Changes to legislation: The Alternative Investment Fund Managers Regulations 2013 is up to date with all changes known to be in force on or before 17 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

EXPLANATORY NOTE

(This note is not part of the Regulations)

MIThese Regulations implement in part Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers ("AIFMD"), Regulation (EU) No 231/2013 supplementing AIFMD, Regulation (EU) No 345/2013 on European venture capital funds and Regulation (EU) No 346/2013 on European social entrepreneurship funds, and an element of Directive 2011/89/EU of the European Parliament and of the Council amending Directives 98/78/EC, 2002/87/EC, 2006/48/EC and 2009/138/EC as regards the supplementary supervision of financial entities in a financial conglomerate . The Financial Conduct Authority ("FCA") is responsible for implementing other parts of AIFMD. A transposition note setting out how AIFMD and Directive 2011/89/EU will be transposed into UK law will be available on HM Treasury's website (www.hm-treasury.gov.uk).

Part 1 contains introductory provisions, including definitions of expressions used in the Regulations and provisions applying the meaning of expressions used in AIFMD, directly applicable regulations made under AIFMD and the Financial Services and Markets Act 2000 ("FSMA") to expressions used in the Regulations.

In Part 2, regulation 5 sets out requirements for authorisation to manage alternative investment funds ("AIFs") of alternative investment fund managers ("AIFMs") which have their registered office in the United Kingdom and which are subject to the full AIFMD requirements. The requirements in this regulation are in addition to the requirements in Part 4A of FSMA. Regulations 6 to 8 set out further requirements which apply in respect of AIFMs that have been authorised.

In Part 3, regulation 9 sets out the threshold of assets managed, below which an AIFM is a "small AIFM" for the purposes of the Regulations, and need not comply with the full requirements for authorisation as an AIFM. An AIFM below that threshold may register as a small AIFM if it meets the conditions in regulation 10 (a "small registered UK AIFM"). As a consequence of the provisions at paragraph 1 of Schedule 2, if a small AIFM does not meet those conditions it must apply to the FCA for permission to manage AIFs but the full requirements of AIFMD will not apply to it (this type of AIFM is referred to as a "small authorised AIFM"). A small AIFM may, however, opt to be treated as if it managed assets above the threshold and become fully authorised, with the result that the full requirements of AIFMD apply to it and it is entitled to manage and market AIFs in other EEA states under a passport.

Regulations 10 to 22 set out the procedures and requirements applicable to a small registered AIFM, including procedures applying to a small registered AIFM that manages an AIF that is designated as a 'EuVECA' under Regulation (EU) No 345/2013 or a 'EuSEF' under Regulation (EU) No 346/2013.

Regulation 23 restricts for a limited period the power of the FCA to make new rules that apply to small authorised AIFMs.

Part 4 implements aspects of AIFMD that apply to AIFMs subject to full AIFM authorisation. This includes provisions to do with external valuers appointed by AIFMs (regulations 24 and 25), provisions to do with the delegation of functions by an AIFM (regulations 26 to 28) and provisions about the liability of depositaries appointed for AIFs managed by AIFMs subject to full authorisation (regulations 29 to 32). The provisions in all of these areas include provision about the retention of liability after appointment or delegation.

Part 5 applies where an AIF managed by an AIFM subject to full authorisation holds a significant proportion of the shares in, or acquires control of, a private company or an issuer of traded securities, and imposes requirements about the provision of information to the company or issuer, shareholders, employees and employees. Regulation 43 contains restrictions on distributions,

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capital reductions, share redemptions and acquisitions by companies or issuers of their own shares for 2 years after the AIF acquires control. Regulation 44 gives powers to the FCA in relation to the provisions of Part 5.

Part 6 requires approval by the FCA or the giving of notification to the FCA before AIFMs and investment firms may market AIFs in certain circumstances. It also provides for the procedure by which approval may be obtained or notification given, and the consequences of marketing without meeting the requirements.

Part 7 gives the FCA various duties and powers which arise out of AIFMD, relating mainly to the provision of information to the European Securities and Markets Authority and to regulators in other EEA states.

Part 8 extends the application of various provisions in FSMA for the purposes of these Regulations. Regulation 70 applies provisions relating to the making of references to the Upper Tribunal under FSMA to references made under the Regulations, and applies provisions setting out the procedure for warning notices and decision notices given under FSMA to such notices given under the Regulations. Regulation 71 applies various investigatory and enforcement mechanisms in FSMA to persons who are subject to obligations under these Regulations but to whom those mechanisms would not otherwise apply.

Part 9 makes provision for the transition to the new regime for existing AIFMs and the AIFs managed by them, and for depositaries of AIFs.

In Part 10, regulation 79 requires the Treasury to review the operation and effect of these Regulations within five years after they come into force and within every five years after that. Following a review it will fall to the Treasury to consider whether the Regulations should remain as they are, or be revoked or amended. A further instrument would be needed to revoke or amend the Regulations.

Regulation 80 brings into effect the amendments to primary legislation set out in Schedule 1, the majority of which are amendments to FSMA. These include—

- amendments to provisions in FSMA about cross-border activities within the EEA to allow AIFMs subject to full authorisation to manage and market AIFs in other EEA states;
- amendments to provisions in FSMA about the recognition in the United Kingdom of overseas schemes (which results in similar treatment to schemes authorised in the United Kingdom) such that they must be individually recognised and the FCA may require regular information relating to their continued compliance with the requirements for recognition, and transitional provisions about these amendments; and
- amendments to legislation relating to statutory collective investment schemes for charities so that it is possible for such schemes to be marketed in other EEA states.

Regulation 81 brings into effect the amendments to secondary legislation set out in Schedule 2. These include amendments to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, which (together with section 19 of FSMA) ensures that it is not permissible to manage an AIF without being authorised or registered in accordance with AIFMD (paragraph 1), and amendments implementing an element of Directive 2011/89/EU (paragraph 17).

An Impact Assessment of the effect that these Regulations will have on the costs of business and the voluntary sector is available on HM Treasury's website (hm-treasury.gov.uk) and is published with the Explanatory Memorandum alongside these Regulations on the legislation.gov.uk website.

Changes to legislation:

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Changes and effects yet to be applied to:

- reg. 2(1) amendment to earlier affecting provision S.I. 2013/1797 Sch. 1 para. 2(2) by S.I. 2019/328 reg. 20(3)(a) (This S.I. is amended by S.I. 2019/325, reg. 58; This amendment not applied to legislation.gov.uk. The original amendments by S.I. 2013/1797 are prospective)
- reg. 2(1) amendment to earlier affecting provision S.I. 2013/1797 Sch. 2 para. 3(2)
 (a) by S.I. 2019/328 reg. 21(2)(a) (This S.I. is amended by S.I. 2019/325, reg. 58;
 This amendment not applied to legislation.gov.uk. The original amendments by S.I. 2013/1797 are prospective)
- reg. 2(1) words inserted by S.I. 2013/1797 Sch. 1 para. 2(2)(a) (This amendment comes into force on the date specified by the delegated act adopted by the European Commission pursuant to Article 67.6 of the directive as the date when the rules set out in Articles 35 and 37 to 41 of the directive become applicable. No such date has as yet been specified)
- reg. 2(1) words inserted by S.I. 2013/1797 Sch. 1 para. 2(2)(d) (This amendment comes into force on the date specified by the delegated act adopted by the European Commission pursuant to Article 67.6 of the directive as the date when the rules set out in Articles 35 and 37 to 41 of the directive become applicable. No such date has as yet been specified)
- reg. 2(1) words inserted by S.I. 2013/1797 Sch. 1 para. 2(2)(e) (This amendment comes into force on the date specified by the delegated act adopted by the European Commission pursuant to Article 67.6 of the directive as the date when the rules set out in Articles 35 and 37 to 41 of the directive become applicable. No such date has as yet been specified)
- reg. 2(1) words omitted by S.I. 2013/1797 Sch. 1 para. 2(2)(b) (This amendment not applied to legislation.gov.uk. This amendment is omitted (20.2.2019) by virtue of S.I. 2019/328, reg. 20(3)(a)(ii) without ever being in force)
- reg. 2(1) words omitted by S.I. 2013/1797 Sch. 1 para. 2(2)(c)(i) (This amendment not applied to legislation.gov.uk. This amendment is omitted (20.2.2019) by virtue of S.I. 2019/328, reg. 20(3)(a)(ii) without ever being in force)
- reg. 2(1) words omitted by S.I. 2013/1797 Sch. 2 para. 3(2)(a) (This amendment comes into force on the date specified by the delegated act adopted by the European Commission pursuant to Article 68.6 of the directive as the date when the national regimes set out in Articles 36 and 42 of the directive are to be terminated. No such date has as yet been specified)
- reg. 2(1) words substituted by S.I. 2013/1797 Sch. 1 para. 2(2)(f) (This amendment comes into force on the date specified by the delegated act adopted by the European Commission pursuant to Article 67.6 of the directive as the date when the rules set out in Articles 35 and 37 to 41 of the directive become applicable. No such date has as yet been specified)
- reg. 5(1) words substituted by S.I. 2013/1797 Sch. 1 para. 2(4)(a) (This amendment comes into force on the date specified by the delegated act adopted by the European Commission pursuant to Article 67.6 of the directive as the date when the rules set out in Articles 35 and 37 to 41 of the directive become applicable. No such date has as yet been specified)
- reg. 5(3)(b) words substituted by S.I. 2013/1797 Sch. 1 para. 2(4)(b) (This amendment comes into force on the date specified by the delegated act adopted by the European Commission pursuant to Article 67.6 of the directive as the date when the rules set out in Articles 35 and 37 to 41 of the directive become applicable. No such date has as yet been specified)

- reg. 5(4) words substituted by S.I. 2013/1797 Sch. 1 para. 2(4)(c) (This amendment comes into force on the date specified by the delegated act adopted by the European Commission pursuant to Article 67.6 of the directive as the date when the rules set out in Articles 35 and 37 to 41 of the directive become applicable. No such date has as yet been specified)
- reg. 5(7) words substituted by S.I. 2013/1797 Sch. 1 para. 2(4)(d) (This amendment comes into force on the date specified by the delegated act adopted by the European Commission pursuant to Article 67.6 of the directive as the date when the rules set out in Articles 35 and 37 to 41 of the directive become applicable. No such date has as yet been specified)
- reg. 5(8) words substituted by S.I. 2013/1797 Sch. 1 para. 2(4)(e) (This amendment comes into force on the date specified by the delegated act adopted by the European Commission pursuant to Article 67.6 of the directive as the date when the rules set out in Articles 35 and 37 to 41 of the directive become applicable. No such date has as yet been specified)
- reg. 10(2)(c) substituted by S.I. 2013/1797 Sch. 1 para. 2(7) (This amendment comes into force on the date specified by the delegated act adopted by the European Commission pursuant to Article 67.6 of the directive as the date when the rules set out in Articles 35 and 37 to 41 of the directive become applicable. No such date has as yet been specified)
- reg. 13(3) words substituted by S.I. 2019/328 reg. 5(1)(a) (This S.I. is amended by S.I. 2019/325, reg. 58; This amendment not applied to legislation.gov.uk. The original amendments by S.I. 2013/1797 are prospective)
- reg. 13(3) words substituted by S.I. 2019/328 reg. 5(1)(b) (This S.I. is amended by S.I. 2019/325, reg. 58; This amendment not applied to legislation.gov.uk. The original amendments by S.I. 2013/1797 are prospective)
- reg. 29(1) words substituted by S.I. 2013/1797 Sch. 1 para. 2(8) (This amendment comes into force on the date specified by the delegated act adopted by the European Commission pursuant to Article 67.6 of the directive as the date when the rules set out in Articles 35 and 37 to 41 of the directive become applicable. No such date has as yet been specified)
- reg. 32(3) words omitted by S.I. 2019/328 reg. 6(4)(a) (This S.I. is amended by S.I. 2019/325, reg. 58; This amendment not applied to legislation.gov.uk. The original amendments by S.I. 2013/1797 are prospective)
- reg. 32(3) words substituted by S.I. 2019/328 reg. 6(4)(b) (This S.I. is amended by S.I. 2019/325, reg. 58; This amendment not applied to legislation.gov.uk. The original amendments by S.I. 2013/1797 are prospective)
- reg. 33 words inserted by S.I. 2013/1797 Sch. 1 para. 2(9) (This amendment comes into force on the date specified by the delegated act adopted by the European Commission pursuant to Article 67.6 of the directive as the date when the rules set out in Articles 35 and 37 to 41 of the directive become applicable. No such date has as yet been specified)
- reg. 34 substituted by S.I. 2013/1797 Sch. 2 para. 3(4) (This amendment comes into force on the date specified by the delegated act adopted by the European Commission pursuant to Article 68.6 of the directive as the date when the national regimes set out in Articles 36 and 42 of the directive are to be terminated. No such date has as yet been specified)
- reg. 49 amendment to earlier affecting provision S.I. 2013/1797 Sch. 1 para. 2(10) by S.I. 2019/328 reg. 20(3)(e) (This S.I. is amended by S.I. 2019/325, reg. 58; This amendment not applied to legislation.gov.uk. The original amendments by S.I. 2013/1797 are prospective)
- reg. 49 heading words omitted by S.I. 2013/1797 Sch. 1 para. 2(10)(a) (This amendment not applied to legislation.gov.uk. This amendment is omitted (20.2.2019) by virtue of S.I. 2019/328, reg. 20(3)(e) without ever being in force)
- reg. 49 words omitted by S.I. 2013/1797 Sch. 1 para. 2(10)(b) (This amendment not applied to legislation.gov.uk. This amendment is omitted (20.2.2019) by virtue of S.I. 2019/328, reg. 20(3)(e) without ever being in force)

- reg. 49(a) word inserted by S.I. 2013/1797 Sch. 2 para. 3(5)(a) (This amendment comes into force on the date specified by the delegated act adopted by the European Commission pursuant to Article 68.6 of the directive as the date when the national regimes set out in Articles 36 and 42 of the directive are to be terminated. No such date has as yet been specified)
- reg. 49(a) word omitted by S.I. 2013/1797 Sch. 1 para. 2(10)(c) (This amendment not applied to legislation.gov.uk. This amendment is omitted (20.2.2019) by virtue of S.I. 2019/328, reg. 20(3)(e) without ever being in force)
- reg. 49(b) word omitted by S.I. 2013/1797 Sch. 2 para. 3(5)(b) (This amendment comes into force on the date specified by the delegated act adopted by the European Commission pursuant to Article 68.6 of the directive as the date when the national regimes set out in Articles 36 and 42 of the directive are to be terminated. No such date has as yet been specified)
- reg. 50 amendment to earlier affecting provision S.I. 2013/1797 Sch. 1 para. 2(11) by S.I. 2019/328 reg. 20(3)(f) (This S.I. is amended by S.I. 2019/325, reg. 58; This amendment not applied to legislation.gov.uk. The original amendments by S.I. 2013/1797 are prospective)
- reg. 50 Table substituted by S.I. 2013/1797 Sch. 1 para. 2(11) (This amendment comes into force on the date specified by the delegated act adopted by the European Commission pursuant to Article 67.6 of the directive as the date when the rules set out in Articles 35 and 37 to 41 of the directive become applicable. No such date has as yet been specified)
- reg. 50 substituted by S.I. 2013/1797 Sch. 2 para. 3(6) (This amendment comes into force on the date specified by the delegated act adopted by the European Commission pursuant to Article 68.6 of the directive as the date when the national regimes set out in Articles 36 and 42 of the directive are to be terminated. No such date has as yet been specified)
- reg. 54(1) amendment to earlier affecting provision S.I. 2013/1797 Sch. 1 para. 2(12)
 (a) by S.I. 2019/328 reg. 20(3)(g) (This S.I. is amended by S.I. 2019/325, reg. 58;
 This amendment not applied to legislation.gov.uk. The original amendments by S.I. 2013/1797 are prospective)
- reg. 54(1) substituted by S.I. 2013/1797 Sch. 1 para. 2(12)(a) (This amendment comes into force on the date specified by the delegated act adopted by the European Commission pursuant to Article 67.6 of the directive as the date when the rules set out in Articles 35 and 37 to 41 of the directive become applicable. No such date has as yet been specified)
- reg. 56 amendment to earlier affecting provision S.I. 2013/1797 Sch. 2 para. 3(7) by S.I. 2019/328 reg. 21(2)(b) (This S.I. is amended by S.I. 2019/325, reg. 58; This amendment not applied to legislation.gov.uk. The original amendments by S.I. 2013/1797 are prospective)
- reg. 57-64 omitted by S.I. 2013/1797 Sch. 2 para. 3(8) (This amendment comes into force on the date specified by the delegated act adopted by the European Commission pursuant to Article 68.6 of the directive as the date when the national regimes set out in Articles 36 and 42 of the directive are to be terminated. No such date has as yet been specified)
- reg. 57 heading omitted by S.I. 2013/1797 Sch. 2 para. 3(8) (This amendment comes into force on the date specified by the delegated act adopted by the European Commission pursuant to Article 68.6 of the directive as the date when the national regimes set out in Articles 36 and 42 of the directive are to be terminated. No such date has as yet been specified)
- reg. 57(1)(b) words substituted by S.I. 2019/328 reg. 10(8)(b)(i) (This amendment not applied to legilsation.gov.uk. Reg. 10(8)(b)(i) omitted immediately before IP completion day by virtue of S.I. 2019/710, regs. 1(2), 13(a))
- reg. 57(3) words substituted by S.I. 2013/1797 Sch. 1 para. 2(13)(a) (This amendment comes into force on the date specified by the delegated act adopted by the European Commission pursuant to Article 67.6 of the directive as the date when the rules set out in Articles 35 and 37 to 41 of the directive become applicable. No such date has as yet been specified)

- reg. 57(5) words substituted by S.I. 2013/1797 Sch. 1 para. 2(13)(b) (This amendment comes into force on the date specified by the delegated act adopted by the European Commission pursuant to Article 67.6 of the directive as the date when the rules set out in Articles 35 and 37 to 41 of the directive become applicable. No such date has as yet been specified)
- reg. 58(1) words substituted by S.I. 2013/1797 Sch. 1 para. 2(14)(a) (This amendment comes into force on the date specified by the delegated act adopted by the European Commission pursuant to Article 67.6 of the directive as the date when the rules set out in Articles 35 and 37 to 41 of the directive become applicable. No such date has as yet been specified)
- reg. 58(3) words substituted by S.I. 2013/1797 Sch. 1 para. 2(14)(b) (This amendment comes into force on the date specified by the delegated act adopted by the European Commission pursuant to Article 67.6 of the directive as the date when the rules set out in Articles 35 and 37 to 41 of the directive become applicable. No such date has as yet been specified)
- reg. 59(1) words substituted by S.I. 2013/1797 Sch. 1 para. 2(15)(a) (This amendment comes into force on the date specified by the delegated act adopted by the European Commission pursuant to Article 67.6 of the directive as the date when the rules set out in Articles 35 and 37 to 41 of the directive become applicable. No such date has as yet been specified)
- reg. 71(5)(c)-(e) omitted by S.I. 2013/1797 Sch. 2 para. 3(9) (This amendment comes into force on the date specified by the delegated act adopted by the European Commission pursuant to Article 68.6 of the directive as the date when the national regimes set out in Articles 36 and 42 of the directive are to be terminated. No such date has as yet been specified)

Changes and effects yet to be applied to the whole Instrument associated Parts and Chapters:

Whole provisions yet to be inserted into this Instrument (including any effects on those provisions):

- reg. 2(1)(c) words inserted by S.I. 2013/1797 Sch. 1 para. 2(2)(c)(ii) (This amendment not applied to legislation.gov.uk. This amendment is omitted (20.2.2019) by virtue of S.I. 2019/328, reg. 20(3)(a)(ii) without ever being in force)
- reg. 2(4) inserted by S.I. 2013/1797 Sch. 1 para. 2(3) (This amendment comes into force on the date specified by the delegated act adopted by the European Commission pursuant to Article 67.6 of the directive as the date when the rules set out in Articles 35 and 37 to 41 of the directive become applicable. No such date has as yet been specified)
- reg. 5A amendment to earlier affecting provision S.I. 2013/1797 Sch. 1 para. 2(5) by S.I. 2019/328 reg. 20(3)(b) (This S.I. is amended by S.I. 2019/325, reg. 58; This amendment not applied to legislation.gov.uk. The original amendments by S.I. 2013/1797 are prospective)
- reg. 5A inserted by S.I. 2013/1797 Sch. 1 para. 2(5) (This amendment comes into force on the date specified by the delegated act adopted by the European Commission pursuant to Article 67.6 of the directive as the date when the rules set out in Articles 35 and 37 to 41 of the directive become applicable. No such date has as yet been specified)
- reg. 88A amendment to earlier affecting provision S.I. 2013/1797 Sch. 1 para. 2(6) by S.I. 2019/328 reg. 20(3)(c) (This S.I. is amended by S.I. 2019/325, reg. 58; This amendment not applied to legislation.gov.uk. The original amendments by S.I. 2013/1797 are prospective)
- reg. 88A substituted for reg. 8 by S.I. 2013/1797 Sch. 1 para. 2(6) (This amendment not applied to legislation.gov.uk. This amendment is omitted (20.2.2019) by virtue of S.I. 2019/328, reg. 20(3)(c) without ever being in force)
- reg. 29(1)(b) substituted by S.I. 2013/1797 Sch. 2 para. 3(3) (This amendment comes into force on the date specified by the delegated act adopted by the European

- Commission pursuant to Article 68.6 of the directive as the date when the national regimes set out in Articles 36 and 42 of the directive are to be terminated. No such date has as yet been specified)
- reg. 49(c) and word inserted by S.I. 2013/1797 Sch. 1 para. 2(10)(d) (This amendment not applied to legislation.gov.uk. This amendment is omitted (20.2.2019) by virtue of S.I. 2019/328, reg. 20(3)(e) without ever being in force)
- reg. 49(c) omitted by S.I. 2013/1797 Sch. 2 para. 3(5)(c) (This amendment comes into force on the date specified by the delegated act adopted by the European Commission pursuant to Article 68.6 of the directive as the date when the national regimes set out in Articles 36 and 42 of the directive are to be terminated. No such date has as yet been specified)
- reg. 54(9) amendment to earlier affecting provision S.I. 2013/1797 Sch. 1 para. 2(12)
 (b) by S.I. 2019/328 reg. 20(3)(h) (This S.I. is amended by S.I. 2019/325, reg. 58;
 This amendment not applied to legislation.gov.uk. The original amendments by S.I. 2013/1797 are prospective)
- reg. 54(9)(10) inserted by S.I. 2013/1797 Sch. 1 para. 2(12)(b) (This amendment comes into force on the date specified by the delegated act adopted by the European Commission pursuant to Article 67.6 of the directive as the date when the rules set out in Articles 35 and 37 to 41 of the directive become applicable. No such date has as yet been specified)
- reg. 56-56C substituted for reg. 56 by S.I. 2013/1797 Sch. 2 para. 3(7) (This amendment comes into force on the date specified by the delegated act adopted by the European Commission pursuant to Article 68.6 of the directive as the date when the national regimes set out in Articles 36 and 42 of the directive are to be terminated. No such date has as yet been specified)
- reg. 59(5) amendment to earlier affecting provision S.I. 2013/1797 Sch. 1 para. 2(15)
 (b) by S.I. 2019/328 reg. 20(3)(i)(ii) (This S.I. is amended by S.I. 2019/325, reg. 58;
 This amendment not applied to legislation.gov.uk. The original amendments by S.I. 2013/1797 are prospective)
- reg. 59(5)(6) inserted by S.I. 2013/1797 Sch. 1 para. 2(15)(b) (This amendment comes into force on the date specified by the delegated act adopted by the European Commission pursuant to Article 67.6 of the directive as the date when the rules set out in Articles 35 and 37 to 41 of the directive become applicable. No such date has as yet been specified)