



18 March 2013

Alternative Investment Fund Managers Directive (AIFMD) – Depositaries

Introduction

The FSA is seeking your participation in this expression of interest survey in support of planning for AIFMD implementation.

The purpose of this email is to communicate with firms who may be considering whether to provide depositary services to an *Alternative Investment Fund* (AIF), under the requirements of AIFMD, from its implementation on 22 July 2013.

Through engagement with firms we want to understand better the potential number and nature of applications that might be received from firms for authorisation to carry out the proposed new regulated activity of *acting as trustee or depositary of an AIF*.

We understand that your firm might be considering whether to provide this depositary service.

Acting as a depositary of an AIF

The AIFMD will be implemented on 22 July 2013 and under Article 21 (1) the *Alternative Investment Fund Manager* (AIFM) shall ensure that a single depositary is appointed in accordance with the Article in relation to each AIF it manages. The directive outlines the types of institution eligible to become a depositary, the depositary functions, and tasks and responsibilities.

To implement the AIFMD, HM Treasury (as set out in its January 2013 consultation document) intends to make changes to the Regulated Activities Order including the creation of a new regulated activity of *acting as trustee or depositary of an AIF*.

Any firm wishing to carry out this new regulated activity will need to apply for authorisation to do so. The FSA's consultation paper CP12/32 *Implementation of the Alternative Investment Fund Managers Directive* sets out which UK firms can be appointed as a depositary of an AIF.

We anticipate that the population of firms that will be interested in carrying out the new activity will include: firms that are currently authorised under Financial Services and Markets Act 2000 (FSMA) to act as a trustee of an authorised unit trust or a depositary of an OEIC; firms not acting as a trustee or depositary but authorised to carry on another type of regulated activity under FSMA; and firms that are not currently authorised under FSMA.

Expression of Interest

We are interested in understanding which firms might apply for authorisation to carry out the new regulated activity of *acting as trustee or depositary of an AIF*, which types of AIF they might offer services to (for example, whether they intend to operate under the regime of a “private equity AIF depositary” as proposed in CP12/32) and the likely timing of any applications.

It will be necessary for certain firms who are currently managing and/or marketing AIFs, or who propose to begin carrying out those activities before 22 July 2013, to apply for authorisation to be an AIFM from 22 July 2013 in order to continue to carry out those activities post AIFMD implementation. It will be necessary for firms requiring this authorisation to ensure that a depositary has been appointed under an AIFMD-compliant contract for each AIF managed. To provide that depositary service, it will be necessary for a depositary to be authorised from 22 July 2013 to carry out the new regulated activity of *acting as trustee or depositary of an AIF*.

If the FCA (from 1 April 2013) is able to accept applications for authorisation to act as trustee or depositary of an AIF earlier than 22 July 2013, do you intend to apply? If not, would you consider applying for authorisation after that date?

If you intend to apply, have you decided what types of AIF you wish to provide services to? A brief description will be sufficient.

Any information that you can provide to us regarding your interest or intention would be helpful. You should not consider your response to be an application for authorisation to carry out the activity of *acting as trustee or depositary of an AIF*, or as a part of an application process. Any information you do provide would not be taken into account should you decide to apply for authorisation. We should be grateful for a response by 21 March 2013.

The information you provide will be used to better understand the likely volume and types of applications that might be received from prospective AIF depositaries in advance of the 22 July 2013 implementation date and applications that might be received after that date.

If you have already established that your firm will want to carry out the activity of *acting as trustee or depositary of an AIF* and that you intend to apply for authorisation to carry out that activity from 22 July 2013, the FSA’s Authorisations Division (the FCA’s Authorisation Division from 1 April 2013) would welcome early engagement with you about your intended application.

When responding please contact Nick Thomas of FSA’s Authorisations Division - telephone (020) 7066 1618 or email AIFMD-Depositories@fsa.gov.uk.

Yours truly



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