

# Investment Management Alert

October 19, 2016

## Key Points

- ESMA's UCITS Remuneration Guidelines will apply from 1 January 2017 (subject to certain transitional provisions).
- They will affect UCITS Managers **and** delegates of UCITS Managers conducting investment management activities.
- ESMA's Amended AIFMD Remuneration Guidelines will also apply from 1 January 2017.



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## ESMA Publishes Final UCITS Remuneration Guidelines and Final Amendments to the AIFMD Remuneration Guidelines

The European Securities and Markets Authority (ESMA) on 14 October 2016, published final guidelines on the remuneration principles under Directive 2009/65/EC (UCITS Directive and UCITS Remuneration Requirements), as amended by Directive 2014/91/EU (UCITS V) (“UCITS Remuneration Guidelines”)<sup>1</sup>. The UCITS Remuneration Guidelines reflect those that were set out in ESMA’s final report on the subject<sup>2</sup>, which was published in March of this year (“Final Report”).

Firms that are authorised as UCITS management companies (or self-managed UCITS) (“UCITS Manager”) or that are delegates of a UCITS Manager, are encouraged to refer to our earlier [Alert](#) for an overview of the UCITS Remuneration Guidelines, and how contractual arrangements with delegates of a UCITS Manager will be affected.

ESMA has also published final amendments to its guidelines on sound remuneration policies under the AIFMD (“Amended AIFMD Remuneration Guidelines”)<sup>3</sup>, which reflect the amendments outlined in the Final Report.

Under the Amended AIFMD Remuneration Guidelines, AIFMs that are part of a group that is subject to different sectoral remuneration rules will remain subject to the AIFMD Remuneration Guidelines. However, the non-AIFMD sectoral remuneration rules that apply to other entities in the group may

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<sup>1</sup> Guidelines on sound remuneration policies under the UCITS Directive (ESMA/2016/575)

<sup>2</sup> Final Report: Guidelines on sound remuneration policies under the UCITS Directive and AIFMD (ESMA/2016/411)

<sup>3</sup> Guidelines on sound remuneration policies under the AIFMD (ESMA/21016/579)

nonetheless apply where those rules deem certain staff of the AIFM to be 'identified staff' for the purpose of those rules.

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