

AIFMD II update 1

First edition: Enhanced requirements (also for UCITS)

In short The revised AIFM Directive (AIFMD II) introduces new conditions for granting authorisation to AIFMs and UCITS management companies. These requirements apply to both newly authorised and existing fund managers. The points below relate to new provisions that change the minimum governance and board composition requirements for management companies. Existing requirements remain fully in force.

1. AIFMD II requires AIFMs and UCITS managers to have at least two full time natural persons responsible for the management of the firm

Under the new provisions, the management of an AIFM or UCITS fund manager must be carried out by at least two natural persons who, on a full-time basis (36 hours per week), are either employed by the AIFM or serve as executive directors or members of its governing body.

2. EU domicile requirement

In addition to the requirement above, policy makers must also be domiciled in the European Union.

Timely notification of managers to the AFM for fitness and propriety assessments

It is important that AIFMs and UCITS management companies take the necessary steps to comply with AIFMD II. Those who do not yet meet the enhanced requirements, including the obligation to have at least two full-time natural persons domiciled in the EU who effectively decide on the conduct of the business, must take action to ensure compliance. This may include appointing additional policy makers or adjusting the composition of the management function in order to meet the enhanced requirements.

In this context, it is essential to notify the AFM in advance of the appointment of new policy making functions, so that the AFM can carry out its reliability and suitability (fit and proper) assessment. This notification must be submitted via [the AFM Portal](#). More information about the assessment of daily policy makers and co-policy makers, including fees, timelines, and other details, can be found on the [AFM's website](#).

Next steps and outlook

The next publications in this series will highlight specific topics from AIFMD II in more detail. These include changes relating to Liquidity Management Tools (LMTs) and the new rules for loan-originating AIFs.

Please keep an eye on the AFM website for further updates.

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