

AIFMD Co-operation Arrangements Are Agreed with 34 Regulators

June 3, 2013

In an important further step towards the implementation of the Alternative Investment Fund Managers Directive (AIFMD) in the European Economic Area (EEA) on July 22, 2013, the European Securities and Markets Authority (ESMA) announced on May 30, 2013 that it had reached agreement on co-operation arrangements with regulators in a number of countries outside of the EEA (so-called "Third Countries").

Country	Regulator
Albania	Financial Supervisory Authority of Albania
Australia	Australian Securities and Investment Commission
Bermuda	Bermuda Monetary Authority
Bosnia and Herzegovina	Republic of Srpska Securities Commission
Brazil	Comissão de Valores Mobiliários do Brasil
BVI	British Virgin Island Financial Securities Commission
Canada	Alberta Securities Commission
Canada	Autorité des Marchés Financiers du Quebec
Canada	British Columbia Securities Commission
Canada	Office of the Superintendent of Financial Institutions
Canada	Ontario Securities Commission
Cayman Islands	Cayman Islands Monetary Authority

Dubai	Dubai International Financial Centre Authority
Guernsey	Guernsey Financial Services Commission
Hong Kong	Hong Kong Monetary Authority
Hong Kong	Hong Kong Securities and Futures Commission
India	Securities and Exchange Board of India
Isle of Man	Financial Services Commission of the Isle of Man
Israel	Israel Securities Authority
Jersey	Jersey Financial Services Authority
Kenya	Capital Markets Authority of Kenya
Labuan	Labuan Financial Services Authority
Mauritius	Financial Services Commission of Mauritius
Montenegro	Securities and Exchange Commission of Montenegro
Morocco	Conseil Déontologique des Valeurs Mobilières of Morocco
Pakistan	Securities and Exchange Commission of Pakistan
Singapore	Monetary Authority of Singapore
Switzerland	Financial Market Supervisory Authority
Tanzania	Capital Markets and Securities Authority of Tanzania
Thailand	Securities and Exchange Commission Thailand
UAE	Emirates Securities and Commodities Authority
USA	Federal Reserve Board

USA	Office of the Comptroller of the Currency
USA	Securities and Exchange Commission

Why are co-operation arrangements important?

Some of the areas of AIFMD that relate to Third Countries require that co-operation agreements are in place between individual EEA countries and the relevant Third Country. The most important example is the facility given under Article 42 AIFMD to non-EEA alternative investment fund managers to market funds into the EEA. For example, as a result of the U.S. and Cayman Islands co-operation agreements being in place, a U.S. manager of a U.S. or Cayman Islands fund would be able to market that fund into the EEA under the applicable national private placement regimes.

What are the other key elements of the co-operation arrangements?

The key elements of the co-operation arrangements are:

- EEA and non-EEA authorities will be able to supervise fund managers that operate on a cross-border basis both within and outside the EEA;
- The co-operation between authorities includes the exchange of information, cross-border on-site visits and assistance in the enforcement of the respective laws;
- EEA securities regulators will be able to share relevant information received from non-EEA authorities with other EEA authorities, ESMA and the European Systemic Risk Board, provided appropriate safeguards apply; and
- The existence of co-operation arrangements between the EEA and non-EEA authorities is a precondition of the AIFMD for allowing managers based outside the EEA to access EEA markets or perform fund management by delegation from EEA managers.

Will co-operation arrangements be put in place in relation to other Third Countries?

ESMA is continuing to negotiate with regulators in other Third Countries with a view to putting in place further co-operation arrangements with those Third Countries.

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