

ESMA recommends priority topics in AIFMD review

The European Securities and Markets Authority (ESMA), the EU's securities markets regulator, has [written](#) to the European Commission (Commission) highlighting areas to consider during the forthcoming review of the Alternative Investment Fund Managers Directive (AIFMD).

AIFMD has provided a successful framework for alternative funds in Europe since 2011. However, ESMA and national competent authorities have through the years gathered experience with the framework and have identified areas that could be improved in the legislation to enhance the supervision of alternative fund managers in Europe. ESMA has also learned from its role in the reporting framework under AIFMD where improvements could be made.

ESMA's letter includes recommendations for changes in 19 areas including harmonising the AIFMD and UCITS regimes; delegation and substance; liquidity management tools; leverage; the AIFMD reporting regime and data use; and the harmonisation of supervision of cross-border entities.

The review of AIFMD provides the EU with an opportunity to apply these lessons learned. Policy enhancements are proposed in Annex I to the letter and reporting recommendations are made in Annex II. Many of the recommendations made also require consideration of changes to the UCITS legislative framework.

ESMA encourages the Commission to support the areas identified in the letter in order to improve the effectiveness and soundness of the AIFMD.