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## Updates on ESMA AIFMD and UCITS Q&As in relation to the depositary function

In June 2019, the European Securities and Markets Authority (ESMA) has published updated questions and answers documents (Q&A) on: (a) the application of the Alternative Investment Fund Managers Directive (AIFMD); and (b) the Undertakings for the Collective Investment in Transferable Securities (UCITS) Directive (hereunder referred to as the Q&A documents). The purpose of the Q&A documents is to promote common supervisory approaches and practices in relation to both the AIFMD and the UCITS Directive and their implementing measures in relation to the depositary function.

The Q&A documents can be found at:

- AIFMD: [https://www.esma.europa.eu/sites/default/files/library/esma34-32-352\\_qa\\_aifmd.pdf](https://www.esma.europa.eu/sites/default/files/library/esma34-32-352_qa_aifmd.pdf)
- UCITS: [https://www.esma.europa.eu/sites/default/files/library/esma34-43-392\\_qa\\_ucits\\_directive.pdf](https://www.esma.europa.eu/sites/default/files/library/esma34-43-392_qa_ucits_directive.pdf)

The revised sections in the Q&As, namely Questions 10 to 14 of Section VI of the AIFMD Q&A and Questions 2 to 6 of Section X of the AIFMD Q&A cover depositary functions, including:

- distinction between depositary functions and mere supporting tasks that are not subject to the delegation requirements set out in the AIFMD and UCITS Directive;
- delegation of safekeeping functions;
- performance of depositary functions where there are branches in other Member States;
- supervision of depositary functions in case of branches in other Member States; and
- delegation of depositary functions to another legal entity within the same group.