

PRESS RELEASE

ESMA clarifies rules for alternative investment funds and their managers

The European Securities and Markets Authority (ESMA) has launched a consultation on *Guidelines on key concepts of the Alternative Investment Fund Managers Directive (AIFMD)*. The Directive provides the legal framework for both alternative investment funds (AIFs) and their managers (AIFMs).

ESMA's draft guidelines are aimed at clarifying the rules applicable to hedge funds, private equity and real estate funds. These proposals help to clarify what entities fall under the remit of the AIFMD, thereby creating a level-playing-field by providing for consistent application of the provisions throughout the EU. In order to achieve this, the guidelines set out the criteria for what is considered to be:

- a collective investment undertaking;
- capital raising;
- defined investment policy; and
- the number of necessary investors.

The draft Guidelines will contribute to the creation of a level playing field in the area of AIFs.

Draft Technical Standards on Types of AIFMs

ESMA has also issued a consultation on *Draft regulatory technical standards on types of AIFMs*, which are aimed at ensuring the uniform application of the AIFMD across the EU. These standards distinguish between managers of AIFs whose investors have the right to redeem their shares at least annually (open-ended AIFs), and those whose investors have less frequent redemption rights.

Both papers follow an earlier discussion paper published by ESMA in February. For some of the issues covered in that paper, which are not addressed in the consultations published today, ESMA will take into account the Commission's Level 2 implementing measures before deciding



on the appropriate next steps.

The closing date for responses to these consultations is 1 February 2013. The Guidelines and Technical Standards will be finalised in the first half of 2013.



Notes for editors

1. 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).
2. 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.

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