Amendments to the existing requirements to report on risk profile;
- Detailed new reporting requirements on delegation and
- A list of EU member states in which the fund is marketed.

There is a potential timing lacuna for the updated Annex IV reporting regime. AIFMD2 mandates ESMA to develop new regulatory technical standards (RTS), which specify the detail of the information to be provided under the revised Article 24. The deadline for ESMA to prepare the draft RTS is **April 2027**, ie one year after AIFMD2 comes into force. There may then be a further period of time, after April 2027, before the RTS and new reporting template comes into effect.

It is not yet clear whether and how AIFMs would be expected to report against the new version of Article 24, in the period from April 2026 until the revised reporting templates are finalised. It may be that AIFMs will be expected to continue to follow the current rules for a transitional period. We expect that the European Commission or national regulators will clarify this in due course.

#### Action points:

- ☒ **Confirm what reports are required as from Q2 2026:** AIFMs should confirm what form of Annex IV reports are required as from Q2 2026 onwards. This has not yet been confirmed by the European Commission (as at October 2025).
- ☒ **Track development of RTS on Annex IV reporting:** AIFMs should track and review the process of finalising the new RTS, ahead of the April 2027 deadline for ESMA to finalise the RTS.
- ☒ **Update reporting systems and processes:** Once the RTS is finalised, AIFMs should make all necessary updates to their reporting systems and processes. This is likely to be a 2027 workstream.

#### 6. How are the private equity rules changing (Articles 26-30)?

AIFMD2 does not make any changes to the existing private equity disclosure and asset stripping rules. Firms should continue to comply with the existing requirements of Article 26 – 30, where applicable. **No further action is required** in connection with AFMD2, for firms which are already compliant with this regime.

#### 7. Have the national private placement regime (NPPR) conditions been changed?

AIFMD2 modifies the minimum Article 42 conditions for NPPR marketing:

- AIFMD1 currently requires that the home state of the AIFM and AIF is not listed as a non-cooperative country and territory by FATF. AIFMD2 removes this requirement.
- AIFMD2 introduces a requirement that the home state must not be identified as a “high risk third country” under EU AML rules.<sup>2</sup>
- In addition, AIFMD2 introduces two new requirements relating to tax. First, the home country must have signed an information exchange agreement which

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<sup>2</sup> Afghanistan, Algeria, Angola, Burkina Faso, Cameroon, Democratic Republic of the Congo, Haiti, Iran, Ivory Coast, Kenya, Laos, Lebanon, Mali, Monaco, Mozambique, Myanmar, Namibia, Nepal, Nigeria, North Korea, South Africa, South Sudan, Syria, Tanzania, Trinidad and Tobago, Vanuatu, Venezuela, Vietnam, and Yemen.

complies with the OECD Model Tax Convention. Secondly, the home country must not be listed on the EU's list of non-cooperative jurisdictions for tax purposes.<sup>3</sup>

Simmons & Simmons is separately tracking any amendments to local NPPR processes, including grandfathering or re-registration requirements, as part of our Navigator funds service, accessible [here](#).

#### Action points:

- ☒ **Confirm that the jurisdictions of the AIFM and AIF do not appear on the new prohibited lists:** AIFMs should review the lists of high-risk AML jurisdictions, and non-cooperative tax jurisdictions, to confirm that the jurisdiction of the AIFM entity and all relevant AIFs do not appear on either prohibited list.
- ☒ **Confirm that an appropriate tax agreement is in place:** between the home country of the fund and manager, and the country in which marketing will occur.
- ☒ **Track implementation:** AIFMs should track national implementation of AIFMD2's revised Article 42 regime, in each relevant EU member state.
- ☒ **If required, re-submit registration documents:** AIFMs should – if required by the local NPPR process – resubmit or refile any registration confirmations.

#### 8. Does AIFMD2 impact the reverse enquiry regime?

In practice, some Non-EU fund managers rely exclusively (or extensively) on reverse enquiry, as the method by which EU investors access their funds. AIFMD2 does not make any changes to the reverse enquiry regime, which allows EU member states to permit local investors to invest at the initiative of the investor.

Firms may continue to comply with and make use of reverse enquiry, subject to local law requirements (as is currently the case). **No further action is required** in connection with AIFMD2, for firms which are already compliant with relevant local reverse enquiry rules.

#### 9. How does AIFMD2 apply to delegates of EU AIFMs?

Separately from the NPPR marketing rules, AIFMD2 is also potentially *indirectly* relevant to a non-EU firm, which acts as delegate to an EU AIFM. This is the case whether the non-EU delegate is a non-EU AIFM, or any other type of firm.

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<sup>3</sup> American Samoa, Anguilla, Fiji, Guam, Palau, Panama, Russia, Samoa, Trinidad and Tobago, the US Virgin Islands and Vanuatu.

AIFMD2 introduces a new requirement for the EU AIFM to ensure that any delegate performing functions for the AIFM must *comply with AIFMD*. This applies irrespective of the regulatory status or location of any delegate. In practice, where a delegate is not subject to EU AIFMD as a directly regulatory matter, then this rule appears to require the EU AIFM to **push-down contractually** to the delegate an obligation to comply with AIFMD.

However, there is a degree of uncertainty in respect of any such contractual push-down. In particular, AIFMD does not specify a mandatory list of compliance requirements which must be imposed by the EU AIFM on its delegates. It is possible that either EU or national regulators may provide further guidance on this. Unless such guidance is published, EU AIFMs and their delegates will need to agree a suitable list of AIFMD requirements.

It is likely that the EU AIFM would consider it necessary to push-down compliance with conduct of business and trading-related obligations. However, there seems less policy purpose in seeking to push-down broader organisational, senior management or prudential requirements.

#### Action points:

- ☒ **Confirm whether the firm acts as delegate to an EU AIFM:** Non-EU firms should review arrangements with EU AIFMs, to confirm whether the firm is a delegate to any EU AIFM. (This may be the case, whether or not the non-EU firm is an AIFM).
- ☒ **Liaise with the EU AIFM on what changes may be required:** the EU AIFM will need to push-down to its delegates a contractual obligation to comply with AIFMD. The non-EU firm should liaise with its EU AIFM counterparts, to discuss what amendments may be required to existing agreements.

#### 10. What should firms do now?

Simmons & Simmons is well-placed to assist non-EU AIFMs with compliance with AIFMD. We can provide both market-standard template documents, and also bespoke advice.

Our advice on AIFMD2 includes:

- A template Article 23 disclosure document, to cover the new disclosures
- Bespoke advice on updating Article 23 disclosure documents or offer documents
- Broader advice and health-checks on general compliance with AIFMD and the marketing rules (both pre- and post-AIFMD2)
- Advising on updates to policies and procedures relating to fund marketing
- Assisting with review of delegation agreements

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