

PRESS RELEASE

ESMA clarifies reporting requirements for alternative fund managers

The European Securities and Markets Authority (ESMA) has published [final guidelines](#) on the reporting obligations for alternative investment fund managers (AIFMs). ESMA's Guidelines, which relate to the Alternative Investment Fund Managers Directive (AIFMD), will require AIFMs – which includes hedge funds, private equity and real estate funds – to regularly report certain information to national supervisors.

The Guidelines clarify provisions of the AIFMD on required information, which will help to have a more comprehensive and consistent oversight of AIFMs' activities. ESMA has also published an Opinion that proposes introducing additional periodic reporting including such information as Value-at-Risk of AIFs or the number of transactions carried out using high frequency algorithmic trading techniques.

Steven Maijoor, ESMA Chair, said:

“One of the key objectives of the AIFMD is bringing the alternative fund world under supervision thus providing more transparency to investors and regulators. As the AIFMD came into force in July, both AIFMs and national supervisors now need to prepare for their regulatory filings as it is these reports which will enable supervisors to monitor the systemic risks of AIFs. In order to achieve this objective, national supervisors should receive all the necessary information in order to ensure an appropriate overview of the sector.

Our guidelines and Opinion will help to standardise the reporting across the EU. It will also facilitate the exchange of information between national regulators, ESMA and the ESRB.”

Managers need to report investment strategies, exposure and portfolio concentration

According to the Guidelines, key elements AIFs will have to report to national supervisors include information on:

Portfolio concentration:

- the breakdown of investment strategies of AIFs
- the principal markets/ instruments in which an AIF trades;
- total value of assets under management of each AIF managed;
- turnover of the AIFs; and
- principal exposures and most important portfolio concentration of the AIFs.

The key elements of the additional information proposed by ESMA's Opinion would include:

Risk profile:

- AIFs' risk measures;
- the liquidity profile of the AIFs; and
- the leverage of the AIFs.

ESMA is also publishing some technical supporting material (a consolidated reporting template, detailed IT guidance for filing of the XML and the XSD schema) that will facilitate the reporting by AIFMs to regulators.

Next steps

The Guidelines will be translated into the official languages of the EU. National competent authorities will then have two months from the date of the publication of the translations on ESMA's website, to confirm to ESMA whether they comply or intend to comply with the Guidelines by incorporating them into their supervisory practices.



Notes for editors

1. ESMA's AIFMD reporting Guidelines, Opinion and the reporting templates are available on ESMA's [website](#).
2. ESMA is an independent EU Authority that was established on 1 January 2011 and works closely with the other European Supervisory Authorities responsible for banking (EBA), and insurance and occupational pensions (EIOPA), and the European Systemic Risk Board (ESRB).
3. ESMA's mission is to enhance the protection of investors and promote stable and well-functioning financial markets in the European Union (EU). As an independent institution, ESMA achieves this aim by building a single rule book for EU financial markets and ensuring its consistent application across the EU. ESMA contributes to the regulation of financial services firms with a pan-European reach, either through direct supervision or through the active co-ordination of national supervisory activity.

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