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## UK FCA to Extend AIFMD Annex IV Reporting to Master Funds

Non-EU Alternative Investment Fund Managers (AIFMs) that currently complete “Annex IV” regulatory reporting with the FCA in respect of feeder funds are not required to complete the Annex IV report in respect of the master fund, on the condition that the master fund is a non-EEA fund and is not marketed in the EEA. As a result, non-EEA managers of master-feeder structures often do not need to satisfy Annex IV reporting in respect of the master fund.

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The FCA announced on 25 January 2017 a change to this position. With effect from 29 June 2017, the FCA will require non-EEA AIFMs also to complete Annex IV in respect of the master fund, regardless of whether or not the master fund was marketed in the EEA. This change only applies to an AIFM that currently reports information to the FCA on a quarterly basis – so it does not apply to an AIFM that reports either on a half-yearly basis or to most private equity fund AIFMs that report on a yearly basis.

The position for UK authorized managers will also change. UK authorized managers that are subject to the quarterly reporting requirement will need to complete Annex IV for each non-EEA fund that is not marketed in the EEA. UK managers that are subject to the reporting requirement for non-EEA master funds (either because the feeder fund is an EEA fund or is a non-EEA fund that is marketed in the EEA) will only need to continue to complete Annex IV for the master fund if they are also subject to the quarterly reporting requirement.

The first quarterly Annex IV report for the relevant master fund will need to be filed by 31 July 2017, for the quarter April to June 2017. Managers in scope should take steps soon to address the new requirement.

In taking this step, the FCA has aligned itself with a number of other EU member state regulators and has acted in accordance with a power granted by the European Securities and Markets Association (ESMA) to member state regulators. The FCA consulted on this rule change in July last year, explaining that the change was designed to reduce gaps in information received on master funds.

A link to the rule change is [here](#).