

10 April 2026

## Circular Providing Clarifications on Liquidity Management Requirements introduced under AIFMD II and UCITS VI

### I. Introduction

The MFSA remains engaged in the completion of the remaining steps to align the local regulatory framework with Directive (EU) 2024/927 of the European Parliament and of the Council of 13 March 2024 amending Directives 2009/65/EC and 2011/61/EU (“AIFMD II / UCITS VI”). A further communication will be issued in this regard.

UCITS Management Companies, AIFMs of open-ended AIFs as well as self-managed AIFs and UCITS funds, are encouraged to continue their preparatory work for the application of the revised framework.

### II. Selection of Liquidity Management Tools (“LMTs”)

With respect to Liquidity Management Tools, UCITS management companies, AIFMs managing open-ended AIFs, as well as, self-managed UCITS and self-managed AIFs that have open-ended funds, shall ensure that, in addition to the use of side pockets as well as suspensions, at least two liquidity management tools shall be selected for all funds under management.

Such LMTs shall be selected from those set out in Annex V of AIFMD II / Annex IIA of UCITS VI, in accordance with Article 16(2)(b) of AIFMD II and Article 18(a) of UCITS VI, respectively. This selection shall be based on an assessment of the suitability of those LMTs in relation to the investment strategy, the liquidity profile and the redemption policy of the UCITS or AIF. This requirement will apply at sub-fund level.

In case there is need for any changes to the offering documentation as a result of selecting the two required Liquidity Management Tools, such changes should be submitted to [ausecurities@mfsa.mt](mailto:ausecurities@mfsa.mt).

Suspensions of subscriptions, redemptions and repurchases, as well as the use of side pockets, are regarded as extraordinary liquidity management tools that should be available to the Management Company in specific circumstances over and above the two LMTs referred to in Annex V, points 2 to 8 of AIFMD II and Annex IIA, points 2-8 of UCITS. The MFSA expects that such tools are disclosed in the fund’s offering documentation in the interest of transparency.

### **III. Application of ESMA Regulatory Technical Standards and Guidelines on Liquidity Management Tools**

As regards the full operational implementation of liquidity management policies and procedures in line with the ESMA regulatory technical standards (“RTS”) and ESMA Guidelines, UCITS Management Companies, AIFMs of open-ended AIFs as well as self-managed AIFs and UCITS funds, have a transitional period of one year, until 16 April 2027 to align their liquidity management frameworks with the RTS and Guidelines. For funds authorised or launched on or after 16 April 2026, Management Companies shall ensure that the selected LMTs are fully operational from the outset.

### **IV. Clarifications on the Applicability of the LMT Requirements**

The MFSA further clarifies that funds which qualify as open-ended AIFs remain within scope of the LMT requirements notwithstanding the presence of lock-up periods. Accordingly, such funds are expected to select and disclose the required LMTs within the applicable timeframe, even where the use of such tools may only become relevant upon the expiry of the lock-up period. For umbrella structures, the MFSA expects that the LMT framework is assessed and applied at sub-fund level.

In the context of mergers between funds, where a transaction results in the creation of a newly authorised fund, such fund will be treated as a new fund. Conversely, where no new authorisation is required and the legal entity remains unchanged, the fund will be treated as an existing fund. Similarly, funds undergoing changes to their investment strategy or other structural features without the creation of a new legal entity will be considered as existing funds.

### **V. Conclusion**

AIFMs and UCITS ManCos are required to carry out a careful assessment to ensure that: (a) suspensions as well as side pockets are available and notified to the MFSA by 16 April 2026; and (b) two other LMTs are identified and also reflected in the Offering Documentation, as well as, Instruments of Incorporation as necessary by 16 April 2026. Subsequently, AIFMs and UCITS ManCos of existing funds have until 16 April 2027 to align with the ESMA RTS and ESMA Guidelines on Liquidity Management Tools.