

# Irish Funds & Regulatory Quarterly Update

1 October – 31 December 2025



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# Central Bank of Ireland ("CBI") Updates



## CBI publishes Market Update No 6 of 2025

On 24 October 2024, the CBI published [Issue No 6 of 2025](#) of its regular markets update, in which it sets out alerts of interest to Irish regulated firms and other market participants. For our summaries of the previous issues, please see link to related articles to the right of this page. The new update contains the following two items of interest:

### 1. Implementation of AIFMD II - Fund Documentation Updates

On 24 October 2025, the CBI [announced](#) that it will introduce a streamlined filing process for post-authorisation updates to fund documentation for AIFs and UCITS arising from: (i) the transposition of changes to the AIFM and UCITS Directives; and (ii) amendments to the CBI AIF Rulebook and CBI UCITS Regulations.

The streamlined process will apply to any changes made to the prospectus and/or supplement documents, except for changes to the investment objective, policy or strategy sections, which will remain subject to the normal post-authorisation review.

Further details will be published on our [website](#) over the coming weeks.

### 2. ESMA CSA on Sustainability Risks and Disclosures

On 24 October 2025, the CBI [published](#) its Feedback Report (the "[Report](#)") following ESMA's Common Supervisory Action ("[CSA](#)") on Sustainability Risk and Disclosures.

The CSA's aim was to achieve greater supervisory convergence in the integration of sustainability risks and sustainability related disclosures.

In the Report, the CBI provided its observations on sustainability risk integration and monitoring, data limitations, SFDR disclosures, as well as relevant SFDR regulations and guidance.

The Report also set out the CBI's expectations for firms in these areas.

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

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Regional Impact	Ireland
Sector Focus	Asset Management and Investment Funds, Institutional Managers, and Regulated Funds
Link	<a href="#">Simmons Insights Article</a>

## CBI publishes Market Update No 8 of 2025

On 11 December, the CBI published [Issue No 8 2025](#) of its regular Market Update, in which it sets out alerts of interest to Irish regulated firms and other market participants. For our summaries of the previous issues, please see the right-hand column of this page.

The new update contains a single item:

- Postponement of EMIR 3.0 December reporting.

On 11 December 2025, ESMA issued a [public statement](#) providing clarifications on two key reporting obligations introduced by EMIR 3.0 (i.e. [Regulation \(EU\) 2024/2987](#)):

- Reporting under the Active Account Requirement; and
- Reporting of information on clearing activity at recognised Third-Country CCPs (Article 7d of EMIR).

The CBI's update focuses on the second of these reporting obligations.

Under Article 7d of EMIR 3.0, clearing members and clients are subject to a new reporting obligation in relation to their clearing activities at recognised Third-Country CCPs, whereby they are expected to report to their competent authorities annually.

The content and format of these reports will be specified by ESMA through Level 2 regulatory technical standards and implementing technical standards. Since these standards have not yet been published, ESMA has clarified that the first reporting under Article 7d of EMIR on 2025 data will be submitted together with the 2026 reporting cycle following the implementation of the necessary Level 2 measures.

The CBI will align its expectations with ESMA and the other EU National Competent Authorities.

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

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## CP 162 – boosting Ireland’s attractiveness as a private funds domicile

On 9 September 2025, the CBI issued CP 162, a consultation on proposed amendments to the CBI AIF Rulebook. These changes aim to modernise Ireland’s regulatory framework for private funds, aligning it with European developments such as ELTIF and AIFMD 2, as well as the Irish government’s 2030 Funds Review. The consultation covers twelve key areas, including subsidiaries, share class flexibility, loan origination, liquidity management tools, governance, and minimum investment requirements, alongside several technical clarifications. The overarching goal is to enhance competitiveness, reduce regulatory burdens, and provide greater flexibility for fund managers while maintaining investor protection.

Key proposals include removing restrictions on subsidiaries, permitting differentiated share classes for all AIFs, and aligning loan origination rules with the EU framework to allow asset mixing and open-ended loan funds. Other notable changes involve eliminating the prohibition on guarantees, introducing a dedicated section for liquidity management tools, and simplifying governance for closed-ended funds. The CBI also plans to allow capital commitment models for minimum investments, formalise charity share classes, and relax certain operational requirements. These amendments, combined with technical updates, are designed to streamline processes, clarify ambiguities, and ensure Ireland remains an attractive jurisdiction for private asset funds.

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

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Link	<a href="#">Simmons Insights Article</a>

## Regulating & Supervising well: A more effective, efficient framework

On 10 December 2025, the CBI published a report, Regulating & Supervising well – a more effective and efficient framework (the “[Report](#)”).

### Key Elements of the Simplification Framework

Simplification is taking place across four key pillars:

- **Supervision:** Introduction of an integrated, risk-based supervisory approach, with multi-disciplinary teams and streamlined engagement, aiming for clearer communication and a focus on material risks;
- **Regulation:** Ongoing review and consolidation of domestic rules to avoid duplication (including in areas such as insurance, banking, and capital markets and funds), with a focus on aligning with updated EU standards and removing outdated requirements. Cross-cutting initiatives include a revision of the Fitness & Probity Regime, a revised Consumer Protection Code, updated Cross-Industry Guidance on Operational Resilience, and upcoming reviews of corporate governance codes, SEAR and the Cross-Industry Guidance on Outsourcing;
- **Gatekeeping:** Improvements to authorisation processes and fitness & probity processes, including faster processing times, enhanced guidance, and the introduction of a new Gatekeeping Division to enhance efficiency and consistency; and
- **Reporting:** Comprehensive review of data collection and reporting requirements, with a focus on eliminating duplication, retiring unnecessary reports, and maximising re-use of existing data.

### What This Means in Practice

Firms can expect:

- a regulatory framework that is clearer, simpler, more coherent, and aligned with the evolving European system;
- more predictable process and procedures;
- greater proportionality, with risk-based regulation and supervision; and
- improved supervision that is forward looking and outcome focused.

If you have any questions or would like to discuss the implications of this report in more detail, please let us know.

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

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Sector Focus	Funds, Crypto Reviewer and Ctrl Transfer
Link	<a href="#">Simmons Insights Article</a>

## Central Bank of Ireland Feedback Statement on CP160

The CBI's Feedback Statement on CP160 confirms that sector-specific pre-approval controlled function ("PCF") roles will remain for now, with a full review of the PCF list planned for 2026 and revisions expected by mid-2027. Immediate changes include removing two roles (PCF-24 and PCF-25) and adding safeguarding roles for payment institutions, e-money institutions, and crypto asset service providers.

The CBI will also consider establishing a register of PCF holders during the review, weighing its benefits against implementation costs.

In addition, the CBI's Fitness and Probity Standards have been consolidated into a single set, effective from 25 November 2025, alongside updated guidance that merges all existing materials into one document. Key changes for regulated entities include clearer requirements for identifying individuals performing functions, due diligence, independence, inherent responsibilities, and knowledge and experience, as well as a streamlined process for appointing temporary officers.

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

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### Timing



#### 25 November 2025

The Guidance on the Standards of Fitness and Probity consolidates all existing guidance (including Dear CEO letters and FAQs) into a single document and takes effect from this date.

## CBI Issues Updated Fitness and Probity Guidance

On 24 November 2025, the CBI released its revised *Guidance on the Standards of Fitness and Probity 2025*, accompanied by a feedback statement following the April 2025 consultation.

The updated Standards consolidate the previous *Fitness and Probity Standards 2023* and the *Fitness and Probity Standards for Credit Unions 2024* into a single, unified framework. The CBI noted that “a small number of essential changes” have been introduced at this stage. A more comprehensive review of the PCF list is planned, with further amendments expected to align with the upcoming review of the Senior Executive Accountability Regime in 2027.

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## CBI updates guidance on operational resilience to align with DORA

The CBI has made minor updates ensuring alignment with the Digital Operational Resilience Regulation and Directive (“DORA”). At the same time, to ensure regulatory simplification and clarity, the CBI has withdrawn its September 2016 Cross Industry Guidance in respect of Information Technology and Cybersecurity Risk Management.

- **Guideline 3** has been updated to ensure that firms recognise that operational resilience and operational risk are distinct from each other, whilst acknowledging that there is alignment;
- **Guideline 4** has been updated to provide additional clarity included on critical or important business services based on industry feedback. Primarily, explaining that critical or important business services are external facing services that should have an identifiable external end user;
- **Guideline 5** has been updated to provide additional context included for the setting of their impact tolerances by emphasising that a breach of an impact tolerance would lead to irrecoverable consequences for customers, the firm and the wider financial system; and
- **Guideline 9** has been updated to reflect DORA requirements and to clarify that those firms not currently subject to DORA are encouraged to take equivalent measures as part of their operational resilience programme.

For firms not subject to DORA, the measures outlined in DORA represent good practice and should be considered, including the simplified risk management framework.

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## CBI Guidance for Daily Investment Fund Return

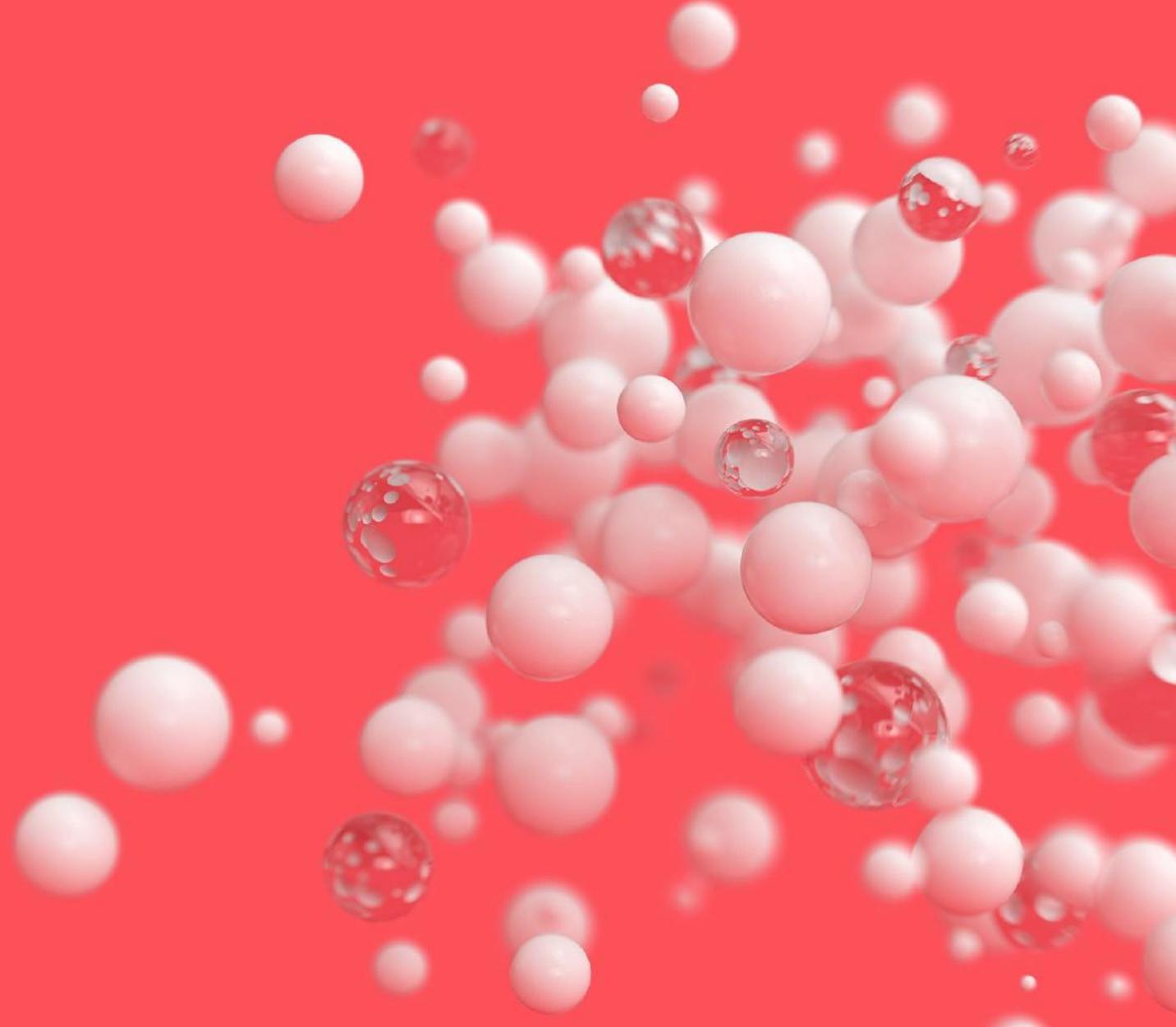
Applies to all Irish-resident non-money market investment funds (any trading frequency, including ad-hoc) that:

- issue their own shares/units/interests;
- have a non-zero NAV;
- are authorised by the CBI;
- money market funds are excluded and must continue filing the daily money market fund return.

*For further information, please see link to the CBI's website.*

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Link	<a href="#">CBI Website</a>

# Irish Updates



## Liquidity Management Transformed - what AIFMD 2 Means for UCITS and Open-Ended AIFs

AIFMD 2 (Directive (EU) 2024/927), together with ESMA’s Regulatory Technical Standards (“[RTS](#)”) and Guidelines on liquidity management tools (“[LMTs](#)”), establishes a harmonised EU framework for how UCITS and open-ended AIFs select, implement, and govern LMTs. The regime is designed to bolster market stability and enhance investor protection across the EU, with Member State implementation due by **16 April 2026**. Please see link to our briefing note to the side of this page.

The reforms are a response to liquidity risk lessons from the 2008 crisis and subsequent volatility, which exposed fragmented national approaches and gaps in investor protection. Under AIFMD 2, managers must make **at least two LMTs** available for each fund, on top of universally available **suspension** and **side pockets**, and ensure selections align with each fund’s investment strategy, liquidity profile, and redemption policy. Money market funds benefit from a lighter requirement of one additional LMT.

The LMT toolkit includes: **redemption gates** with clear, quantifiable activation thresholds; **extensions of notice periods**; **redemption fees** within predetermined ranges that reflect explicit and implicit costs; **swing pricing**; **dual pricing**; **anti-dilution levies**; **redemptions in kind** (generally for professional investors); **side pockets** for distressed or illiquid assets and **suspension of dealing** used only in exceptional circumstances.

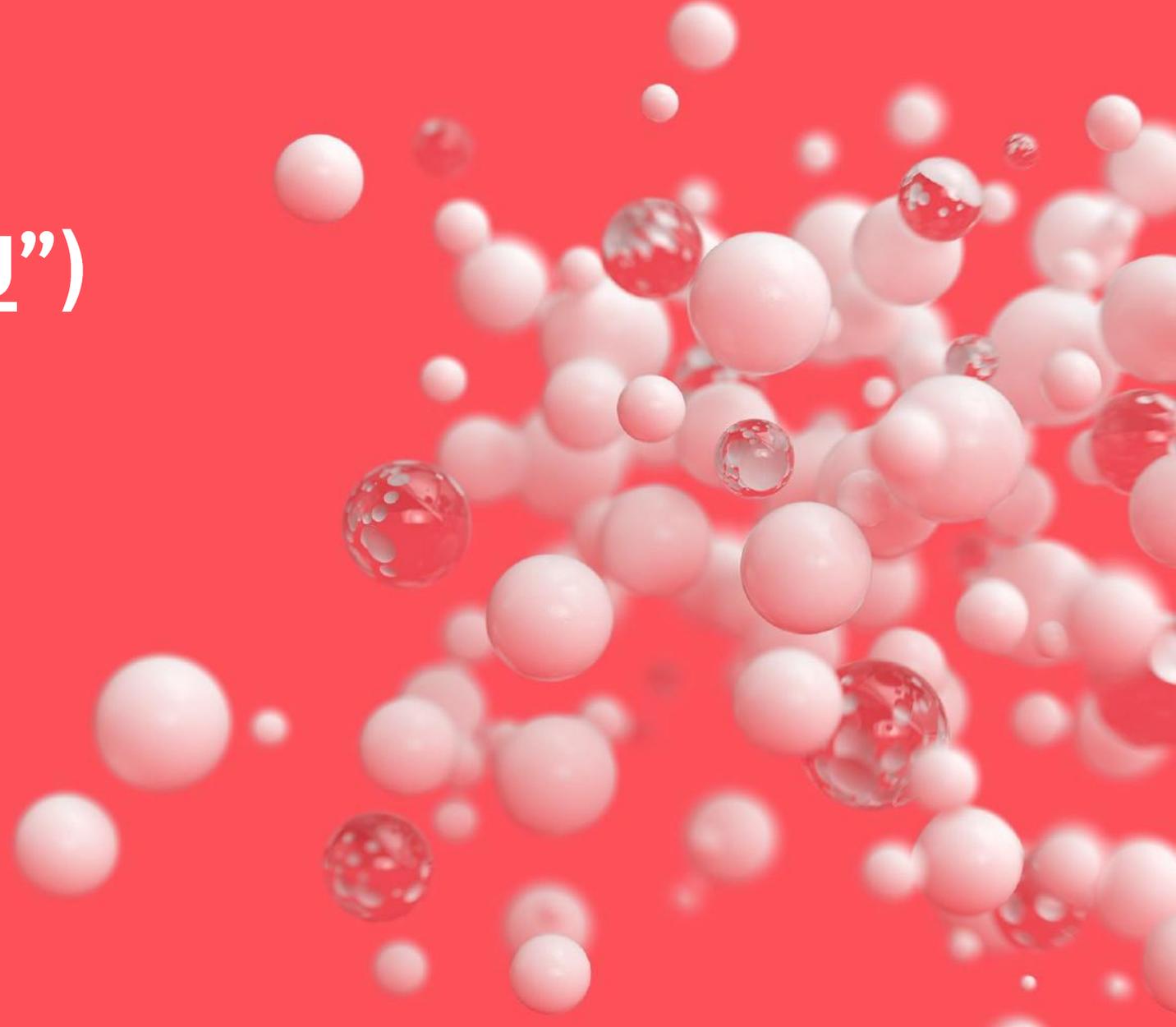
Governance, disclosure, and suitability expectations are elevated. Prospectuses and constitutional documents must specify available LMTs; managers must document suitability assessments (including stress testing) and maintain clear policies for activation, calibration, monitoring, and investor disclosures. Notifications to the national competent authority are required upon activation/deactivation (with advance notification for side pockets). A comprehensive LMT Policy is mandatory for each open-ended fund/its manager, covering scope, selection and suitability criteria, activation/deactivation thresholds, operational steps, governance roles, regulatory notification procedures, staff training, and periodic review.

Implementation should follow a structured roadmap: conduct a gap analysis and map current LMTs; **update policies and fund documentation** (prospectuses/constitutional documents); ensure **operational readiness and staff training**; enhance **investor communications**; embed **ongoing monitoring and stress testing** with board reporting; plan for **regulatory engagement and notifications**; and manage the change programme proactively. Key dates include: end of RTS scrutiny (mid-February 2026), publication/application in **Q1 2026**, Member State implementation by **16 April 2026**, and a **one-year transitional period** to **16 April 2027** for funds established before the application date in respect of the RTS. In Ireland, the CBI updates (via CP161/CP162) and a **streamlined filing process** for post-authorisation document updates will support timely alignment—so managers should begin preparations now.

*For further information, see our full client note linked.*

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Link	<a href="#">Simmons Client Note</a>

# European Union (“EU”) Updates



## EBA Launches Consultation on Guidelines for Third-Country Branch Authorisation

On 3 November 2025, the European Banking Authority (“EBA”) opened a consultation on draft guidelines governing the authorisation application process for third-country branches (“TCBs”), as required under Article 48(c)(8) of the Capital Requirements Directive (“CRD”) IV, as amended by CRD VI.

The proposed guidelines set out:

- the information and documentation to be submitted, including standard forms and templates;
- procedural requirements for the application process;
- the assessment methodology and conditions for granting authorisation;
- circumstances in which competent authorities may rely on information previously provided in earlier TCB authorisation applications.

The consultation will remain open until 3 February 2026.

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Sector Focus	Asset Management and Investment Funds

### Timing

**3 February 2026**

The consultation period closes on this date.



## Evolving Framework: What's Next for UCITS and AIFs

The European Commission (the “EC”) has outlined a new package of reforms aimed at improving the functioning of EU capital markets and reducing fragmentation in the regulation of investment funds. These proposals come shortly after the introduction of AIFMD 2, meaning fund managers may face another round of operational change before the earlier reforms have fully taken hold. The package which is part of the broader Savings and Investments Union initiative seeks to simplify existing legislation, reduce administrative burdens, and limit the extent to which member states can add additional national requirements.

Central to the proposals are amendments to the AIFMD, the UCITS Directive, and associated regulations governing supervision and cross-border fund distribution. The EC recommends shifting many marketing-related rules into the Cross-Border Distribution Regulation to streamline processes and reduce inconsistencies between member states. Other measures include introducing a depositary passport, enhancing ESMA’s supervisory convergence powers, updating investment limits for UCITS, and clarifying authorisation and notification procedures. The reforms also aim to remove obstacles to the use of distributed ledger technology, encouraging greater experimentation and innovation across the financial sector.

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Sector Focus	Asset Management and Investment Funds

### Next Steps



If adopted, these changes would significantly reshape the regulatory landscape for both UCITS and AIFs, with member states required to transpose the new directive within 18 months of its entry into force. While the EC stopped short of proposing direct ESMA supervision of large asset managers, the strengthened oversight role granted to ESMA is expected to be a focal point in upcoming political negotiations. Overall, the package represents both an additional short-term compliance challenge and a longer-term opportunity to reduce inefficiencies and support more integrated EU capital markets.

## SFDR 2: A Seismic Shift in Europe’s ESG Framework

The EC has unveiled its proposal for SFDR 2, a major redesign of the EU’s sustainable finance disclosure framework that would fundamentally replace the existing SFDR rules. Rather than refining the current SFDR article 8 and article 9 system, the EC proposes abolishing it entirely, with no anticipated grandfathering for existing article 8 and article 9 financial products.

Asset managers would instead need to transition to a new structure built around three mandatory categories:

- Transition;
- ESG basics; and
- Sustainable,

each requiring a minimum 70% sustainability-aligned investment commitment, defined exclusions, and specific permitted investment types. This marks a much stricter and more prescriptive approach than the framework firms have operated under since 2021.

A defining feature of SFDR 2 is the elimination of the Principal Adverse Impact (“PAI”) regime at both manager and product level, removing one of the most burdensome and criticised elements of SFDR.

Portfolio management services and investment advisers would also be taken out of scope entirely, meaning segregated mandates could not receive a sustainability category designation in the future. At the same time, funds that do not qualify for the new Article 7, 8 or 9 categories referred to informally as Article 6a funds would face significant marketing restrictions. These funds would be prohibited from using sustainability language in their names, promotional materials, or KIIDs and could only include minor, non-prominent sustainability references in formal disclosures.

The proposal also expands compliance obligations in other areas, such as new rules governing the use of external ESG data and estimates, requiring firms to maintain documented methodologies and provide information to clients on request. The shift away from the concept of “sustainable investment” and the removal of the DNSH (do no significant harm) test will have knock-on effects across the broader EU sustainable finance ecosystem, including how firms meet MiFID II sustainability preference requirements. Existing reporting templates, data pipelines and distribution processes built around Article 8/9 status will require extensive redesign.

*For further information please see link to our client briefing note.*

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Sector Focus	Asset Management and Investment Funds
Link	<a href="#">Simmons client briefing note</a>

### Next Steps



Although the final legislative timeline is uncertain, SFDR 2 could take effect in 2027 or 2028, giving firms limited time to prepare for what amounts to a complete restructuring of ESG product governance. Asset managers will need to undertake early scoping exercises to determine which existing funds might qualify for the new categories, what changes would be required, and which products may need to drop sustainability claims altogether. The breadth and depth of the proposals suggest an ESG regulatory shift of far greater scale than originally anticipated, reshaping product strategy, compliance obligations and investor communications across the industry.

# Important Dates for Q4 2025 and 2026

Date	Matter
31 December 2025	<ul style="list-style-type: none"> <li>Individual Accountability Framework: Ongoing training for RFSPs; evidence completion; maintain records.</li> <li>Corporate Governance: Complete 2025 board/director reviews; formal review (incl. chair) every 3 years; annual review of time commitments, directorships, conflicts, committee terms.</li> <li>AML/CFT: Annual board training; complete policy and risk assessment review; consider AML/CFT report.</li> </ul>
1 January 2026	Fitness & Probity: PCF annual confirmation return facility opens on CBI portal.
1 January 2026	EU Benchmarks Regulation: Scope narrowed; only critical/significant benchmarks, EU Paris-aligned, EU Climate Transition, certain commodity benchmarks in-scope. Review benchmark use, ESMA Register, prospectus disclosures, contingency plans.
31 January 2026	UCITS ManCo/AIFM: File annual ownership confirmation.
17 February 2026	UCITS KIID/PRIIPs KID: UCITS for retail investors: PRIIPs KID required before investment. UCITS KIID: Annual update within 35 business days; file with CBI. PRIIPs KID: Review regularly; update for significant changes; file with CBI.
28 February 2026 (expected)	Fund Profile Return: Submit annual return for all Irish authorised sub-funds.
31 March 2026	ICCL Report: UCITS/AIFM with portfolio management must file ICCL report.

# Important Dates for Q4 2025 and 2026

Date	Matter
Q1 2026	EC Consultations: Growth capital fund managers – consultations expected.
H1 2026	CBI Reports: Hedge funds deep dive and Liquidity Management Tool review expected.
H2 2026	ESMA Consultations: AIFMD/UCITS RTS & ITS, MiFIR, investor protection, Listing Act, EMIR 3, CSDR review, retail investment strategy.
2 February 2026	IOSCO Consultation: Valuation of collective investment schemes – closes.
24 March 2026	Consumer Protection Code: Revised Code (incl. Business Standards) applies.
April 2026	AIFMD II: Additional permissions available (subject to CBI approval). 16 Apr 2026: Deadline for transposition of most AIFMD II provisions.
28 February 2026 (expected)	Fund Profile Return: Submit annual return for all Irish authorised sub-funds.
31 March 2026	ICCL Report: UCITS/AIFM with portfolio management must file ICCL report.
2 July 2026	ESG Ratings: New EU regime applies; marketing must include ESG rating info link.

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