



MAPLES  
GROUP

# Funds & Investment Management Update – Ireland and Luxembourg

**Quarterly Update | July – September 2024**

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# 1 Legal & Regulatory

## 1.1 UCITS and AIFMD Update

Directive [\(EU\) 2024/927](#) amending AIFMD 2011/61/EU and the UCITS Directive 2009/65/EC relating to delegation arrangements, liquidity risk management, supervisory reporting, provision of depositary and custody services, and loan origination by alternative investment funds ("AIFs") ("AIFMD II") has to be transposed into national law by EU member states by 16 April 2026. The changes introduced aim to strengthen investor protection; improve access to finance from sources other than banks; tackle greenwashing; and help complete the capital markets union by limiting national approaches when it comes to marketing AIFs. One of the major enhancements under AIFMD II is the introduction of a pan-European loan origination regime for AIFs.

On 8 July 2024, the European Securities and Markets Authority ("ESMA") published:

- A [consultation paper](#) on draft regulatory technical standards ("RTS") on liquidity management tools ("LMTs") under AIFMD II. They will apply to AIFMs managing open-ended AIFs and UCITS. In the draft RTS, among other things, ESMA defines the constituting elements of each LMT, such as calculation methodologies and activation mechanisms.
- A [consultation paper](#) on guidelines on LMTs of UCITS and open-ended AIFs. These provide guidance on how managers should select and calibrate LMTs in the light of their investment strategy, their liquidity profile and the redemption policy of the fund.

The aim of the draft RTS and guidelines is to promote convergent application of the Directive (EU) 2024/927s for both UCITS and open-ended AIFs and make EU fund managers better equipped to manage the liquidity of their funds, in preparation for market stress situations. In addition, they clarify the functioning of specific LMTs, such as the use of side pockets, which is a practice that currently varies significantly across the EU.

ESMA highlights that the list of LMTs and their definitions are identical in AIFMD and the UCITS Directive. As the empowerments are also identical in both Directives, it is issuing a single consultation paper for both sets of draft RTS. However, ESMA will issue two different sets of draft RTS because the empowerments stem from two different sectoral legislations.

The consultations close on 8 October 2024. ESMA intends to publish final reports and draft RTS and guidelines to submit to the European Commission by 16 April 2025. ESMA will consult on draft RTS to determine the requirements that loan-originating AIFs must comply with to maintain an open-ended structure at a later stage.

## 1.2 Individual Accountability Framework – SEAR Update

In April 2024, the Central Bank of Ireland ("Central Bank") finalised guidance on all four aspects of the Individual Accountability Framework ("IAF") (SEAR, Fitness and Probity framework, Conduct Standards and the Administrative Sanctions Regime).

The [Central Bank \(Supervision and Enforcement\) Act 2013 \(Section 48\(1\) \(Senior Executive Accountability Regime\)\) Regulations 2024](#) brought the Senior Executive Accountability Regime ("SEAR") into force on 1 July 2024 (except for independent non-executive directors, who will be in scope from 1 July 2025). It requires in-scope firms to set out clearly where responsibility lies within the firm's senior management. It also imposes responsibility on persons carrying out pre-approval controlled function ("PCF") roles in those firms.

On 1 July 2024, the Central Bank published the [Questions from Stakeholders](#) to address some queries raised by stakeholders on the application of the IAF.

### 1.3 Luxembourg RCS – New Filing Obligations

On 6 September 2024, the Luxembourg Trade and Companies Register (Registre de Commerce et des Sociétés de Luxembourg, the "RCS") announced new guidelines on filings with the RCS. From 12 November 2024, the RCS will transition from PDF forms to online forms. These new forms include additional requirements regarding the information to be provided on natural persons registered with the RCS and all natural persons registered with the RCS in any capacity (e.g. shareholder, partner, director, manager, agent, auditor) will have to provide their Luxembourg national identification number ("LNIN") (and create a LNIN to the extent they do not already have one).

For more information, please see [Luxembourg RCS – New Filing Obligations](#).

### 1.4 ELTIF 2.0

On 10 January 2024, Regulation (EU) 2023/606 which revised the European Long-Term Investment Fund ("ELTIF") framework, came into effect across the EU. Commonly referred to as "ELTIF 2.0", it aims to make ELTIFs more attractive by removing certain regulatory obstacles. ELTIFs are EU AIFs managed by AIFMs that invest in long-term investments and can be distributed on a cross-border basis to both professional and retail investors.

On 19 July 2024, the European Commission adopted a [Delegated Regulation](#) with RTS supplementing ELTIF Regulation (EU) 2015/760 specifying when derivatives will be used solely for hedging the risks inherent to other investments of the ELTIF, the requirements for an ELTIF's redemption policy and LMTs, the circumstances for the matching of transfer requests of units or shares of the ELTIF, certain criteria for the disposal of ELTIF assets, and certain elements of the costs disclosure. Among other things, it:

- Sets out circumstances in which the use of financial derivative instruments for hedging purposes is considered as solely serving the purpose of hedging the risks inherent to the investments of an ELTIF.
- Contains criteria for ELTIF managers to determine a minimum holding period.
- Sets out the requirements to be fulfilled by an ELTIF in relation to its redemption policy and LMTs, as well as the criteria to determine the percentage of liquid assets.
- Specifies the minimum content requirements to the full or partial matching of transfer requests of units or shares of an ELTIF by exiting and new investors.

The adoption of the RTS now begins a three-month scrutiny period for co-legislators, which is expected to end in mid-October 2024 (unless extended), allowing for the RTS to enter into force in Q4 2024.

For more information see [ELTIF 2.0 - European Commission Adopts RTS Delegated Regulation](#).

On 29 July 2024, the Commission de Surveillance du Secteur Financier ("CSSF") [updated](#) its ELTIF application [questionnaire](#) to simplify the procedures for requesting the authorisation of an ELTIF in a new or an existing UCI Part II, SIF or SICAR.

### 1.5 Sustainable Finance Update

On 24 July 2024, ESMA published an [opinion](#) on the functioning of the EU sustainable finance framework. It acknowledges that the framework is well developed and includes safeguards against greenwashing. However, it considers that, in the longer-term, the framework could further mature and evolve. The recommendations include the following:

- Consumer and industry testing should be carried out before implementing policy solutions to ensure their feasibility and appropriateness for retail investors.
- The EU taxonomy should be completed for all activities that can substantially contribute to environmental sustainability and include a social taxonomy. It should become the sole, common reference point for assessing sustainability and should be included in all sustainable finance legislation.
- A definition of "transition investments" should be incorporated into the framework.
- All financial products should disclose some minimum basic sustainability information, covering environmental and social characteristics.
- A product categorisation system should be introduced covering sustainability and transition, based on clear eligibility criteria and binding transparency obligations.
- ESG data products should be brought into the regulatory perimeter and the consistency of ESG metrics should be improved.

On 25 July 2024, the Joint Committee of the European Supervisory Authorities ("ESAs") published [updated Q&As](#) on the Sustainable Finance Disclosure Regulation (EU) 2019/2088 ("SFDR") and the SFDR Delegated Regulation (EU) 2022/1288 on content and presentation of information. Several new answers have been added including:

- Establishing a website to comply with Article 10 of SFDR.
- The calculation of principal adverse impact ("PAI") indicators being performed on a pass/fail basis.
- How to calculate the share of sustainable investment that qualifies as environmentally sustainable and its disclosure.
- A table showing how the calculations of sustainable investment can be done either at the economic activity or the investment level for financial products.
- Whether sustainable investment can be made by investing in another product, such as a UCITS fund.

On 21 August 2024, ESMA published translations of its guidelines on funds' names using ESG or sustainability-related terms, for more detail see [Process Clarification for Changes to UCITS and AIFs due to ESMA's Fund Names Guidelines](#) below.

On 30 September 2024, ESMA published its annual work programme for 2025 in which it states it will intensify its focus on implementing the sustainable finance legal and supervisory framework, combating greenwashing and promoting transparency in sustainable investments.

## **1.6 Process Clarification for Changes to UCITS and AIFs due to ESMA's Fund Names Guidelines**

On 21 August 2024, ESMA published on its website the official translations of its guidelines on funds' names using ESG or sustainability-related terms ("Guidelines"). They aim to protect investors against unsubstantiated or exaggerated sustainability claims in fund names and provide asset managers with clear and measurable criteria to assess their ability to use ESG or sustainability-related terms in fund names. They apply from 21 November 2024 and national competent authorities ("NCAs") must notify ESMA by 21 October 2024 whether they comply, do not comply but intend to comply or do not intend to comply with the guidelines.

The Guidelines will apply immediately for any new funds created on or after the application date. However, there is a transitional period for funds existing before the application date until 21 May 2025.

On 27 September 2024, the Central Bank issued a document clarifying the filing procedure for UCITS and AIFs to comply with upcoming pre-contractual documentation update requirements relating to changes resulting from the Guidelines. It has established a streamlined filing process for UCITS and

AIFs seeking a change of name and for updates to fund prospectuses, supplements and SFDR annexes based on the Guidelines. It has also confirmed what documents are required to be filed and the relevant mailbox to be used. UCITS management companies and AIFMs will be required to certify compliance with the Guidelines through an attestation that must be submitted to the Central Bank with the request to change name of the UCITS or AIF.

Filings must be made during the transitional period (21 November 2024 to 21 May 2025) for existing in-scope funds.

The Central Bank also published the process changes for UCITS mergers, AIF amalgamations and applications for clearance of investment managers and non-EU AIFMs.

## 1.7 AML/CTF Developments

### EU

On 4 July 2024, the European Banking Authority ("EBA") published a [final report](#) on guidelines on information requirements in relation to transfers of funds and certain cryptoassets transfers under the Wire and Cryptoasset Transfer Regulation (EU) 2023/1113 ("WCTR") (which applies from 30 December 2024). These guidelines replace existing guidelines on the measures payment service providers should take under the revised Wire Transfer Regulation (EU) 2015/847 to detect missing or incomplete information on the payer or the payee and apply from 30 December 2024.

The new EU anti-money laundering ("AML") and counter-terrorist financing ("CTF") regime is being implemented on a phased basis and is expected to be fully operational by 2028. It comprises four elements: the WCTR; the AML Regulation ([EU 2024/1624](#)); the Sixth Money Laundering Directive ([EU 2024/1640](#) ("MLD6")); and the Regulation establishing the new Anti-Money Laundering Authority ("AMLA") ([EU 2024/1620](#)). The AML Regulation and MLD6 both entered into force on 9 July 2024. The AMLA Regulation came into force on 25 June 2024.

On 10 July 2024, the Financial Action Task Force ("FATF") published a [targeted update](#) on the implementation of its standards on virtual assets ("VAs") (also known as cryptoassets) and virtual asset service providers ("VASPs") (also known as cryptoasset service providers ("CASPs")).

The update relates to FATF recommendation 15 (R.15) and the related interpretative note (INR.15), as well as recommendation 16 (R.16) (known as the travel rule) and the related interpretative note (INR.16).

Based on 130 FATF mutual evaluations and follow-up reports since the revised R.15 and INR.15 were adopted in 2019, the FATF found that 75% of jurisdictions are either only partially compliant or not compliant with these requirements. Jurisdictions continue to struggle with the implementation of the fundamental requirements of R.15, particularly undertaking a risk assessment and conducting supervisory inspections.

The FATF has also found that jurisdictions have not made sufficient progress implementing the travel rule, which is a key AML/CTF measure.

The slow progress in regulating the VA sector is a serious concern for the FATF. Despite this, the update does acknowledge positive developments in the VA sector reported by the private sector, such as increases in VA transaction volume using travel rule compliance tools and in VASPs considering travel rule obligations in their operations.

On 30 September 2024, the EBA published its [work programme](#) for 2025 which includes developing consumer orientated mandates and ensuring a smooth transition to the new AML/CTF framework.

## Luxembourg

On 5 September 2024, the CSSF updated [CSSF circular 19/732](#) on the prevention of money laundering and terrorist financing to clarify that the identification and verification of the ultimate beneficial owner(s) ("UBOs") must be conducted using a risk-based approach when legal persons or arrangements are involved.

For more information, please see [Luxembourg Update: CSSF provides Clarification on UBO Identification and Verification](#)

On 7 October 2024, the CSSF published an updated [FAQ](#) on the AML/CFT Summary Report RC ("SRRRC") on compliance with AML/CFT obligations in accordance with [CSSF circular 24/854](#) to reflect two new FAQs on (i) the applicability of the circular to Luxembourg investment funds who are initially managed by foreign investment fund managers ("IFMs") but who appoint a Luxembourg IFM prior to the submission date of the SRRRC; and (ii) the requirement to submit the SRRRC for entities removed from the CSSF supervision list before the submission date. In both instances, no SRRRC will be required.

## 1.8 General Scheme of Registration of Limited Partnerships and Business Names Bill 2024

On 25 July 2024, the [General Scheme of the General Scheme of the Registration of Limited Partnerships and Business Names Bill 2024](#) was published. The General Scheme is a draft bill – it has not been introduced into the Irish Parliament. The General Scheme, among other things, repeals and replaces the Limited Partnerships Act 1907. It introduces transparency provisions, including:

- verification of the identity of partners whether natural or legal persons
- a register of beneficial ownership of partners of a limited partnership incorporated or administered outside the EEA
- a requirement to have at least one EEA-resident general partner for the duration of a limited partnership
- a requirement for an ongoing connection with the State for the duration of a limited partnership via a registered office or place of business in the State

Limited partnerships and business names registered under the Limited Partnerships Act 1907 and the Registration of Business Names Act 1963 respectively will be required to comply with the new registration requirements within 12 months of the notice from the Registrar (to be issued within 30 months of commencement of the new Act).

The precise details on how these measures will look and be implemented in practice should be clarified when the final bill itself is published. For further information on its potential impact, please reach out to your usual Maples Group contact.

## 1.9 CSSF Clarification on Controls by Luxembourg Depositories in relation to AIFs Investing in Illiquid Assets

On 24 July 2024, the CSSF published a [clarification](#) reminding all Luxembourg depositories that checks and controls must be conducted before an AIF acquires illiquid assets. The CSSF expects that the following checks and controls are implemented:

- Prior to payment: the IFM must notify the depository (in advance) of the transaction and provide supporting documents to verify its existence, structure, and counterparties before authorising payments, in accordance with paragraph 105 of [CSSF circular 18/697](#).
- At the time of payment: consistency checks between the payment details and the documents provided.



- After payment: verification of effective ownership of the assets by the AIF based on the executed transaction documents or extracts from external registers.

Luxembourg authorised IFMs must provide depositaries with all necessary information to comply with their safekeeping duties, including ownership verification and record keeping, as outlined in Article 90 of [Commission Delegated Regulation \(EU\) No 231/2013](#) and the ex-ante controls mentioned above.

## 1.10 EMIR Update

The Regulation on over the counter ("OTC") derivative transactions, central counterparties ("CCPs") and trade repositories ("TRs") ([EU 648/2012](#) ("EMIR")) is relevant to all Irish and Luxembourg funds trading in financial derivative instruments whether on an exchange or otherwise. UCITS and AIFs are financial counterparties for EMIR purposes and subject to the full scope of EMIR obligations.

The European Parliament [adopted](#) the proposed EMIR 3 on 25 April 2024 which is intended to mitigate excessive exposures to third-country CCPs and improve the efficiency of EU clearing markets. It is expected that the final EMIR 3 text could be adopted and published in the Official Journal of the EU before the end of 2024 and enter into force 20 days later.

On 10 July 2024, ESMA published a [statement](#) deprioritising supervisory actions linked to the eligibility of uncollateralised public guarantees, public bank guarantees and commercial bank guarantees for non-financial counterparties acting as clearing members, pending the entry into force of EMIR 3.

On 31 July 2024, the European Commission published a [provisional request](#) to the EBA for technical advice on a possible delegated Act specifying how to determine the amount of fees and the modalities of payment of those fees, to be paid by financial and non-financial counterparties requiring the validation of pro-forma models under the proposed EMIR 3.

## 1.11 ESMA Consultation on Guidelines on the Submission of Periodic Information

On 8 July 2024, ESMA published a [consultation](#) on guidelines on the submission of periodic information to ESMA by benchmark administrators ("BMAs"), credit rating agencies ("CRAs") and market transparency infrastructures ("MTIs"). It closes on 18 October 2024. The proposed new guidelines will specify the type of information ESMA needs to receive from the entities it directly supervises under the following mandates:

- BMAs under the Benchmarks Regulation (EU) 2016/1011.
- CRAs under the CRA Regulation.
- MTIs, including TRs under EMIR and the Regulation on reporting and transparency of securities financing transactions (EU) 2015/2365 ("SFTR"), data reporting services providers under MiFIR and securitisation repositories under the Securitisation Regulation.

ESMA aims to eliminate duplication and over-reporting so that periodic reporting is streamlined and, ultimately, the burden on reporting entities is reduced. ESMA will consider the consultation feedback in order to finalise the guidelines and publish a final report in Q1 2025.

## 1.12 Corporate Sustainability Reporting

In Ireland the [European Union \(Corporate Sustainability Reporting\) Regulations 2024](#) implementing the Corporate Sustainability Reporting Directive (EU) 2022/2464 ("CSRD") came into force on 6 July 2024. CSRD places obligations on all large companies and all listed companies (except listed micro-



enterprises) to disclose environmental, social, human rights and governance data annually. The new rules will be phased in for financial years 2024 to 2028. Reporting under the CSRD must comply with the European Sustainability Reporting Standards ("ESRS"), which set out general reporting requirements and general disclosures.

On 5 July 2024, ESMA published its [final report](#) on guidelines on enforcement of sustainability information ("GLESI") and a [statement](#) on the application of the ESRS. The guidelines will apply two months after their publication on ESMA's website in all official EU languages.

On 25 July 2024, the Corporate Sustainability Due Diligence Directive (EU) 2024/176 ("CSDDD") came into force. It introduces a due diligence duty on large EU companies and non-EU companies with significant EU activity to address adverse human rights and environmental impacts in their own operations, their subsidiaries and their supply chains.

Member states have until 26 July 2026 to transpose it into national law. Application will then be on a staggered basis, starting from 26 July 2027 for the largest companies.

On 7 August 2024, the European Commission published [FAQs](#) to support stakeholders in the implementation of the EU corporate sustainability reporting rules. They consider input received from companies and cover issues such as scope of the rules, application dates, and exemptions.

For more information, please see [CSRD – Time for European Companies to Act](#)

### 1.13 Review of the Fitness and Probity Regime

On 11 July 2024, the Central Bank published the [independent review](#) of its fitness and probity ("F&P") regime following a Irish Financial Services Appeals Tribunal decision which identified fundamental procedural flaws in relation to the Central Bank's handling of specific applications to perform certain PCF roles.

The review concludes that the conduct of the F&P regime at the Central Bank is broadly in line with peer regulators in different jurisdictions across several dimensions:

- standards are comparable and robust supervisory judgement is used;
- statistics on outcomes (approvals, withdrawals of applications, refusals) are in line with other supervisory authorities and do not signal either a particular stringency or leniency of the process; and
- timelines are well aligned with the target service standards and generally faster than in other countries.

However, the review also highlighted the need for targeted improvements in process consistency across firms of different sizes which are operating in different financial sectors. The recommendations focus on three areas: clarity of supervisory expectations, governance of the process, and the fairness, efficiency and transparency of the process. It identified several areas in which the operation of the F&P regime could be improved including the creation of a new unit to bring together all F&P work.

The recommendations will be implemented over the coming months.

### 1.14 MiCA Update and Central Bank FAQ

On 10 September 2024, the Central Bank updated its Markets in Cryptoassets Regulation ((EU) 2023/1114 ("MiCA") [web page](#) to reflect recent developments and expand on its views regarding the implementation of the new EU framework for the regulation of cryptoassets. The CSSF also updated its MICA [web page](#) on 8 July 2024.

MiCA is the first European-level legislation introducing a harmonised and comprehensive framework for cryptoassets, covering issues from the offering to the public of cryptoassets to preventing market abuse in cryptoasset markets. The provisions relating to issuers of asset-referenced tokens ("ARTs") [maples.com](#)

and e-money tokens ("EMTs") (that is, stablecoins) applied from 30 June 2024. The remaining provisions relating to CASPs apply from 30 December 2024.

The Central Bank, which will be designated as the Irish NCA has published an infographic on the authorisation process for CASPs and frequently asked questions which includes information on the Central Bank's expectations of crypto firms during the MiCA authorisation process.

On 30 September 2024, the EBA published its [work programme](#) for 2025 which includes starting oversight and supervisory activities for MiCA.

### 1.15 EU Artificial Intelligence Act

On 1 August 2024, Regulation (EU) 2024/1689 laying down harmonised EU rules on artificial intelligence ("AI Act") came into force. Most provisions apply from 2 August 2026 but some rules will apply earlier:

- Prohibited AI systems will be banned from 2 February 2025.
- Penalties and the rules on general-purpose AI models will apply from 2 August 2025.

The AI Act has extra-territorial scope, meaning that it will impact organisations both inside and outside the EU. The AI Act will apply to entities which put AI on, or into service on, the EU market and / or use AI outputs in the EU. Providers of AI systems and general AI models which generate or manipulate text ("GPAI") located outside the EU must appoint a natural or legal person located in the EU to act as their authorised representative.

On 30 September 2024, ESMA published its annual [work programme](#) for 2025 in which it states it will focus on financial innovation, particularly in the area of AI, with the aim of ensuring investor protection and market integrity.

For more information please see [AI: Risk and Regulatory Considerations for Irish Regulated Firms](#) and [AI Act Set to Come into Force on 1 August 2024](#)

### 1.16 DORA Update

Regulation (EU) 2022/2554 known as the Digital Operational Resilience Act ("DORA") will apply from 17 January 2025. It aims to strengthen the IT security of financial entities such as banks, insurance companies and investment firms.

On 17 July 2024, the Joint Committee of the ESAs published their second batch of policy materials under DORA consisting of the following:

- [Final report](#) on draft RTS and implementing technical standards ("ITS") on the content, format, templates and timelines for reporting major information and communication technology ("ICT") related incidents and significant cyber threats under Article 20 of DORA.
- [Final report](#) on draft RTS on the harmonisation of conditions enabling the conduct of the oversight activities under Article 41(1)(c) of DORA. These RTS relate to the criteria for determining the composition of the joint examination team.
- [Final report](#) on draft RTS on the harmonisation of conditions enabling the conduct of the oversight activities under Article 41(1) of DORA.
- [Final report](#) on draft RTS specifying elements related to threat-led penetration tests under Article 26(11) of DORA.
- [Final report](#) on joint guidelines on the estimation of aggregated annual costs and losses caused by major ICT-related incidents under Article 11(11) of DORA.
- [Final report](#) on joint guidelines on the oversight co-operation and information exchange between the ESAs and the competent authorities under Article 32(7) of DORA.

The guidelines have been submitted to the European Commission for adoption. The expected date of application of the technical standards and guidelines is 17 January 2025.

The ESAs on 25 July 2024 released the [final report](#) on the draft RTS on subcontracting under DORA. They focus on ICT services provided by ICT subcontractors that support critical or important functions, or material parts of them. They also specify the requirements throughout the lifecycle of contractual arrangements between financial entities and ICT third-party service providers and are with the European Commission for adoption.

On 2 September 2024, the European Commission rejected the draft ITS on the registers of information under DORA on the grounds that it is necessary to allow financial entities the choice of identifying their ICT third-party service providers registered in the EU either by using the Legal Entity Identifier ("LEI") or by using the European Unique Identifier ("EUID").

On 30 September 2024, the EBA published its [work programme](#) for 2025 which includes starting oversight and supervisory activities for DORA.

For more information please see [Four Months to Go: Key Steps to Implement DORA](#) and our webcast [Getting Ready for DORA](#)

### **1.17 Macprudential Policy for Investment Funds**

On 23 July 2024, the Central Bank published a [feedback statement](#) to the [discussion paper 11](#) on an approach to macroprudential policy for investment funds. The discussion paper outlined key considerations for developing a macroprudential framework for the funds sector.

The feedback statement summarises the feedback received and the Central Bank's perspective on the key themes raised by respondents. It also outlines that the Central Bank's domestic focus is on evaluating the implementation of macroprudential measures already introduced, for Irish authorised property funds and Irish authorised GBP-denominated liability driven investment ("LDI") funds. It continues to actively monitor the funds sector for evolving vulnerabilities.

On 29 July 2024, the three month implementation period for the [macroprudential measures for Irish-authorised GBP-denominated Liability Driven Investment \("LDI"\) funds](#) ended. All GBP-denominated LDI funds, existing and newly authorised, are now required to be compliant with the new measures. GBP-denominated LDI funds are also required to prepare a new data return to allow for regular monitoring by the Central Bank.

### **1.18 UK Overseas Funds Regime - Requirements for Irish Authorised UCITS**

On 12 September 2024, the UK Financial Conduct Authority ("FCA") published a [document](#) providing advice for applicants when making an application for an overseas investment fund to be recognised under the UK overseas funds regime ("OFR"). The FCA sets out details of the application process and explains some of the factors it will look at when deciding whether an overseas fund meets the recognition conditions. It specifies the information that will be required on submission of an application, the process following submission for both successful and unsuccessful applications, and its expectations of overseas recognised funds and of their operators.

On 13 September 2024, the Central Bank [stated](#) that Irish authorised UCITS (except for money market funds) wishing to avail of the OFR may be required to make changes to fund offering documents in accordance with the FCA guidance. These amendments to the prospectus must be submitted to the Central Bank as a post-authorisation update.

For more information, please see [GRS Market Update Q3 2024](#).

### **1.19 New Thresholds for Micro, Small, Medium and Large Companies in Ireland**

From 1 July 2024, the [European Union \(Adjustments of Size Criteria for Certain Companies and Groups\) Regulations 2024](#) increase the balance sheet and turnover thresholds for micro, small, medium and large companies (in addition to groups) in the Companies Act 2014 by approximately 25%.

This change will mean that more companies will move into the micro and small categories and will therefore benefit through abridged reporting requirements and the audit exemption. The new thresholds apply for financial years commencing 1 January 2024, with companies also having the option to apply them from 1 January 2023. Company size is determined based on the company meeting two out of the three size criteria (with other relevant factors applying). The new size criteria for companies as follows:

- Micro company: A balance sheet total of not greater than €450,000, a net turnover of not greater than €900,000 and no more than 10 employees on average.
- Small company: A balance sheet total of not greater than €7.5 million, a net turnover of not greater than €15 million and no more than 50 employees on average.
- Medium company: A balance sheet total of not greater than €25 million, a net turnover of not greater than €50 million and no more than 250 employees on average.
- Large company: This continues to be a company that does not qualify as a micro, small or medium sized company.

Group size thresholds have also increased.

## 1.20 IFR and IFD Update

The Investment Firms Directive ([EU 2019/2034](#) ("IFD")) and the Investment Firms Regulation ([EU 2019/2033](#) ("IFR")) governs the prudential regime for MiFID investment firms across the EU.

On 16 July 2024, the EBA published a [report](#) on a review of the application of gender-neutral remuneration policies by institutions and investment firms under the CRD IV Directive and the IFD. It notes that some entities still have not yet adopted remuneration policies that explicitly contain measures ensuring that remuneration is awarded gender-neutrally. The EBA also looked at the gender pay gap and the monitoring of indicators on equal opportunities and equal pay. Despite some progress by the industry, the EBA found that a gender pay gap persists, and that monitoring and transparency on these topics could be further improved. The EBA calls for the identified weaknesses to be tackled.

## 1.21 CSDR Update

On 16 January 2024, the [Regulation](#) amending CSDR ("CSDR Refit") entered into force. It aims to reduce the financial and regulatory burden on central securities depositories ("CSDs") and improve their ability to operate across borders. Depending on the Articles, it applies from either 1 May 2024 or two years after entering into force.

On 9 September 2024, ESMA's three July 2024 consultations on CSDR Refit closed. The consultations related to:

- [Draft technical standards](#) on the review and evaluation process under CSDR.
- [Draft technical standards](#) on the information third country CSDs need to provide to ESMA.
- [Technical advice](#) for the European Commission on the scope of settlement discipline under CSDR.

ESMA expects to publish a final report and submit its technical advice to the Commission by 31 December 2024.

On 9 September, 2024 the European Commission published a [report](#) on the future of European competitiveness, prepared by Mario Draghi, that recommends creating a single CCP and a single central securities depository for all security trades.

## 1.22 EU Securitisation Regulation

On 8 July 2024, Commission Delegated Regulation ([EU](#)) 2024/1700 came into force. It supplements the Securitisation Regulation (EU) 2017/2402 with regard to RTS specifying, for simple, transparent and standardised non-ABCP traditional securitisation, and for simple, transparent and standardised on-balance-sheet securitisation, the content, methodologies and presentation of information related to the principal adverse impacts of the assets financed by the underlying exposures.

On 15 July, Delegated Regulation ([EU](#)) 2024/1780 containing RTS specifying the conditions under which institutions are allowed to calculate KIRB in relation to the underlying exposures of a securitisation transaction under Article 255(9) of the Capital Requirements Regulation.

On 9 September 2024, the European Commission published a [report](#) on the future of European competitiveness which recommends reforming existing securitisation regulation. In particular, that the Commission should adjust prudential requirements for securitised assets. The report also recommends establishing a securitisation platform to deepen the securitisation market.

## 1.23 MiFID / MiFIR Update

### Ireland

On 1 August 2024, the Central Bank published [guidance](#) on Breach and Incident Reporting for MiFID Firms as required under the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Investment Firms) Regulations 2023.

On 13 September 2024, the Central Bank [referred](#) to ESMA's [public statement](#) on 22 July 2024 regarding the new designated publishing entity ("DPE") regime introduced as part of the recent MiFIR review legislation (see further below) . It notes that any entities wishing to register as a DPE should liaise with their supervision team regarding any queries.

### EU

Regulation (EU) 2024/791 ("MiFIR II") and Directive (EU) 2024/790 ("MiFID III"), which amended the Markets in Financial Instruments Regulation 600/2014/EU ("MiFIR") and the MiFID II Directive 2014/65/EU primarily to improve access to market data and trade transparency entered into force on 28 March 2024. MiFIR II applied immediately, however, member states have until 29 September 2025 to implement MiFID III.

On 10 July 2024, ESMA published a [consultation](#) on equity transparency measures under MiFIR II and MiFID III covering:

- Amendments to the RTS in Commission Delegated Regulation 2017/587 (RTS 1), which sets out the requirements relating to the liquidity assessment for equity instruments, equity transparency and the volume cap, and proposed technical advice on Commission Delegated Regulation 2017/567.
- A draft of a new ITS on the content and format of the systematic internaliser ("SI").
- Amendments to the rules on the double volume cap as specified in Commission Delegated Regulation 2017/577 (RTS 3).
- Recasting Commission Delegated Regulation 2017/584 (RTS 7) with new rules specifying organisational requirements of trading venues that add new provisions on circuit breakers and have targeted amendments to adapt to the framework under DORA.
- Draft RTS on the equity consolidated tape provider ("CTP") in relation to the input and output data.
- Flags to be used in post-trade transparency reports for non-equity instruments in Commission Delegated Regulation 2017/583 (RTS 2), which was missing from ESMA's May 2024 consultation.

ESMA considered all comments received by 15 September 2024 for the technical advice, RTS 1, the RTS on input and output data for CTP, and the flags under RTS 2. The deadline is 15 October 2024

for the SI ITS, RTS 3 and RTS 7. It will submit a final report to the European Commission the technical advice and the draft technical standards for RTS 1, the whole input and output data RTS and RTS 2 in December 2024, and the remaining mandates in March 2025.

On 16 July 2024, ESMA published a [consultation](#) on RTS supplementing MiFID II specifying the criteria for establishing and assessing the effectiveness of investment firms' order execution policies. It is seeking input on:

- The establishment of an investment firm's order execution policy. This includes the classification of financial instruments in which firms execute client orders and the initial selection of venues for the order execution policy.
- The investment firm's procedures to monitor and regularly assess the effectiveness of its order execution arrangements and order execution policy.
- The investment firm's execution of client orders through own account dealing.
- How an investment firm deals with client instructions.

The consultation closes on 16 October 2024. ESMA expects to submit the final draft RTS to the European Commission for endorsement by 29 December 2024.

On 22 July 2024, ESMA issued a [public statement](#) on the transition to the new DPE regime for the publication of OTC-transactions for post-trade transparency purposes, as introduced by the MiFIR II.

On 30 September 2024, ESMA [announced](#) information about the selection of CTPs for bonds, shares and exchange traded funds ("ETFs"). The selection procedure for the CTP for bonds will launch on 3 January 2025. The selection procedure for the CTP for shares and ETFs will launch in June 2025.

## 1.24 Investment Fund Statistics

### Ireland

The main points to note in the Central Bank's [Q2 2024 statistics](#) issued in August 2024 are as follows:

- The net asset values ("NAVs") of Irish-resident investment and money market funds increased for the seventh successive quarter, by €160 billion to €4,482 billion, in Q2 2024, driven by positive revaluations of €69 billion and transaction inflows of €91 billion.
- Equity funds display the most significant NAV increase of €91 billion, followed by money market funds which increased by €36 billion, and bond funds, increasing by €29 billion. Mixed and hedge funds showed only marginal growth with €2 billion and €4 billion increases, respectively.
- With equity and bond funds NAV increases accounting for 75% of the overall gains of investment funds, these increases continue the ongoing trends, reflecting the popularity of passive, index tracking funds, such as bond and equity ETFs, when compared to actively managed funds.

### Luxembourg

The main points to note in the CSSF's [August 2024](#) update for regulated Luxembourg funds are as follows:



- Total net assets held by Luxembourg UCITS, Part II UCIs, SIFs and SICARs amounted to €5,638.940 billion as at 31 August 2024.
- The number of CSSF-regulated Luxembourg investment funds active in the market totals 3,205.
- Of the 3,205 active Luxembourg investment funds, 2,098 entities adopted an umbrella structure and together have a total of 12,642 sub-funds. The remaining 1,107 are structured as stand-alone funds.
- As at August 2024, there were a total of 13,749 fund units.
- During August 2024, there were more subscriptions than redemptions in fixed income funds and more redemptions than subscriptions in equity funds.

In addition, the number of Luxembourg RAIFs reached 2,736 as of 1 October 2024.

## 2 Cross Border Marketing

For more information on this topic please see our [GRS Market Update Q3 2024](#).

## 3 Tax

### 3.1 Irish Finance Bill 2024

On 10 October 2024, the Irish Finance Bill was published. This draft legislation contains the proposed as part of [Budget 2025](#). There were several measures which will enhance Ireland's investment funds offering. The Finance Bill contains a VAT exemption for non-regulated AIFs, such as the 1907 limited partnership, which are managed from Ireland. The 1907 limited partnership is commonly used as an investment vehicle and the VAT exemption will ensure that it is treated in the same way as a regulated Irish investment fund. The Finance Bill also includes a participation exemption for qualifying foreign dividends from 1 January 2025. The participation exemption will enhance the Irish corporate tax regime for holding company and private equity fund structures and align Ireland with many EU and OECD member states.

For more information, please see [Irish Finance Bill 2024 – Implications for International and Irish Business](#).

### 3.2 More Luxembourg Tax Reforms

On 17 July 2024, the Luxembourg Parliament published Draft law No. 8414 which includes further proposed tax measures aimed at increasing Luxembourg's tax competitiveness and attraction for international business. It provides for a new exemption for actively traded (UCITS) ETFs; the reduction of the Luxembourg corporate income tax rate; expanding the profit-sharing bonus regime for employees; a new and improved impatriate tax regime; tax exemptions on bonuses for young professionals; and several updates to the tax-exempt family wealth management company.

For more information please see [New Luxembourg Tax Reforms Aim to Boost International Business and Investment Appeal](#).

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# About the Maples Group

The Maples Group is a leading service provider offering clients a comprehensive range of legal services on the laws of the British Virgin Islands, the Cayman Islands, Ireland, Jersey and Luxembourg, and is an independent provider of fiduciary, fund services, regulatory and compliance, and entity formation and management services. The Maples Group distinguishes itself with a client-focused approach, providing solutions tailored to their specific needs. Its global network of lawyers and industry professionals are strategically located in the Americas, Europe, Asia and the Middle East to ensure clients gain immediate access to expert advice and bespoke support, within convenient time zones.

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