

ARENDT UCITS Webinar SERIES 2024



UPDATE ON RECENT DEVELOPMENTS IN UCITS DISTRIBUTION

24 June 2024

arendt.com

CONFIDENTIALITY REMINDER

This document is confidential and is intended solely for its recipient.
Do not distribute outside your organisation.

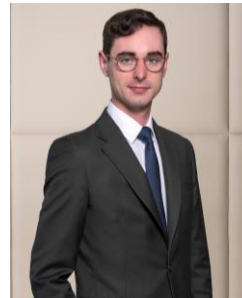


The speakers



**Alexandra
Leininger**

Arendt
Regulatory &
Consulting



**Pierre-Yves
Mauchard**

Arendt &
Medernach



**Florence
Stainier**

Arendt &
Medernach



**Emma
Garnham**

Macfarlanes



TABLE OF CONTENTS

- A. MARKET UPDATE
- B. OVERSEAS FUND REGIME
- C. MARKETING COMMUNICATIONS VS
FINANCIAL PROMOTION REGIME
- D. OTHER RECENT DEVELOPMENTS
INCLUDING TOKENISATION



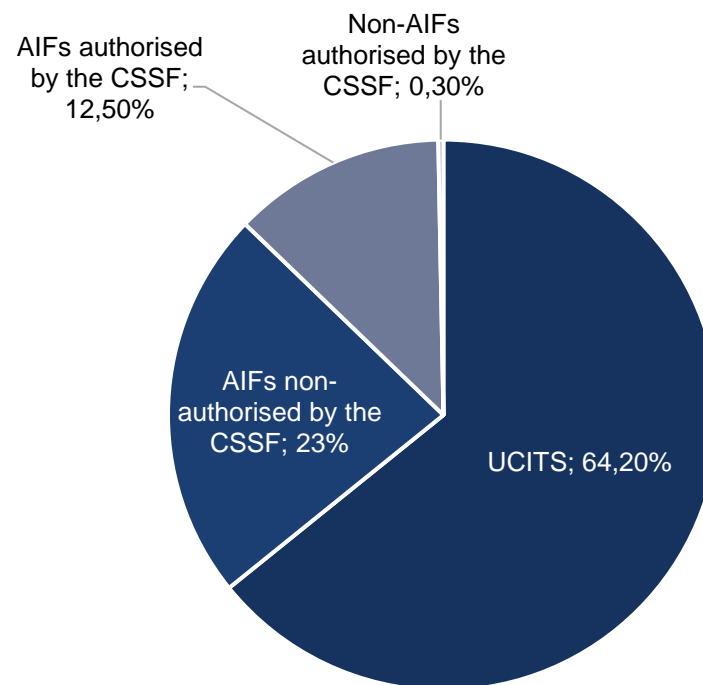
MARKET UPDATE



Market Update



UCITS: STILL #1 VEHICLE IN LUXEMBOURG



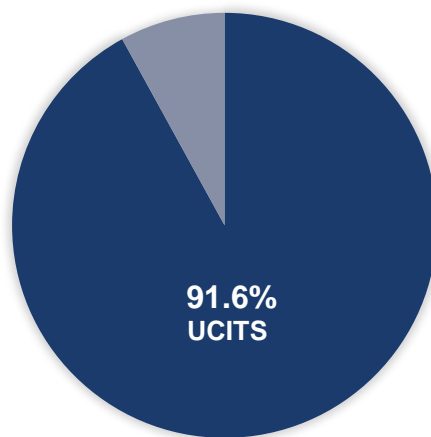
Consolidation of UCITS still ongoing
1596 UCITS
4291 bn of net assets

Market Update

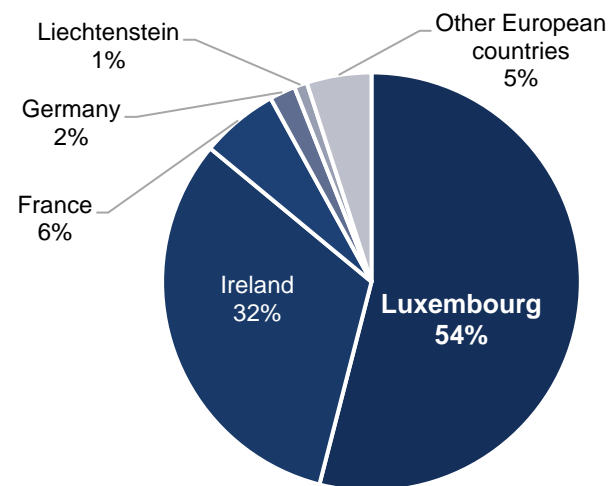


UCITS: STILL #1 VEHICLE IN LUXEMBOURG

UCITS dominance of Funds distributed on a cross-border basis



Domicile breakdown of cross-border UCITS

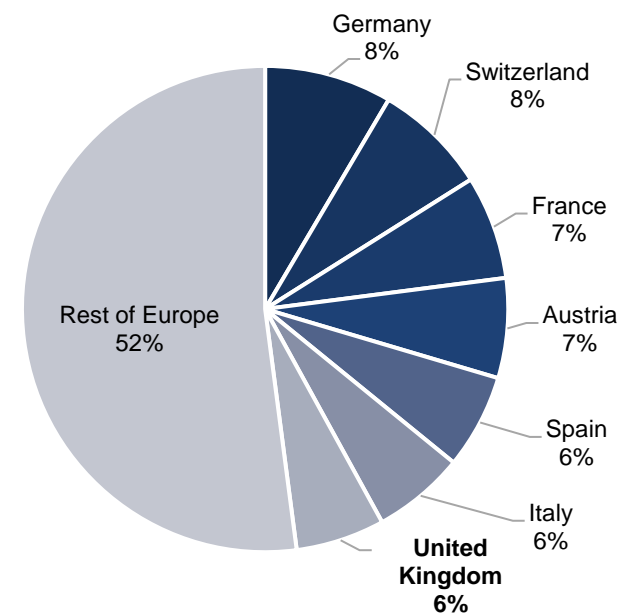


Market Update



EVOLUTION OF CROSS-BORDER DISTRIBUTION

Top destinations of Luxembourg domiciled Funds Registered in:	
Germany	6,385
Switzerland	5,694
France	5,184
Austria	4,995
Spain	4,730
Italy	4,614
United Kingdom	4,450
Total	68,842



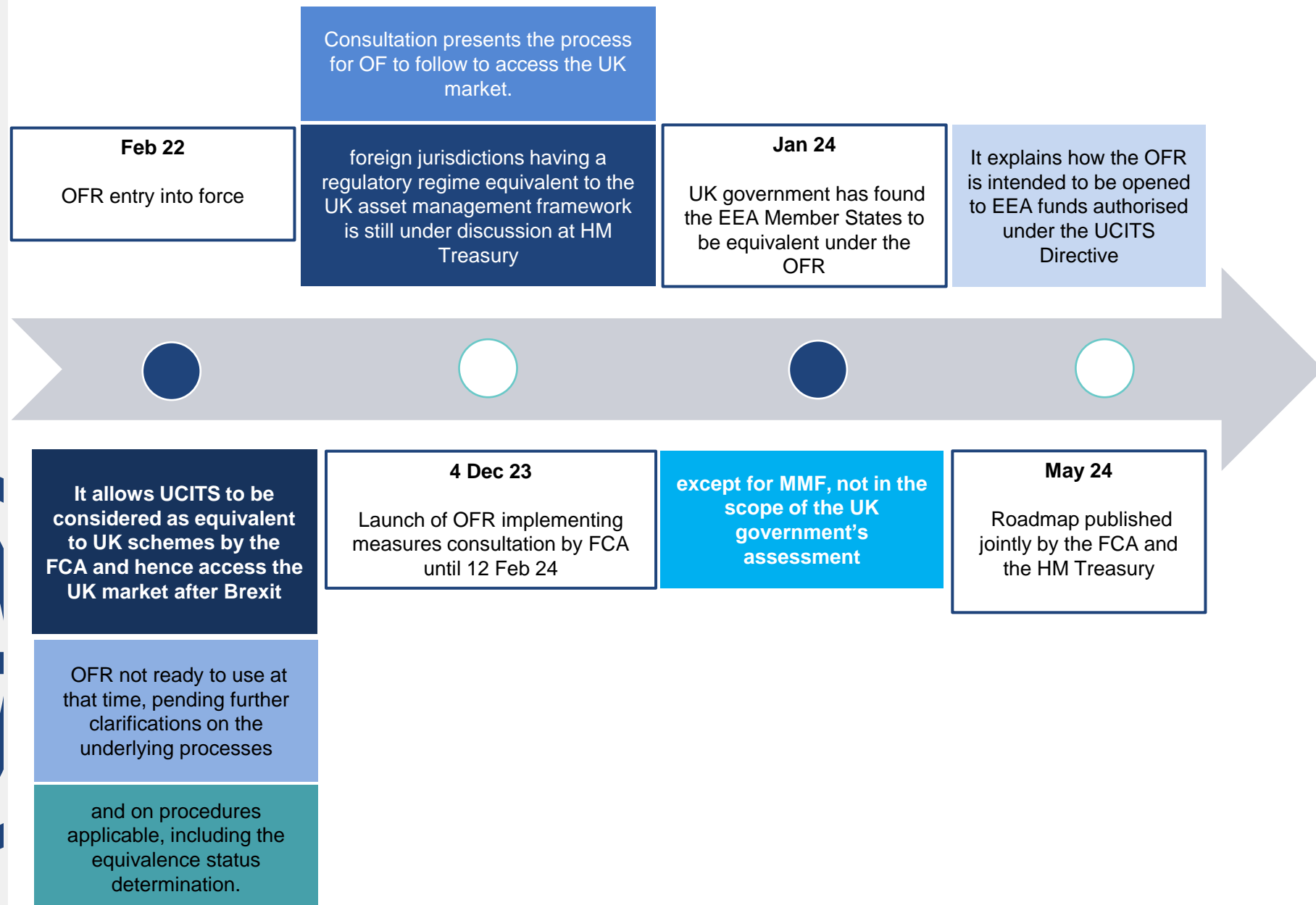


UK OVERSEAS FUND REGIME – OVERVIEW AND UPDATE



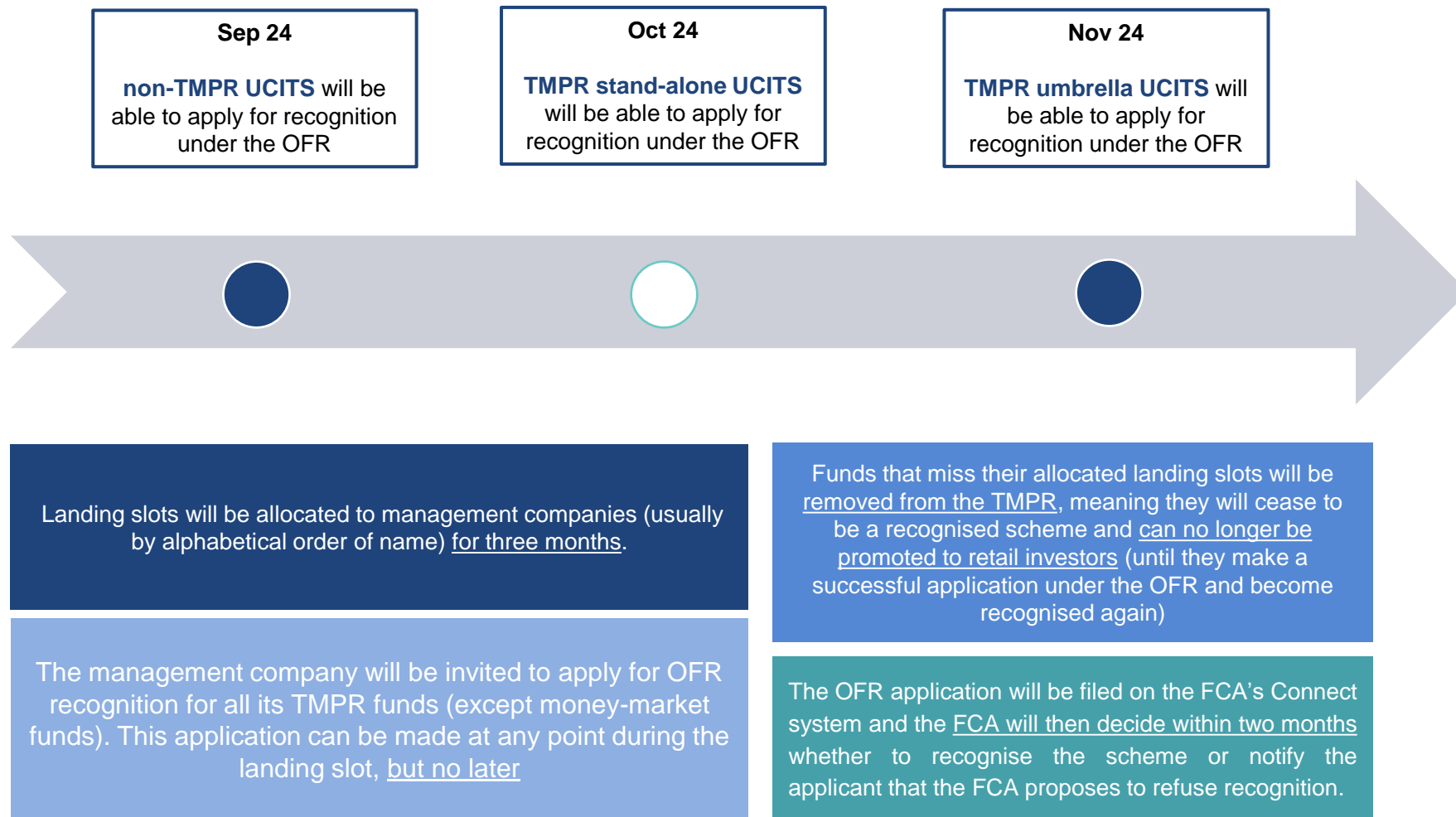
Overseas Fund Regime (OFR)

As of today



Overseas Fund Regime (OFR)

Roadmap – opening of the OFR gates



Overseas Fund Regime (OFR)

Roadmap



Roadmap:

A policy statement setting out the feedback received to the consultation on OFR implementing measures, to be published



Finalised rules and guidance to come into effect most likely in July 2024



Government consultation on extending the application of the UK SDR and labelling regime to OFR funds (likely to run from Q3 until Q4 2024)



The UK government and the FCA are reforming the UK's point-of sale disclosure requirements for retail-facing financial services products.

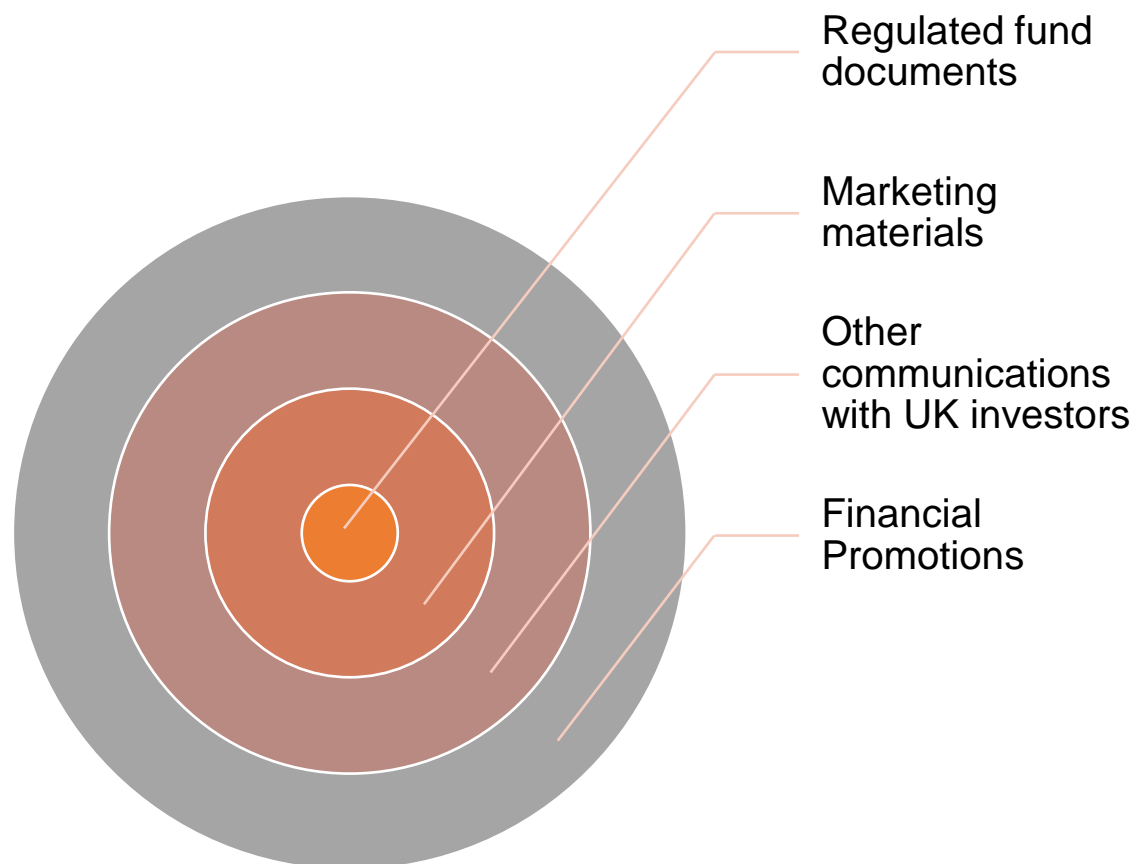


The UK is currently working on a new legislation that is expected to apply to overseas recognised funds from 1 January 2027, at the latest



MARKETING COMMUNICATIONS VS FINANCIAL PROMOTION REGIME





Financial Promotions can be made:

- By an FCA-authorized firm to UK retail investors
- By a non-FCA authorised firm (e.g. an offshore entity) if a relevant exemption applies to the promotion, under the Financial Promotions Order

Common exemptions for overseas funds:

- Promotions to investment professionals
- Communications that are required or authorised by enactments (covers prospectus and KID/KIID)
- Promotions by a ManCo (only) once the scheme is recognised to existing and prospective investors in that scheme (incl. retail) about that recognised scheme (only – no cross-selling)

Be aware of:

- Who is in the distribution chain: the rules apply to *communicators* of financial promotions too

Funds marketing communications - CSSF Scrutiny



CSSF general findings and observations 2021-2023 on marketing communications

Main CSSF's comments and further expectations on the content of marketing communications

- Identifying marketing communications by means of a prominent disclosure (labelling)
- Ensure data disclosed are consistent with the funds' documents and avoiding difficult-to-read communications (e.g. notes, disclaimers...)
- Clearly identify the type of investor(s) targeted by the marketing communications
- Use of hyperlinks should be limited (particularly when covering sustainability-related aspects) and should refer to the exact page where information can be found (not the homepage)
- Where the marketing communication displays a label, certification or rating, referring to the year it was awarded and naming the awarding entity, with at least a hyperlink to a website where an investor can find further information
- When disclosing costs associated with the investment, mentioning the periodicity of the costs as well as prominent indication that not all costs are presented (and that further information can be found in the prospectus or equivalent)
- Good balance between ESG and other type of information



OTHER RECENT DEVELOPMENTS INCLUDING TOKENISATION



Evolution & Outlook



AIFMD 2 / UCITS VI

EU Retail
Investment Strategy

Digitalisation and
Tokenisation

Notification Forms



UPCOMING UCITS WEBINARS

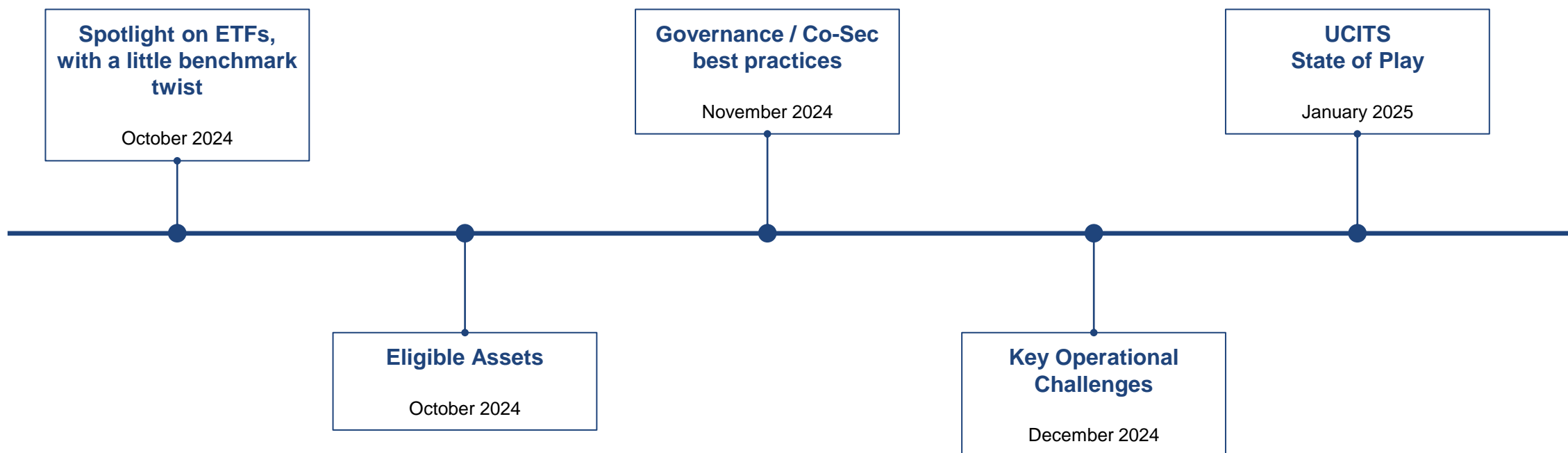
arendt.com

CONFIDENTIALITY REMINDER

This document is confidential and is intended solely for its recipient.
Do not distribute outside your organisation.



Upcoming UCITS Webinars



Your contacts



**Alexandra
Leininger**

Arendt
Regulatory &
Consulting



**Pierre-Yves
Mauchard**

Arendt &
Medernach



**Florence
Stainier**

Arendt &
Medernach





Important Notice and Disclaimer: Whilst a best efforts approach has been taken to ensure the accuracy of the information provided in this presentation, as at the date thereof, this information is only designed to provide with summarised, and therefore non complete, information regarding the topics covered. As such, this presentation does not constitute legal advice, it does not substitute for the consultation with legal counsel required prior to any undertakings and it should not be understood as investment guidelines. If you would like to receive a legal advice on any of the issues raised in this presentation, please contact us.