167 Fleet Street, London, EC4A 2EA
+44 020 7822 8380
info@aima.org

aima.org

Asset Management and Funds Policy Team
Wholesale Buy-side Division
Financial Conduct Authority
12 Endeavour Square
London
E20 1JN

Submitted via email to: AIFMRegimeCFI@fca.org.uk

9 June 2025

Dear Sir or Madam,

AIMA comments on the Financial Conduct Authority's "Call for Input: Future regulation of alternative fund managers"

The Alternative Investment Management Association ("AIMA")[1] appreciates the opportunity to respond to the Financial Conduct Authority's ("FCA") "Call for Input: Future regulation of alternative fund managers" (the "CFI"). The CFI gives industry the opportunity to engage in a meaningful debate with the FCA on a range of issues in a reasonable timeframe before draft rules are issued. We welcome this thoughtful approach. AIMA supports the broad thrust of the CFI to make the rules operate in a more proportionate way that better captures the different business models used.

Any move to a more principles-based regime should come with a clear explanation of what the FCA's expectations are in how the rules are applied in practice. For smaller firms with limited resources interpretation of how rules should be applied under such a regime may be very challenging. Such firms may choose to apply the full set of rules rather than risk not complying. Smaller firms may instead benefit from a clearer and simplified rule book. Larger, more sophisticated and better resourced firms could be better placed to understand and how to interpret principles-based rules and how to apply them to their activities.

We have concerns over some aspects of the CFI. Bringing all AIFMs, regardless of size, into scope will greatly expand the universe of alternative investment fund managers ("AIFMs") subject to the UK Alternative Investment Fund Manager Regulations ("AIFMR") and the associated costs without a clear

[1] AIMA is the world's largest membership association for alternative investment managers. Its membership has more firms, managing more assets than any other industry body, and through our 10 offices located around the world, we serve over 2,000 members in 60 different countries. AIMA's mission, which includes that of its private credit affiliate, the Alternative Credit Council (ACC), is to ensure that our industry of hedge funds, private market funds and digital asset funds is always best positioned for success. Success in our industry is defined by its contribution to capital formation, economic growth, and positive outcomes for investors while being able to operate efficiently within appropriate and proportionate regulatory frameworks. AIMA's many peer groups, events, educational sessions, publications and practical tools like its Due Diligence Questionnaires and industry sound practice guidance available exclusively to members, enable firms to actively refine their business practices, policies, and processes to secure their place in that success. For further information, please visit AIMA's website, www.aima.org.

Registered in England as a Company Limited by Guarantee, No. 4437037. VAT Registration no. 577591390. Registered Office as above.

justification for doing so. We are also concerned that the CFI does not present any clear evidence for why further guidance in relation to the UK AIFMR might be needed.

There is the potential to streamline and make the current fragmented reporting regime simpler, more coherent and more effective. This can be done not by requesting more data than AIFMs already provide but rather by making better and more coordinated use of data provided by other entities such as sell-side firms, banks and prime brokers.

AIMA urges the FCA to address some issues which will reduce the burden on firms without diluting its objectives before the main consultation work expected in the first half of 2026. This could be done with, for example, remuneration and removing the requirement for depo lite for UK AIFMs marketing in the UK,

We would be happy to elaborate further on any of the points raised in this response. For further information, please contact James Hopegood, Director of Asset Management Regulation (jhopegood@aima.org).

Yours faithfully,

Jiří Król
Deputy CEO, Global Head of Government Affairs

ANNEX

The FCA is sequencing its work, for example, by waiting until the scope of the revised AIFMR is clear before amending firms' reporting requirements. We appreciate the logic of this. But we also note that the FCA can take steps to reduce the reporting burden and notification in some areas in advance of the wider reporting work without undermining it. In particular, the Annex IV and AIF002 reporting requirements are especially time-consuming and resource-intensive for firms and we do not believe they provide sufficient value to the FCA to justify the burden they impose. We hold the same view regarding the material change notification regime, which can cause unnecessary delay and disruption to firms' fundraising processes, as fund documentation evolves in stages through negotiation with investors.

Similarly, there are issues in respect of the requirements under the Investment Firms Prudential Regime ("IFPR") which can be amended now at no risk to the FCA's objectives or the coherence of the wider review.

AIMA has responded in detail to questions in the CFI below. Where we did not have a response on a given question, that question has been left on but the numbering of the questions from the CFI has been retained for ease of reference.

1. Do you agree that the areas outlined above are issues with the current regime? If not, please explain why. Are there any issues beyond those that we have identified that we should consider when amending the regime?

We agree that reviewing the scope of the UK AIFMR and the way in which it is structured is a helpful starting point. We comment on these issues below. AIMA is also pleased to see that the FCA wants its rules to take better account of firms' business models.

Leverage

It is not clear why further guidance is required in the UK AIFMR for onshore AIFs with high levels of leverage. The rules governing the use of leverage are long-standing and very well embedded into firms' governance and processes. There is considerable pressure from the Financial Stability Board ("FSB") for securities regulators on so-called non-bank financial intermediation ("NBFI") leverage and its report on such leverage is due in July.[2]

A Broader View

The FCA could take this opportunity to look at some of the issues discussed in the CFI is a broader way. The examination of the effectiveness of the current regime for permissions to carry out different types of business is helpful and should reduce an unnecessary burden on firms. However, we believe the FCA could go further and look at other matters including the ability for AIFMs to sponsor securitisations as a new permission and the extension of recent remuneration code changes for dual regulated firms to solo regulated firms.

The decision to review the effectiveness of the AIFMR, UCITS and MIFID remuneration codes is very welcome, and AIMA looks forward to engaging with the FCA on this work which is likely to be consulted on in the first half of 2026. The FCA and Prudential Regulatory Authority ("PRA") have consulted on reducing the burden in relation to remuneration requirements for smaller banks and "dual regulated" firms, i.e., those regulated by both the FCA and PRA. However, this less burdensome approach was not extended to "solo" regulated firms, i.e., those only regulated by the FCA, despite the risks they present generally being lower than those of dual regulated firms. In our response to the PRA and FCA joint consultation

---

2 The FSB's consultation is available here https://www.fsb.org/2024/12/leverage-in-non-bank-financial-intermediation-consultation-report/.

CP16/24 – Remuneration reform, and the alignment of solo regulated firms' remuneration requirements with banks and dual regulated firms, on 13 March 2025, we said:

> "...solo regulated firms have been put at a systematic disadvantage in relation to their remuneration requirements, following amendments to those requirements for banks and dual regulated firms. We note in particular the changes to the malus and clawback regime for banks and dual-regulated firms made in Prudential Regulation Authority ("PRA") and FCA PS 16/23, Remuneration: Enhancing proportionality for small firms, 3 and the proposed changes to the Pillar 3 remuneration disclosures for smaller banks in PRA CP 14/23. This disadvantage would be further cemented in place by the further simplification proposals for banks and dual regulated firms set out in CP16/24 – Remuneration reform (the "CP").
>
> We appreciate that the changes the FCA is proposing to make in relation to dual regulated firms are to maintain coherence with the relevant PRA rules, as the CP notes. However, the FCA should take this opportunity to also review the remuneration rules for solo regulated firms, as those firms should equally be subject to similarly reformed and simplified remuneration requirements in the ways that we suggested in our previous correspondence. In light of this new consultation, we suggest that the FCA should extend this beyond applying the malus and clawback and remuneration disclosure requirements to "large" investment firms only and instead disapply the rules for all solo regulated firms. We also note that CP 14/23 proposed to exclude unlisted dual regulated firms from all Pillar 3 remuneration disclosure requirements. This should be extended to unlisted solo regulated firms as well."

It remains hard to understand why this anomaly was allowed to arise. This is a very good opportunity to resolve this unjustifiable differentiation.

We also urge the FCA to consider international consistency, as many UK AIFMs operate across borders and divergence may increase costs and reduce market access.

2. Do you have any comments on structuring the presentation of our rules thematically based on the product cycle and business activities?

AIMA agrees that the current rules, resulting as they do from a range of EU sectoral legislation, are not expressed as coherently as they could be. The proposed new structuring better aligns with the way in which firms must structure themselves and the life cycles of the AIFs they offer. We note that it broadly reflects the structure of the International Organization of Securities Commissions ("IOSCO") Recommendations for Liquidity Risk Management for Collective Investment Schemes Final Report.[3]

However, we caution that if applied to reporting obligations, lifecycle-based structuring could complicate rather than simplify the regime. The proposed tailoring of reporting requirements based on firm size and fund structure already offers a more effective route to proportionality. In this context, exclusion or inclusion of sections of a return based on clear criteria rather than lifecycle stages may better support consistent, meaningful data collection while reducing burdens.

In carrying out such work, the FCA should bear in mind that its rules for AIFMs may overlap with both wider rules that all firms must implement, for example, in the Principles ("PRIN") and Senior Management Arrangements, Systems and Controls ("SYSC") chapters as well as parallel rules for firms with permissions

---

[3] For the full report see https://www.iosco.org/library/pubdocs/pdf/IOSCOPD590.pdf.

to carry out MIFID and other business.[4] Any revised rules will need to make these interactions clear. We encourage the FCA to consider how the AIFMR interacts with these other requirements.

3. Do you agree with the principle of creating three levels of firms based on their size to achieve proportionality? If not, what alternative approach would you suggest?

AIMA supports the FCA's intention to introduce more proportionate and tailored rules for different sizes of firms. But we are concerned that applying the AIMFR to all firms, regardless of their size, will impose unnecessary and costly burdens on smaller AIFMs which are currently subject to the sub-threshold regime (either as a small registered AIFM or a small authorised AIFM) rather than full scope regime. We set out this concern in our response to the related HM Treasury consultation paper "Regulations for Alternative Fund Managers". We have yet to be convinced by the arguments that have so far been made.

Small authorised UK AIFMs are currently subject to the sub-threshold regime, but this does not mean they operate in an unregulated space. For example, they are subject to the requirements in PRIN and other cross-cutting parts of the FCA's Handbook. Setting the threshold at £100 million will mean that these smaller firms with AUMs of under €500 million that do not use financial or synthetic leverage and do not allow redemptions from AIFs within the first five years of investment will be subject to requirements that are equivalent to the full set of existing AIFMR requirements as set out primarily in the FUND chapter of the FCA Handbook. As already noted, evidence to justify this change has not yet been provided.

In addition, the current €500m threshold referred to above was set in 2013 and has not been adjusted for inflation. We therefore request that the threshold for application of the full rules is set at £1 billion for all AIFMs. AIFMs with total NAV lower than this threshold should be able to opt-in to the additional rules applicable to larger AIFMs if they determine that it is appropriate to do so.

There is currently ambiguity in the interpretation of Article 3(2) of AIFMD in FUND 1.3.5G to1.3.7G regarding the small AIFM thresholds, and the anti-avoidance provisions requiring AIFMs to aggregate their AUM with that of companies "with which the AIFM is linked by common management or control" for these purposes. We would suggest removing these provisions to avoid any similar confusion under the new regime. Our view is that these provisions do not serve a useful purpose in practice, and groups should be able to set themselves up with several separate UK AIFMs on a per-fund basis, without aggregating NAV across these AIFMs for the purposes of the new thresholds.

The FCA also should consider the merits of providing a clear and appropriately simplified set of rules for smaller firms and allow larger, better resourced firms to apply the rules in a principles-based manner, as discussed above. For example, simplified Annex IV style reporting for smaller firms with reduced frequency where risk is low and clear rules on how firms transition between tiers would better align regulatory burden with risk while preserving data quality.

4. Do you agree with our approach to rule-making for each level? If not, what alternative approach would you suggest?

Subject to our response to question 3, we support the concept set out by the CFI. The proposed thresholds for mid-sized firms of £100 million to £5 billion is very wide and will capture a very diverse range of sizes and business models. We would therefore suggest increasing the lower limit for this middle category as described above.

In general, implementing a clear position in this way as to whether or not certain rules apply to firms would be preferable to relying entirely on the application of proportionality. Mid-sized and smaller firms unclear

---

[4] For PRIN see [PRIN 1 - FCA Handbook] and SYSC [SYSC 1 - FCA Handbook.]

as to how proportionality applies to them may decide to be avoid the risk of mis-applying the rules and apply the full rules to their activities. Clear guidance would need to be provided to firms to ensure that such unintended consequences does not arise.

5. Are there any benefits or costs associated with opting up to a higher threshold regime that we should consider when we draft rules? If you are an AIFM, would you consider opting up to a higher regulatory threshold?

AIMA members are typically subject to and also undertake intensive due diligence before money is allocated to them and they are clear that an investor is suitable for a particular AIF. Investors may request firms opt up to give them a greater level of comfort that all relevant rules are in place. AIMA members often operate in more than one jurisdiction. To reduce complexity and manage their compliance burdens, they may decide to subject businesses in all jurisdictions they operate in to the strictest level, where rules allow.

As we have explained in our response to question 4, there is also a risk that firms opt up out of caution rather than necessity, which will lead to further, unnecessary costs.

Thought will also need to be given to the prudential standards which apply to firms as they move between thresholds. For example, if the AIFM business restrictions in FUND 1.3.3G and 1.3.4G are removed and harmonised with other regimes such as MIFID, which we would support, it should be remembered that the IPRU-INV 11 prudential framework that currently applies to AIFMs does not require prudential consolidation, which is a significant benefit that should be retained. Adding new MIFID permissions could bring more AIFMs beyond the current CPMI firms in scope of IFPR with the attendant ICARA and other requirements. Any such additional requirements should be avoided or at least limited as far as possible given the significant burdens they would impose on firms.

6. Do you agree with the proposed levels of the thresholds? Do you have any other comments on the proposed levels and the metrics used for the thresholds?

Changing the calculation of the size of an AIF from AUM combined with leverage to using the net asset value ("NAV") is welcome. AIMA has a longstanding concern that the current methodology for calculating leverage in investment funds is flawed and does not capture any risks in a meaningful way.[5] Using it as part of the calculation for size must therefore create a distorted picture. Please also see our response to question 3.

As we note in our response to the associated HT Treasury consultation paper, Regulations for Alternative Investment Fund Managers, the current position that AIFMs with assets under management over €100 million using leverage are subject to the full scope of AIFMD creates an unlevel playing field between different types of AIFs. For example, a hedge fund employing leverage will be subject to the full scope, whereas other AIFs which employ leverage below the level of the fund may not be. This may warrant further investigation.

7. Do you agree that we should make our expectations of risk management by highly leveraged firms clearer? Do you have any comments on the best way to achieve this?

The current central bank-driven debate on the use of leverage by investment funds has been going on since 2017. As noted in our response to question 1, we see no justification for any further guidance or

[5] See, for example, AIMA's response to the recent FSB consultation on leverage in NBFIs at https://www.fsb.org/2025/03/public-responses-to-consultation-on-leverage-in-non-bank-financial-intermediation/.

requirements in the UK AIFMR at this time. We understand the pressure the FCA is subject to on this issue, but we urge it to make policy based on observable facts alone.

We do see merit in a more co-ordinated and coherent approach to the collection of existing data from relevant counterparties. As AIMA noted in our response question 3 to the FSB consultation on Leverage in Non-bank Financial Intermediation:

> … banks and infrastructure providers have an important role. Top tier banks/brokers/clearers should have a clear view of such activities [such as leverage in hedge funds] through their margining system.[6]

8. Do you see a need for a separate regime for venture capital and growth capital funds? Are there any other areas where we should consider setting up tailored regimes?

We would welcome a tailored and appropriately calibrated regime for these types of funds, which we understand the FCA is considering implementing.

13. Do you see a need for changes to the regime's depositary requirements? Should these requirements apply only to specific levels of firm or certain types of fund, such as authorised funds? Should our regime seek to align its depositary rules with those of another jurisdiction or jurisdictions?

The current depositary requirements under AIFMR create onerous and unnecessary requirements for AIFMs that carry out institutional investment business only. This comes from the decision to "cut and paste" the UCITS Directive depositary requirements into the Alternative Investment Fund Managers Directive ("AIFMD") when it was being negotiated by the European co-legislators in the aftermath of the Global Financial Crisis. The duties imposed on depositaries by the UCITS Directive and transposed into the AIFMR go far further than custodianship and effectively gives them a quasi-regulatory role.[7]

Funds which only have institutional investors who will have carried out thorough due diligence of it do not need a depositary to act as a "shadow" regulator for retail consumer protection purposes. The key function they require is custodianship which can be provided by financial entities other than depositary banks. We request the FCA allows authorised financial institutions such as prime brokers to be able to offer custodianship services to funds which have no retail investor participation in them. Firms should also be able to use multiple entities as custodians at the same time, rather than the current single depositary regime. This is the situation that prevailed before AIFMD came into force. For the avoidance of doubt, AIMA is not requesting the removal of the requirement for assets to be held in custody.

The FCA should also clarify the definition of AIF custodial assets in its Glossary and be more explicit as to what is and is not a custody asset.[8] The definition currently comes from the EU AIFMD level 2 regulation and does not fit well with UK law, since almost any instrument can be registered in a depositary's books.

This is also an opportunity to remove the redundant "depo-lite" rule. AIMA raised this issue in our response to DP 23/2 in 2023 and the arguments we made then remain valid. We noted:

6 For AIMA's full response, see https://www.fsb.org/2025/03/public-responses-to-consultation-on-leverage-in-non-bank-financial-intermediation/.

7 See COLL 6.6.4R General duties of the depositary at https://www.handbook.fca.org.uk/handbook/COLL/6/?view=chapter.

8 The current definition: "financial instruments of an AIF that can be:
"(a) registered in a financial instruments account opened in the depositary's books; or
"(b) physically delivered to the depositary." At https://www.handbook.fca.org.uk/handbook/glossary/?starts-with=A.

Prior to Brexit, AIFMs domiciled or having the registered office in the EEA ("EEA AIFMs"), a group which included UK AIFMs, were required to ensure that any alternative investment funds ("AIFs") domiciled or with their registered office outside the EEA ("non EEA AIFs") appointed a provider to perform a subset of the duties required for a depositary of an AIF domiciled or with its registered office in the EEA (the "depositary lite requirement") before the non-EEA AIF could be marketed in any member state.

Under the onshored AIFMD requirements at Regulation 59 of the UK Alternative Investment Fund Managers Regulations 2013 ("AIFMR"), as amended, post-Brexit UK AIFMs that want to market non-UK AIFs in the UK are still subject to the depositary lite requirement, however, the AIFMD's depositary lite requirement no longer applies when the UK AIFM wants to market that non-UK AIF in the EEA.

Nor does the depositary lite requirement apply any longer to EEA AIFMs that want to market non-EEA AIFs in the UK. AIFMs domiciled or with their registered office outside the UK and outside the EU were never subject to a depositary lite requirement.

As a result, UK AIFMs are at a competitive disadvantage as their non-UK AIFs will always be more costly to run due to the additional requirements. We believe this competitive disadvantage should be removed. We are not suggesting, however, that the types of responsibilities and duties undertaken as a result of the depositary lite requirement should not be conducted, but rather that the requirements should be aligned to allow greater operational flexibility as to how these are discharged.

14. Could any of the ideas in this Call for Input adversely impact any of the groups with protected characteristics i.e. age, disability, sex, marriage or civil partnership, pregnancy and maternity, race, religion and belief, sexual orientation and gender reassignment?

AIMA has not identified any such issues.

15. Are there other steps we could take to improve outcomes for fund investors or potential investors with any of these protected characteristics?

AIMA has not identified any such issues.

AIMA

167 Fleet Street, London, EC4A 2EA
+44 020 7822 8380
info@aima.org

aima.org

Asset Management Unit
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

Submitted via email to: AIFMR@hmtreasury.gov.uk

9 June 2025

Dear Sir or Madam,

AIMA comments on HM Treasury's consultation: Regulations for Alternative Investment Fund Managers

The Alternative Investment Management Association ("AIMA")[1] appreciates the opportunity to respond to the HM Treasury ("HMT") consultation paper, Regulations for Alternative Investment Fund Managers (the "CP"). We support HMT's decision to carry out a thorough review of the UK rules for alternative investment fund managers ("AIFMs") to ensure that they not only provide appropriate oversight and protection but also that they do not create unnecessary barriers to international competitiveness.[2]

We understand HMT's reasoning for having a single regime for all AIFMs, regardless of size. However, we are concerned that one regime that applies to all AIFMs regardless of size or business model will create unnecessary burdens for smaller and start-up AIFMs.

We welcome the range of more technical amendments which will enable the proposed changes as well as moves to consolidate rules and definitions in one place. The proposal to remove marketing notifications will also remove a barrier for firms without reducing consumer protection.

Other than in respect of the issues raised in relation to the single regulatory regime noted above, we do not have any substantial comments on registered venture capital funds ("RVECA"), social entrepreneurship funds ("SEF"), managers of unauthorised property collective investment schemes or internally managed companies. Nor do we offer comments on listed closed-ended investment companies.

---

1 AIMA is the world's largest membership association for alternative investment managers. Its membership has more firms, managing more assets than any other industry body, and through our 10 offices located around the world, we serve over 2,000 members in 60 different countries. AIMA's mission, which includes that of its private credit affiliate, the Alternative Credit Council (ACC), is to ensure that our industry of hedge funds, private market funds and digital asset funds is always best positioned for success. Success in our industry is defined by its contribution to capital formation, economic growth, and positive outcomes for investors while being able to operate efficiently within appropriate and proportionate regulatory frameworks. AIMA's many peer groups, events, educational sessions, publications and practical tools like its Due Diligence Questionnaires and industry sound practice guidance available exclusively to members, enable firms to actively refine their business practices, policies, and processes to secure their place in that success. For further information, please visit AIMA's website, www.aima.org.

2 AIMA is also separately responding to the Financial Conduct Authority ("FCA") call for input on the future regulation of alternative fund managers (the "CFI"), which response is attached in Annex 2 for your convenience.

We would be happy to elaborate further on any of the points raised in this response. For further information, please contact James Hopegood, Director of Asset Management Regulation (jhopegood@aima.org).

Yours faithfully,

Jiří Król
Deputy CEO, Global Head of Government Affairs

ANNEX 1

Please find AIMA's detailed responses to the CP's questions below. For questions where we are offering no response, we have deleted them but have left the remaining questions in their original order for ease of reference.

1. Do you agree with the proposal to remove the legislative thresholds from the AIFM Regulations, enabling the FCA to determine proportionate and appropriate rules for AIFMs of all sizes?

AIMA understands HMT's wish to make the AIFM Regulations more proportionate and appropriate for firms of all sizes and business models. However, the proposal to bring all AIFMs into scope will create burdens for smaller firms without a clear explanation of how this will reduce any regulatory risks. At present AIFMs with AIFs whose assets under management ("AUM") is below €500 million, do not use financial or synthetic leverage and do not allow redemptions within the first five years of investment are treated as "small AIFMs" under the AIFM Regulations and are therefore subject to only very limited aspects of the AIFMD regime. While the proposal to remove the legislative thresholds is primarily targeted at SEF, RVECA, managers of Unauthorised Property Collective Investment Schemes and internally managed companies, i.e., "small registered AIFMs" under the current legislation which sit outside the FSMA authorisation framework, it will also have an impact on small authorised AIFMs carrying out other types of business.

This will create significant burdens for smaller firms in the process of establishing and growing themselves who will have to comply with the full set of, albeit principles-based, rules immediately. Not only does this increase the cost burden, but it also creates challenges in understanding how they should apply those rules in a principles-based way. As we note in our response to the FCA CFI, without clear guidance, this will create the risk that firms will apply the rules in their entirety, regardless of their size, to be sure they are compliant. It is likely that affected firms will be pushed towards the expense of using a host AIFM or consultants before they otherwise would need to.

The current position that AIFMs with assets under management over €100 million using leverage are subject to the full scope of AIFMD creates an unlevel playing field between different types of AIFs. For example, a hedge fund employing leverage will be subject to the full scope, whereas other AIFs which employ leverage below the level of the fund may not be. This may warrant further investigation.

4. How should the Government approach the regulation of Venture Capital fund managers in future?

Venture capital is an important part of the UK fund management industry, and any future regulation of venture capital fund managers should be appropriate and proportionate to the activities they carry out.

11. Do you agree with the proposal to transfer definitions underpinning the regulatory perimeter to legislation?

Yes. The current situation where definitions are scattered in primary and secondary legislation and in guidance is unhelpful. Consolidating the relevant definitions in one place in legislation will be helpful to firms and will provide more certainty.

12. Do you agree with the proposal to maintain the National Private Placement Regime? Do you have any concerns with how the Regime currently operates?

Yes. The NPPR in its current form facilitates access for non-UK funds to UK investors in an appropriate way. We do not see a need for changes to this overall approach. Third country managers using the NPPR are subject to Annex IV reporting requirements despite already reporting data under their home regimes, for example, Form PF in the U.S.A. and AIFMD Annex IV in the European Union. Consideration should be given to allowing third country managers to make investors disclosures only where they are already subject to similar reporting requirements in their home jurisdictions.

We note that the Overseas Funds Regime is in place to allow non-UK retail funds to be marketed to UK retail investors. We believe that this clear demarcation between retail and institutional investors provides useful clarity.

13. Should the requirement to notify the FCA 20 days prior to marketing be removed and what impact would this have for firms and investors?

Yes. As the CP notes, this creates unnecessary delays for AIFs which market to professional or institutional investors and do not need this extra retail protection measure.

14. Should the requirement for AIFMs to notify the FCA in relation to acquisition of non-listed companies, be removed or should this information be provided elsewhere?

Yes. In our view these notifications do not serve any practical purpose for the FCA and can act as a material time and resource burden for firms with significant volumes of investment activity.