

PRESS RELEASE

ESMA finalises supervisory co-operation agreements for alternative investment funds

The European Securities and Markets Authority (ESMA) has approved seven co-operation arrangements between EU securities regulators and their global counterparts with responsibility for the supervision of alternative investment funds, including hedge funds, private equity and real estate funds.

ESMA's Board of Supervisors, at its July meeting, approved Memoranda of Understanding (MoUs) with authorities from the Bahamas, Japan, Malaysia, Mexico and the United States, including the Commodity Futures Trading Commission (CFTC).

ESMA has now negotiated 38 agreements on behalf of the 31 EU/EEA national competent authorities for securities markets supervision. The co-operation agreements allow for the exchange of information, cross-border on-site visits and mutual assistance in the enforcement of respective supervisory laws. ESMA had approved 31 MoUs with other non-EU regulators in May.

The agreements cover third-country alternative investment fund managers (AIFMs) that market alternative investment funds (AIFs) in the EU and EU AIFMs that manage or market AIFs outside the EU. The agreements also cover co-operation in the cross-border supervision of depositaries and AIFMs' delegates.

National securities regulators in the EU, as the supervisors of AIFMs, are in the process of signing MoUs with those jurisdictions relevant to their market. The existence of co-operation arrangements between the EU and non-EU authorities is a precondition of the Alternative Investment Fund Managers Directive (AIFMD) for allowing managers from third countries access to EU markets or to perform fund management by delegation from EU managers by 22 July 2013.



The co-operation arrangements are applicable from 22 July, and will enable cross-border marketing of AIFs to professional investors between jurisdictions. This is subject to the non-EU jurisdiction not being listed as a non-cooperative jurisdiction by the Financial Action Task Force and, as from the entry into force of the passport for non-EU managers, having co-operation agreements in place with EU Member States regarding the exchange of information on tax matters.

The content of the ESMA MoUs follow the IOSCO Principles on Cross-Border Supervisory Co-operation of 2010, and complements the terms and conditions of the IOSCO Multilateral MoU Concerning Consultation and Co-operation and the Exchange of Information of 2002 (MMoU).

ESMA had originally contacted all the authorities that have signed the IOSCO MMoU of 2002. ESMA has now approved MoUs with those 42 authorities that responded to ESMA's call. ESMA continues to negotiate the MoU with the Chinese authority.



Notes for editors

1. ESMA approved co-operation agreements between the 31 EU/EEA securities regulators and the following third-country regulators:
 - Commodity Futures Trading Commission, United States of America;
 - Financial Services Agency of Japan;
 - Ministry of Economy, Trade and Industry of Japan
 - Ministry of Agriculture, Forestry and Fisheries of Japan;
 - Securities Commission, Malaysia;
 - National Banking and Securities Commission of the United Mexican States; and
 - Securities Commission of the Bahamas.
2. ESMA's guidelines on the model MoUs are available here: <http://bit.ly/15OzdtL>
3. ESMA is an independent EU Authority that was established on 1 January 2011 and works closely with the other European Supervisory Authorities responsible for banking (EBA), and insurance and occupational pensions (EIOPA), and the European Systemic Risk Board (ESRB).
4. ESMA's mission is to enhance the protection of investors and promote stable and well-functioning financial markets in the European Union (EU). As an independent institution, ESMA achieves this aim by building a single rule book for EU financial markets and ensuring its consistent application across the EU. ESMA contributes to the regulation of financial services firms with a pan-European reach, either through direct supervision or through the active co-ordination of national supervisory activity.

Further information:

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