

Irish Funds & Regulatory Quarterly Update

1 January – 31 March 2026



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Central Bank of Ireland (“CBI”) Updates



The CBI's Operational Resilience Thematic Assessment

On **12 January 2026**, the CBI published the outcome of its [Thematic Assessment of Operational Resilience in the MiFID Investment Firm Sector](#), dated December 2025. The key objectives of this thematic assessment carried out on a sample of MiFID firms was to ascertain whether:

- Operational resilience frameworks meet the CBI's expectations set out in Cross Industry Guidance on Operational Resilience (now aligned with the Digital Operational Resilience Regulation and Directive, or DORA); and
- Firms' boards and senior management are accountable for the design and operating effectiveness of operational resilience frameworks and strategy.

Key Findings

Some of the key findings include:

- Good practices such as strong documentation, clear board responsibility, and regular reporting; and
- Areas for improvement, including insufficient mapping of critical services, limited scenario testing, and weak alignment with risk management.

Regulatory Expectations

The CBI expects firms to take a proactive and strategic approach to operational resilience. Firms should:

- Embed operational resilience into their strategic decision-making, ensuring it is considered at the highest levels when setting business objectives and making key decisions;
- Develop and maintain frameworks that are robust, regularly tested, and closely aligned with both risk management and business continuity planning, so that firms can respond effectively to disruptions; and
- Maintain comprehensive oversight of third-party providers, including outsourced service partners, with clear lines of accountability established at board and senior management level. This includes mapping critical dependencies and ensuring effective governance over all external relationships.

Update	1 January – 31 March 2026
Regional Impact	Ireland
Sector Focus	Financial Institutions
Link	Simmons Insights Article

For further information, please see link to our full Simmons Insights Article.

Note on AIFMD Loan Origination Authorisation Process

On **29 January 2026**, the CBI introduced a streamlined process for authorised AIFMS managing funds that engage in loan origination. This is intended to facilitate compliance with AIFMD 2, effective 16 April 2026. See the CBI's [note](#) here.

Who Needs to Apply and How

AIFMs currently managing loan-originating QIAIFs, or those wishing to originate loans after AIFMD 2 takes effect, must obtain additional authorisation from the CBI. The CBI has indicated it will take a proportionate approach to authorising existing managers.

To apply, AIFMs must submit two letters:

- The first letter should be sent to the FSP Authorisations Team, seeking authorisation to provide the Annex I function of originating loans on behalf of an AIF; and
- The second letter should list the relevant AIFs (including domicile and whether authorised / unauthorised); confirm scope of loan origination activity; describe policies, procedures and processes; and explain alignment with AIFMD 2.

Applications should be sent to MancoFSPauthorisations@centralbank.ie as soon as possible, clearly stating “Loan origination application – [name of AIFM]”. The CBI will also work with the AIFM regarding any queries arising from the application with a view to the AIFM receiving authorisation for this additional function by 16 April 2026 – queries should be directed to the email address above.

Key Points and Deadlines

- AIFMD 2 introduces harmonised EU rules for loan origination, with enhanced requirements for “Loan Originating AIFs” (“[LO AIFs](#)”), which are funds whose primary strategy is lending or whose originated loans make up at least 50% of their net asset value. These include new requirements on concentration and leverage limits, borrower restrictions, and internal policies regarding governance, credit assessment and monitoring frameworks.
- LO AIFs established before **15 April 2024** benefit from a five-year transitional period to comply with the new product rules under AIFMD 2.
- However, there are no transitional or grandfathering provisions for AIFMs themselves - all AIFMs must obtain the necessary CBI authorisation **by 16 April 2026**.

Update	1 January – 31 March 2026
Regional Impact	Ireland
Sector Focus	Asset Management and Investment Funds, Institutional Managers, and Regulated Funds
Link	Simmons Insights Article

Timing

16 April 2026

AIFMD 2 comes into effect on this date. AIFMs must be authorised by this date to manage LO AIFs.

For further information, please see link to our full [Simmons Insights Article](#).

CBI publishes Update 1 of 2026

On 29 January 2026, the CBI published **Markets Update 1 of 2026**, highlighting ongoing post-authorisation requirements for AIFMs and providing guidance on a range of regulatory obligations.

Authorisation Extensions

The CBI has adopted a proportionate approach to authorisation extensions for AIFMs, including those wishing to manage LO AIFs under AIFMD 2. AIFMs seeking to extend their authorisation to provide additional functions or services should contact the CBI for guidance. Further details on the streamlined process for loan origination authorisation are provided on the previous slide.

Changes to Directors or Managers

Any change in director or manager, including both proposed appointments and resignations, must be notified to the CBI. All proposed appointees are subject to the Fitness & Probity regime.

Changes in Qualifying Holdings

Any changes to qualifying holdings in an AIFM require prior approval from the CBI. Firms must also notify the CBI **annually** of their ownership structure. The CBI encourages pre-engagement discussions before submitting an Acquiring Transaction Notification Form.

Change of Company Name

AIFMs must obtain CBI approval for any change in company name before submitting the change to the Companies Registration Office.

Capital Contributions and Subordinated Loans

Capital contributions and subordinated loans may be included as part of the financial resources requirement, provided they are executed in accordance with the CBI's approved format.

Change of Address

Firms must notify the CBI in advance of any change of address to ensure records and systems are updated promptly.

Other Changes

If there is any uncertainty as to whether a change is material for regulatory purposes, AIFMs should consult directly with their CBI supervisors.

Update	1 January – 31 March 2026
Regional Impact	Ireland
Sector Focus	Asset Management and Investment Funds, Institutional Managers, and Regulated Funds
Link	CBI Market Update 1

For further information, please see link to the CBI's Market Update.

Regulatory & Supervisory Outlook Report for 2026

On 26 February 2026, the CBI published its annual [Regulatory & Supervisory Outlook Report](#) (the “RSO”). The RSO is published “at a time of accelerating change in the global environment”, with numerous aspects such as geopolitical fragmentation, macro-financial uncertainty and rapid technological transformation reshaping the financial system.

Key Themes and Priorities

The CBI identifies three broad risk drivers:

- Macroeconomic and geopolitical environment;
- How regulated entities are responding to today’s changing world; and
- Longer-term structural forces (e.g. sustainability, technology).

The RSO also features “Spotlight” chapters on AI, operational resilience, and consumer/investor protection. The CBI expects all regulated firms to demonstrate compliance with its priorities.

Five CBI Supervisory Priorities for 2026:

1. Maintaining and Building resilience to geopolitical and macro-financial risks (including operational and financial resilience, cyber security and climate risk);
2. Securing consumer and investor interests (focus on digitalisation, financial crime, frauds and scams);
3. Responding to technology-driven transformations (AI, digital money, tokenisation);
4. Addressing environmental and societal transitions (sustainable finance, payments, retail investment); and
5. Enhancing CBI’s own regulatory and supervisory approach.

Funds Sector Highlights

- Ireland hosts 136 regulated fund management companies and 65 fund service providers
- As of September 2025:
 - ~9,100 Irish authorised funds with €5.3tn NAV (up 6% on 2024);
 - Two-thirds of Euro area ETF assets (€1.9tn) are in Ireland; and
 - ESG funds: 32% by number, 39% by NAV (€2.07tn).

Update	1 January – 31 March 2026
Regional Impact	Ireland
Sector Focus	Asset Management and Investment Funds, Institutional Managers, and Regulated Funds
Link	Simmons Insights Article

For further information, please see link to our full Simmons Insights Article.

Continued - Regulatory & Supervisory Outlook Report for 2026

Funds Sector Takeaways

- The sector faces “a sustained period of transformation” due to geopolitical, regulatory, and technological change;
- Simplification and the EU’s Savings and Investment Union are central to EU competitiveness;
- The sector’s size and complexity require robust supervision, especially for liquidity, leverage, private assets, AML, digitalisation, and valuation; and
- Governance, risk management, and operational resilience remain top priorities.

CBI’s Supervisory Focus Areas for 2026

- 1. Governance & Risk Management** - Ongoing review of delegation, outsourcing, board effectiveness, compliance functions, and support for AIFMD 2 transition;
- 2. Operational & Cyber Resilience** - Focus on DORA implementation, AML/CFT controls, transaction monitoring, and CRD6 compliance;
- 3. Asset Valuation & Market Risks** - Supervision of valuation, market risk, VaR models, and hard-to-value assets;
- 4. Liquidity & Leverage Risks** - Thematic reviews of liquidity management, bond funds, leverage in property funds;
- 5. Product Costs & Disclosures** - Engagement on high-risk products, value for money, fund disclosures, and Consumer Protection Code;
- 6. Data & Artificial Intelligence** - Oversight of AI use, model governance, and enhanced data-led supervision; and
- 7. Climate & ESG Risks** - Monitoring Sustainable Finance Disclosure Regulation (SFDR) compliance, ESG disclosures, and Fund Naming Guidelines.

Supervision will be conducted at both firm and sectoral level, with additional firm-specific work as needed.

Looking Forward

The CBI will remain “outcomes-focused, risk-based and forward-looking” and expects firms to maintain strong governance, risk management, and operational resilience, acting in the best interests of their customers.

Update	1 January – 31 March 2026
Regional Impact	Ireland
Sector Focus	Asset Management and Investment Funds, Institutional Managers, and Regulated Funds
Link	Simmons Insights Article

For further information, please see link to our full Simmons Insights Article.

CBI publishes Update 2 of 2026

On **27 February 2026**, the CBI published **Markets Update 2 of 2026**, which covers the updated authorisation process for AIFMs managing loan-originating AIFs (addressed in previous slides), the finalised filing process for updated UCITS and AIF documentation, the signing of statutory instruments implementing the ESAP (as defined below) framework in Ireland, and updated CBI guidance on the [Transparency Regulatory Framework](#).

Streamlined filing of updated fund prospectuses and/or supplements and constitutional documents

The CBI has established a streamlined filing process to facilitate updates to fund documentation for existing UCITS and AIFs in light of AIFMD II and related regulatory changes. This process allows for the submission of revised prospectuses, supplements, and constitutional documents, provided the changes do not involve material amendments to the investment objective, policy, or strategy. The streamlined process is open from **2 March 2026**, with no set closure date, and is designed to support an orderly implementation of regulatory updates across Irish funds.

Implementation of the European Single Access Point (“ESAP”) Framework in Ireland

On **10 February 2026**, the Irish Minister for Finance signed three Statutory Instruments to implement the ESAP framework in Ireland. These regulations establish the legal and operational structure for ESAP, designate national collection bodies (including the CBI, the Companies Registration Office, the Irish Auditing & Accounting Supervisory Authority (IAASA), and the Pensions Authority), and amend existing financial legislation to ensure alignment with the new EU-wide data platform. The measures cover the legal framework, voluntary submissions, and updates to laws governing pensions, asset covered securities, market abuse, and investment firms.

Guidance on Transparency Regulatory Framework

The CBI has published updated guidance on the Transparency Regulatory Framework, which outlines the requirements for issuers regarding the publication, dissemination, and filing of regulated information. The guidance covers key areas such as notification of home Member State, publication and dissemination of regulated information, periodic financial reporting, major shareholdings, and the filing of information with the CBI and the Officially Appointed Mechanism (OAM). It also addresses third country equivalence and the publication of information about dividend payments. Issuers are reminded to comply with the latest procedures and formats, and to monitor updates from both the CBI and the European Securities and Markets Authority to ensure ongoing compliance with transparency obligations.

Update	1 January – 31 March 2026
Regional Impact	Ireland
Sector Focus	Asset Management and Investment Funds, Institutional Managers, and Regulated Funds
Link	CBI Market Update 2

For further information, please see link to the CBI's Market Update.

DP12 – DLT & Tokenisation in Financial Services

On **5 March 2026**, the CBI published [DP 12, “DLT & Tokenisation in Financial Services”](#), (the “DP”) to “stimulate informed dialogue on the future role of Distributed Ledger Technology (“DLT”) and tokenisation applications within the Irish and European financial services ecosystem”.

The DP aims to increase the CBI’s understanding of DLT and its potential to transform financial infrastructure and services, assess the opportunities, challenges, enablers, and risks arising from DLT and tokenisation, and examine how these technologies interact with existing financial infrastructures, intermediaries, and products. It also seeks to ensure that DLT and tokenisation deliver efficiency, transparency, and accessibility for society.

Key Points

- The CBI notes that regulatory frameworks must “remain flexible and forward-looking, capable of adapting to innovation”;
- Integrating DLT into mainstream finance offers clear benefits but may have profound implications for the financial system;
- Understanding how tokenisation interacts with existing frameworks is critical to ensuring innovation supports positive change;
- Deployed correctly, DLT and tokenisation can benefit the financial system and help EU markets become deeper and better integrated;
- In markets, funds, and payments, tokenisation challenges existing assumptions about intermediation, settlement finality, governance, and oversight;
- Risks are not uniformly higher or lower than in “traditional” finance, but are redistributed across new actors, roles, and technologies; and
- The paper highlights the importance of legal clarity, interoperability, and central bank money settlement as key enablers for successful adoption, and includes a particular focus on the funds sector, with illustrative use cases such as tokenised Money Market Funds (MMFs) and Exchange Traded Funds (ETFs).

Next Steps

The DP is open for responses until **5 June 2026**. The CBI will use responses to inform its approach and publish a feedback statement on policy and regulatory adequacy in supporting innovation and risk management.

Update	1 January – 31 March 2026
Regional Impact	Ireland
Sector Focus	Asset Management and Investment Funds, Institutional Managers, and Regulated Funds
Link	Simmons Insights Article

Timing

5 June 2026

The deadline for consultation is 5 June 2026.

For further information, please see link to our full Simmons Insights Article.

CP166 – Fitness and Probity Prohibition Notices (Consultation and Webinar)

In **January 2026**, the CBI published CP166 on prohibition notices under the Fitness and Probity (“F&P”) regime, followed by a CBI webinar in **March 2026** outlining its approach to the proposed Supplemental Guidance.

Key Points

- CP166 relates to the third pillar of the F&P regime, concerning the investigation of individuals performing (or previously performing) controlled functions (“CFs”) and pre-approval controlled functions (“PCFs”); and
- Where an individual does not meet F&P standards, the CBI may impose a prohibition notice, preventing them from performing CF/PCF roles on an outright or conditional basis, for a fixed term or indefinitely.

Decision-Making and Scope

- Prohibition cases involve two distinct units: **Enforcement Unit** (investigation) and **Regulatory Decisions Unit** (independent decision-making);
- There are no automatic prohibitions—even in cases of serious misconduct, each case is assessed individually;
- Decisions are guided by proportionality, public interest and relevant circumstances, including the individual’s conduct, risk posed to F&P objectives, prior record, remediation and personal circumstances; and
- Prohibitions may be limited or broad in scope (specific CFs/PCFs, firms, or all roles).

Conditions and Publication

- Conditions (e.g. training, enhanced supervision or role restrictions) may be imposed only as part of a prohibition, not on a standalone basis;
- Publication of a prohibition notice is a separate decision and will generally occur, unless exceptional circumstances apply; and
- Prohibitions cease on expiry or may be terminated, revoked or varied by the CBI or the High Court.

Impact and Next Steps

- Any individual seeking a PCF role following a prohibition must submit a fresh Individual Questionnaire, with the prior prohibition taken into account; and
- The CP166 consultation closed on 25 March 2026; final guidance and a feedback statement are expected around July 2026.

Update	1 January – 31 March 2026
Regional Impact	Ireland
Sector Focus	Financial Services Regulation, Financial Institutions, FinTech
Link	Simmons Insights Article

Timing

25 March 2026

The deadline for consultation closed on 25 March 2026.

For further information, please see link to our full Simmons Insights Article on the Webinar.

Thematic Inspection of Outsourcing Risk – Fund Administrators and Depositories

On 6 March 2026, the CBI issued a letter outlining the results of its **Thematic Inspection of Outsourcing Risk for Fund Administrators and Depositories** (“FSPs”). The inspection forms part of the CBI’s integrated and sectoral approach to supervision, prioritising areas with heightened operational and resilience risks.

Scope & Key Findings

- The CBI assessed the robustness of FSPs’ outsourcing oversight frameworks, referencing the [Cross-Industry Guidance on Outsourcing](#) and, for Fund Administrators, the [Investment Firms Regulations 2023](#) and related CBI guidance;
- The review covered the outsourcing lifecycle, board-level governance, and day-to-day oversight of key outsourced activities; and
- The CBI identified **material deficiencies** in outsourcing oversight, warning that weak governance, controls, and monitoring can create significant operational resilience risks.

Examples of Good Practice

- The CBI highlighted the value of dedicated outsourcing committees and the appointment of an outsourcing manager;
- Second-line sign-off and independent compliance assurance were seen as effective controls;
- Firms should set clear outsourcing risk appetite limits and use multi-layered risk metrics;
- Regular due diligence and comprehensive oversight documentation were identified as important; and
- Strong NAV oversight and inclusion of prime broker arrangements in registers were also noted as good practice for Fund Administrators.

Next Steps

- FSPs should bring the CBI’s findings to Board/Management attention and review their own frameworks against the good practices identified; and
- The CBI expects firms to assess and implement enhancements in governance, oversight, documentation, and risk monitoring as needed.

Update	1 January – 31 March 2026
Regional Impact	Ireland
Sector Focus	Financial Services Regulation, Financial Institutions
Link	Simmons Insights Article

For further information, please see link to our full Simmons Insights Article.

CBI publishes Update 3 of 2026

On **19 March 2026**, the CBI published **Markets Update No. 3 of 2026**, highlighting regulatory developments of relevance to Irish regulated firms and market participants. The update covers three key areas: margin model validation, client asset regulation, and emerging financial technologies.

First, the European Banking Authority's ("EBA") decision on the **validation of the ISDA Standard Initial Margin Model (SIMM)** took effect on **1 March 2026**, confirming that the EBA's central validation function is now operational and setting out governance, onboarding and ongoing monitoring arrangements. Second, the **European Union (Markets in Financial Instruments) (Amendment) (No. 2) Regulations 2026** were published on **5 March 2026**, amending certain MiFID client asset provisions, with the changes coming into force on **31 August 2026**.

Finally, the CBI published **Discussion Paper DP12 on DLT and tokenisation in financial services**, examining potential benefits, risks and regulatory considerations. The consultation closes on **5 June 2026**, and feedback will inform the CBI's future regulatory and supervisory approach to DLT and tokenisation. As **discussed on page 8** above, for further information on DLT and tokenisation, see our summary of the DP, see [here](#).

Update	1 January – 31 March 2026
Regional Impact	Ireland
Sector Focus	Asset Management and Investment Funds, Institutional Investors and Regulated Funds
Link	Simmons Insights Article

For further information in respect to the CBI's market update, please see link to our full Simmons Insights Article.

CBI Investment Fund Statistics

The CBI has published its **Q3 2025 Investment Fund Statistics**, showing continued growth in the Irish funds sector. Net asset values of Irish-resident investment and money market funds reached €5.309 trillion, almost four times their 2014 level.

Equity holdings increased to €2.89 trillion, with USD-denominated equities recording €114 billion in positive revaluation, highlighting the scale and global exposure of the sector.

Update	1 January – 31 March 2026
Regional Impact	Ireland
Sector Focus	Asset Management and Investment Funds, Institutional Investors and Regulated Funds

Sustainability – ESMA Common Supervisory Action

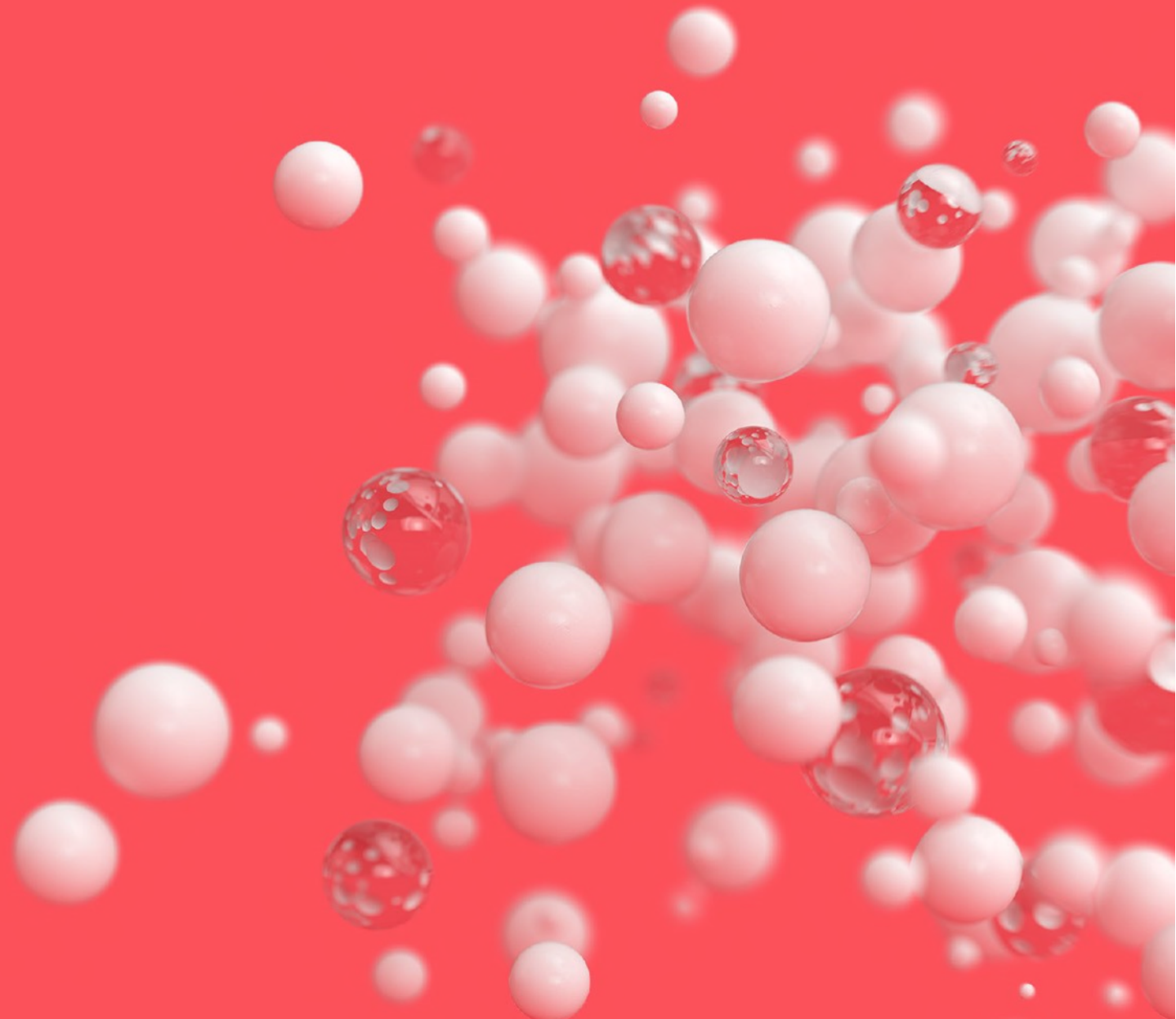
The CBI has published the European Securities and Markets Authority (“[ESMA](#)”)’s report on sustainability risks and disclosures in the investment funds sector. The review focused on SFDR compliance, greenwashing risks and sustainability governance across UCITS managers and AIFMs.

Key improvement areas include data quality, monitoring arrangements and control effectiveness. The CBI expects firms to maintain clear policies, review them regularly and ensure sustainability issues are addressed at board level.

For further information, please see [link the ESMA report published on the CBI website](#).

Update	1 January – 31 March 2026
Regional Impact	Ireland
Sector Focus	Asset Management and Investment Funds, Institutional Investors and Regulated Funds
Link	ESMA's Report

Irish Updates



Consumer Protection Code 2025

On **24 March 2026**, the Consumer Protection Code 2025 (“**CPC 2025**”) came into effect, representing the most significant and far-reaching recalibration of Ireland’s consumer protection framework for more than a decade. The CPC 2025 is the result of a lengthy regulatory process involving comprehensive engagement with industry, consumer groups, and other stakeholders. It is designed to address the complexities and realities of a rapidly evolving financial services landscape, characterised by accelerating digitalisation, increasing product sophistication and a growing regulatory focus on demonstrable positive consumer outcomes.

The CPC 2025 is built around two main pillars, supported by detailed guidance:

- **Standards for Business Regulations 2025:** A high-level, principles-based framework with nearly 60 provisions, replacing and expanding the General Principles of the 2012 Code. These standards apply broadly to all customers - including individuals, partnerships, and corporates - not just “consumers”; and
- **Consumer Protection Regulations 2025:** This introduces over 400 detailed requirements, covering all regulated activities such as banking, credit, asset finance, payments, e-money, insurance, investments, and new sectors like crypto asset services, with some sector-specific exceptions.

The scope of the CPC 2025 is extensive. The definition of “consumer” is significantly broadened to include incorporated bodies with an annual turnover of up to €5 million (up from €3 million), thereby capturing a wider range of SMEs.

The CPC 2025 applies to all regulated activities (with some exclusions, such as services provided to persons outside Ireland, MiFID Schedule 1 services, reinsurance) and covers entities operating in Ireland, including EEA-authorized firms passporting into Ireland, provided they are delivering services to customers in Ireland.

Recognising the scale of structural change required by the CPC 2025 and drawing on our market-leading expertise in regulatory transformation, Simmons & Simmons has developed a **dedicated tool** to support firms in operationalising the CPC 2025 requirements while meeting the CBI’s evolving expectations. Further details of our CPC Tool are set out [on our website](#) and in our [Simmons Insights Article](#).

For further information, please see link to our full Simmons Insights Article.

Update	1 January – 31 March 2026
Regional Impact	Ireland
Sector Focus	Asset Management and Investment Funds, Institutional Managers, and Regulated Funds
Link	Simmons Insights Article

Timing

24 March 2026

The CPC 2025 takes effect from this date.

Funds Review 2030 – Implementation Update

The Department of Finance has published an implementation plan and progress report on the Funds Review 2030 recommendations. Of the 42 recommendations, 30 have been completed, are on track for completion, or are progressing, with notable measures already implemented in relation to ETFs and the CBI's AIF Rulebook by the CBI.

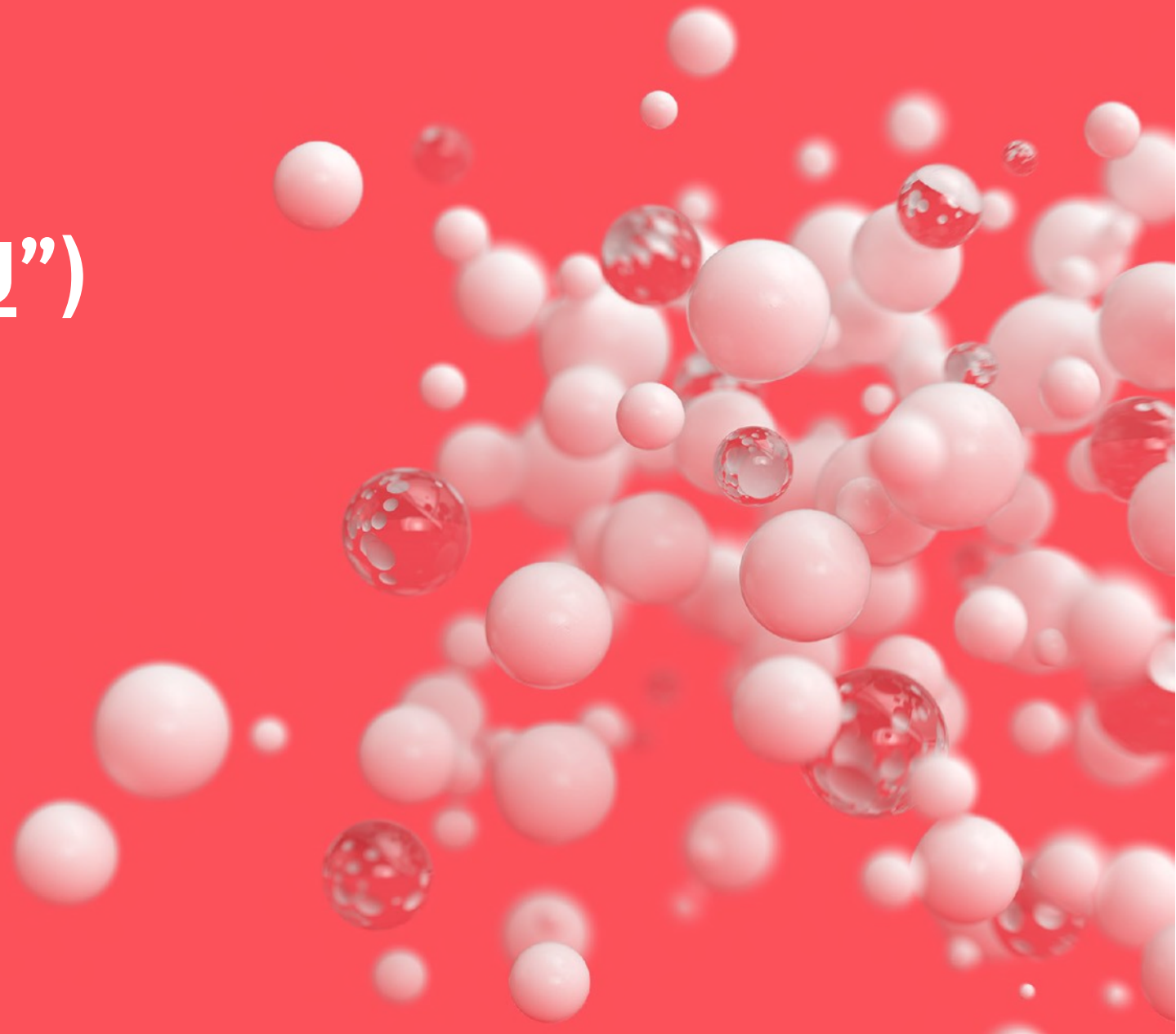
Twelve recommendations remain under consideration, including four relating to retail investment taxation. A roadmap to simplify and modernise the retail investment tax framework is expected in early 2026. In the interim, the Finance Bill 2025 provides for a reduction in the tax rate applicable to Irish and equivalent offshore funds, as well as Irish and foreign life assurance products, from 41% to 38%.

The proposed consultation on introducing an entity-level tax for Irish Real Estate Funds (“IREFs”) will not proceed. Instead, a public consultation on simplifying the IREF regime is planned for 2026, with potential legislative changes to follow in the Finance Act 2026. Stakeholder engagement in the consultation process will be an important opportunity to influence the final reforms.

For further information, please see link to the Department of Finance's Final Report.

Update	1 January – 31 March 2026
Regional Impact	Ireland
Sector Focus	Asset Management and Investment Funds, Institutional Managers, and Regulated Funds
Link	Department of Finance Final Report

European Union (“EU”) Updates



AMLA Consultation: Sanctions and Enforcement under MLD6

The Authority for Anti-Money Laundering and Countering the Financing of Terrorism (“[AMLA](#)”) has launched a consultation on draft Regulatory Technical Standards (“[RTS](#)”) under Article 53(10) of the Sixth Money Laundering Directive (“[MLD6](#)”), focusing on pecuniary sanctions, administrative measures and periodic penalty payments. The consultation closes on **9 March 2026**.

Key Features of the draft RTS:

- **Three-Step Enforcement Framework:**

The draft RTS introduces a structured approach for enforcement:

1. **Assessment of Breach Gravity:** Supervisors must assess the gravity of a breach using a set of specified indicators, such as duration, repetition, conduct, impact, nature, and structural failures;
2. **Classification of Breaches:** Breaches are classified into four categories by severity, with clear criteria for each category. Categories three and four are deemed “serious, repeated or systematic” under **Article 55(1)** of MLD6; and
3. **Determination of Sanctions/Measures:** Supervisors determine the level of pecuniary sanctions or administrative measures based on defined criteria, including cooperation, conduct, benefit derived, previous breaches, and financial strength.

- **Methodology for Periodic Penalty Payments:**

The RTS set out how periodic penalty payments (PePPs) should be imposed, including key procedural safeguards and criteria for calculating their amount and frequency.

- **Scope, Harmonisation, and Proportionality:**

The RTS apply to both financial and non-financial sectors, with specific provisions for natural persons such as senior management and supervisory board members. They are designed to harmonise enforcement across the EU, ensuring that similar breaches are assessed and sanctioned consistently, and that enforcement measures remain proportionate, effective, and dissuasive.

- **Consultation and Next Steps:**

AMLA is seeking feedback, especially from the non-financial sector, until **9 March 2026**, before finalising the RTS for submission to the European Commission.

Update	1 January – 31 March 2026
Regional Impact	EU and Ireland
Sector Focus	Financial Services Regulation, Financial Institutions,
Link	Consultation Paper

Timing

9 March 2026

AMLA consultation closes on 9 March 2026.

For further information please see link to the AMLA’s consultation paper.

AMLA Consultation: Draft RTS under Article 19(9) of the AML Regulation

The AMLA has launched a consultation on draft RTS under Article 19(9) of Regulation (EU) 2024/1624 (“[AMLR](#)”), focusing on criteria for identifying business relationships, occasional transactions, linked transactions, and lower thresholds for customer due diligence (“[CDD](#)”). The consultation closes on **8 May 2026**.

Key Features of the draft RTS:

1. Criteria for Business Relationships, Occasional Transactions, and Linked Transactions:

- The RTS set criteria to help obliged entities distinguish business relationships from occasional transactions and identify linked transactions, aiming to harmonise interpretation across the EU. Importantly, fulfilling a criterion does not automatically establish a business relationship, and one may exist without any listed criterion. The criteria are indicative and non-exhaustive and do not replace the AMLR definitions.
- Business relationships are defined by elements of repetition or duration, including ongoing access via registration-based online services.
- Linked transactions are identified by criteria such as identical/similar origin, destination, purpose, or other relevant characteristics over a specific period, with sector-specific provisions for higher-risk activities. In identifying linked transactions, obliged entities are only required to take account of information that is already available to them, or that they are required to hold under applicable legal or supervisory obligations.

2. Lower Thresholds for CDD:

- The draft RTS do not introduce additional lower thresholds for CDD at this stage, as AMLA found no conclusive evidence justifying further reductions beyond those already set in the AMLR for higher-risk sectors and transactions.
- Existing lower thresholds (e.g., for cash transactions, gambling, crypto-asset services) remain unchanged.

3. Harmonisation and Proportionality:

- The RTS aim to reduce fragmentation and ensure consistent application of CDD measures, supporting a risk-based and proportionate approach. Criteria are principle-based with targeted sector-specific provisions where supervisory experience shows a need for clarification.

Consultation and Next Steps:

- AMLA invites feedback from all stakeholders, especially obliged entities, until **8 May 2026**. Responses will inform the final RTS for submission to the European Commission.

Update	1 January – 31 March 2026
Regional Impact	EU and Ireland
Sector Focus	Financial Services Regulation, Financial Institutions,
Link	Consultation Paper

Timing

8 May 2026

AMLA consultation closes on 8 May 2026.

For further information please see link to the AMLA's consultation paper.

AMLA Consultation: Draft RTS under Article 28(1) of the AML Regulation

The AMLA has also launched a consultation on draft RTS under Article 28(1) of AMLR. The draft RTS specify harmonised requirements for standard, simplified and enhanced CDD across the EU. The consultation closes on **8 May 2026**.

Key Features of the draft RTS:

1. Harmonised CDD Requirements (Standard, Simplified and Enhanced)

The draft RTS set out detailed and harmonised requirements on the information to be collected and measures to be applied for standard CDD, simplified due diligence (“SDD”) and enhanced due diligence (“EDD”), applicable across both the financial and non-financial sectors. The RTS are principle-based and risk-sensitive, supporting consistent application of the AMLR without replacing or expanding the Level 1 obligations.

2. Identification and Verification of Customers and Beneficial Owners

The RTS specify the minimum identification and verification information for natural and legal persons, including guidance on reliable and independent sources of information, non-face-to-face verification, and the use of electronic identification means and qualified trust services. Provisions address complex ownership and control structures, senior managing officials, trusts and similar arrangements, and collective investment undertakings.

3. Simplified and Enhanced Due Diligence Measures

In low-risk situations, the RTS clarify the minimum SDD measures that may be applied, confirming that SDD is a reduced set of scrutiny measures rather than an exemption from CDD. In higher-risk situations, the RTS specify additional EDD information to be obtained, including on source of funds and source of wealth, the purpose and intended nature of transactions, and Politically Exposed Persons (“PEPs”).

4. Targeted Financial Sanctions and Ongoing Obligations

The draft RTS introduce harmonised requirements for screening customers and beneficial owners against targeted financial sanctions and clarify expectations around ongoing updating of customer information, proportional to ML/TF risk.

5. Risk-Based, Proportionate and Horizontal Approach

The RTS adopt a single, horizontal framework applicable across sectors, with limited sector-specific provisions where justified. AMLA emphasises proportionality, technological neutrality and simplification, building largely on existing EBA draft RTS with targeted refinements to ensure applicability to both financial and non-financial obliged entities. For example, the AMLR introduces specific rules for the identification and verification of the identity of the final investors of a collective investment undertaking (“CIU”) that distributes its shares or units through another credit or financial institution, which acts in its own name but on behalf or for the benefit of one or more final investors. The AMLA draft RTS introduces proportionality, on a risk-based approach to disapply this requirement. This is a departure from the previous draft EBA RTS.

Update	1 January – 31 March 2026
Regional Impact	EU and Ireland
Sector Focus	Financial Services Regulation, Financial Institutions,
Link	Consultation Paper

Timing

8 May 2026

AMLA consultation closes on 8 May 2026.

Consultation and Next Steps

As with the Article 19(9) Consultation, the AMLA invites stakeholder feedback until 8 May 2026. Responses will inform the final RTS to be submitted to the European Commission.

For further information please see [link to the AMLA’s consultation paper](#).

ESMA Report on Costs and Performance of EU Retail Investment Products 2025

On **3 March 2026**, ESMA published its annual report which reviews the costs and performance of EU retail investment products up to the end of 2024, covering UCITS, retail AIFs, structured retail products, and - new for this year - active ETFs and ELTIFs. The report also analyses structured retail products, highlighting substantial variation in product costs and performance across countries and payoff types.

UCITS and ETFs

- Ongoing costs for UCITS continued to decline, with retail equity and bond funds (excluding ETFs) seeing reductions of 8% and 15% respectively from 2020 to 2024, and ETF costs also falling significantly.
- Gross returns for UCITS improved in 2024, resulting in positive real net returns, but inflation continued to erode long-term gains.
- Active equity funds underperformed passive funds and ETFs, while ESG funds, despite lower costs, underperformed non-ESG equivalents in 2024.
- The active ETF segment grew by nearly 50% in 2024, with costs lower than traditional active funds but higher than passive ETFs.

Retail AIFs and ELTIFs

- Retail AIFs saw improved annualised returns for funds-of-funds, but real estate funds reported slightly declining performance and remain the most expensive category.
- ESMA notes ongoing data limitations, particularly for retail AIFs and SRPs, which may affect the completeness of cost analysis.
- The number of ELTIFs increased sharply, with 62% of them being launched in 2024 or 2025. Private equity ELTIFs delivered the strongest returns in 2024.

Update	1 January – 31 March 2026
Regional Impact	EU and Ireland
Sector Focus	Asset Management and Investment Funds, Institutional Managers, and Regulated Funds
Link	ESMA Report

For further information please see link to the ESMA Report.

Important Dates for Q2 2026

Date	Matter
Q2 2026	ESMA Review of Compliance and Internal Audit Functions ESMA is expected to publish its report on the 2025 Common Supervisory Action assessing the compliance and internal audit functions of UCITS management companies and AIFMs.
6 April 2026	SFDR 2.0 Consultation Deadline for submissions to the European Commission's consultation on the proposed SFDR 2.0 reforms.
15 April 2026	AML/CTF Risk Assessment Data Collection Expected reporting deadline for firms participating in AMLA's 2026 risk assessment model calibration exercise, coordinated by the CBI.
16 April 2026	AIFMD 2 – National Transposition Deadline Date by which Member States must implement the AIFMD II and related UCITS Directive amendments into national legislation.
H1 2026	CBI Review of the Fund Service Provider Framework The CBI has indicated that it will launch a comprehensive review of the Fund Service Provider (FSP) Framework in H1 2026. The review will consider updates to delegation and outsourcing requirements to ensure alignment with AIFMD II and relevant EU guidance.
2 July 2026	EU ESG Ratings Regulation The new regulatory framework governing ESG rating providers in the EU comes into application.

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