

Corporate & Financial Weekly Digest

Posted at 1:56 PM on October 22, 2010 by [Edward Black](#)

European Council Announces Agreement on AIFMD

On October 19, the Economic and Financial Affairs Council of the European Union (ECOFIN) published a press release announcing that agreement had been reached on the Alternative Investment Fund Managers Directive (AIFMD). The Council hopes for a final text of the AIFMD to be before the European Parliament by November 10 (which would give an implementation deadline of early 2013 for member states).

The ECOFIN proposal appears to be based on the compromise proposal released on October 15 by the Belgian presidency of the EU Council (the Proposal). The Proposal sets out a dual system allowing non-EU managers to apply for a passport from 2015, while EU managers would be able to obtain a passport from implementation. The existing private placement regime would be replaced by this system in 2018 if the passport for non-EU managers was successful.

Under the Proposal, funds managed by EU managers must have depositaries, which must be liable to the fund, or to investors, for the loss of any financial instruments which they hold for the fund. This liability remains even where responsibility for custody has been delegated to a third party.

For more information, click [here](#).

Click [here](#) to read an October 20 Katten *Client Advisory* on the AIFMD.

Katten Muchin Rosenman LLP

Charlotte Chicago Irving London Los Angeles New York Washington, DC