

New funds supervision team

04 NOVEMBER 2014

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CATEGORY:

ARTICLE

In a speech given by William Amos, director of wholesale banking and investment management, the FCA has announced, that it is creating a fund authorisation and supervision team. The speech focuses on the need for the FCA to ensure investors are receiving the right outcomes from their investments and on the expectations the FCA has of investment managers.

The remit of the new fund authorisation and supervision team is broadly:

- to improve the FCA's internal systems and processes to be more efficient in delivering high quality scrutiny of new funds and changes to existing funds at the gateway
- to enhance the protection of investors throughout the fund's lifecycle

One of the themes identified as a particular area of interest was in valuation and liquidity management. As a result, the FCA will be using property funds as case studies to explore how firms deal with assets that can be difficult to value and where fund liquidity needs to be carefully monitored and managed.

In light of this new separate fund supervision team firms should therefore consider whether their internal processes adequately cover the whole fund product life-cycle. For example, by regularly checking that:

- the fund is compliant with the investment mandate
- there is appropriate transparency and disclosure to investors
- the investors' interests are best served throughout the fund life-cycle
- all the decisions made, manage conflicts of interest and produce the best possible outcomes for investors

FCA question and answers on AIFMD reporting

The FCA has published a set of question and answers for alternative investment fund managers on reporting Annex IV transparency information under the Alternative Investment Fund Managers Directive (AIFMD). The questions and answers cover the following areas:

- who is required to report transparency information
- what transparency information must be reported
- how the FCA will collect transparency information
- registering and using GABRIEL (the FCA's online reporting tool) to report transparency information
- key dates on which FCA systems will support reporting of transparency information


The European Securities and Market Authority (ESMA) has also updated its own AIFMD question and answers on the application of the AIFMD, which includes ten new questions relating to reporting and valuations under Articles 3, 24 and 42.

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