

Regulatory News Alert

UCITS V transposition – only four weeks left to comply in full!

20 September 2016

Level II measures have left some **key issues unclarified**, while at the same time the enhanced sanction regime is putting additional pressure on the industry to be fully compliant by the dead-line.

Hot topics for Management Companies and Depositaries are today on the Independence rules, as well as on the practical dimensions of the implementation of sound remuneration policies.

Independency between management Company and Depositary

There has been disagreements on the market place as to the actual reach and operational implications of the independence requirements between Management Company and the Depositary. CSSF is yet to clarify the prohibition of cross mandates and the need for introducing independent representation at the boards of group linked entities; this may result in the need to restructure substantially the board composition of these institutions on short term notice.

Management Companies are also required to document the objective choice of their Depositary and additional business conduct rules must be introduced where there is a (group) link. Challenge is to build a valuable operational governance framework with non-exhaustive official guidances.

Remuneration practices

Management Companies still encounter challenges in transposing the rules into the specificities of their organization; qualification of identified staff, payments in instruments, disclosure requirements as well as the reliance on the proportionality principle are some of the recurring concerns which Management Companies must address in a way that ultimately meets the objectives of the legislator.

Deloitte has a team of experts around all relevant UCITS V topics. We would be happy to organize one hour **informal session** in order to initiate discussions around the readiness of your organization in light of the UCITS V framework.

Your contacts

Vincent Gouverneur

Partner | EMEA IM Leader

Tel: +352 45145 2451

vgouverneur@deloitte.lu

Benjamin Collette

*Partner | Global IM Advisory & Consulting
Leader*

Tel: +352 45145 2809

bcollette@deloitte.lu

Benjamin Lam

*Partner | FSI, Investment Funds & Hedge
Funds Leader*

Tel: +352 45145 2429

blam@deloitte.lu

Simon Ramos

*Partner | Regulatory Strategy & Depository
services Leader*

Tel: +352 45145 2702

siramos@deloitte.lu

Pierre-Jean Estagerie

*Partner | Personal Tax Leader &
Remunerations services Leader*

Tel: +352 45145 4940

pjestagerie@deloitte.lu

Lou Kiesch

Partner | Regulatory Strategy

Tel: +352 45145 2456

lkiesch@deloitte.lu

Sandrine Leclercq

Director | Regulatory Strategy

Tel: +352 45145 3004

saleclercq@deloitte.lu

Gerard Lorent

Director | Regulatory Strategy

Tel: +352 45145 4278

gelorent@deloitte.lu

Deloitte Luxembourg

560, rue de Neudorf

L-2220 Luxembourg

Tel: +352 451 451

Fax: +352 451 452 401

www.deloitte.lu

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