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Additional Information

Level 1 Regulation
Alternative Investment Fund Managers Directive (AIFMD) Directive 2011/61/EU

Level 3 Regulation
Liquidity stress testing - Guidelines on liquidity stress testing in UCITS and AIFs - ESMA34-39-882

Topic
AIFMD scope

Additional Legal Reference
Directive [EU] 2024/927 amending UCITS Directive and AIFM Directive with regard to the new liquidity management tools (LMTs) requirements for UCITS and open-ended AIFs coming into effect on 16 April 2026

Subject Matter
NEW LIQUIDITY MANAGEMENT TOOLS REQUIREMENTS FOR UCITS AND OPEN ENDED AIFS COMING INTO EFFECT ON 16 APRIL 2026: DOES THE SCOPE OF LMTs EXTEND TO NON-EU OPEN ENDED AIFs?

Question

The AIFMD II (Directive (EU) 2024/927), which will enter into effect on 16 April 2026 imposes a requirement on EU open ended alternative investment funds (EU AIFs) and UCITS to specify/include in their rules or instruments of incorporation two (2) liquidity management tools (LMTs), which are defined in the Annex V of the AIMFD II.

The AIFMD II is silent when it comes of the requirement of LMTs for non-EU open-ended AIFs such as Cayman Islands domiciled open-ended unit trusts. Can the ESMA provide clarifications on whether the requirement to choose two (2) liquidity management tools (LMTs) for open-ended EU AIFs apply also to non-EU open ended AIFs managed by an EU AIFM, even if those non-EU AIFs are not marketed in the Union?

ESMA Answer

18-12-2025

Original language

Dear Mr Biguma,

According to Article 2 of the AIFMD, the AIFMD applies to:

(a) EU AIFMs which manage one or more AIFs irrespective of whether such AIFs are EU AIFs or non-EU AIFs;

(b) non-EU AIFMs which manage one or more EU AIFs; and

(c) non-EU AIFMs which market one or more AIFs in the Union irrespective of whether such AIFs are EU AIFs or non-EU AIFs.

Therefore, following letter a), the AIFMD applies also to EU AIFMs that manage non-EU AIFs. This means that the obligation to select at least two LMTs also applies to EU AIFMs that manage non-EU AIFs, as these AIFMs are subject to the AIFMD.

We draw your attention to the fact that Article 16(2b) refers to 'AIFs' and not to 'EU AIFs'.

Thank you,

ESMA