

## Article 23

### Disclosure to investors

1. AIFMs shall for each of the EU AIFs that they manage and for each of the AIFs that they market in the Union make available to AIF investors, in accordance with the AIF rules or instruments of incorporation, the following information before they invest in the AIF, as well as any material changes thereof:
  - (a) [the name of the AIF](#), a description of the investment strategy and objectives of the AIF, information on where any master AIF is established and where the underlying funds are established if the AIF is a fund of funds, a description of the types of assets in which the AIF may invest, the techniques it may employ and all associated risks, any applicable investment restrictions, the circumstances in which the AIF may use leverage, the types and sources of leverage permitted and the associated risks, any restrictions on the use of leverage and any collateral and asset reuse arrangements, and the maximum level of leverage which the AIFM ~~are~~[is](#) entitled to employ on behalf of the AIF;
  - (b) a description of the procedures by which the AIF may change its investment strategy or investment policy, or both;
  - (c) a description of the main legal implications of the contractual relationship entered into for the purpose of investment, including information on jurisdiction, on the applicable law and on the existence or not of any legal instruments providing for the recognition and enforcement of judgments in the territory where the AIF is established;
  - (d) the identity of the AIFM, the AIF's depositary, auditor and any other service providers and a description of their duties and the investors' rights;
  - (e) a description of how the AIFM is complying with the requirements of Article 9(7);
  - (f) a description of any delegated management function as referred to in Annex I by the AIFM and of any safekeeping function delegated by the depositary, the identification of the delegate and any conflicts of interest that may arise from such delegations;
  - (g) a description of the AIF's valuation procedure and of the pricing methodology for valuing assets, including the methods used in valuing hard-to-value assets in accordance with Article 19;
  - (h) a description of the AIF's liquidity risk management, including the redemption rights, both in normal and in exceptional circumstances, ~~and~~[of](#) the existing redemption arrangements with investors, ~~and of~~[the possibility of, and conditions for, using liquidity management tools selected in accordance with Article 16\(2b\)](#);
  - (i) a description of all fees, charges and expenses and of the maximum amounts thereof which are directly or indirectly borne by investors;
  - (j) a description of how the AIFM ensures a fair treatment of investors and, whenever an investor obtains preferential treatment or the right to obtain preferential treatment, a description of that preferential treatment, the type of investors who obtain such preferential treatment and, where relevant, their legal or economic links with the AIF or AIFM;
  - (k) the latest annual report referred to in Article 22;
  - (l) the procedure and conditions for the issue and sale of units or shares;
  - (m) the latest net asset value of the AIF or the latest market price of the unit or share of the AIF, in accordance with Article 19;
  - (n) where available, the historical performance of the AIF;

- (o) the identity of the prime broker and a description of any material arrangements of the AIF with its prime brokers and the way the conflicts of interest in relation thereto are managed and the provision in the contract with the depositary on the possibility of transfer and reuse of AIF assets, and information about any transfer of liability to the prime broker that may exist;
  - (p) a description of how and when the information required under paragraphs 4 and 5 will be disclosed;
  - (q) a list of fees, charges and expenses that are borne by the AIFM in connection with the operation of the AIF and that are to be directly or indirectly allocated to the AIF.
2. The AIFM shall inform the investors before they invest in the AIF of any arrangement made by the depositary to contractually discharge itself of liability in accordance with Article 21(13). The AIFM shall also inform investors of any changes with respect to depositary liability without delay.
  3. Where the AIF is required to publish a prospectus in accordance with Directive 2003/71/EC or in accordance with national law, only such information referred to in paragraphs 1 and 2 which is in addition to that contained in the prospectus needs to be disclosed separately or as additional information in the prospectus.
  4. AIFMs shall, for each of the EU AIFs that they manage and for each of the AIFs that they market in the Union, periodically disclose to investors:
    - (a) the percentage of the AIF's assets which are subject to special arrangements arising from their illiquid nature;
    - (b) any new arrangements for managing the liquidity of the AIF;
    - (c) the current risk profile of the AIF and the risk management systems employed by the AIFM to manage those risks;
    - (d) the composition of the originated loan portfolio;
    - (e) on an annual basis, all fees, charges and expenses that were directly or indirectly borne by investors;
    - (f) on an annual basis, any parent undertaking, subsidiary or special purpose vehicle utilised in relation to the AIF's investments by or on behalf of the AIFM.
  5. AIFMs managing EU AIFs employing leverage or marketing in the Union AIFs employing leverage shall, for each such AIF disclose, on a regular basis:
    - (a) any changes to the maximum level of leverage which the AIFM may employ on behalf of the AIF as well as any right of the reuse of collateral or any guarantee granted under the leveraging arrangement;
    - (b) the total amount of leverage employed by that AIF.
  6. The Commission shall adopt, by means of delegated acts in accordance with Article 56 and subject to the conditions of Articles 57 and 58, measures specifying the disclosure obligations of AIFMs referred to in paragraphs 4 and 5, including the frequency of the disclosure referred to in paragraph 5. Those measures shall be adapted to the type of AIFM to which they apply.
  7. In order to ensure the uniform application of the rules relating to the name of the AIF, ESMA shall by 16 April 2026 develop guidelines to specify the circumstances in which the name of an AIF is unfair, unclear or misleading. Those guidelines shall take into account relevant sectoral legislation. Sectoral legislation setting standards for fund names or marketing of funds takes precedence over those guidelines.

## **Article 24**

### **Reporting obligations to competent authorities**

1. An AIFM shall regularly report to the competent authorities of its home Member State on the ~~principal~~ markets and instruments in which it trades on behalf of the AIFs it manages. ~~It shall~~The AIFM shall, in respect of each AIF it manages, provide information on the ~~main~~ instruments in which it is trading, on markets of which it is a member or where it actively trades, and on the ~~principal~~ exposures and ~~most important concentrations of each of the AIFs it manages~~assets of each AIF. That information shall include the identifiers that are necessary to connect the data provided on assets, AIFs and AIFMs to other supervisory or publicly available data sources.
2. An AIFM shall, for each of the EU AIFs it manages and for each of the AIFs it markets in the Union, provide the following to the competent authorities of its home Member State:
  - (a) the percentage of the AIF's assets which are subject to special arrangements arising from their illiquid nature;
  - (b) any new arrangements for managing the liquidity of the AIF;
  - (c) the current risk profile of the AIF~~and the risk management systems employed by the AIFM to manage,~~including the market risk, liquidity risk, counterparty risk~~and,~~ other risks including operational risk,and the total amount of leverage employed by the AIF;
  - (d) information ~~on the main categories of assets in which the AIF invested; and~~regarding delegation arrangements concerning portfolio management or risk management functions as follows:
    - (i) information on the delegates, specifying their name and domicile or registered office or branch, whether they have any close links with the AIFM, whether they are authorised or regulated entities for the purposes of asset management, their supervisory authority, where relevant, and including the identifiers of the delegates that are necessary to connect the information provided to other supervisory or publicly available data sources;
    - (ii) the number of full-time equivalent human resources employed by the AIFM for performing day-to-day portfolio management or risk management tasks within that AIFM;
    - (iii) a list and description of the activities concerning portfolio management and risk management functions which are delegated;
    - (iv) where the portfolio management function is delegated, the amount and percentage of the AIF's assets which are subject to delegation arrangements concerning the portfolio management function;
    - (v) the number of full-time equivalent human resources ~~employed by the AIFM to monitor the~~ delegation arrangements;
    - (vi) the number and dates of the periodic due diligence reviews carried out by the AIFM to monitor the delegated activity, a list of issues identified and, where relevant, of the measures adopted to address those issues and the date by which those measures are to be implemented;
    - (vii) where sub-delegation arrangements are in place, the information required under points (i), (iii) and (iv) in respect of the sub-delegates and the activities related to the portfolio management and risk management functions that are sub-delegated;
    - (viii) the commencement and expiry dates of the delegation and sub-delegation arrangements;
    - (ix) ~~(e)~~the results of the stress tests performed in accordance with point (b) of Article 15(3) and the second subparagraph of Article 16(1);
    - (x) the list of Member States in which the units or shares of the AIF are actually marketed by the AIFM or by a distributor which is acting on behalf of that AIFM.

3. The AIFM shall, on request, provide the following documents to the competent authorities of its home Member State:
  - (a) an annual report of each EU AIF managed by the AIFM and of each AIF marketed by it in the Union, for each financial year, in accordance with Article 22(1);
  - (b) for the end of each quarter a detailed list of all AIFs which the AIFM manages.
4. An AIFM managing AIFs employing leverage on a substantial basis shall make available information about the overall level of leverage employed by each AIF it manages, a break-down between leverage arising from borrowing of cash or securities and leverage embedded in financial derivatives and the extent to which the AIF's assets have been reused under leveraging arrangements to the competent authorities of its home Member State. That information shall include the identity of the five largest sources of borrowed cash or securities for each of the AIFs managed by the AIFM, and the amounts of leverage received from each of those sources for each of those AIFs. For non-EU AIFMs, the reporting obligations referred to in this paragraph are limited to EU AIFs managed by them and non-EU AIFs marketed by them in the Union.
5. Where necessary for the effective monitoring of systemic risk, the competent authorities of the home Member State may require information in addition to that described in this Article, on a periodic as well as on an ad-hoc basis. The competent authorities shall inform ESMA about the additional information requirements. In exceptional circumstances and where required in order to ensure the stability and integrity of the financial system, or to promote long-term sustainable growth, ESMA [after consulting the ESRB](#) may request the competent authorities of the home Member State [of the AIFM](#) to impose additional reporting requirements.

[ESMA shall develop draft regulatory technical standards specifying:](#)

- [\(a\) the details of the information to be reported in accordance with paragraph 1 and with paragraph 2, points \(a\), \(b\), \(c\), \(e\) and \(f\);](#)
- [\(b\) the appropriate level of standardisation of the information to be reported in accordance with paragraph 2, point \(d\);](#)
- [\(c\) the reporting frequency and timing.](#)

[When developing the draft regulatory technical standards referred to in the first subparagraph, point \(b\), ESMA shall not introduce reporting obligations in addition to those set out in paragraph 2, point \(d\).](#)

[When developing the draft regulatory technical standards referred to in the first subparagraph, points \(a\) and \(b\), ESMA shall take into consideration other reporting requirements to which the AIFMs are subject, international developments and standards, and the findings of the report issued in accordance with Article 69-a\(2\).](#)

[ESMA shall submit those draft regulatory technical standards to the Commission by 16 April 2027.](#)

[Power is delegated to the Commission to supplement this Directive by adopting the regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulation \(EU\) No 1095/2010.](#)

[ESMA shall develop draft implementing technical standards specifying:](#)

- [\(a\) the format and data standards for the reports referred to in paragraphs 1 and 2;](#)
- [\(b\) the identifiers that are necessary to connect the data on assets, AIFMs and AIFs in the reports referred to in paragraphs 1 and 2 to other supervisory or publicly available data sources;](#)
- [\(c\) the methods and arrangements for submitting the reports referred to in paragraphs 1 and 2 of this Article, including methods and arrangements to improve data standardisation and efficient sharing and use of data already reported in any Union reporting framework by any relevant competent](#)

authority, at Union or national level, taking into account the findings of the report issued in accordance with Article 69-a(2);

(d) the template, including the minimum additional reporting requirements, to be used by AIFMs in exceptional circumstances as referred to in paragraph 5, second subparagraph.

ESMA shall submit those draft implementing technical standards to the Commission by 16 April 2027.

Power is conferred on the Commission to adopt the implementing technical standards referred to in the first subparagraph in accordance with Article 15 of Regulation (EU) No 1095/2010.

6- The Commission shall adopt ~~by means of~~ delegated acts in accordance with Article 56 and subject to the conditions of Articles 57 and 58 ~~measures to supplement this Directive by~~ specifying-

~~(a) when leverage is to be considered to be employed on a substantial basis for the purposes of paragraph 4; and of this Article.~~

~~(b) the obligations to report and provide information provided for in this Article. Those measures shall take into account the need to avoid an excessive administrative burden on competent authorities.~~

## **Article 42**

Conditions for the marketing in Member States without a passport of AIFs managed by a non-EU AIFM

1. Without prejudice to Articles 37, 39 and 40, Member States may allow non-EU AIFMs to market to professional investors, in their territory only, units or shares of AIFs they manage subject at least to the following conditions:

(a) the non-EU AIFM complies with Articles 22, 23 and 24 in respect of each AIF marketed by it pursuant to this Article and with Articles 26 to 30 where an AIF marketed by it pursuant to this Article falls within the scope of Article 26(1). Competent authorities and AIF investors referred to in those Articles shall be deemed those of the Member States where the AIFs are marketed;

(b) appropriate cooperation arrangements for the purpose of systemic risk oversight and in line with international standards are in place between the competent authorities of the Member States where the AIFs are marketed, in so far as applicable, the competent authorities of the EU AIFs concerned and the supervisory authorities of the third country where the non-EU AIFM is established and, in so far as applicable, the supervisory authorities of the third country where the non-EU AIF is established in order to ensure an efficient exchange of information that allows competent authorities of the relevant Member States to carry out their duties in accordance with this Directive;

(c) the third country where the non-EU AIFM or the non-EU AIF is established is not ~~listed as a Non-Cooperative Country and Territory by FATF. Where a competent authority of an EU AIF does not enter into the required cooperation arrangements as set out in point (b) of the first subparagraph within a reasonable period of time, the competent authorities of the Member State where the AIF is intended to be marketed may refer the matter to ESMA which may act in accordance with the powers conferred on it under Article 19 of Regulation (EU) No 1095/2010.~~ identified as a high-risk third country pursuant to Article 9(2) of Directive (EU) 2015/849;

(d) the third country where the non-EU AIFM or non-EU AIF is established has signed an agreement with the Member State in which the units or shares of the non-EU AIF are intended to be marketed which fully complies with the standards laid down in Article 26 of the OECD Model Tax Convention on Income and on Capital and ensures an effective exchange of information in tax matters, including any

[multilateral tax agreements, and that third country is not mentioned in Annex I to the Council conclusions on the revised EU list of non-cooperative jurisdictions for tax purposes.](#)

2. Member States may impose stricter rules on the non-EU AIFM in respect of the marketing of units or shares of AIFs to investors in their territory for the purpose of this Article.
3. The Commission shall adopt, by means of delegated acts in accordance with Article 56 and subject to the conditions of Articles 57 and 58, measures regarding the cooperation arrangements referred to in paragraph 1 in order to design a common framework to facilitate the establishment of those cooperation arrangements with third countries.
4. In order to ensure uniform application of this Article, ESMA shall develop guidelines to determine the conditions of application of the measures adopted by the Commission regarding the cooperation arrangements referred to in paragraph 1.